

The Treasury

Budget 2024 Information Release

September 2024

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Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act).

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Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

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

Where information has been withheld, a numbered reference to the applicable section of the Act has been made, as listed above. For example, a [23] appearing where information has been withheld in a release document refers to section 9(2)(a).

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Cabinet

Minute of Decision

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Budget 2024 Package: Vote Environment (Technical Initiatives)

On 29 April 2024, Cabinet:

Appropriation Administrator: Ministry for the Environment

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

Summary of technical 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
16060	Crown Contribution to Councils' Costs Associated with Whakatōhea Treaty Settlement	0.137	-	-	-	-
15935	Environment Protection Authority – Emissions Trading Scheme Penalty Refund Reimbursement	0.168	-	-	-	-
15970	Shared Approach to Back-office Transformation	-	(0.130)	(0.130)	(0.130)	(0.130)
Total Operating		0.305	(0.130)	(0.130)	(0.130)	(0.130)

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: Environment

Appropriation Administrator: Ministry for the Environment

Title: Crown Contribution to Councils' Costs Associated with Whakatōhea Treaty Settlement

Description: This initiative seeks a fiscally neutral transfer of funding to make a one-off Crown contribution to local authorities for costs associated with the Kaitiaki Forum established by the Whakatōhea Treaty Settlement.

Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28
Operating Balance Impact*	0.137	-	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	0.137	-	-	-	-

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

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28
Departmental Output Expenses:					
Improving New Zealand's Environment (funded by revenue Crown)	(0.137)	-	-	-	-
Non-Departmental Other Expenses:					
Transitional Support for Local Government and Iwi	0.274	-	-	-	-
Total Operating	0.137	-	-	-	-

Additional Recommendation

- 2 **noted** that the increase of \$0.137 million in this initiative is fully offset by a reduction of \$0.137 million in Initiative 16070 in Vote Te Arawhiti;

Vote: Environment

Appropriation Administrator: Ministry for the Environment

Title: Environment Protection Authority – Emissions Trading Scheme Penalty Refund Reimbursement

Description: This initiative provides \$0.168 million in reimbursements to the Environmental Protection Authority (EPA) for Emissions Trading Scheme (ETS) penalty funding received by the Crown in 2022/23 that was subsequently refunded by the EPA.

Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28
Operating Balance Impact*	0.168	-	-	-	-
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	0.168	-	-	-	-

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

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28
Non-Departmental Output Expenses:					
Emissions Trading Scheme	0.168	-	-	-	-
Total Operating	0.168	-	-	-	-

Additional Recommendations

- 3 **noted** that three Emission Trading Scheme (ETS) penalties were originally issued at a cumulative value of \$0.269 million;
- 4 **noted** that these penalties were paid by the ETS participants, and the funding was transferred into a Crown bank account in accordance with section 138A(1) of the Climate Change Response Act 2002 (the Act);
- 5 **noted** that the ETS participants subsequently requested a review of these penalties in accordance with section 144 of the Act, and that following this review, the penalties were revised and reissued at a cumulative value of \$0.116 million;
- 6 **noted** that in accordance with section 138(2) of the Act, the EPA subsequently refunded ETS participants at a cumulative value of \$0.168 million (including \$15,000 in accrued interest);

Initiative No: 15970

Vote:	Environment
Appropriation Administrator:	Ministry for the Environment
Title:	Shared Approach to Back-office Transformation
Description:	This initiative funds a shared approach to back-office transformation. On 4 September 2023, Cabinet confirmed an approach to fund this system initiative through contributions from agency baselines [CAB-23-MIN-0417].

Appropriation Changes

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Operating Balance Impact*	-	(0.130)	(0.130)	(0.130)	(0.130)
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	(0.130)	(0.130)	(0.130)	(0.130)

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

	\$m - increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Departmental Output Expenses:					
Improving New Zealand's Environment (funded by revenue Crown)	-	(0.099)	(0.099)	(0.099)	(0.099)
Managing Climate Change in New Zealand (funded by revenue Crown)	-	(0.031)	(0.031)	(0.031)	(0.031)
Total Operating	-	(0.130)	(0.130)	(0.130)	(0.130)

Additional Recommendation

7 **noted** that this initiative relates to Initiative 15913 in Vote Internal Affairs.