

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 2025/26 financial year covering nearly \$166 million for the following:

- nearly \$62 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
- nearly \$32 million for the operational management of the Crown's forests
- nearly \$25 million for climate emergency response implementation and administration
- nearly \$14 million for the North Island Weather Event Cyclone Gabrielle response and recovery
- \$6.300 million for the projects which protect erosion-prone hill country
- just over \$6 million for the provision of initiatives, grants and programmes to establish trees or build skills, capability and capacity in the forestry sector
- just over \$6 million for forestry and other economic development and erosion control in the Tairāwhiti region
- \$5 million for the purchase or planting of the Crown's forestry assets
- just over \$3 million for supporting community and industry groups to implement programmes in the Forestry Sector funded from the Climate Emergency Response Fund
- nearly \$3 million for the administration of government approved schemes, grants and assistance to the forestry sector
- nearly \$2 million for the management of the Crown's interest in forest and forestry-related assets
- nearly \$2 million for supporting investments in the Forestry sector that contribute to achieving New Zealand's domestic and international climate target.

Crown Revenue and Capital Receipts

Ministers expect to collect nearly \$28 million of Crown revenue and capital receipts in 2025/26. 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	2024/25		2025/26
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Multi-Category Expenses and Capital Expenditure			
Growth and Development of the Forestry Sector MCA (M35) (A14) The single overarching purpose of this appropriation is to support the growth and development of the forestry sector.	172,863	172,863	152,801
Departmental Output Expenses			
<i>Forestry: Administration of Grants and Programmes</i> This category is limited to the administration of government approved schemes, grants and assistance to the forestry sector.	6,292	6,292	6,042
<i>Forestry: Climate Emergency Response implementation and administration</i> This category is limited to expenses incurred in implementing and administering programmes in the Forestry Sector funded from the Climate Emergency Response Fund.	16,859	16,859	24,808
<i>Forestry: Management of the Crown's Forestry Assets</i> This category is limited to the management of the Crown's interest in forests and forestry-related assets.	1,985	1,985	1,985
<i>Forestry: Policy Advice and Ministerial Servicing</i> 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.	62,853	62,853	61,924
Non-Departmental Output Expenses			
<i>Forestry: Climate Emergency Response Fund</i> This category is limited to supporting community and industry groups to implement programmes in the Forestry Sector funded from the Climate Emergency Response Fund.	2,951	2,951	3,366
<i>Forestry: Operational management of the Crown's Forests</i> This category is limited to the purchase of forestry operation and management services.	41,676	41,676	31,893
Non-Departmental Other Expenses			
<i>Forestry: Grants and partnerships programmes</i> 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.	17,149	17,149	2,733
<i>Forestry: Hill Country Erosion Fund</i> This category is limited to projects that protect erosion-prone hill country.	6,300	6,300	6,300
<i>North Island Weather Event: Cyclone Gabrielle Response and Recovery</i> 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.	13,000	13,000	13,750
Non-Departmental Capital Expenditure			
<i>Forestry: Capital Climate Response Investments</i> This category is limited to supporting investments in the Forestry sector that contribute to achieving New Zealand's domestic and international climate targets.	3,798	3,798	-
Total Multi-Category Expenses and Capital Expenditure	172,863	172,863	152,801
Total Annual Appropriations and Forecast Permanent Appropriations	172,863	172,863	152,801

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 2023/24	14,250
	Adjustments for 2024/25	-
	Adjusted Appropriation	16,250
	Actual to 2023/24 Year End	2,123
	Estimated Actual for 2024/25	8,086
	Estimate for 2025/26	6,041
	Estimated Appropriation Remaining	-
Non-Departmental Capital Expenditure		
Forestry: Capital Climate Response Investments (M35) (A14) This appropriation is limited to supporting investments in the Forestry sector that contribute to achieving New Zealand's domestic and international climate targets. Commences: 01 July 2025 Expires: 30 June 2030	Original Appropriation	21,920
	Adjustments to 2023/24	-
	Adjustments for 2024/25	-
	Adjusted Appropriation	21,920
	Actual to 2023/24 Year End	-
	Estimated Actual for 2024/25	-
	Estimate for 2025/26	1,756
	Estimated Appropriation Remaining	20,164
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 2023/24	21,082
	Adjustments for 2024/25	-
	Adjusted Appropriation	76,682
	Actual to 2023/24 Year End	5,585
	Estimated Actual for 2024/25	7,232
	Estimate for 2025/26	5,000
	Estimated Appropriation Remaining	58,865

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

	2024/25		2025/26
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Annual Appropriations and Forecast Permanent Appropriations	172,863	172,863	152,801
Total Forecast MYA Non-Departmental Other Expenses	8,086	8,086	6,041
Total Forecast MYA Non-Departmental Capital Expenditure	7,232	7,232	6,756
Total Annual Appropriations and Forecast Permanent Appropriations and Multi-Year Appropriations	188,181	188,181	165,598

Supporting Information

Part 1 - Vote as a Whole

This part provides trend information for the vote.

1.2 - Trends in the Vote

Summary of Financial Activity

	2020/21	2021/22	2022/23	2023/24	2024/25		2025/26			2026/27	2027/28	2028/29
	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	4,765	1,026	663	434	8,086	8,086	-	6,041	6,041	-	-	-
Capital Expenditure	8,084	4,418	2,817	2,768	11,030	11,030	-	6,756	6,756	60,687	1,819	16,523
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Multi-Category Expenses and Capital Expenditure (MCA)												
<i>Output Expenses</i>	124,158	100,952	110,887	98,315	132,616	132,616	94,759	35,259	130,018	113,254	105,997	103,245
<i>Other Expenses</i>	51,670	43,188	38,673	25,058	36,449	36,449	-	22,783	22,783	7,427	8,077	8,077
<i>Capital Expenditure</i>	-	-	-	-	-	-	N/A	-	-	-	-	-
Total Appropriations	188,677	149,584	153,040	126,575	188,181	188,181	94,759	70,839	165,598	181,368	115,893	127,845
Crown Revenue and Capital Receipts												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	117,363	56,759	38,902	27,749	34,269	34,269	N/A	27,705	27,705	9,894	9,487	6,566
Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-
Total Crown Revenue and Capital Receipts	117,363	56,759	38,902	27,749	34,269	34,269	N/A	27,705	27,705	9,894	9,487	6,566

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

	2020/21 Adjustments \$000	2021/22 Adjustments \$000	2022/23 Adjustments \$000	2023/24 Adjustments \$000	2024/25 Final Budgeted Adjustments \$000	2024/25 Estimated Actual Adjustments \$000
Appropriations						
Output Expenses	-	-	-	-	-	-
Benefits or Related Expenses	-	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-
Other Expenses	-	-	-	-	-	-
Capital Expenditure	8,084	4,418	-	-	3,798	3,798
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-
Multi-Category Expenses and Capital Expenditure (MCA)						
<i>Output Expenses</i>	-	-	-	-	-	-
<i>Other Expenses</i>	-	-	-	-	-	-
<i>Capital Expenditure</i>	(8,084)	(4,418)	-	-	(3,798)	(3,798)
Total Appropriations	-	-	-	-	-	-
Crown Revenue and Capital Receipts						
Tax Revenue	-	-	-	-	-	-
Non-Tax Revenue	-	-	-	-	-	-
Capital Receipts	-	-	-	-	-	-
Total Crown Revenue and Capital Receipts	-	-	-	-	-	-

The prior year information in the Summary of Financial Activity table has been restated to reflect the current Vote structure. The structure changes include:

- replacing Forestry: Capital Climate Response Investments (Multi-Category Expense and Capital Expenditure - Capital Expenditure) with a multi-year appropriation titled Forestry: Capital Climate Response Investments (Capital Expenditure)
- replacing Capital investment in the Crown's Forestry Assets (Multi-Category Expense and Capital Expenditure - Capital Expenditure) with a multi-year appropriation titled Forestry: Capital investment in the Crown's Forestry Assets (Capital Expenditure).

1.3 - Analysis of Significant Trends

Total Vote: All Appropriations

The increase in appropriations in Vote Forestry in 2024/25, as detailed in the Summary of Financial Activity table above was largely driven by additional funding for North Island Weather Event- Cyclone Gabrielle and for operation management of the Crown's Forests.

Significant movements within each appropriation category are outlined below.

Other Expenses

The multi-year funding for forestry and other economic development and erosion control in the Tairāwhiti region remains in place until 30 June 2026.

Capital Expenditure

Capital expenditure peaks in 2026/27 due to planned capital investment in Crown Forestry Assets.

Multi-Category Expenses and Capital Expenditure

The multi-year funding since 2020/21 has been at similar levels, with increases due to one-off funding for adverse weather events and new funding appropriated for Climate Emergency Response related initiatives as part of Budget 2022 decisions. The reduction in funding in 2025/26 and outyears is due to budget savings reduction exercise as part of Budget 2024 and with time limited and one-off funding ceasing in 2024/25.

Crown Revenue and Capital Receipts

Crown Revenue or Capital Receipt Item	2024/25		2025/26	Description of Crown Revenue or Capital Receipt Item
	Budgeted \$000	Estimated Actual \$000	Budgeted \$000	
Crown Revenue				
Sale of Forest Produce	34,269	34,269	27,705	Revenue from the sale of forest produce from Crown forests is lower in 2025/26 compared to 2024/25, as the harvesting activities were brought forward into 2024/25 due to impacts of Cyclone Gabrielle.
Total Crown Revenue and Capital Receipts	34,269	34,269	27,705	

1.4 - Reconciliation of Changes in Appropriation Structure

2024/25 Appropriations in the 2024/25 Structure	2024/25 (Current) \$000	Old Structure		New Structure		
		Appropriations to which Expenses (or Capital Expenditure) have been Moved from or to	Amount Moved \$000	2024/25 Appropriations in the 2025/26 Structure	2024/25 (Restated) \$000	2025/26 \$000
Growth and Development of the Forestry Sector MCA		Transferred from Growth and Development of the Forestry Sector MCA				
Non-Departmental Capital Expenditure		Non-Departmental Capital Expenditure		Non-Departmental Capital Expenditure		
Forestry: Capital Climate Response Investments	3,798	Forestry: Capital Climate Response Investments	(3,798)	Forestry: Capital Climate Response Investments MYA	3,798	-
Total	3,798		(3,798)		3,798	-

Explanations of the reasons for changing the appropriation structure are noted in the details of each appropriation in Parts 2-4.

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 2023/24	14,250
	Adjustments for 2024/25	-
	Adjusted Appropriation	16,250
	Actual to 2023/24 Year End	2,123
	Estimated Actual for 2024/25	8,086
	Estimate for 2025/26	6,041
	Estimated Appropriation Remaining	-

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

	2024/25		2025/26
Assessment of Performance	Final Budgeted Standard	Estimated Actual	Budget Standard
Number of hectares established under the Erosion Control Funding Programme in the financial year (see Note 1)	200 ha	200 ha	200 ha

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	2024/25 Final Budgeted \$000	2024/25 Estimated Actual \$000	2025/26 Budget \$000	Expiry of Resourcing Commitment
Kerley Agriculture Limited	142	142	53	June 2026
Bexhaven Partnership	85	85	38	June 2026
Gisborne Carbon Forestry Limited	72	72	Contract under negotiation	June 2026
Waipiro A22B3 Incorporation	21	21	Contract under negotiation	June 2026
Ingleby New Zealand LP	18	18	633	June 2026
Mangatoitoi Station Limited	12	12	Contract under negotiation	June 2026
C R & J A Sinton	11	11	3	June 2026
Mangatu Blocks Incorporation	-	-	706	June 2026
Christopher's Management Services Limited	-	-	253	June 2026
Ohinepoutea B Trust	-	-	189	June 2026
Tauwhareparae Farms Limited	-	-	170	June 2026
Dan Russell	-	-	145	June 2026
Proprietors of Whangara B5 t/a Whangara Farms	-	-	145	June 2026
Wi Pere Trust t/a Wi Pere Trust Estate	-	-	126	June 2026
Mangaheia Station, AKKSV (2011) Limited	-	-	120	June 2026
Waimata Catchment Group Incorporated	-	-	113	June 2026
Others	111	111	3,938	
Underspent budget in 2024/25 to be utilised in 2025/26	7,614	7,614	(7,614)	
Uncommitted budget 2025/26 or other suppliers	-	-	7,025	
Total	8,086	8,086	6,041	

3.5 - Non-Departmental Capital Expenditure

Forestry: Capital Climate Response Investments (M35) (A14)

Scope of Appropriation and Expenses

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
Forestry: Capital Climate Response Investments (M35) (A14) This appropriation is limited to supporting investments in the Forestry sector that contribute to achieving New Zealand's domestic and international climate targets. Commences: 01 July 2025 Expires: 30 June 2030	Original Appropriation	21,920
	Adjustments to 2023/24	-
	Adjustments for 2024/25	-
	Adjusted Appropriation	21,920
	Actual to 2023/24 Year End	-
	Estimated Actual for 2024/25	-
	Estimate for 2025/26	1,756
	Estimated Appropriation Remaining	20,164

Comparators for Restructured Appropriation

Vote, Type and Title of Appropriation	2024/25		2025/26
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Growth and Development of the Forestry Sector MCA			
Non-Departmental Capital Expenditure			
Forestry: Capital Climate Response Investments	3,798	3,798	-
Total	3,798	3,798	-

What is Intended to be Achieved with this Appropriation

This appropriation is intended to achieve effective planting for Woody Biomass funded through Capital Climate Response Investments.

How Performance will be Assessed and End of Year Reporting Requirements

Assessment of Performance	2024/25		2025/26
	Final Budgeted Standard	Estimated Actual	Budget Standard
Number of hectares contracted for planting over the planting season under the Woody Biomass planting programme (see Note 1)	-	-	600 ha

Note 1 - This is a new multi-year appropriation established in 2025/26. In previous years, this performance indicator was reported in the non-departmental capital expenditure category in the Growth and Development of the Forestry Sector Multi-Category Appropriation. The previous performance indicator (Number of hectares contracted under forestry joint ventures as part of the Woody Biomass Supply initiative in the financial year) has been amended from 'hectares contracted' to 'hectares contracted for planting' to reflect the initiative moving from contracting land to the procurement of planting activities.

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.

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 2023/24	21,082
	Adjustments for 2024/25	-
	Adjusted Appropriation	76,682
	Actual to 2023/24 Year End	5,585
	Estimated Actual for 2024/25	7,232
	Estimate for 2025/26	5,000
	Estimated Appropriation Remaining	58,865

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

	2024/25		2025/26
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Hectares of Crown Forestry One Billion Trees joint venture forest assets tended during the financial year (see Note 1)	1,200 ha	1,200 ha	1,500 ha

Note 1 - The budget standard has been increased in line with projections for 2025/26 as advised by Forestry Management contractors.

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

	2024/25		2025/26
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	172,863	172,863	152,801
Departmental Output Expenses			
Forestry: Administration of Grants and Programmes	6,292	6,292	6,042
Forestry: Climate Emergency Response implementation and administration	16,859	16,859	24,808
Forestry: Management of the Crown's Forestry Assets	1,985	1,985	1,985
Forestry: Policy Advice and Ministerial Servicing	62,853	62,853	61,924
Non-Departmental Output Expenses			
Forestry: Climate Emergency Response Fund	2,951	2,951	3,366
Forestry: Operational management of the Crown's Forests	41,676	41,676	31,893
Non-Departmental Other Expenses			
Forestry: Grants and partnerships programmes	17,149	17,149	2,733
Forestry: Hill Country Erosion Fund	6,300	6,300	6,300
North Island Weather Event: Cyclone Gabrielle Response and Recovery	13,000	13,000	13,750
Non-Departmental Capital Expenditure			
Forestry: Capital Climate Response Investments	3,798	3,798	-
Funding for Departmental Output Expenses			
Revenue from the Crown	74,206	74,206	81,939
Forestry: Administration of Grants and Programmes	6,277	6,277	6,027
Forestry: Climate Emergency Response implementation and administration	16,859	16,859	24,808
Forestry: Management of the Crown's Forestry Assets	1,869	1,869	1,869
Forestry: Policy Advice and Ministerial Servicing	49,201	49,201	49,235
Revenue from Others	13,783	13,783	12,820
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	13,652	13,652	12,689

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

	2024/25		2025/26
Assessment of Performance	Final Budgeted Standard	Estimated Actual	Budget Standard
Number of Forestry Support engagements during the year (see Note 1)	Minimum of 600 engagements per year	Minimum of 600 engagements per year	Minimum of 600 engagements per year
Percentage of submitted 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 - '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. The budget standard refers to a 'Minimum of 600 engagements total per year, ensuring that each customer segment (8) is engaged with per quarter'.

Note 2 - 'Submitted' means an emissions return received by Te Uru Rākau-New Zealand Forest Service (TUR-NZFS) (MPI) with all mandatory fields and declarations completed and payment from participant (per Climate Change Response Act 2002 section 64(2)) and excludes 'amendments' and 'assessments' defined under the Climate Change Response Act 2002. 'Processed' for the purpose of this performance indicator means emissions returns that have an entitlement direction sent to the EPA (who make the decision and take action to issue NZU's to participants).

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

	2024/25		2025/26
Assessment of Performance	Final Budgeted Standard	Estimated Actual	Budget Standard
Departmental Output Expenses			
Forestry: Administration of Grants and Programmes			
This category is intended to achieve effective administration and management of forestry related grants and programmes (see Note 1)			
Percentage of One Billion Tree fund milestone assessments that meet performance targets in the financial year (see Note 2)	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 Maximising Forest Carbon programme outputs for improving measurement, reward systems, and incentives for forest carbon sequestration produced in the financial year (see Note 3)	6	6	6
Case study to show the deliverables and impacts of the investments to address the long-term nature of challenges presented by climate change	Achieved	Achieved	Achieved
Percentage of native afforestation programme key milestones scheduled for delivery in the financial year that were completed (see Note 4)	75%	75%	Deleted performance indicator

	2024/25		2025/26
	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 (see Note 5)	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:			
• Aide Memoires (timeframes are set on a case-by-case basis)	95-100%	95-100%	95-100%
• Briefings (timeframes are set on a case-by-case basis)	95-100%	95-100%	95-100%
• Ministerial Correspondence (proposed response within a 20-working day timeframe)	95-100%	95-100%	95-100%
• Ministerial Official Information Act 1982 requests (proposed response within a 15-working day timeframe) (see Note 6)	95-100%	95-100%	95-100%
• Written Parliamentary Questions (proposed response within four working days) (see Note 7)	95-100%	95-100%	95-100%
Technical quality assessment level for MPI policy advice papers, on a scale of 1 to 5 (see Note 8)	3.5 or higher	3.5 or higher	3.5 or higher
Satisfaction of the Minister of Forestry with the policy advice service, on a rating scale of 1 to 5 (see Note 9)	4 or higher	4 or higher	4 or higher
Percentage of high priority registered sawmills inspected annually for compliance with the Forests Act 1949 (Part 3A) (see Note 10)	90%	90%	90%
Percentage of approved annual logging plans' post-harvest inspections carried out by Te Uru Rākau-New Zealand Forest Service (MPI) for compliance with the Forests Act 1949 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			
Potential increase in domestic processing of logs as a result of Wood Processing Growth Fund Catalyst grants over the life of the catalyst fund (see Note 11)	New performance indicator	New performance indicator	Increased by 1 million GMT per annum by 2030
Percentage of budgeted Wood Processing Growth Fund - Catalyst fund contracted to grantees in the financial year (see Note 12)	80%	80%	Deleted performance indicator

	2024/25		2025/26
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Forestry: Operational management of the Crown's Forests			
This category is intended to achieve the effective management of the Crown's forestry estate including purchase of forestry operations, management services, and related forest asset expenditures (see Note 13)			
Annual independent assessment of a sample of the Crown Forest estate shows Crown Forestry activities and operations align with expected performance of a prudent forest manager (see Note 14)	Achieved	Achieved	Achieved
Volume of logs (in cubic metres - m3) harvested and sold on behalf of the Crown, from the Crown Forestry Estate to within +/- 10%	220,000 m3	220,000 m3	220,000 m3
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.			
Number of hectares established under the One Billion Trees Fund (see Note 15)	2,000 ha	2,000 ha	2,000 ha
Forestry: Hill Country Erosion Fund			
This category is intended to achieve the effective provision of projects that protect erosion-prone hill country.			
Number of hectares treated through Hill Country Erosion Funding this financial year (see Note 16)	5,300 ha	5,300 ha	5,600 ha
North Island Weather Event: Cyclone Gabrielle Response and Recovery			
This category is intended to achieve the removal and treatment of woody debris that presents an ongoing risk to life, infrastructure and properties from significant weather events (see Note 17).			
Percentage of Woody Debris Clean-up fund budgeted funding contracted in the financial year	>90%	More than 90%	More than 90%
Woody debris treated in high priority catchments in Gisborne during the financial year (see Note 18)	Treatment occurs in accordance with GDC programme	Treatment occurs in accordance with GDC programme	Treatment occurs in accordance with GDC programme

Note 1 - The intention statement has been updated to clarify intended benefits of this category, Forestry: Administration of Grants and Programmes.

Note 2 - This funding is for the effective administration and management of forestry related grants and programmes. The activities that will realise the benefits of the grants and programmes are funded through the following Vote Forestry MCA categories: Forestry: Grants and partnerships programmes, Forestry: Hill Country Erosion Fund, North Island Weather Event: Cyclone Gabrielle Response and Recovery, the Forestry and Other Economic Development, and Erosion Control MYA.

Note 3 - 'Outputs' are the knowledge and insights that are gained from the research contract deliverables that inform policy work and provide insights for the public, and the policy advice generated through the policy process used by TUR-NZFS (MPI).

Note 4 - This performance indicator has been deleted from 2025/26 as is no longer fit-for-purpose. The work is now embedded with business-as-usual (BAU) functions, therefore the 2023/24 methodology for measuring this no longer applies.

Note 5 - 'Industry norms' are determined by the independent reviewer by considering factors such as log sale revenues, costs of production, management fees for harvesting and marketing, harvesting rates to logging subcontractors and payment for log cartage, etc, for similar operations (eg, similar forest types, workplans, contract tenure, location) elsewhere in the region of the sample of forests.

Note 6 - 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 7 - 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 8 - Since 2023/24, MPI has been using an updated methodology that aligns with the guidance provided in the DPMC guidelines for Policy Quality Review. DPMC rating scale: 1=Never, 2=Some of the time, 3>About half of the time, 4=Most of the time, 5=Always.

Note 9 - Since 2023/24, MPI has been using an updated methodology that aligns with the guidance provided in the DPMC guidelines for Ministerial Satisfaction Surveys. DPMC rating scale: 1=Never, 2=Some of the time, 3>About half of the time, 4=Most of the time, 5=Always.

Note 10 - 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 11 - The previous performance indicator (Percentage of Wood Processing Growth Fund Catalyst contracts scheduled for completion in the financial year that were completed) has been replaced with 'Potential increase in domestic processing of logs as a result of Wood Processing Growth Fund Catalyst grants over the life of the catalyst fund' as it better represents the intention of the programme.

This performance indicator considers the potential uplift in wood processing that could occur if there is further investment in projects that are funded through Catalyst grants. The Wood Processing Growth Fund (WPGF) Catalyst fund provides grants to support pre-investment activities for wood processing projects. Increased domestic production of harvested wood products contributes to New Zealand's climate response through increased carbon storage, and substitution of high emissions materials and fuels. Uptake of WPGF Catalyst grants is demand driven therefore the target has been set across the life of the programme with annual updates on the progress towards that all of programme target.

The budget standard that refers to 'Domestic wood processing is increased by 1 million green metric tonnes (GMT) per annum by 2030' has been updated to align with the performance indicator. 'GMT' stands for 'Green Metric Tonnes' which is the tonnes of freshly harvested logs (including moisture content).

Note 12 - This performance indicator has been deleted as it is more relevant for internal and operational reporting. Given the size of funding in this category only one indicator is needed.

Note 13 - The intention statement has been updated to reflect the activities and items that are procured through the appropriation category Forestry: Operational management of the Crown's Forests. The updated intention statement removed the word 'research' and added 'forest asset expenditures' that includes rents, rates etc, which are paid out of this category.

Note 14 - Crown Forestry annually commissions an independent review of a sample of its estate to demonstrate that it is meeting its required forest management performance measures. This independent review assesses Crown Forestry's activities against what is expected of a prudent forest manager. This includes (among other things) compliance with statutory and contractual obligations, whether value for money regarding procured contract and sub-contract operations is being received, and effective risk management.

Note 15 - 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 two of a total 10 milestones are completed during the year for a 100 ha project, the value reported is 20 ha.

Note 16 - The budget standard has been increased to 5,600 ha to reflect the projected number of trees ready for verification in HCEF agreements for the 2025/26 financial year.

Note 17 - The intention statement of this appropriation category (North Island Weather Event: Cyclone Gabrielle Response and Recovery) has been improved to better reflect what the funding use is intended for.

Note 18 - The budget standard targets that 'Treatment occurs in accordance with the deliverables and priorities determined by the Gisborne District Council's debris treatment programme'.

'Treatment' of woody debris includes activities such as:

- removal and safely stored onsite
- removal with disposal offsite
- cutting debris into smaller pieces where environmentally effective, and removal is too costly
- engineered mitigation / containment (eg, slash catchers)
- engineered protective structures for key infrastructure (ie, strengthening or deflection).

Service Providers for the Multi-Category Appropriation

Provider	2024/25 Final Budgeted \$000	2024/25 Estimated Actual \$000	2025/26 Budget \$000	Expiry of Resourcing Commitment
Operational Management of the Crown's Forests				
New Zealand Forest Managers (2022) LP	28,915	21,962	11,773	Multiple Contracts
Ngati Porou Forests Limited	6,759	7,272	7,377	Multiple Contracts
PF Olsen Limited	2,293	2,255	3,693	Multiple Contracts
John Turkington Limited	350	1,848	1,824	Multiple Contracts
Northland Forest Managers (1995) Limited	422	734	542	Multiple Contracts
Southern Forests NZ Limited	180	252	227	Multiple Contracts
Farman Turkington Forestry Limited	132	248	151	Multiple Contracts
Saathof Forestry Services Limited	-	101	83	Multiple Contracts
Other Providers	2,625	7,004	6,223	Multiple Contracts
Total	41,676	41,676	31,893	

Provider	2024/25 Final Budgeted \$000	2024/25 Estimated Actual \$000	2025/26 Budget \$000	Expiry of Resourcing Commitment
Hill Country Erosion Fund				
Horizons Regional Council	910	910	910	June 2027
Taranaki Regional Council	909	909	909	May 2027
Greater Wellington City Council	909	909	909	June 2027
Hawkes Bay Regional Council	893	893	915	June 2027
Waikato Regional Council	775	775	758	June 2027
Environment Canterbury	482	482	485	June 2027
Northland Regional Council	457	457	475	June 2027
Other Providers	965	965	939	
Total	6,300	6,300	6,300	
Grants and Partnership Programmes				
Landowner grant recipient for forestry treatments	12,177	7,015	1,417	June 2029
Partnership grant recipient for enabling activities	4,972	4,569	1,316	June 2029
Uncommitted budget	-	5,565	-	
Total	17,149	17,149	2,733	

End of Year Performance Reporting

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

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2024/25 Final Budgeted \$000	2025/26 Budget \$000	2026/27 Estimated \$000	2027/28 Estimated \$000	2028/29 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)	(1,000)
Establishing Native Forests at Scale-Return of Funding	2024/25	(2,600)	(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)	(2,000)
Ministry for Primary Industries Operating Efficiencies-Return of Funding	2024/25	(2,674)	(2,174)	(2,174)	(2,174)	(2,174)
Mini Budget, Budget 2024 and the Fiscal Sustainability Programme	2023/24	(9,700)	(8,000)	-	-	-

Policy Initiative	Year of First Impact	2024/25 Final Budgeted \$000	2025/26 Budget \$000	2026/27 Estimated \$000	2027/28 Estimated \$000	2028/29 Estimated \$000
Previous Government						
Joint Minister decision: NZ ETS market governance tagged contingency drawdown	2023/24	398	209	219	-	-
Establishing the Wood Processing Growth Fund to deliver the Budget 2022 Maximising Carbon Storage Initiative	2023/24	4,859	4,859	4,959	4,959	4,959
Drawdown of Tagged Contingency Delivering Industry Transformation Plans in Partnership with Primary Sectors	2023/24	10,220	8,340	-	-	-
Drawdown of Tagged Contingency Increasing Woody Biomass Supply to Replace Coal and other Carbon Intensive Fuels and Materials	2022/23	16,718	14,521	9,844	8,039	7,970
Drawdown of Tagged Contingency Funding for Establishing native forests at scale to develop long-term carbon sinks and improve biodiversity	2022/23	7,694	7,694	7,694	7,694	7,694
Maximising Carbon Storage: Increasing Natural Sequestration to Achieve New Zealand's Future Carbon Goals	2022/23	8,108	4,728	4,728	4,728	4,728
Integrated Advisory Services to Support More Sustainable and Productive Land-Use Practices	2022/23	6,182	13,960	13,960	13,960	13,960
Addressing the Impact of Changes to the Ministry for Primary Industries' Collective Agreements and Supply Costs	2022/23	2,460	2,460	2,460	2,460	2,460
Drawdown of Tagged Contingency Funding for Forestry Emissions Trading Scheme (ETS) Transformation Programme	2021/22	9,448	10,137	9,730	9,650	9,730

Reasons for Change in Appropriation

The decrease of this appropriation for 2025/26 is mainly due to:

- \$14.416 million decrease in time limited funding for One Billion Trees programme
- \$9.783 million decrease in forecast expenditure for the Forestry: Operational management of the Crown's Forest
- \$3.798 million funding for Forestry: Capital Climate Response Investments transferred to a new multi-year appropriation.

The above is partially offset by a one-off decrease of \$7.800 million in 2024/25 resulting from a rephasing of funding for the Woody Biomass programme with \$600,000 transferred to 2025/26 and \$7.200 million to 2026/27 to realign the budget with the rephased contract delivery dates and milestones of the research programme.

Memorandum Account

	2024/25		2025/26
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Te Uru Rākau account			
Opening Balance at 1 July	-	-	(1,081)
Revenue	12,519	12,519	13,222
Expenses	(13,600)	(13,600)	(12,855)
Closing Balance at 30 June	(1,081)	(1,081)	(713)

The Forest Market Assurance/ETS memorandum account covers emissions trading scheme services provided by MPI in accordance with the Climate Change (Forestry) Regulations 2022, and the Climate Change (Emissions Rulings: Fees and Charges) Regulations 2010.