

The Treasury

Budget 2018 Information Release

Release Document August 2018

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Key to sections of the Official Information Act 1982 under which information has been withheld.

Certain information in this document has been withheld under one or more of the following sections of the Official Information Act, as applicable:

[1]	to prevent prejudice to the security or defence of New Zealand or the international relations of the government	6(a)
[2]	to avoid prejudice the entrusting of information to the Government of New Zealand on a basis of confidence by the Government of any other country or any agency of such a Government	6(b)(i)
[4]	to prevent prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial	6(c)
[11]	to damage seriously the economy of New Zealand by disclosing prematurely decisions to change or continue government economic or financial policies relating to the entering into of overseas trade agreements.	6(e)(vi)
[23]	to protect the privacy of natural persons, including deceased people	9(2)(a)
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[26]	to prevent prejudice to the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied	9(2)(ba)(i)
[27]	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	9(2)(ba)(ii)
[29]	to avoid prejudice to the substantial economic interests of New Zealand	9(2)(d)
[31]	to maintain the current constitutional conventions protecting collective and individual ministerial responsibility	9(2)(f)(ii)
[33]	to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials	9(2)(f)(iv)
[34]	to maintain the effective conduct of public affairs through the free and frank expression of opinions	9(2)(g)(i)
[36]	to maintain legal professional privilege	9(2)(h)
[37]	to enable the Crown to carry out commercial activities without disadvantages or prejudice	9(2)(i)
[38]	to enable the Crown to negotiate without disadvantage or prejudice	9(2)(j)
[39]	to prevent the disclosure of official information for improper gain or improper advantage	9(2)(k)
[40]	not in scope	
[41]	that the making available of the information requested would be contrary to the provisions of a specified enactment	18(c)(i)
[42]	information is already publicly available or will be publicly available soon	18(d)

In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) and section 18 of the Official Information Act.



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.

2018 Budget Package: Vote Forestry

On 9 April 2018, Cabinet:

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2018 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)				
		2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
10636	Adjustments to Reflect Vote Restructure	-	-	-	-	-
10656	Establishing the Foundation for One Billion Trees	-	2.367	2.318	0.670	0.670
10549	Tree Planting and Hill Country Erosion Programme Expansion	-	7.426	9.081	10.988	13.068
Total Operating		-	9.793	11.399	11.658	13.738

Capital Initiatives (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2017/18	2018/19	2019/20	2020/21	2021/22
10549	Tree Planting and Hill Country Erosion Programme Expansion	-	15.400	20.400	-	-
Total Capital		-	15.400	20.400	-	-
		2022/23	2023/24	2024/25	2025/26	2026/27 only
10549	Tree Planting and Hill Country Erosion Programme Expansion	-	18.000	-	18.000	17.000
Total Capital		-	18.000	-	18.000	17.000

- 2 **approved** changes to appropriations to implement the initiatives, as set out in the attached initiative documents;
- 3 **approved** the additional recommendations to give effect to the initiatives, as set out in the attached initiative documents;
- 4 **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 2017/18 Supplementary Estimates, the 2018/19 Estimates and the fiscal forecasts;
- 5 **noted** that all communications relating to the 2018 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;
- 6 **agreed** that the initiatives in the following table be set aside as contingency items, and that they be submitted to Cabinet for consideration at a later stage:

Operating Contingency

Initiative Name	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Establishing Forestry New Zealand	-	15.046	-	-	-
Planting Native Seedlings	-	6.750	6.750	-	-
Total Operating	-	21.796	6.750	-	-

- 7 **noted** that the Planting Native Seedlings funding above counts towards the Provincial Growth Fund (Initiative 10265).

Michael Webster
Secretary of the Cabinet

Hard-copy distribution:

Prime Minister
Deputy Prime Minister
Minister of Finance
Minister of Forestry

Initiative No: 10636

Vote: Forestry

Title: Adjustments to Reflect Vote Restructure

Description: This initiative realigns appropriations to reflect Ministerial portfolios following the restructure of Vote Primary Industries and Food Safety, and the establishment of Vote Forestry.

Appropriation changes

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Operating Balance Impact	-	-	-	-	-
Debt Impact	-	-	-	-	-
No Impact	-	113.915	111.056	111.100	47.914
Total	-	113.915	111.056	111.100	47.914

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Non-Departmental Other Expenses:					
Afforestation Grant Scheme (MYA)	-	7.022	1.670	1.671	-
Forestry and Other Economic Development, and Erosion Control (MYA)	-	5.520	7.520	13.910	-
Multi-Category Expenses and Capital Expenditure:					
Growth and Development of the Forestry Sector (MCA)					
<i>Departmental Output Expenses:</i>					
Administration of Grants and Programmes (funded by revenue Crown)	-	4.578	4.628	4.279	4.124
Administration of Grants and Programmes (funded by revenue Other)	-	0.015	0.014	0.015	0.015
Implementation of Policy Advice and ministerial servicing (funded by revenue Crown)	-	9.315	9.418	8.973	8.973
Implementation of Policy Advice and ministerial servicing (funded by revenue Crown)	-	1.798	1.767	1.604	1.611

Initiative No: 10636

	\$m - increase/(decrease)				
Implementation of Policy Advice and ministerial servicing (funded by revenue Dept)	-	0.001	0.001	0.001	0.001
Implementation of Policy Advice and ministerial servicing (funded by revenue Dept)	-	0.106	-	-	-
Implementation of Policy Advice and ministerial servicing (funded by revenue Other)	-	0.028	0.027	0.027	0.027
Implementation of Policy Advice and ministerial servicing (funded by revenue Other)	-	0.005	0.005	0.005	0.005
Management of the Crown's Forestry Assets (funded by revenue Crown)	-	1.683	1.718	1.589	1.589
Management of the Crown's Forestry Assets (funded by revenue Dept)	-	0.002	0.002	0.002	0.002
Management of the Crown's Forestry Assets (funded by revenue Other)	-	0.114	0.114	0.114	0.114
Policy Advice (funded by revenue Crown)	-	1.423	1.473	1.414	1.414
Policy Advice (funded by revenue Dept)	-	0.025	(0.025)	(0.025)	(0.025)
Policy Advice (funded by revenue Other)	-	0.029	0.030	0.031	0.030
<i>Non-Departmental Output Expense:</i>					
Operational management of the Crown's Forests	-	80.051	80.383	75.290	27.834
<i>Non-Departmental Other Expense:</i>					
Hill Country Erosion Fund	-	2.200	2.311	2.200	2.200
Total Multi-Category Expenses and Capital Expenditure: Growth and Development of the Forestry Sector (MCA)	-	101.373	101.866	95.519	47.914
Total Operating	-	113.915	111.056	111.100	47.914

Additional recommendations

- 8 **agreed** that the amount of the Multi Year Appropriation: "Forestry and Other Economic Development, and Erosion Control" be \$26.950 million;

Initiative No: 10636

- 9 **noted** that amounts shown in the appropriations changes table for the Multi Year Appropriation: "Forestry and Other Economic Development, and Erosion Control" is the change to the indicative annual spending profile;
- 10 **agreed** the amount of the Multi Year Appropriation: "Afforestation Grant Scheme" be \$10.363 million;
- 11 **noted** that amounts shown in the appropriations changes table for the Multi Year Appropriation: "Afforestation Grant Scheme" is the change to the indicative annual spending profile;
- 12 **noted** that this movement of appropriations is fiscally neutral by a transfer from Vote Primary Industries and Food Safety (Initiative 10635);

Initiative No: 10656

Vote: Forestry

Title: Establishing the Foundation for One Billion Trees

Description: This funding will allow the Ministry for Primary Industries to work with government, Māori, industry, land owners and other interested groups in 2018/19 and 2019/20 to develop a cost-effective One Billion Trees Programme. The funding will also establish a Ministerial Advisory Group for Forestry, to ensure a co-ordinated approach to delivering the Programme.

Appropriation changes

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Operating Balance Impact	-	2.367	2.318	0.670	0.670
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	2.367	2.318	0.670	0.670

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Growth and Development of the Forestry Sector (MCA)					
<i>Departmental Output Expense:</i>					
Implementation of Policy Advice and ministerial servicing (funded by revenue Crown)	-	2.367	2.318	0.670	0.670
Total Multi-Category Expenses and Capital Expenditure: Growth and Development of the Forestry Sector (MCA)	-	2.367	2.318	0.670	0.670
Total Operating	-	2.367	2.318	0.670	0.670

Initiative No: 10549

Vote: Forestry

Title: Tree Planting and Hill Country Erosion Programme Expansion

Description: This funding will enable Crown Forestry to plant up to 20 million trees in 2019 and maintain them as they grow. The funding will also expand the existing Hill Country Erosion Programme (progressively increasing the annual fund level so that it reaches \$10 million by 2021/22).

Appropriation changes

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22
Operating Balance Impact	-	7.426	9.081	10.988	13.068
Debt Impact	-	15.400	20.400	-	-
No Impact	-	-	-	-	-
Total	-	22.826	29.481	10.988	13.068
	2022/23	2023/24	2024/25	2025/26	2026/27
Operating Balance Impact	13.068	13.068	13.068	13.068	13.068
Debt Impact	-	18.000	-	18.000	17.000
No Impact	-	-	-	-	-
Total	13.068	31.068	13.068	31.068	30.068
	2027/28 & outyears				
Operating Balance Impact	13.068				
Debt Impact	-				
No Impact	-				
Total	13.068				

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Growth and Development of the Forestry Sector (MCA)					
<i>Departmental Output Expenses:</i>					
Administration of Grants and Programmes (funded by revenue Crown)	-	0.460	0.191	0.170	0.252
Management of the Crown's Forestry Assets (funded by revenue Crown)	-	1.166	1.090	1.018	1.016

Initiative No: 10549

	\$m - increase/(decrease)				
	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
<i>Non-Departmental Other Expenses:</i>					
Hill Country Erosion Fund	-	1.800	3.800	5.800	7.800
<i>Non-Departmental Capital Expenditure:</i>					
	2017/18	2018/19	2019/20	2020/21	2021/22
Capital investment in the Crown's Forestry Assets	-	15.400	20.400	-	-
	2022/23	2023/24	2024/25	2025/26	2026/27
Capital investment in the Crown's Forestry Assets	-	18.000	-	18.000	17.000
	2017/18	2018/19	2019/20	2020/21	2021/22
Total Multi-Category Expenses and Capital Expenditure: Growth and Development of the Forestry Sector (MCA)	-	22.826	29.481	10.988	13.068
	2022/23	2023/24	2024/25	2025/26	2026/27
	13.068	31.068	13.068	31.068	30.068
Total Operating	2017/18	2018/19	2019/20	2020/21	2021/22 & Outyears
	-	7.426	9.081	10.988	13.068
	2017/18	2018/19	2019/20	2020/21	2021/22
Total Capital	-	15.400	20.400	-	-
	2022/23	2023/24	2024/25	2025/26	2026/27 only
	-	18.000	-	18.000	17.000

Additional recommendation

- 12 **noted** that the expenses incurred above count towards the Provincial Growth Fund (Initiative 10265).