

The Treasury and Office of the Minister of Finance

Budget 2019 Information Release August 2019

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Good reasons for withholding the information exist, as the making available of that information would be likely to:

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|------|---|----------|
| [1] | prejudice the security or defence of New Zealand or the international relations of the Government of New Zealand | 6(a) |
| [4] | prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial | 6(c) |
| [23] | 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) |

Withholding the information is necessary for the following reasons and is not outweighed by other considerations, which make it desirable in the public interest to make it available:

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| [25] | to protect information where the making available of that information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information | 9(2)(b)(ii) |
| [31] | to maintain the constitutional conventions for the time being which protect collective and individual ministerial responsibility | 9(2)(f)(ii) |
| [33] | to maintain the constitutional conventions for the time being which protect the confidentiality of advice tendered by Ministers of the Crown and officials | 9(2)(f)(iv) |
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| [37] | to enable a Minister of the Crown or any department or organisation holding the information to carry out, without prejudice or disadvantage, negotiations (including commercial or industrial negotiations) | 9(2)(i) |
| [38] | to enable a Minister of the Crown or any department or organisation holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial or industrial negotiations) | 9(2)(j) |
| [39] | to prevent the disclosure or use of official information for improper gain or improper advantage | 9(2)(k) |

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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.

2019 Budget Package: Vote Forestry

On 15 April 2019, Cabinet:

- 1 **approved** the Budget initiatives for the above Vote for inclusion in the 2019 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 Initiative (Impact on Operating Balance)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2018/19	2019/20	2020/21	2021/22	2022/23 & Outyears
11358	Transforming New Zealand Forestry: Growing a Vibrant and Inclusive Low-Emissions Economy	-	2.370	11.849	14.343	13.798
11706	Wilding Conifer Control - Protecting Farmland, Biodiversity and Iconic Landscapes	-	(10.500)	(10.500)	-	-
Total Operating		-	(8.130)	1.349	14.343	13.798

- 2 **approved** changes to appropriations to implement the initiatives, as set out in the attached initiative documents;
- 3 **approved** the additional recommendation to give effect to the initiative, 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 2018/19 Supplementary Estimates, the 2019/20 Estimates and the fiscal forecasts;

- 5 **noted** that all communications relating to the 2019 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

Hard-copy distribution:

Prime Minister
Deputy Prime Minister
Minister of Finance
Minister of Forestry

Vote: Forestry

Title: Transforming New Zealand Forestry: Growing a Vibrant and Inclusive Low-Emissions Economy

Description: This initiative is led by the Minister of Forestry.

This initiative supports the scale-up of Te Uru Rākau to deliver on the government’s vision for growing the forestry sector and ensure ongoing sustainability of this sector. This will be achieved through providing funding for the development of a Forestry Strategy, implementation of the workforce strategy to provide sustainable jobs, training and career pathways, and reviewing the climate system that underpins forestry support of the government’s low emissions target. This funding will also allow Te Uru Rākau to increase its regional presence to add more value to forestry and support local landowners in achieving increased value from their land through forestry. Transforming our forestry system will achieve economic, environmental, civic and cultural aims.

Appropriation Changes

	\$m - increase/(decrease)				
	2018/19	2019/20	2020/21	2021/22	2022/23 & Outyears
Operating Balance Impact	-	2.370	11.849	14.343	13.798
Debt Impact	-	-	-	-	-
No Impact	-	8.642	-	-	-
Total	-	11.012	11.849	14.343	13.798

	\$m - increase/(decrease)				
	2018/19	2019/20	2020/21	2021/22	2022/23 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Growth and Development of the Forestry Sector (MCA)					
<i>Departmental Output Expenses:</i>					
Forestry: Implementation of Policy Advice and ministerial servicing (funded by revenue Crown)	-	6.171	-	-	-
Forestry: Implementation of Policy Advice and ministerial servicing (funded by revenue Crown)	-	2.349	8.479	7.724	6.962
Forestry: Policy Advice (funded by revenue Crown)	-	2.471	-	-	-
Forestry: Policy Advice (funded by revenue Crown)	-	0.021	3.370	3.137	3.255
<i>Non-Departmental Other Expense:</i>					
Forestry: Grants and Partnerships Programmes	-	-	-	3.482	3.581
Total Operating	-	11.012	11.849	14.343	13.798

- 6 **agreed** that the draw-down of \$8.642 million, being the contingency *Establishing Forestry New Zealand* established as part of Budget 2018, has no impact on the Budget 2019 operating allowance as it was previously charged against the Budget 2018 operating allowance;
- 7 **noted** that there is an associated initiative in Vote Agriculture, Biosecurity, Fisheries and Food Safety (Initiative 11509) for the capital component of this initiative;

Vote: Forestry

Title: Wilding Conifer Control - Protecting Farmland, Biodiversity and Iconic Landscapes

Description: This initiative builds on Phase 1 of the National Wilding Conifer Control Programme. It aims to control wilding conifer infestations and protect against future loss of land productivity, support sustainable land-use, water availability, and mitigate fire risk. This funding will prevent irreversible loss of biodiversity and support the expansion of the One Billion Trees programme by making more land available for tree planting.

Appropriation Changes

	\$m - increase/(decrease)				
	2018/19	2019/20	2020/21	2021/22	2022/23 & Outyears
Operating Balance Impact	-	(10.500)	(10.500)	-	-
Debt Impact	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	(10.500)	(10.500)	-	-

	\$m - increase/(decrease)				
	2018/19	2019/20	2020/21	2021/22	2022/23 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Growth and Development of the Forestry Sector (MCA)					
<i>Non-Departmental Other Expense:</i>					
Forestry: Grants and partnerships programmes	-	(10.500)	(10.500)	-	-
Total Operating	-	(10.500)	(10.500)	-	-

8 **noted** that there is a corresponding increase in Vote Agriculture, Biosecurity, Fisheries and Food Safety (Initiative 11707), with the result that the investment in the National Wilding Conifer Control Programme is fiscally neutral for the Crown overall.