

# The Treasury

## Budget 2021 Information Release

### August 2021

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#### Cabinet Document Details

Title: **Cabinet Minute: CAB-21-MIN-0116.11: 2021 Budget Package: Vote Environment**

Date: **15 April 2021**

Creator: Cabinet Office

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- [1] 6(a) - to avoid prejudice to the security or defence of New Zealand or the international relations of the government
- [33] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [34] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [37] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [38] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [39] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage

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# Cabinet

## Minute of Decision

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### 2021 Budget Package: Vote Environment

On 12 April 2021, Cabinet:

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2021 Budget package, as listed in the summary below and detailed in the attached initiative documents:

#### Summary of initiatives included in the attached initiative documents:

##### Operating Initiatives (Impact on Operating Balance)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
13343	Delivering New Zealand's Low-Carbon Future And Adapting to Climate Change	-	5.160	4.680	4.440	4.440
13347	Designing, Delivering and Implementing Comprehensive and Sustainable Reform of the Resource Management System	-	35.370	49.450	46.970	-
13323	Developing a Funding and Financing Strategy for Aotearoa New Zealand's Climate Transition	-	0.200	-	-	-
13329	Establishing an Enduring Environmental Monitoring & Reporting System	-	8.790	8.360	8.015	-
13346	Funding for the Climate Change Commission to Support Aotearoa to Respond to the Climate Emergency	-	2.451	2.377	2.377	2.377
13533	Implementing the Carbon Neutral Government Programme	-	1.090	1.090	1.090	1.090
<b>Total Operating</b>		-	<b>53.061</b>	<b>65.957</b>	<b>62.892</b>	<b>7.907</b>

- 2 **approved** the changes to appropriations to implement the initiatives, as set out in the attached initiative documents;
- 3 **authorised** the Minister of Finance and the Appropriation Minister to approve jointly any technical adjustments to baselines necessary to remove any errors or inconsistencies identified while finalising the 2020/21 Supplementary Estimates, the 2021/22 Estimates and the fiscal forecasts;

- 4 **authorised** the chief executives of departments that monitor Crown entities directly affected by decisions in this minute to inform the chair and/or chief executive of a Crown entity, on a Budget-in-confidence-until-Budget-day basis, of decisions that directly affect that Crown entity for the purpose of planning and preparation of their Statement of Intent;
- 5 **noted** that all communications relating to the 2021 Budget are co-ordinated by a Budget communications committee, and that any requests for early announcement will need to have both the written approval of the Minister of Finance and sign-off from the Prime Minister's office.

Michael Webster  
Secretary of the Cabinet

**Vote:** Environment

**Appropriation Administrator:** Ministry for the Environment

**Title:** Delivering New Zealand’s Low-Carbon Future and Adapting to Climate Change

**Description:** This initiative provides funding to relieve urgent cost pressures in the Ministry for the Environment’s (MfE) climate change work programme. This bid will enable MfE to commence priority climate initiatives in response to the Government’s commitment in the Speech from the Throne to transition to a low-carbon future.

**Appropriation changes**

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Balance Impact	-	5.160	4.680	4.440	4.440
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>5.160</b>	<b>4.680</b>	<b>4.440</b>	<b>4.440</b>

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
<b>Departmental Output Expense:</b>					
Managing Climate Change in New Zealand (funded by revenue Crown)	-	5.160	4.680	4.440	4.440
<b>Total Operating</b>	<b>-</b>	<b>5.160</b>	<b>4.680</b>	<b>4.440</b>	<b>4.440</b>

**Additional recommendation**

6 **noted** that there is associated operating funding in Vote Internal Affairs (Initiative:13517);

**Vote:** Environment

**Appropriation Administrator:** Ministry for the Environment

**Title:** Designing, Delivering and Implementing Comprehensive and Sustainable Reform of the Resource Management System

**Description:** This initiative will repeal the Resource Management Act 1991 (RMA) and replace it with a Natural and Built Environments Act and a Strategic Planning Act, which will deliver significant benefits for environmental outcomes and urban development if delivered and implemented at pace. This initiative will design and implement a comprehensive reform of the resource management system.

### Appropriation changes

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Balance Impact	-	35.370	49.450	46.970	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>35.370</b>	<b>49.450</b>	<b>46.970</b>	-

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
<b>Departmental Output Expense:</b>					
Improving New Zealand's Environment (funded by revenue Crown)	-	35.370	49.450	46.970	-
<b>Total Operating</b>	-	<b>35.370</b>	<b>49.450</b>	<b>46.970</b>	-

### Additional recommendation

7 [33]

**Vote:** Environment

**Appropriation Administrator:** Ministry for the Environment

**Title:** Developing a Funding and Financing Strategy for Aotearoa New Zealand's Climate Transition

**Description:** This initiative provides operating costs to develop a strategy for funding and financing the transition to a low emissions and climate resilient economy. This will include considering the scale and certainty of Government funding for the transition, as well as institutional and other solutions to scale up and accelerate the mobilisation of private sector investment.

### Appropriation changes

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Balance Impact	-	0.200	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>0.200</b>	-	-	-

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
<b>Departmental Output Expenses:</b>					
Managing Climate Change in New Zealand (funded by revenue Crown)	-	0.200	-	-	-
<b>Total Operating</b>	-	<b>0.200</b>	-	-	-

### Additional recommendation

8 **noted** that there is associated operating funding in Vote Finance (Initiative:13515);

**Vote:** Environment

**Appropriation Administrator:** Ministry for the Environment

**Title:** Establishing an Enduring Environmental Monitoring & Reporting System

**Description:** This initiative provides investment into the creation of national biophysical limits and addresses core weaknesses in our existing system to ensure environmental outcomes meet what communities expect. Establishing a national monitoring and reporting framework will enable collection of consistent information about the state of our environment, inform when limits are under threat, and assess the impact of interventions.

### Appropriation changes

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Balance Impact	-	8.790	8.360	8.015	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>8.790</b>	<b>8.360</b>	<b>8.015</b>	-

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
<b>Departmental Output Expense:</b>					
Improving New Zealand's Environment (funded by revenue Crown)	-	8.790	8.360	8.015	-
<b>Total Operating</b>	-	<b>8.790</b>	<b>8.360</b>	<b>8.015</b>	-

### Additional recommendation

9 [33]



**Vote:** Environment

**Appropriation Administrator:** Ministry for the Environment

**Title:** Funding for the Climate Change Commission to Support Aotearoa to Respond to the Climate Emergency

**Description:** This initiative provides funding to address critical cost pressures faced by the Climate Change Commission (CCC). These cost pressures are related to an underestimation of the complexity and scope of CCC's role during establishment and additional statutory functions added to the CCC's work programme in 2020.

**Appropriation changes**

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Balance Impact	-	2.451	2.377	2.377	2.377
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>2.451</b>	<b>2.377</b>	<b>2.377</b>	<b>2.377</b>

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
<b>Non-Departmental Output Expense:</b>					
Climate Change Commission - Advisory and Monitoring Function	-	2.451	2.377	2.377	2.377
<b>Total Operating</b>	-	<b>2.451</b>	<b>2.377</b>	<b>2.377</b>	<b>2.377</b>

**Vote:** Environment

**Appropriation Administrator:** Ministry for the Environment

**Title:** Implementing the Carbon Neutral Government Programme

**Description:** This initiative provides funding for implementation of the Carbon Neutral Government Programme (CNGP) that was agreed by Cabinet in November 2020. This will deliver a co-ordinated programme, robust policy advice, and support for agencies to reduce emissions (starting with fleets and coal boilers). The CNGP aims to make a number of government organisations carbon neutral by 2025 – it will show leadership, and demonstrate what is possible in terms of emissions reductions.

### Appropriation changes

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
Operating Balance Impact	-	1.090	1.090	1.090	1.090
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>1.090</b>	<b>1.090</b>	<b>1.090</b>	<b>1.090</b>

	\$m - increase/(decrease)				
	2020/21	2021/22	2022/23	2023/24	2024/25 & Outyears
<b>Departmental Output Expenses:</b>					
Managing Climate Change in New Zealand (funded by revenue Crown)	-	1.090	1.090	1.090	1.090
<b>Total Operating</b>	-	<b>1.090</b>	<b>1.090</b>	<b>1.090</b>	<b>1.090</b>

### Additional recommendations

- 10 **noted** that there is associated operating and capital funding in Vote Business, Science and Innovation (Initiatives:13089 and 13558);
- 11 **noted** that Cabinet has agreed the criteria for which the CNGP participants will set gross emissions reduction targets;
- 12 **noted** that work on standardising emissions reductions reporting and monitoring is ongoing;
- 13 [33]