

Vote Forestry

APPROPRIATION MINISTER(S): Minister of Forestry (M35)

DEPARTMENT ADMINISTERING THE VOTE: Ministry for Primary Industries (A14)

RESPONSIBLE MINISTER FOR MINISTRY FOR PRIMARY INDUSTRIES: Minister of Agriculture

Overview of the Vote

The Minister of Forestry is responsible for appropriations in the Vote for the 2024/25 financial year covering just over \$212 million for the following:

- just under \$63 million for the provision of advice to support decision-making by Ministers, implementation of policy decisions, operational policy and administration of legislation relating to forestry
- just over \$44 million for the operational management of the Crown's forests
- just under \$27 million for the North Island Weather Event Cyclone Gabrielle response and recovery
- just under \$25 million for climate emergency response implementation and administration
- just over \$17 million for the provision of initiatives, grants and programmes to establish trees or build skills, capability and capacity in the forestry sector
- \$5 million for the purchase or planting of the Crown's forestry assets
- \$6.300 million for the projects which protect erosion-prone hill country
- just over \$6 million for the administration of government approved schemes, grants and assistance to the forestry sector
- just under \$10 million for supporting investments in the Forestry sector that contribute to achieving New Zealand's domestic and international climate targets
- just under \$3 million for supporting community and industry groups to implement programmes in the Forestry Sector funded from the Climate Emergency Response Fund
- just over \$4 million for forestry and other economic development and erosion control in the Tairāwhiti region, and
- just under \$2 million for the management of the Crown's interest in forest and forestry-related assets.

Crown Revenue and Capital Receipts

Ministers expect to collect just over \$42 million of Crown revenue and capital receipts in 2024/25. This is mainly comprised of sale of forest produce revenue.

Details of these appropriations are set out in Parts 2-4.

Details of Appropriations and Capital Injections

Annual Appropriations and Forecast Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Multi-Category Expenses and Capital Expenditure			
Growth and Development of the Forestry Sector MCA (M35) (A14)	179,108	179,108	202,720
The single overarching purpose of this appropriation is to support the growth and development of the forestry sector.			
Departmental Output Expenses			
<i>Forestry: Administration of Grants and Programmes</i>	5,891	5,891	6,292
This category is limited to the administration of government approved schemes, grants and assistance to the forestry sector.			
<i>Forestry: Climate Emergency Response implementation and administration</i>	23,664	23,664	24,659
This category is limited to expenses incurred in implementing and administering programmes in the Forestry Sector funded from the Climate Emergency Response Fund.			
<i>Forestry: Management of the Crown's Forestry Assets</i>	1,954	1,954	1,985
This category is limited to the management of the Crown's interest in forests and forestry-related assets.			
<i>Forestry: Policy Advice and Ministerial Servicing</i>	63,858	63,858	62,853
This category is limited to supporting Ministers on Government policy matters through the provision of advice (including second opinion advice and contributing to policy advice led by other agencies), implementation of policy decisions, operational policy, administering legislation, and ministerial servicing relating to forestry.			
Non-Departmental Output Expenses			
<i>Forestry: Climate Emergency Response Fund</i>	4,578	4,578	2,951
This category is limited to supporting community and industry groups to implement programmes in the Forestry Sector funded from the Climate Emergency Response Fund.			
<i>Forestry: Operational management of the Crown's Forests</i>	38,840	38,840	44,298
This category is limited to the purchase of forestry operation and management services.			
Non-Departmental Other Expenses			
<i>Forestry: Grants and partnerships programmes</i>	23,470	23,470	17,149
This category is limited to the use of initiatives and grants, and programmes to establish trees or build skills, capability and capacity in the forestry sector.			
<i>Forestry: Hill Country Erosion Fund</i>	7,175	7,175	6,300
This category is limited to projects that protect erosion-prone hill country.			
<i>North Island Weather Event: Cyclone Gabrielle Response and Recovery</i>	4,600	4,600	26,750
This category is limited to providing support to councils to take short to medium term measures towards mitigating the risk from woody debris to critical infrastructure in the event of significant weather events.			
Non-Departmental Capital Expenditure			
<i>Forestry: Capital Climate Response Investments</i>	5,078	5,078	9,483
This category is limited to supporting investments in the Forestry sector that contribute to achieving New Zealand's domestic and international climate targets.			
Total Multi-Category Expenses and Capital Expenditure	179,108	179,108	202,720
Total Annual Appropriations and Forecast Permanent Appropriations	179,108	179,108	202,720

Multi-Year Appropriations

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Non-Departmental Other Expenses		
Forestry and Other Economic Development, and Erosion Control (M35) (A14) This appropriation is limited to forestry and other economic development and erosion control in the Tairāwhiti region. Commences: 01 July 2021 Expires: 30 June 2026	Original Appropriation	2,000
	Adjustments to 2022/23	14,250
	Adjustments for 2023/24	-
	Adjusted Appropriation	16,250
	Actual to 2022/23 Year End	1,689
	Estimated Actual for 2023/24	4,220
	Estimate for 2024/25	4,300
	Estimated Appropriation Remaining	6,041
Non-Departmental Capital Expenditure		
Forestry: Capital investment in the Crown's Forestry Assets (M35) (A14) This appropriation is limited to the purchase or planting of the Crown's Forestry assets. Commences: 01 July 2022 Expires: 30 June 2027	Original Appropriation	55,600
	Adjustments to 2022/23	21,082
	Adjustments for 2023/24	-
	Adjusted Appropriation	76,682
	Actual to 2022/23 Year End	2,817
	Estimated Actual for 2023/24	5,000
	Estimate for 2024/25	5,000
	Estimated Appropriation Remaining	63,865

Total Annual Appropriations and Forecast Permanent Appropriations and Multi-Year Appropriations

	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Annual Appropriations and Forecast Permanent Appropriations	179,108	179,108	202,720
Total Forecast MYA Non-Departmental Other Expenses	4,220	4,220	4,300
Total Forecast MYA Non-Departmental Capital Expenditure	5,000	5,000	5,000
Total Annual Appropriations and Forecast Permanent Appropriations and Multi-Year Appropriations	188,328	188,328	212,020

Supporting Information

Part 1 - Vote as a Whole

1.1 - New Policy Initiatives

Policy Initiative	Appropriation	2023/24 Final Budgeted \$000	2024/25 Budget \$000	2025/26 Estimated \$000	2026/27 Estimated \$000	2027/28 Estimated \$000
Continued Recovery from the North Island Weather Events	Growth and Development of the Forestry Sector (MCA) Forestry: Administration of Grants and Programmes Departmental Output Expenses	-	250	-	-	-
	Growth and Development of the Forestry Sector (MCA) North Island Weather Event: Cyclone Gabrielle Response and Recovery Non-Departmental Other Expenses	-	26,750	-	-	-
Catalyst Wood Processing Growth Fund - Return of Fundings	Growth and Development of the Forestry Sector (MCA) Forestry: Climate Emergency Response Fund Non-Departmental Output Expenses	-	(1,000)	(1,000)	(1,000)	(1,000)
Establishing Native Forests at Scale - Return of Funding	Growth and Development of the Forestry Sector (MCA) Forestry: Climate Emergency Response implementation and administration Departmental Output Expenses	-	(2,600)	(2,600)	(2,600)	(2,600)
Woody Biomass Planting Programme - Return of Funding	Growth and Development of the Forestry Sector (MCA) Forestry: Climate Emergency Response implementation and administration Departmental Output Expenses	-	(2,000)	(2,000)	(2,000)	(2,000)
Ministry for Primary Industries Operating Efficiencies - Return of Funding	Growth and Development of the Forestry Sector (MCA) Forestry: Policy Advice and Ministerial Servicing Departmental Output Expenses	-	(2,674)	(2,174)	(2,174)	(2,174)
Mini Budget, Budget 2024 and the Fiscal Sustainability Programme	Growth and Development of the Forestry Sector (MCA) Forestry Policy Advice and Ministerial Servicing Departmental Output Expenses	-	(1,200)	(1,400)	-	-
	Growth and Development of the Forestry Sector (MCA) Forestry: Grants and Partnership Programmes Non-Departmental Output Expenses	(1,950)	(8,500)	(6,600)	-	-

Policy Initiative	Appropriation	2023/24 Final Budgeted \$000	2024/25 Budget \$000	2025/26 Estimated \$000	2026/27 Estimated \$000	2027/28 Estimated \$000
Initial financial drawdown of NZ ETS market governance tagged contingency	Growth and Development of the Forestry Sector (MCA) Forestry: Policy Advice and Ministerial Servicing Departmental Output Expenses	316	398	209	219	-
Total Initiatives		(1,634)	9,424	(15,565)	(7,555)	(7,774)

1.2 - Trends in the Vote

Summary of Financial Activity

	2019/20	2020/21	2021/22	2022/23	2023/24		2024/25			2025/26	2026/27	2027/28
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Final Budgeted \$000	Estimated Actual \$000	Departmental Transactions Budget \$000	Non- Departmental Transactions Budget \$000	Total Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
Appropriations												
Output Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Benefits or Related Expenses	-	-	-	-	-	-	N/A	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	8,802	4,765	1,026	663	4,220	4,220	-	4,300	4,300	6,041	-	-
Capital Expenditure	14,899	8,084	4,418	2,817	5,000	5,000	-	5,000	5,000	5,000	58,865	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Multi-Category Expenses and Capital Expenditure (MCA)												
<i>Output Expenses</i>	115,238	124,158	100,952	110,887	138,785	138,785	95,789	47,249	143,038	132,157	91,149	91,200
<i>Other Expenses</i>	22,432	51,670	43,188	77,346	35,245	35,245	-	50,199	50,199	9,033	7,427	7,427
<i>Capital Expenditure</i>	-	-	-	-	5,078	5,078	N/A	9,483	9,483	6,985	1,874	1,874
Total Appropriations	161,371	188,677	149,584	191,713	188,328	188,328	95,789	116,231	212,020	159,216	159,315	100,501
Crown Revenue and Capital Receipts												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	94,675	117,363	56,759	38,902	27,266	27,266	N/A	42,584	42,584	26,271	5,281	5,464
Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-
Total Crown Revenue and Capital Receipts	94,675	117,363	56,759	38,902	27,266	27,266	N/A	42,584	42,584	26,271	5,281	5,464

Note - where restructuring of the vote has occurred then, to the extent practicable, prior years information has been restated as if the restructuring had occurred before the beginning of the period covered. In this instance Total Appropriations for the Budgeted and Estimated Actual year may not equal Total Annual Appropriations and Forecast Permanent Appropriations and Multi-Year Appropriations in the Details of Appropriations and Capital Injections.

Adjustments to the Summary of Financial Activity Table Due to Vote Restructuring

There have been no restructuring adjustments to prior year information in the Summary of Financial Activity table.

1.3 - Analysis of Significant Trends

Non-Departmental Other Expenses

Non-departmental other expenditure trends down over the forecast period. This is primarily due to funding of the Forestry Grants and Partnerships decreasing.

Crown Revenue and Capital Receipts

Crown Revenue or Capital Receipt Item	2023/24		2024/25	Description of Crown Revenue or Capital Receipt Item
	Budgeted \$000	Estimated Actual \$000	Budgeted \$000	
Crown Revenue				
Sale of Forest Produce	27,266	27,266	42,584	Revenue from the sale of forest produce from Crown forests is higher in 2024/25 compared to 2023/24, as the harvesting activities were brought forward into 2022/23 due to impacts of Cyclone Gabrielle.
Total Crown Revenue and Capital Receipts	27,266	27,266	42,584	

Part 3 - Details of Non-Departmental Appropriations

3.4 - Non-Departmental Other Expenses

Forestry and Other Economic Development, and Erosion Control (M35) (A14)

Scope of Appropriation and Expenses

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Forestry and Other Economic Development, and Erosion Control (M35) (A14) This appropriation is limited to forestry and other economic development and erosion control in the Tairāwhiti region. Commences: 01 July 2021 Expires: 30 June 2026	Original Appropriation	2,000
	Adjustments to 2022/23	14,250
	Adjustments for 2023/24	-
	Adjusted Appropriation	16,250
	Actual to 2022/23 Year End	1,689
	Estimated Actual for 2023/24	4,220
	Estimate for 2024/25	4,300
	Estimated Appropriation Remaining	6,041

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve effective support and manage Forestry and other economic development and erosion control in the Tairāwhiti region via the Forestry and Other Economic Development, and Erosion Control scheme.

How Performance will be Assessed and End of Year Reporting Requirements

Assessment of Performance	2023/24		2024/25
	Final Budgeted Standard	Estimated Actual	Budget Standard
Number of hectares established under the Erosion Control Funding Programme in the financial year (see Note 1)	100ha	100ha	100ha

Note 1 - "Hectares established" translates to trees planted that are surviving.

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Minister of Forestry in a report appended to the Ministry for Primary Industries' Annual Report.

Service Providers

Provider	2023/24 Final Budgeted \$000	2023/24 Estimated Actual \$000	2024/25 Budget \$000	Expiry of Resourcing Commitment
Grant Recipient landowners for forestry treatments to address wide-scale erosion problems in the Gisborne District	4,220	4,220	4,300	30 June 2031
Total	4,220	4,220	4,300	

3.5 - Non-Departmental Capital Expenditure

Forestry: Capital investment in the Crown's Forestry Assets (M35) (A14)

Scope of Appropriation and Expenses

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Forestry: Capital investment in the Crown's Forestry Assets (M35) (A14) This appropriation is limited to the purchase or planting of the Crown's Forestry assets. Commences: 01 July 2022 Expires: 30 June 2027	Original Appropriation	55,600
	Adjustments to 2022/23	21,082
	Adjustments for 2023/24	-
	Adjusted Appropriation	76,682
	Actual to 2022/23 Year End	2,817
	Estimated Actual for 2023/24	5,000
	Estimate for 2024/25	5,000
	Estimated Appropriation Remaining	63,865

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve the effective establishment and tending of the Crown's joint venture forest assets.

How Performance will be Assessed and End of Year Reporting Requirements

Assessment of Performance	2023/24		2024/25
	Final Budgeted Standard	Estimated Actual	Budget Standard
Hectares of Crown Forestry One Billion Trees joint venture forest assets tended during the financial year (see Note 1)	-	-	1,500ha

Note 1 - This new measure was introduced for this appropriation to show the progress of operations substantively focussed on tending in 2024 after the planting season is completed. This replaced the previous measure "Hectares of One Billion Trees joint venture forest assets contracted for planting over the 2024 planting season".

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Minister of Forestry in a report appended to the Ministry for Primary Industries' Annual Report.

Part 4 - Details of Multi-Category Expenses and Capital Expenditure

4 - Multi-Category Expenses and Capital Expenditure

Growth and Development of the Forestry Sector (M35) (A14)

Overarching Purpose Statement

The single overarching purpose of this appropriation is to support the growth and development of the forestry sector.

Scope of Appropriation

Departmental Output Expenses

Forestry: Administration of Grants and Programmes

This category is limited to the administration of government approved schemes, grants and assistance to the forestry sector.

Forestry: Climate Emergency Response implementation and administration

This category is limited to expenses incurred in implementing and administering programmes in the Forestry Sector funded from the Climate Emergency Response Fund.

Forestry: Management of the Crown's Forestry Assets

This category is limited to the management of the Crown's interest in forests and forestry-related assets.

Forestry: Policy Advice and Ministerial Servicing

This category is limited to supporting Ministers on Government policy matters through the provision of advice (including second opinion advice and contributing to policy advice led by other agencies), implementation of policy decisions, operational policy, administering legislation, and ministerial servicing relating to forestry.

Non-Departmental Output Expenses

Forestry: Climate Emergency Response Fund

This category is limited to supporting community and industry groups to implement programmes in the Forestry Sector funded from the Climate Emergency Response Fund.

Forestry: Operational management of the Crown's Forests

This category is limited to the purchase of forestry operation and management services.

Non-Departmental Other Expenses

Forestry: Grants and partnerships programmes

This category is limited to the use of initiatives and grants, and programmes to establish trees or build skills, capability and capacity in the forestry sector.

Forestry: Hill Country Erosion Fund

This category is limited to projects that protect erosion-prone hill country.

North Island Weather Event: Cyclone Gabrielle Response and Recovery

This category is limited to providing support to councils to take short to medium term measures towards mitigating the risk from woody debris to critical infrastructure in the event of significant weather events.

Non-Departmental Capital Expenditure**Forestry: Capital Climate Response Investments**

This category is limited to supporting investments in the Forestry sector that contribute to achieving New Zealand's domestic and international climate targets.

Expenses, Revenue and Capital Expenditure

	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	179,108	179,108	202,720
Departmental Output Expenses			
Forestry: Administration of Grants and Programmes	5,891	5,891	6,292
Forestry: Climate Emergency Response implementation and administration	23,664	23,664	24,659
Forestry: Management of the Crown's Forestry Assets	1,954	1,954	1,985
Forestry: Policy Advice and Ministerial Servicing	63,858	63,858	62,853
Non-Departmental Output Expenses			
Forestry: Climate Emergency Response Fund	4,578	4,578	2,951
Forestry: Operational management of the Crown's Forests	38,840	38,840	44,298
Non-Departmental Other Expenses			
Forestry: Grants and partnerships programmes	23,470	23,470	17,149
Forestry: Hill Country Erosion Fund	7,175	7,175	6,300
North Island Weather Event: Cyclone Gabrielle Response and Recovery	4,600	4,600	26,750
Non-Departmental Capital Expenditure			
Forestry: Capital Climate Response Investments	5,078	5,078	9,483
Funding for Departmental Output Expenses			
Revenue from the Crown	85,693	85,693	82,006
Forestry: Administration of Grants and Programmes	5,876	5,876	6,277
Forestry: Climate Emergency Response implementation and administration	23,664	23,664	24,659
Forestry: Management of the Crown's Forestry Assets	1,838	1,838	1,869
Forestry: Policy Advice and Ministerial Servicing	54,315	54,315	49,201
Revenue from Others	9,674	9,674	13,783
Forestry: Administration of Grants and Programmes	15	15	15
Forestry: Management of the Crown's Forestry Assets	116	116	116
Forestry: Policy Advice and Ministerial Servicing	9,543	9,543	13,652

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve effective support for the growth and development of the forestry sector.

How Performance will be Assessed for this Appropriation

	2023/24		2024/25
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Number of Forestry Advisory Service engagements held during the year (see Note 1)	At least one engagement per customer segment (8)	At least one engagement per customer segment (8)	At least one engagement per customer segment (8)
Percentage of emissions returns with a New Zealand Unit (NZU) entitlement that were processed and sent to the Environmental Protection Authority (EPA) within 20 working days (see Note 2)	95%	95%	95%

Note 1 - This measure is reporting on the performance of the Budget 2022 initiative 'Forestry advisory services.' Engagement is any focussed interactions with our customer segments for the specific purpose of providing support and advice to the forestry sector, including: (a) visits to landowners to provide advice, (b) workshops with landowners and land users, (c) presentations at formal events, (d) meeting with iwi/hapū and (e) representation at forestry events.

Note 2 - Due to the change in Government priorities, the previous measure ("The percentage of completed implementation partnership agreement milestones under the Forestry and Wood Processing Industry Transformation Plan that are met by their due date") is no longer fit for purpose and/or relevant. Therefore, it has been replaced by this overarching performance measure as it better represents the intention of the entire appropriation.

What is Intended to be Achieved with each Category and How Performance will be Assessed

	2023/24		2024/25
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Departmental Output Expenses			
Forestry: Administration of Grants and Programmes			
This category is intended to achieve the sustainable growth and development of the forestry sector.			
Percentage of One Billion Tree fund milestone assessments that meet performance targets in the financial year	Greater than 90%	Greater than 90%	Greater than 90%
Forestry: Climate Emergency Response implementation and administration			
This category is intended to achieve the delivery of programmes as part of the forestry sector's contribution to the Climate Emergency Response Fund.			
Number of research outputs for science-based practices and technologies produced in the financial year to improve forest carbon sequestration and long-term carbon stock (see Note 1)	8	8	8
Percentage of native afforestation programme key milestones scheduled for delivery in the financial year that were completed (see Note 2)	75%	75%	75%

	2023/24		2024/25
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Forestry: Management of the Crown's Forestry Assets			
This category is intended to achieve the effective administration and management of the Crown's interest in forests and forestry-related assets.			
Costs and revenues are consistent with industry norms as assessed by annual independent review of a sample of forests	Achieved	Achieved	Achieved
Forestry: Policy Advice and Ministerial Servicing			
This category is intended to achieve the effective development, provision and implementation of policy advice and legislation, and efficient ministerial servicing relating to forestry.			
Percentage of forestry-related requests completed within either specified or statutory timeframes:			
<ul style="list-style-type: none"> Aide Memoires (timeframes are set on a case-by-case basis) 	95-100%	95-100%	95-100%
<ul style="list-style-type: none"> Briefings (timeframes are set on a case-by-case basis) 	95-100%	95-100%	95-100%
<ul style="list-style-type: none"> Ministerial Correspondence (proposed response within a 20-working day timeframe) 	95-100%	95-100%	95-100%
<ul style="list-style-type: none"> Ministerial Official Information Act 1982 requests (proposed response within a 15-working day timeframe) (see Note 3) 	95-100%	95-100%	95-100%
<ul style="list-style-type: none"> Written Parliamentary Questions (proposed response within four working days) (see Note 4) 	95-100%	95-100%	95-100%
The technical quality assessment level for the Ministry for Primary Industries (MPI) policy advice papers, on a scale of 1 to 5, will be equal to or greater than (see Note 5)	3.5	3.5	3.5
The satisfaction of the Minister of Forestry with the policy advice service, on a scale of 1 to 5, will be equal to or greater than	4	4	4
Percentage of high priority registered sawmills inspected annually for compliance with the Forests Act 1949 (Part 3A) (see Note 6)	90%	90%	90%
Percentage of completed inspections for approved annual logging plans subject to post harvest inspections each financial year	90%	90%	90%
Non-Departmental Output Expenses			
Forestry: Climate Emergency Response Fund			
This category is intended to achieve effective implementation of programmes to help achieve New Zealand's Future Carbon Goals.			
Percentage of the budgeted Wood Processing Growth Fund - Catalyst fund contracted to grantees in the financial year (see Note 7)	More than 80%	More than 80%	More than 80%
Percentage of Wood Processing Growth Fund Catalyst contracts scheduled for completion in the financial year that were completed	More than 90%	More than 90%	More than 90%

Assessment of Performance	2023/24		2024/25
	Final Budgeted Standard	Estimated Actual	Budget Standard
Forestry: Operational management of the Crown's Forests			
This category is intended to achieve the effective purchase of forestry operations, management services, research and related forest asset expenditure including expenditure related to asset divestment.			
Forest management activities comply with all statutory requirements, lease agreements and other contractual arrangements as assessed by annual independent review of a sample forest	Achieved	Achieved	Achieved
Volume of logs (in cubic metres - m ³) harvested and sold, on behalf of the Crown, from the Crown Forestry Estate to within +/- 10%	220,000m ³	220,000m ³	220,000m ³
Non-Departmental Other Expenses			
Forestry: Grants and partnerships programmes			
This category is intended to achieve and encourage new planting and reversion of an expected 25,000ha over the life of the One Billion Trees programme.			
The number of hectares established under the One Billion Trees Fund (see Note 8)	2,000ha	2,000ha	2,000ha
Forestry: Hill Country Erosion Fund			
This category is intended to achieve the effective provision of projects that protect erosion-prone hill country.			
The number of hectares treated through Hill Country Erosion Funding this financial year (see Note 9)	5,200ha	5,200ha	5,300ha
North Island Weather Event: Cyclone Gabrielle Response and Recovery			
This category is limited to providing support to councils to take short to medium term measures towards mitigating the risk from woody debris to critical infrastructure in the event of significant weather events.			
Percentage of Woody Debris Clean-up fund budgeted funding contracted in the financial year (see Note 10)	>90%	>90%	>90%
Number of tonnes of woody debris removed from high priority catchments in Gisborne and Hawkes Bay (see Note 11)	70,000 tonnes	70,000 tonnes	70,000 tonnes
Non-Departmental Capital Expenditure			
Forestry: Capital Climate Response Investments			
This category is intended to achieve effective planting for Woody Biomass funded through Capital Climate Response Investments.			
Number of hectares contracted under forestry joint ventures as part of the Woody Biomass Supply initiative in the financial year	500ha	500ha	500ha

Note 1 - This measures MPI's Budget 2022 initiative 'Maximising Natural Carbon Storage: Increasing Natural Sequestration to Achieve New Zealand's Future Carbon Goals' work programme.

Note 2 - This is a measure for Budget 2022 initiative 'Establishing native forests at scale to develop long-term carbon sinks and improve biodiversity'. 'Key milestones' are limited to this programme, which aims to increase native afforestation rates and new forest carbon sinks through supplying more affordable and resilient native tree seedlings, with greater establishment rates.

Note 3 - The statutory timeframe to respond to an Official Information Act (OIA) is soon as reasonably practicable' and no later than 20 working days as stated in the Official Information Act 1982. MPI has an agreement with Ministers' offices to provide a proposed response for Ministerial OIA within 15 working days. Based on this, Ministerial OIAs are measured to a 15-working day timeframe.

Note 4 - The parliamentary timeframe to respond to a Written Parliamentary Question is six working days. MPI aims to provide the Minister with a proposed response within four working days.

Note 5 - This measure is an indicator of overall performance of policy advice provided for Forestry and is a subset of the broader measure covering all MPI portfolios. The assessment is carried out by an external provider and is a standard policy advice quality scale.

Note 6 - High priority sawmills are defined as (a) milled over 100m³ in the financial year, or (b) were not inspected in the previous two financial years, or (c) have previously been prosecuted or sent a warning letter for non-compliance (except for educational letters) under the Forests Act 1949, at any time, or (d) new sawmills registered for the current financial year.

Note 7 - This is a measure for Budget 2022 initiative 'Maximising natural carbon storage: Increasing natural sequestration to achieve New Zealand's future carbon goals'. The measure reflects the source of funding and clarify that this is funding is being provided to grantees given that is the primary function of the Wood Processing Growth fund.

Note 8 - The One Billion Trees programme encompasses both grants and partnerships. Grants are quantified each year based on number of hectares that met establishment criteria following an inspection. Partnership hectares are estimated based on the proportion of total milestones completed during the year multiplied by the total hectares contracted over the life of the partnership. For example, if 2 of a total 10 milestones are completed during the year for a 100ha project, the value reported is 20ha.

Note 9 - The budget standard was updated in line with the programme projections for the 2024/25 financial year and to reflect a reduction in funding - in Mains 2024/25.

Note 10 - This is a measure for Budget 2022 initiative 'Providing recovery support for primary industries, and rural communities: removing woody debris'.

Note 11 - This measurement is measuring the cumulative removal of the 70,000 tonnes from the inception of the scheme to completion. 'Highest priority catchments' are identified and defined by Territorial Authorities. This is a measure for Budget 2022 initiative 'Providing recovery support for primary industries, and rural communities: removing woody debris'.

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Ministry for Primary Industries in its Annual Report.

Service Providers for the Multi-Category Appropriation

Provider	2023/24 Final Budgeted \$000	2023/24 Estimated Actual \$000	2024/25 Budget \$000	Expiry of Resourcing Commitment
Operational Management of the Crown's Forests				
New Zealand Forest Managers (2022) LP	20,928	20,928	28,915	Multiple Contracts
Ngati Porou Forests Limited	7,090	7,090	6,759	Multiple Contracts
PF Olsen Limited	2,276	2,276	2,293	Multiple Contracts
Northland Forest Manager (1995) Limited	779	779	422	Multiple Contracts
John Turkington Limited	627	627	350	Multiple Contracts
Southern Forests NZ Limited	259	259	180	Multiple Contracts
Farman Turkington Forestry Limited	248	248	132	Multiple Contracts
Other Providers	6,633	6,633	5,247	Multiple Contracts
Total	38,840	38,840	44,298	
Hill Country Erosion Fund				
Horizon Regional Council	910	910	910	30 June 2027
Greater Wellington Regional Council	910	910	910	30 June 2027
Taranaki Regional Council	910	910	910	30 June 2027
Hawke's Bay Regional Council	886	886	892	30 June 2027
Waikato Regional Council	639	639	774	30 June 2027
Environment Canterbury	349	349	481	30 June 2027
Northland Regional Council	413	413	457	30 June 2027
Marlborough District Council	194	194	228	30 June 2027
Gisborne District Council	240	240	218	30 June 2027
Nelson City Council	252	252	202	30 June 2027
Bay of Plenty Regional Council	194	194	194	30 June 2027
Otago Regional Council	142	142	107	30 June 2027
Auckland Council	88	88	17	30 June 2027
Southland Regional Council	150	150	0	30 June 2024
Other	898	898	0	
Total	7,175	7,175	6,300	
Forestry: Grants and Partnership Programmes				
Landowner grant recipient for forestry treatments	13,888	13,888	6,821	30 June 2031
Partnership grant recipient for enabling activities	9,562	9,562	3,323	30 June 2031
Other	20	20	7,005	
Total	23,470	23,470	17,149	

The table above shows the main service providers for these appropriations.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2023/24 Final Budgeted \$000	2024/25 Budget \$000	2025/26 Estimated \$000	2026/27 Estimated \$000	2027/28 Estimated \$000
Current Government						
Continued Recovery from the North Island Weather Events	2024/25	-	27,000	-	-	-
Catalyst Wood Processing Growth Fund - Return of Funding	2024/25	-	(1,000)	(1,000)	(1,000)	(1,000)
Establishing Native Forests at Scale - Return of Funding	2024/25	-	(2,600)	(2,600)	(2,600)	(2,600)
Woody Biomass Planting Programme - Return of Funding	2024/25	-	(2,000)	(2,000)	(2,000)	(2,000)
Ministry for Primary Industries Operating Efficiencies - Return of Funding	2024/25	-	(2,674)	(2,174)	(2,174)	(2,174)
Mini Budget, Budget 2024 and the Fiscal Sustainability Programme	2023/24	(1,950)	(9,700)	(8,000)	-	-
Previous Government						
Joint Minister decision: NZ ETS market governance tagged contingency drawdown	2023/24	316	398	209	219	-
Establishing the Wood Processing Growth Fund to deliver the Budget 2022 Maximising Carbon Storage Initiative	2023/24	4,963	4,859	4,859	4,959	4,959
Drawdown of Tagged Contingency Delivering Industry Transformation Plans in Partnership with Primary Sectors	2023/24	4,440	10,220	8,340	-	-
Drawdown of Tagged Contingency Increasing Woody Biomass Supply to Replace Coal and other Carbon Intensive Fuels and Materials	2022/23	10,847	16,718	14,521	9,844	8,039
Mitigating the risk of impact from woody debris to critical infrastructure	2022/23	6,600	-	-	-	-
Drawdown of Tagged Contingency Funding for Establishing native forests at scale to develop long-term carbon sinks and improve biodiversity	2022/23	10,726	7,694	7,694	7,694	7,694
Maximising Carbon Storage: Increasing Natural Sequestration to Achieve New Zealand's Future Carbon Goals	2022/23	11,630	8,108	4,728	4,728	4,728
Integrated Advisory Services to Support More Sustainable and Productive Land-Use Practices	2022/23	5,918	6,182	13,960	13,960	13,960
Addressing the Impact of Changes to the Ministry for Primary Industries' Collective Agreements and Supply Costs	2022/23	1,533	2,460	2,460	2,460	2,460
Drawdown of Tagged Contingency Funding for Forestry Emissions Trading Scheme (ETS) Transformation Programme	2021/22	9,765	9,448	10,137	9,730	9,650
Continuing the Ministry for Primary Industries Current Scope of Operations	2020/21	3,487	3,487	3,487	3,487	3,487

Reasons for Change in Appropriation

The increase in this appropriation for 2024/25 is mainly due to:

- new funding in 2024/25 of \$27 million to continue the removal of woody debris as a result of the 2023 North Island Weather Event, and
- a forecast adjustment in 2024/25 of \$5.458 million to Crown Forestry expenditure as harvest activities have changed due to past cyclone events.

These increases have been partially offset by \$8.274 million for the following return of funding as part of Budget 2024 savings:

- \$1 million for Catalyst Wood Processing Growth Fund
- \$2.600 million for Establishing Native Forests at Scale
- \$2 million for Woody Biomass Planting Programme, and
- \$2.674 million for the Ministry for Primary Industries Operating Efficiencies.

Memorandum Account

	2023/24		2024/25
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Forest Market Assurance/ETS			
Opening Balance at 1 July	(315)	(315)	(2,614)
Revenue	8,635	8,635	20,333
Expenses	10,934	10,934	20,018
Closing Balance at 30 June	(2,614)	(2,614)	(2,299)

The Forest Market Assurance/ETS memorandum account was established in 2022/23. The first-year deficit is expected to reverse as the number of registrations increase.