

The Treasury

Budget 2024 Information Release

September 2024

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Key to sections of the Act under which information has been withheld:

- [1] 6(a) - to avoid prejudice to the security or defence of New Zealand or the international relations of the government
- [23] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [25] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information
- [27] 9(2)(ba)(ii) - to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest
- [31] 9(2)(f)(ii) - to maintain the current constitutional conventions protecting collective and individual ministerial responsibility
- [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
- [35] 9(2)(g)(ii) - to maintain the effective conduct of public affairs through protecting ministers, members of government organisations, officers and employees from improper pressure or harassment;
- [36] 9(2)(h) - to maintain legal professional privilege
- [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
- [40] 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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Cabinet

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Budget 2024 Package: Vote Forestry

On 29 April 2024, Cabinet:

Appropriation Administrator: Ministry for Primary Industries

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2024 Budget package, as listed in the summary tables below and detailed in the attached initiative documents:

Summary of initiatives:

Operating Initiatives (Impact on Operating Balance)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
15681	Return of Funding for the Catalyst Wood Processing Growth Fund	-	(1.000)	(1.000)	(1.000)	(1.000)
16144	Continuing the Removal of Woody Debris in the Tairāwhiti Region as a Result of the 2023 North Island Weather Events	-	27.000	-	-	-
15666	Return of Funding for Establishing Native Forests at Scale	-	(2.600)	(2.600)	(2.600)	(2.600)
16121	Return of Funding – Ministry for Primary Industries Operating Efficiencies	-	(2.674)	(2.174)	(2.174)	(2.174)
15653	Return of Funding for the Woody Biomass Planting Programme	-	(2.000)	(2.000)	(2.000)	(2.000)
Total Operating		-	18.726	(7.774)	(7.774)	(7.774)

Summary of contingency initiative:

Operating Contingency

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
16120	Establishing Native Forests at Scale Tagged Contingency - Return of Funding	(3.461)	(7.891)	(9.533)	(9.533)	(9.533)
Total Operating		(3.461)	(7.891)	(9.533)	(9.533)	(9.533)

Note: Throughout the document, “total operating” refers to funding over five years (2023/24 to 2027/28) and “total capital” refers to funding over 10 years (2023/24 to 2032/33).

Rachel Hayward
Secretary of the Cabinet

Vote: Forestry

Appropriation Administrator: Ministry for Primary Industries

Title: Return of Funding for the Catalyst Wood Processing Growth Fund

Description: This savings initiative returns \$4.000 million total operating funding from the Catalyst Programme of the Wood Processing Growth Fund. Outcomes will be delivered through the reduced Catalyst Programme and other components of the Wood Processing Growth Fund. This initiative was funded through the Climate Emergency Response Fund.

Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	-	(1.000)	(1.000)	(1.000)	(1.000)
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	(1.000)	(1.000)	(1.000)	(1.000)

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

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Growth and Development of the Forestry Sector (MCA)					
<i>Non-Departmental Output Expenses:</i>					
Forestry: Climate Emergency Response Fund	-	(1.000)	(1.000)	(1.000)	(1.000)
Total Multi-Category Expenses and Capital Expenditure: Growth and Development of the Forestry Sector (MCA)	-	(1.000)	(1.000)	(1.000)	(1.000)
Total Operating	-	(1.000)	(1.000)	(1.000)	(1.000)

Additional Recommendations

- 2 **agreed** to scale the Catalyst Programme of the Wood Processing Growth Fund administered by the Ministry for Primary Industries to deliver savings in line with the Government's priorities;
- 3 **noted** that these savings may reduce the desired benefits of the Wood Processing Growth Fund (including increasing domestic wood processing) and may reduce demand for the related Accelerator capital investment programme;

- 4 **noted** that this initiative relates to Initiative 16123 in Vote Business, Science and Innovation;
- 5 **noted** that \$2.000 million of operating expenditure associated with this initiative was originally funded from the Climate Emergency Response Fund Initiative 14560, Maximising Carbon Storage: Increasing Natural Sequestration to Achieve New Zealand's Future Carbon Goals;

Vote:	Forestry
Appropriation Administrator:	Ministry for Primary Industries
Title:	Continuing the Removal of Woody Debris in the Tairāwhiti Region as a Result of the 2023 North Island Weather Events
Description:	This initiative provides funding to continue the removal of woody debris from catchment systems in the Tairāwhiti region to mitigate the risk of further impacts to critical infrastructure as a result of the North Island Weather Events.

Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	-	27.000	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	27.000	-	-	-

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

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Growth and Development of the Forestry Sector (MCA)					
<i>Departmental Output Expenses:</i>					
Forestry: Administration of Grants and Programmes (funded by revenue Crown)	-	0.250	-	-	-
<i>Non-Departmental Other Expenses:</i>					
North Island Weather Event: Cyclone Gabrielle Response and Recovery	-	26.750	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Growth and Development of the Forestry Sector (MCA)	-	27.000	-	-	-
Total Operating	-	27.000	-	-	-

Additional Recommendations

- noted** that this initiative relates to Initiative 15587 in Vote Prime Minister and Cabinet and Initiative 16160 in Vote Internal Affairs;
- agreed** that funding for this initiative should not be transferred to other unrelated activities or transferred into the 2025/26 financial year or beyond;

- 8 **agreed** that any underspends be returned to the centre on 30 June 2025, consistent with the Budget 2023 North Island Weather Events package [CAB-23-MIN-0140];
- 9 **invited** the Minister of Forestry to report back to Cabinet in December 2024 on progress on the continued removal of woody debris in the Tairāwhiti region arising from the 2023 North Island Weather Events;

Vote: Forestry

Appropriation Administrator: Ministry for Primary Industries

Title: Establishing Native Forests at Scale Tagged Contingency - Return of Funding

Description: This savings initiative returns all remaining funding of \$39.951 million total operating from the Establishing Native Forests at Scale tagged contingency. This contingency is now closed. This initiative was funded through the Climate Emergency Response Fund.

Tagged Contingency

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Contingency	(3.461)	(7.891)	(9.533)	(9.533)	(9.533)
Capital Contingency	-	-	-	-	-
Total	(3.461)	(7.891)	(9.533)	(9.533)	(9.533)

Additional Recommendations

- 10 **noted** that, following the adjustments detailed above as well as previous adjustments agreed to by Cabinet [CAB-23-MIN-0344], the tagged operating contingency is now exhausted and therefore closed;
- 11 **noted** that this initiative relates to Initiative 15666 in this Vote;
- 12 **noted** that \$20.885 million of the operating expenditure associated with this initiative was originally funded from the Climate Emergency Response Fund Initiative 14561, Establishing Native Forests at Scale to Develop Long-term Carbon Sinks and Improve Biodiversity;

Vote: Forestry

Appropriation Administrator: Ministry for Primary Industries

Title: Return of Funding for Establishing Native Forests at Scale

Description: This savings initiative returns \$10.400 million total operating funding from the Native Afforestation Programme as the research programme will be scaled. This initiative was funded through the Climate Emergency Response Fund.

Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	-	(2.600)	(2.600)	(2.600)	(2.600)
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	(2.600)	(2.600)	(2.600)	(2.600)

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

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Growth and Development of the Forestry Sector (MCA)					
<i>Departmental Output Expenses:</i>					
Forestry: Climate Emergency Response implementation and administration (funded by revenue Crown)	-	(2.600)	(2.600)	(2.600)	(2.600)
Total Multi-Category Expenses and Capital Expenditure: Growth and Development of the Forestry Sector (MCA)	-	(2.600)	(2.600)	(2.600)	(2.600)
Total Operating	-	(2.600)	(2.600)	(2.600)	(2.600)

Additional Recommendations

- 13 **agreed** to scale down the multi-year native afforestation research programme administered by the Ministry for Primary Industries to deliver savings in line with the Government's priorities;
- 14 **noted** that there may be a corresponding reduction to outputs from this initiative, such as decreased seed sourcing, germination and tree establishment trials, which may impact the Government's objectives for increasing levels of native afforestation;
- 15 **noted** that this initiative relates to Initiative 16120 in this Vote;

- 16 **noted** that \$5.200 million of the operating expenditure associated with this initiative was originally funded from the Climate Emergency Response Fund Initiative 14561, Establishing Native Forests at Scale to Develop Long-term Carbon Sinks and Improve Biodiversity;

Vote: Forestry

Appropriation Administrator: Ministry for Primary Industries

Title: Return of Funding -- Ministry for Primary Industries Operating Efficiencies

Description: This savings initiative returns \$9.196 million total operating funding for Ministry for Primary Industries personnel, contract costs, and property leases, as the number of funded Full Time Equivalents will be reduced from 1 July 2024.

Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	-	(2.674)	(2.174)	(2.174)	(2.174)
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	(2.674)	(2.174)	(2.174)	(2.174)

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

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Growth and Development of the Forestry Sector (MCA)					
<i>Departmental Output Expenses:</i>					
Forestry: Policy Advice and Ministerial Servicing (funded by revenue Crown)	-	(2.674)	(2.174)	(2.174)	(2.174)
Total Multi-Category Expenses and Capital Expenditure: Growth and Development of the Forestry Sector (MCA)	-	(2.674)	(2.174)	(2.174)	(2.174)
Total Operating	-	(2.674)	(2.174)	(2.174)	(2.174)

Additional Recommendations

- 17 **noted** that this initiative relates to Initiative 15675 in Vote Agriculture, Biosecurity, Fisheries and Food Safety;
- 18 **noted** that further fiscally neutral changes to departmental appropriations may be sought through future baseline update processes to reflect changes from the Ministry for Primary Industries' "Improving our Efficiency" proposal, which includes reduction in staff numbers;
- 19 **noted** that these savings may reduce the Ministry for Primary Industries' overall delivery capacity with an anticipated headcount reduction of up to 384 Full-Time Equivalents (across the agency's back office and frontline enabling functions);

Vote: Forestry

Appropriation Administrator: Ministry for Primary Industries

Title: Return of Funding for the Woody Biomass Planting Programme

Description: This savings initiative returns \$8.000 million total operating funding for planting short rotation forests to increase woody biomass supply as the planting costs are lower than expected. This initiative was funded through the Climate Emergency Response Fund.

Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	-	(2.000)	(2.000)	(2.000)	(2.000)
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	(2.000)	(2.000)	(2.000)	(2.000)

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

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Growth and Development of the Forestry Sector (MCA)					
<i>Non-Departmental Output Expenses:</i>					
Forestry: Climate Emergency Response Fund	-	(2.000)	(2.000)	(2.000)	(2.000)
Total Multi-Category Expenses and Capital Expenditure: Growth and Development of the Forestry Sector (MCA)	-	(2.000)	(2.000)	(2.000)	(2.000)
Total Operating	-	(2.000)	(2.000)	(2.000)	(2.000)

Additional Recommendations

- 20 **agreed** to return unspent funding for the Woody Biomass Planting Programme administered by the Ministry for Primary Industries as delivery costs are lower than originally budgeted;
- 21 **noted** that this initiative returns funding that is not required, with no corresponding impact on programme outcomes anticipated;
- 22 **noted** that \$4.000 million of the operating expenditure associated with this initiative was originally funded from the Climate Emergency Response Fund Initiative 14057, Increasing Woody Biomass Supply to Replace Coal and other Carbon Intensive Fuels and Materials.