

The Treasury

Budget 2022 Information Release

August 2022

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- [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
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- [38] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
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- [41] 18(c)(i) - that the making available of the information requested would be contrary to the provisions of a specified enactment
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2022 Budget Package: Vote Environment

Appropriation Administrator: Ministry for the Environment

It is recommended that the relevant Appropriation Minister and the Minister of Finance jointly:

- note** that Cabinet has approved the Budget initiative(s) for the above Vote for inclusion in the 2022 Budget package, as detailed in the summary table(s) below:

Summary of funded initiative(s) agreed by Cabinet:

Operating Initiative(s) (Impact on Operating Balance)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
14299	Biodiversity Protections and Incentives	-	0.460	0.460	0.560	0.560
14303	Climate Adaptation Act Development and Delivery	-	3.934	2.852	2.331	1.581
14295	Climate Change Funding to Deliver Adaptation and New Zealand's Low-Carbon Future	-	10.750	8.650	8.650	8.650
14296	COVID-19 Fast Track Consenting: Extending the Programme for One Year	-	2.232	-	-	-
14051	Delivering New Zealand's International Climate Change Target Through Offshore Mitigation	-	1.944	2.149	2.349	2.484
14286	Emissions Reduction Plan Performance Monitoring*	-	4.171	4.132	4.132	4.132
14055	Enabling a Scaled-up, High Quality Voluntary Carbon Market	-	1.044	1.094	0.744	0.744
14243	Environmental Protection Authority Compliance Monitoring and Enforcement Case Management System Implementation	-	1.010	0.105	0.105	0.105
14304	Freshwater Farm Plan System – Implementation and Operations	-	7.372	13.796	8.752	5.723
14242	Implementation of a Chemical Map Information Database Enabling Improved Environmental Management	-	1.350	0.650	0.258	0.258
14247	Implementation of Marine Protection and Localised Management Actions	-	0.400	0.373	0.379	0.385
14030	Māori Climate Action*	-	3.488	2.538	3.258	3.258
14558	Maximising Carbon Storage: Increasing Natural Sequestration to Achieve New Zealand's Future Carbon Goals	-	1.732	2.233	2.234	2.235

14298	Ministry for the Environment Accommodation Cost Pressure	-	4.000	4.000	4.000	4.000
14297	Ministry for the Environment Supporting Te Tiriti o Waitangi Obligations	-	2.000	5.500	6.000	6.000
14245	New Zealand Emissions Trading Register Server Upgrades	-	0.629	0.445	0.510	0.170
14248	Reducing Emissions from Waste**	-	29.887	61.779	5.865	5.565
14301	Resource Management Reform Implementation	-	4.130	9.790	-	-
14234	Supporting He Pou a Rangi Climate Change Commission to Advise on a Thriving, Low Emissions and Climate Resilient Future	-	3.120	3.250	3.040	3.050
Total Operating		-	83.653	123.796	53.167	48.900

*This initiative has a varied profile in outyears. See initiative page for full funding profile.

**This initiative is time-limited to 2025/26.

Capital Initiative(s) (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2021/22	2022/23	2023/24	2024/25	2025/26 only
14245	New Zealand Emissions Trading Register Server Upgrades	-	1.800	0.600	0.360	-
14234	Supporting He Pou a Rangi Climate Change Commission to Advise on a Thriving, Low Emissions and Climate Resilient Future	-	0.960	0.600	0.600	0.600
Total Capital		-	2.760	1.200	0.960	0.600

Summary of contingency initiative(s) agreed by Cabinet:

Operating Contingency

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
14565	Biodiversity Protections and Incentives	-	3.505	5.205	4.355	4.355
14554	Māori Climate Action	-	-	2.000	6.000	10.000
14526	Resource Management Reform Implementation	-	3.875	3.875	63.017	63.017
14306	Resource Management Reform Implementation: Strategic Planning	-	-	-	12.650	18.380
[33]						

2 **note** that Cabinet has:

- i. **authorised** the relevant Appropriation Minister and the Minister of Finance (Joint Ministers) jointly to agree to the changes to appropriations (including establishment of new appropriations if necessary) and/or capital injections and related recommendations necessary to give effect to the initiative(s) included in the 2022 Budget package for the above Vote, as detailed in the summary table(s) above;
 - ii. **authorised** Joint Ministers jointly to agree that the proposed changes to appropriations and/or capital injections for 2021/22 approved by Joint Ministers as authorised above be included in the 2021/22 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;
 - iii. **agreed** that expenses or capital expenditure against appropriations and capital injection authorisations set out in the 2022/23 Estimates and being sought in the Appropriation (2022/23 Estimates) Bill may be met from Imprest Supply until that Bill is enacted and comes into force;
 - iv. **authorised** Joint Ministers, for each contingency initiative, jointly to agree:
 - a. the work that needs to be completed or other conditions that need to be satisfied before the contingency is drawn down into appropriations;
 - b. whether the draw down into appropriations requires Cabinet approval or the approval of Joint Ministers;
 - c. the expiry date of contingency funding;
 - d. any related recommendations necessary to give effect to the contingency initiative;
 - v. **authorised** Joint Ministers to approve jointly any technical adjustments to baselines necessary to remove any errors or inconsistencies identified while finalising the 2021/22 Supplementary Estimates, the 2022/23 Estimates and the fiscal forecasts;
 - vi. **authorised** the chief executives of departments that monitor Crown entities directly affected by Budget decisions taken by Cabinet or taken by Joint Ministers as authorised by Cabinet 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 and/or Statement of Performance Expectations;
 - vii. **noted** that all communications relating to the 2022 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;
- 3 **agree** to establish new appropriations where required to implement the initiative(s) included in the summary table(s) above, as detailed in the attached initiative document(s);

- 4 **approve** changes to appropriations and/or the capital injections to the administering department (where applicable) to implement the initiative(s) included in the summary table(s) above, as set out in the attached initiative document(s);
- 5 **approve** the additional recommendation(s) to give effect to the initiative(s), as set out in the attached initiative document(s);
- 6 **agree** that the proposed change(s) to appropriations and/or capital injections for 2021/22 detailed in the attached initiative document(s) be included in the 2021/22 Supplementary Estimates and that, in the interim, the increase(s) be met from Imprest Supply;

Vote: Environment

Appropriation Administrator: Ministry for the Environment

Title: Biodiversity Protections and Incentives

Description: This initiative will support policy, research and piloting of approaches to incentivise positive biodiversity action.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	-	0.460	0.460	0.560	0.560
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	0.460	0.460	0.560	0.560

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Departmental Output Expenses:					
Improving New Zealand's Environment (funded by revenue Crown)	-	0.460	0.460	0.560	0.560
Total Operating	-	0.460	0.460	0.560	0.560
Total Capital	-	-	-	-	-

Additional Recommendations

- 7 **note** that related funding has been placed in tagged contingency associated with the Environment portfolio (Initiative 14565);

Vote: Environment

Appropriation Administrator: Ministry for the Environment

Title: Biodiversity Protections and Incentives

Description: This initiative will support councils to identify and protect Significant Natural Areas (SNAs) and support landowners to maintain and restore biodiversity. The funding will be held in contingency, with drawdown subject to Cabinet approval of the National Policy Statement for Indigenous Biodiversity.

Tagged Contingency

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Contingency	-	3.505	5.205	4.355	4.355
Capital Contingency	-	-	-	-	-
Total	-	3.505	5.205	4.355	4.355

Additional Recommendations

- 8 **agree** that we, the Minister of Finance and the Associate Minister for the Environment (Biodiversity), on behalf of the appropriation Minister, may jointly draw down funding from the "Biodiversity Protections and Incentives" tagged contingency, subject to subject to Cabinet's approval of the National Policy Statement on Indigenous Biodiversity, or as otherwise agreed by Cabinet;
- 9 **agree** that the expiry date for the above tagged contingency be 1 February 2023;

Vote: Environment

Appropriation Administrator: Ministry for the Environment

Title: Climate Adaptation Act Development and Delivery

Description: This initiative will provide policy and engagement capability and technical expertise to develop a new Climate Adaptation Act (CAA) as part of reforms to the resource management system. The CAA will address complex legal and technical issues associated with managed retreat.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	-	3.934	2.852	2.331	1.581
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	3.934	2.852	2.331	1.581

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Departmental Output Expenses:					
Managing Climate Change in New Zealand (funded by revenue Crown)	-	3.934	2.852	2.331	1.581
Total Operating	-	3.934	2.852	2.331	1.581
Total Capital	-	-	-	-	-

Vote: Environment

Appropriation Administrator: Ministry for the Environment

Title: Climate Change Funding to Deliver Adaptation and New Zealand's Low-Carbon Future

Description: This initiative provides funding for urgent cost pressures in the Ministry for the Environment climate change work programme. New legislative architecture requires increased resourcing to implement. As the scale and pace of the Government's ambition on climate change has increased, the funding required for the Ministry to maintain its responsibilities and stewardship functions is significantly beyond the current baseline. Funding will ensure the Ministry can implement a complex and cross government work programme, including existing climate initiatives, while continuing to keep pace with the Government's growing ambition on climate change.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	-	10.750	8.650	8.650	8.650
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	10.750	8.650	8.650	8.650

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Departmental Output Expenses:					
Managing Climate Change in New Zealand (funded by revenue Crown)	-	10.750	8.650	8.650	8.650
Total Operating	-	10.750	8.650	8.650	8.650
Total Capital	-	-	-	-	-

Vote: Environment

Appropriation Administrator: Ministry for the Environment

Title: COVID-19 Fast Track Consenting: Extending the Programme for One Year

Description: This initiative will enable continued delivery of the COVID-19 Fast-track Consenting Act 2020 functions for an additional year. This will support New Zealand's recovery from the economic and social impacts of COVID-19 and provide certainty of ongoing investment across New Zealand, while continuing to promote the sustainable management of natural and physical resources.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	-	2.232	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	2.232	-	-	-

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Departmental Output Expenses:					
Improving New Zealand's Environment (funded by revenue Crown)	-	2.232	-	-	-
Total Operating	-	2.232	-	-	-
Total Capital	-	-	-	-	-

Vote: Environment

Appropriation Administrator: Ministry for the Environment

Title: Delivering New Zealand's International Climate Change Target Through Offshore Mitigation

Description: This initiative provides funding to develop initial options for delivering 102Mt CO₂e of offshore emissions mitigation needed to meet New Zealand's international climate change target. This initiative supports meeting the Climate Change Commission's advice to Government to plan and report on its Nationally Determined Contribution under the Paris Agreement. It includes work to scope, identify and develop some initial sources of offshore mitigation including options in the Asia-Pacific region that support sustainable development, and negotiate and implement links between the NZ ETS and international ETSs.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	-	1.944	2.149	2.349	2.484
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	1.944	2.149	2.349	2.484

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Departmental Output Expenses:					
Managing Climate Change in New Zealand (funded by revenue Crown)	-	1.944	2.149	2.349	2.484
Total Operating	-	1.944	2.149	2.349	2.484
Total Capital	-	-	-	-	-

Additional Recommendations

- 10 **note** that Cabinet has agreed to charge the operating expenditure from 2022/23 to 2025/26 associated with this initiative against the Climate Emergency Response Fund;
- 11 **note** that Cabinet has agreed that any operating expenditure associated with this initiative will impact OBEGAL and net debt directly after 2025/26;
- 12 **agree** that this initiative will be subject to the financial and outcome based monitoring and reporting associated with the Climate Emergency Response Fund;

- 13 **direct** the Ministry for the Environment to work with the Treasury to finalise which financial and outcome based information will be monitored and reported on for this initiative;

Vote: Environment

Appropriation Administrator: Ministry for the Environment

Title: Emissions Reduction Plan Performance Monitoring

Description: This initiative will fund a suite of monitoring and accountability mechanisms to help to keep delivery of the Emissions Reduction Plan on track.

New Appropriation Approval

Name	Appropriation Minister	Period	Type	Category Name	Scope
Climate Change Chief Executives Board	Minister of Climate Change	Annual	Departmental Output Expenses	N/A	This appropriation is limited to policy and implementation advice to support the Climate Change Chief Executives Board to carry out its functions.

Appropriation Changes

	\$m - increase/(decrease)					2026/27 & Outyears
	2021/22	2022/23	2023/24	2024/25	2025/26	
Operating Balance Impact*	-	4.171	4.132	4.132	4.132	5.480
Net Core Crown Debt Impact Only	-	-	-	-	-	-
No Impact	-	-	-	-	-	-
Total	-	4.171	4.132	4.132	4.132	5.480

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)					2026/27 & Outyears
	2021/22	2022/23	2023/24	2024/25	2025/26	
Departmental Output Expenses:						
Climate Change Chief Executives Board (funded by revenue Crown)	-	4.171	4.132	4.132	4.132	5.480
Total Operating	-	4.171	4.132	4.132	4.132	5.480
Total Capital	-	-	-	-	-	-

Additional Recommendations

14 **note** that related funding has also been provided through Vote Finance (Initiative 14537);

- 15 **note** that Cabinet has agreed to charge the operating expenditure from 2022/23 to 2025/26 associated with this initiative against the Climate Emergency Response Fund;
- 16 **note** that Cabinet has agreed that any operating expenditure associated with this initiative will impact OBEGAL and net debt directly after 2025/26;
- 17 **agree** that this initiative will be subject to the financial and outcome-based monitoring and reporting associated with the Climate Emergency Response Fund;
- 18 **direct** the Ministry for the Environment to work with the Treasury to finalise which financial and outcome-based information will be monitored and reported on for this initiative;

Vote: Environment

Appropriation Administrator: Ministry for the Environment

Title: Enabling a Scaled-up, High Quality Voluntary Carbon Market

Description: This initiative will fund a government-supported framework and approval scheme for a voluntary carbon market to serve the Carbon Neutral Government Programme and businesses. The bid includes developing rules and standards to ensure the credibility of offsets. This will enable the design of a framework that will cover standards for offsets, including what kind of projects will be permissible in the short and long term. It will facilitate work with existing providers, scoping for an accreditation process and a register of projects to account for offsets so that providers and buyers can trade amongst themselves.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	-	1.044	1.094	0.744	0.744
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	1.044	1.094	0.744	0.744

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Departmental Output Expenses:					
Managing Climate Change in New Zealand (funded by revenue Crown)	-	1.044	1.094	0.744	0.744
Total Operating	-	1.044	1.094	0.744	0.744
Total Capital	-	-	-	-	-

Additional Recommendations

- 19 **note** that Cabinet has agreed to charge the operating expenditure from 2022/23 to 2025/26 associated with this initiative against the Climate Emergency Response Fund;
- 20 **note** that Cabinet has agreed that any operating expenditure associated with this initiative will impact OBEGAL and net debt directly after 2025/26;
- 21 **agree** that this initiative will be subject to the financial and outcome based monitoring and reporting associated with the Climate Emergency Response Fund;

22 **direct** the Ministry for the Environment to work with the Treasury to finalise which financial and outcome based information will be monitored and reported on for this initiative;

Vote: Environment

Appropriation Administrator: Ministry for the Environment

Title: Environmental Protection Authority Compliance Monitoring and Enforcement Case Management System Implementation

Description: This initiative will implement a new IT system to enable a more efficient and effective delivery of the Environmental Protection Authority's Compliance, Monitoring and Enforcement functions across six Acts. The case management system will enable a cases-approach by reference to consents or approvals, enquiries, compliance cases, or investigations. This system will replace multiple excel spreadsheet-based system of tracking cases.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	-	1.010	0.105	0.105	0.105
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	1.010	0.105	0.105	0.105

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Non-Departmental Output Expenses:					
Environmental Protection Authority functions	-	1.010	0.105	0.105	0.105
Total Operating	-	1.010	0.105	0.105	0.105
Total Capital	-	-	-	-	-

Vote: Environment

Appropriation Administrator: Ministry for the Environment

Title: Freshwater Farm Plan System – Implementation and Operations

Description: This initiative will enable the implementation of the freshwater farm planning system. Freshwater farm plans (FWFPs) will be progressively rolled out across all farms in New Zealand (above certain size thresholds) over the following four to six years. Once implemented, FWFPs will provide a new form of environmental regulation across roughly half New Zealand’s land area. They are therefore a cornerstone of New Zealand’s future freshwater management system and will be key to achieving many of the Government’s objectives for freshwater reform.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	-	7.372	13.796	8.752	5.723
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	7.372	13.796	8.752	5.723

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Departmental Output Expenses:					
Improving New Zealand’s Environment (funded by revenue Crown)	-	7.372	13.796	8.752	5.723
Total Operating	-	7.372	13.796	8.752	5.723
Total Capital	-	-	-	-	-

Vote: Environment

Appropriation Administrator: Ministry for the Environment

Title: Implementation of a Chemical Map Information Database Enabling Improved Environmental Management

Description: This initiative will support the implementation of a chemical map to visualise chemical information (e.g., exposure to chemicals by population, and toxic chemicals in groundwater, freshwater and the marine environment) and a national programme of two-yearly monitoring of hazardous chemicals in groundwater. It will facilitate the effective and efficient allocation and use of resources for protecting, preserving, and restoring the natural environment, and promoting the recovery of threatened species.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	-	1.350	0.650	0.258	0.258
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	1.350	0.650	0.258	0.258

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Non-Departmental Output Expenses:					
Environmental Protection Authority functions	-	1.350	0.650	0.258	0.258
Total Operating	-	1.350	0.650	0.258	0.258
Total Capital	-	-	-	-	-

Vote: Environment

Appropriation Administrator: Ministry for the Environment

Title: Implementation of Marine Protection and Localised Management Actions

Description: This initiative will support the more timely implementation of critical marine management protection and processes in the Hauraki Gulf, Kermadec Islands and south-east South Island. This will provide support in the delivery of a research fund, with monitoring and enforcement to establish and manage a sanctuary in the Kermadec region.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	-	0.400	0.373	0.379	0.385
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	0.400	0.373	0.379	0.385

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Non-Departmental Output Expenses:					
Environmental Protection Authority functions	-	0.400	0.373	0.379	0.385
Total Operating	-	0.400	0.373	0.379	0.385
Total Capital	-	-	-	-	-

Additional Recommendation

23 **note** that related funding has also been provided through Vote Conservation (Initiative 14319);

Vote: Environment

Appropriation Administrator: Ministry for the Environment

Title: Māori Climate Action

Description: This initiative will provide funding to establish a platform to strengthen the Crown/Māori partnership and support a holistic approach to climate change that supports an equitable transition for Māori.

The platform will include mechanisms to ensure diverse Māori participation in climate policy and climate action, support development of a Māori climate strategy, and activate kaupapa Māori, tangata Māori solutions for the climate emergency.

A pilot approach to activating kaupapa Māori, tangata Māori solutions will be piloted in year one, with further funding held in contingency subject to Ministers' agreement on the more enduring form of the Māori Climate Partnership and Representation platform.

New Appropriation Approval

Name	Appropriation Minister	Period	Type	Scope
Supporting Equitable Transitions and Climate Resilience for Māori	Minister of Climate Change	Multi-Year Appropriation Start: 1/07/2022 Finish: 30/06/2026 Amount (\$m): 1.000	Non-Departmental Output Expenses	This appropriation is limited to contributing to equitable transitions for communities through New Zealand's climate response.

Appropriation Changes

	\$m - increase/(decrease)					
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Operating Balance Impact*	-	3.488	2.538	3.258	3.258	3.008
Net Core Crown Debt Impact Only	-	-	-	-	-	-
No Impact	-	-	-	-	-	-
Total	-	3.488	2.538	3.258	3.258	3.008

* Unless non-cash, will also impact net core Crown debt.

	Sm - increase/(decrease)					
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Departmental Output Expenses:						
Managing Climate Change in New Zealand (funded by revenue Crown)	-	2.488	2.538	3.258	3.258	3.008
Non-Departmental Output Expenses:						
Supporting Equitable Transitions and Climate Resilience for Māori (MYA)	-	1.000	-	-	-	-
Total Operating	-	3.488	2.538	3.258	3.258	3.008
Total Capital	-	-	-	-	-	-

Additional Recommendations

- 24 **note** that Cabinet has agreed to charge the operating expenditure from 2022/23 to 2025/26 associated with this initiative against the Climate Emergency Response Fund;
- 25 **note** that Cabinet has agreed that any operating expenditure associated with this initiative will impact OBEGAL and net debt directly after 2025/26;
- 26 **agree** that this initiative will be subject to the financial and outcome-based monitoring and reporting associated with the Climate Emergency Response Fund;
- 27 **direct** the Ministry for the Environment to work with the Treasury to finalise which financial and outcome-based information will be monitored and reported on for this initiative;
- 28 **note** that the amounts shown in the Appropriations Changes table for the Multi Year Appropriation: "Supporting Equitable Transitions and Climate Resilience for Māori" is the indicative annual spending profile;
- 29 **note** that related funding has been placed in tagged contingency in Vote Environment (Initiative 14554);

Vote: Environment

Appropriation Administrator: Ministry for the Environment

Title: Māori Climate Action

Description: This initiative will provide funding to activate kaupapa Māori, tangata Māori solutions for climate change. This funding will be held in contingency, subject to Ministers' agreement on the more enduring form of the Māori Climate Partnership and Representation platform.

Tagged Contingency

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Contingency	-	-	2.000	6.000	10.000
Capital Contingency	-	-	-	-	-
Total	-	-	2.000	6.000	10.000

Additional Recommendations

- 30 **agree** that we, the Minister of Finance and the Minister of Climate Change, may jointly draw down funding from the “Māori Climate Action” tagged contingency, subject to our agreement to proposals for phase two: the more enduring form of the platform to support Māori climate action.
- 31 **note** that Cabinet has agreed to charge the operating expenditure from 2022/23 to 2025/26 associated with this initiative against the Climate Emergency Response Fund;
- 32 **note** that Cabinet has agreed that any operating expenditure associated with this initiative will impact OBEGAL and net debt directly after 2025/26;
- 33 **agree** that this initiative will be subject to the financial and outcome-based monitoring and reporting associated with the Climate Emergency Response Fund;
- 34 **direct** the Ministry for the Environment to work with the Treasury to finalise which financial and outcome-based information will be monitored and reported on for this initiative;
- 35 **agree** that the expiry date for the above tagged contingency be 1 February 2024;
- 36 **note** that related funding has also been provided in Vote Environment (Initiative 14030);

Vote: Environment

Appropriation Administrator: Ministry for the Environment

Title: Maximising Carbon Storage: Increasing Natural Sequestration to Achieve New Zealand's Future Carbon Goals

Description: This initiative will maximise sequestration benefit from forestry and other land uses, drive increased carbon storage in long-lived wood products, and quantify the mitigation potential of coastal ecosystems. It will: fund research to link forest carbon storage to management; quantify the carbon impact of management in non-forest land use, soil, and coastal ecosystems; and stimulate investment in wood processing to maximise carbon stored in wood products. Together these initiatives will directly increase recorded carbon storage and contribute to the first three emission budgets by more than 27 million tonnes over 2022-2035, reducing the Crown's liability by up to \$1.8 billion, and provide the evidence base to support further increases in sequestration across the land sector and seabed.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	-	1.732	2.233	2.234	2.235
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	1.732	2.233	2.234	2.235

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Departmental Output Expenses:					
Managing Climate Change in New Zealand (funded by revenue Crown)	-	1.732	2.233	2.234	2.235
Total Operating	-	1.732	2.233	2.234	2.235
Total Capital	-	-	-	-	-

Additional Recommendations

37 **note** that Cabinet has agreed to charge the operating expenditure from 2022/23 to 2025/26 associated with this initiative against the Climate Emergency Response Fund;

38 **note** that Cabinet has agreed that any operating expenditure associated with this initiative will impact OBEGAL and net debt directly after 2025/26;

- 39 **agree** that this initiative will be subject to the financial and outcome-based monitoring and reporting associated with the Climate Emergency Response Fund;
- 40 **direct** the Ministry for the Environment to work with the Treasury to finalise which financial and outcome-based information will be monitored and reported on for this initiative;
- 41 **note** that related funding has also been provided through each of Vote Agriculture, Biosecurity, Fisheries, and Food Safety (Initiative 14578), Vote Conservation (14559), and Vote Forestry (Initiative 14560 and 14062);

Vote: Environment

Appropriation Administrator: Ministry for the Environment

Title: Ministry for the Environment Accommodation Cost Pressure

Description: This funding provides additional funding required to meet the Ministry for the Environment's accommodation costs.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	-	4.000	4.000	4.000	4.000
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	4.000	4.000	4.000	4.000

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Departmental Output Expenses:					
Improving New Zealand's Environment (funded by revenue Crown)	-	3.057	3.053	2.876	2.799
Managing Climate Change in New Zealand (funded by revenue Crown)	-	0.943	0.947	1.124	1.201
Total Operating	-	4.000	4.000	4.000	4.000
Total Capital	-	-	-	-	-

Vote: Environment

Appropriation Administrator: Ministry for the Environment

Title: Ministry for the Environment Supporting Te Tiriti o Waitangi Obligations

Description: This initiative covers critical operating costs for the Tūmatakōkiri (Māori) business unit. For the first two years this allows the Ministry for the Environment (MfE) to make sure Treaty settlement commitments and relationship agreements are being honoured and implemented. The funding step-up in years 3 and 4 work will fund provision of secondees into iwi/hapū as part of implementation of Treaty settlement commitments, and funding for implementation of MfE's Māori science plan.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	-	2.000	5.500	6.000	6.000
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	2.000	5.500	6.000	6.000

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Departmental Output Expenses:					
Improving New Zealand's Environment (funded by revenue Crown)	-	1.528	4.198	4.314	4.199
Managing Climate Change in New Zealand (funded by revenue Crown)	-	0.472	1.302	1.686	1.801
Total Operating	-	2.000	5.500	6.000	6.000
Total Capital	-	-	-	-	-

Vote: Environment

Appropriation Administrator: Ministry for the Environment

Title: New Zealand Emissions Trading Register Server Upgrades

Description: This initiative will fund an upgrade of the New Zealand Emissions Trading Register (the Register) Windows 2012 servers to Windows 2019, and the purchase of extended support for two years for the Register's 2012 servers.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	-	0.629	0.445	0.510	0.170
Net Core Crown Debt Impact Only	-	1.800	0.600	0.360	-
No Impact	-	-	-	-	-
Total	-	2.429	1.045	0.870	0.170

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Non-Departmental Output Expenses:					
Emissions Trading Scheme	-	0.629	0.445	0.510	0.170
Non-Departmental Capital Expenditure:					
Capital Contribution to the Environmental Protection Authority	-	1.800	0.600	0.360	-
Total Operating	-	0.629	0.445	0.510	0.170
Total Capital	-	1.800	0.600	0.360	-

Vote: Environment

Appropriation Administrator: Ministry for the Environment

Title: Reducing Emissions from Waste

Description: This initiative seeks to implement a suite of proposals to reduce emissions in line with the target reduction pathway in the Emissions Reduction Plan. This initiative will reduce and divert organic waste from landfill and enable emissions to be reduced through delivering:

- resource recovery feasibility studies, business cases, infrastructure and other assets;
- behaviour change programmes to reduce emissions from waste; and
- a national waste data programme including landfill gas capture research.

New Appropriation Approval

Name	Appropriation Minister	Period	Type	Scope
Climate Emergency Response Fund – Waste Initiatives (MYA)	Minister for the Environment	Multi-Year Appropriation Start: 1/07/2022 Finish: 30/06/2027 Amount (\$m): 75.000	Non-Departmental Output Expenses	This appropriation is limited to supporting feasibility projects, infrastructure and other assets, and enabling systems that will improve New Zealand’s ability to reduce emissions from waste.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 only
Operating Balance Impact*	-	29.887	61.779	5.865	5.565
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	29.887	61.779	5.865	5.565

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 only
Departmental Output Expenses:					
Improving New Zealand’s Environment (funded by revenue Crown)	-	4.887	11.779	5.865	5.565

Non-Departmental Output Expenses:					
Climate Emergency Response Fund – Waste Initiatives (MYA)	-	25.000	50.000	-	-
Total Operating	-	29.887	61.779	5.865	5.565
Total Capital	-	-	-	-	-

Additional Recommendations

- 42 **note** that Cabinet has agreed to charge the operating expenditure associated with this initiative against the Climate Emergency Response Fund;
- 43 **agree** that this initiative will be subject to the financial and outcome-based monitoring and reporting associated with the Climate Emergency Response Fund;
- 44 **direct** the Ministry for the Environment to work with the Treasury to finalise which financial and outcome based information will be monitored and reported on for this initiative;
- 45 **agree** the Multi Year Appropriation: "Climate Emergency Response Fund – Waste Initiatives" is adjusted by \$75.000 million;
- 46 **note** that the amounts shown in the appropriation changes table for the Multi Year Appropriation: "Climate Emergency Response Fund – Waste Initiatives" reflect the change to the indicative annual spending profile;

Vote: Environment

Appropriation Administrator: Ministry for the Environment

Title: Resource Management Reform Implementation

Description: This initiative will provide funding for central and local government and to iwi/Māori to enable the successful delivery of the Government's resource management reforms (being progressed through legislative changes). The funding will be held in a tagged contingency.

Tagged Contingency

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Contingency	-	3.875	3.875	63.017	63.017
Capital Contingency	-	-	-	-	-
Total	-	3.875	3.875	63.017	63.017

Additional Recommendations

47 **agree** that we, the Minister of Finance and the Minister for the Environment, may jointly draw down funding from the "Resource Management Reform Implementation" tagged contingency, subject to a report back to us on the following:

- a the activity the proposed drawdown will cover;
- b greater certainty and details around the costings;
- c the implications and trade offs of drawing the funding down for particular activities;
- d the implementation readiness of the proposed activity.

48 **agree** that the expiry date for the above tagged contingency be 1 February 2023;

49 **note** that related funding has also been provided in Vote Environment (Initiative 14301);

50 **note** that related funding has also been placed in tagged contingency associated with the Environment portfolio (Initiative 14306);

Vote: Environment

Appropriation Administrator: Ministry for the Environment

Title: Resource Management Reform Implementation

Description: This initiative will provide funding for central and local government and to iwi/Māori to enable the successful delivery of the Government's resource management reforms (being progressed through legislative changes).

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	-	4.130	9.790	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	4.130	9.790	-	-

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Departmental Output Expenses:					
Improving New Zealand's Environment (funded by revenue Crown)	-	4.130	9.790	-	-
Total Operating	-	4.130	9.790	-	-
Total Capital	-	-	-	-	-

Additional Recommendations

51 **note** that related funding has been placed in tagged contingency associated with the Environment portfolio (Initiative 14526 and 14306);

Vote: Environment

Appropriation Administrator: Ministry for the Environment

Title: Resource Management Reform Implementation: Strategic Planning

Description: This initiative will contribute to strategic planning co-ordination within central government and engagement by central government on resource management reforms. The funding will be held in a tagged contingency.

Tagged Contingency

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Contingency	-	-	-	12.650	18.380
Capital Contingency	-	-	-	-	-
Total	-	-	-	12.650	18.380

Additional Recommendations

- 52 **agree** that we, the Minister of Finance and the Minister for the Environment, may jointly draw down funding from the "Resource Management Reform Implementation" tagged contingency, subject to a report back to us on the following:
- a the activity the proposed drawdown will cover;
 - b greater certainty and details around the costings;
 - c the implications and trade offs of drawing the funding down for particular activities;
 - d the implementation readiness of the proposed activity.
- 53 **agree** that the expiry date for the above tagged contingency be 1 February 2023;
- 54 **note** that related funding has also been provided in Vote Environment (Initiative 14301);
- 55 **note** that related funding has also been placed in tagged contingency associated with the Environment portfolio (Initiative 14526);

Vote: Environment

Appropriation Administrator: Ministry for the Environment

Title: Supporting He Pou a Rangi Climate Change Commission to Advise on a Thriving, Low Emissions and Climate Resilient Future

Description: This initiative funds the Climate Change Commission to build on its strong and credible evidence base, enabling it to advise Government on smart climate policy decisions. The funding will deliver greater capacity in modelling, research and analysis, establish a climate adaptation team and increase board and board advisory capability.

Appropriation Changes

	\$m - increase/(decrease)					
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Operating Balance Impact*	-	3.120	3.250	3.040	3.050	3.050
Net Core Crown Debt Impact Only	-	0.960	0.600	0.600	0.600	-
No Impact	-	-	-	-	-	-
Total	-	4.080	3.850	3.640	3.650	3.050

* Unless non-cash, will also impact net core Crown debt.

	\$m - increase/(decrease)					
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Non-Departmental Output Expenses:						
Climate Change Commission - Advisory and Monitoring Function	-	3.120	3.250	3.040	3.050	3.050
Non-Departmental Capital Expenditure:						
Climate Change Commission: Capital Contribution	-	0.960	0.600	0.600	0.600	-
Total Operating	-	3.120	3.250	3.040	3.050	3.050
Total Capital	-	0.960	0.600	0.600	0.600	-