

The Treasury

Budget 2022 Information Release

August 2022

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- [1] 6(a) - to avoid prejudice to the security or defence of New Zealand or the international relations of the government
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- [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
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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
- [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] Out of Scope
- [41] 18(c)(i) - that the making available of the information requested would be contrary to the provisions of a specified enactment
- [42] 18(d) - information is already publicly available or will be publicly available soon

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2022 Budget Package: Vote Conservation (Technical Initiatives)

Appropriation Administrator: Department of Conservation

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

- 1 **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 technical 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
14349	Accounting policy change for Software as a Service (SaaS)	20.145	-	-	-	-
14346	Reallocation of funding received for Jobs for Nature programmes	2021/22 (83.211)	2022/23 17.694	2023/24 52.417	2024/25 12.078	2025/26 only 1.022
14348	Reallocation of funding received for Mātauranga Māori to promote traditional knowledge of indigenous biodiversity	2021/22 (1.090)	2022/23 0.109	2023/24 0.109	2024/25 0.109	2025/26 0.109
		2026/27 0.109	2027/28 0.109	2028/29 0.109	2029/30 0.109	2030/31 0.109
		2031/32 0.109	2032/33 & outyears -			
14347	Reallocation of funding received to support Māori landowners' protection of indigenous ecosystems	2021/22 (7.629)	2022/23 0.848	2023/24 0.848	2024/25 0.848	2025/26 0.848
		2026/27 0.848	2027/28 0.848	2028/29 0.848	2029/30 0.848	2030/31 only 0.845
Total Operating		(71.785)	18.651	53.374	13.035	1.979

Capital Initiative(s) (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears

14349	Accounting policy change for Software as a Service (SaaS)	(20.145)	-	-	-	-
Total Capital		(20.145)	-	-	-	-

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 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;
- v. **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;
- vi. **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: Conservation

Appropriation Administrator: Department of Conservation

Title: Accounting policy change for Software as a Service (SaaS)

Description: This initiative is limited to the derecognition (write-off) of a previously capitalised intangible asset, due to the accounting policy change regarding Software as a Service. This includes a capital to operating swap of \$20.145 million in 2021/22.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 & Outyears
Operating Balance Impact*	20.145	-	-	-	-
Net Core Crown Debt Impact Only	(20.145)	-	-	-	-
No Impact	10.954	-	-	-	-
Total	10.954	-	-	-	-

* 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:					
Conservation with the Community (funded by revenue Crown)	2.109	-	-	-	-
Crown Contribution to Regional Pest Management (funded by revenue Crown)	0.066	-	-	-	-
Management of Historic Heritage (funded by revenue Crown)	0.369	-	-	-	-
Management of Natural Heritage (funded by revenue Crown)	9.873	-	-	-	-
Management of Recreational Opportunities (funded by revenue Crown)	6.917	-	-	-	-
Search and Rescue Activities (PLA) (funded by revenue Crown)	0.007	-	-	-	-

Departmental Other Expenses:						
Software as a Service intangible asset derecognition (write-off)	10.954	-	-	-	-	-
Capital Injections:						
Department of Conservation - Capital Injection	(20.145)	-	-	-	-	-
Multi-Category Expenses and Capital Expenditure:						
Policy Advice, Statutory Planning, and Services to Ministers and Statutory Bodies (MCA)						
<i>Departmental Output Expenses:</i>						
Policy Advice (funded by revenue Crown)	0.201	-	-	-	-	-
Statutory Planning, Services to Ministers and Statutory Bodies (funded by revenue Crown)	0.603	-	-	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Policy Advice, Statutory Planning, and Services to Ministers and Statutory Bodies (MCA)	0.804	-	-	-	-	-
Total Operating	31.099	-	-	-	-	-
Total Capital	(20.145)	-	-	-	-	-

Additional Recommendations

- 7 **note** that there has been a recent change in the accounting treatment for Software as a Service (SaaS) arrangements which will be applicable for financial reporting in the 2021/22 fiscal year;
- 8 **note** that the change in the accounting treatment for SaaS arrangements will require a retrospective adjustment of \$10.954 million to address prior year financial information;
- 9 **note** that to adopt the accounting policy change is a current year decision and that an appropriation is required for a retrospective adjustment that results in the write-off of an intangible asset estimated up to \$10.954 million from a department's balance sheet as at 30 June 2021; and
- 10 **note** that the retrospective adjustment is a non-cash expense and does not impact on funding.

Vote: Conservation

Appropriation Administrator: Department of Conservation

Title: Reallocation of funding received for Jobs for Nature programmes

Description: Operating funding for the Jobs for Nature programme of \$83.211m needs to be reallocated from 2021/22, 2022/23 and 2023/24 to 2022/23, 2023/24, 2024/25 and 2025/26, as community funding agreements are confirmed.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 only
Operating Balance Impact*	(83.211)	17.694	52.417	12.078	1.022
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(83.211)	17.694	52.417	12.078	1.022

* 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:					
Management of Natural Heritage (funded by revenue Crown)	(56.783)	8.789	38.725	8.247	1.022
Non-Departmental Output Expenses:					
Community Conservation Funds	(9.539)	3.844	4.889	0.806	-
Multi-Category Expenses and Capital Expenditure:					
Identification and Implementation of Protection for Natural and Historic Places (MCA)					
<i>Non-Departmental Output Expenses:</i>					
Legal Protection Queen Elizabeth II National Trust	(1.400)	(0.600)	-	2.000	-
Support for Māori Land	(15.489)	5.661	8.803	1.025	-
Total Multi-Category Expenses and Capital Expenditure: Identification and	(16.889)	5.061	8.803	3.025	-

Implementation of Protection for Natural and Historic Places (MCA)					
Total Operating	(83.211)	17.694	52.417	12.078	1.022
Total Capital	-	-	-	-	-

Vote: Conservation

Appropriation Administrator: Department of Conservation

Title: Reallocation of funding received for Mātauranga Māori to promote traditional knowledge of indigenous biodiversity

Description: Operating funding received of \$1.090m for 2021/22 needs to be reallocated from 2022/23 to 2031/32, as funding is aligned to future grants over ten (10) years.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26
Operating Balance Impact*	(1.090)	0.109	0.109	0.109	0.109
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(1.090)	0.109	0.109	0.109	0.109
	2026/27	2027/28	2028/29	2029/30	2030/31
Operating Balance Impact*	0.109	0.109	0.109	0.109	0.109
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	0.109	0.109	0.109	0.109	0.109
	2031/32	2032/33 & outyears			
Operating Balance Impact*	0.109	-			
Net Core Crown Debt Impact Only	-	-			
No Impact	-	-			
Total	0.109	-			

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

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26
Non-Departmental Other Expenses:					
Mātauranga Māori Fund	(1.090)	0.109	0.109	0.109	0.109
Total Operating	(1.090)	0.109	0.109	0.109	0.109
Total Capital	-	-	-	-	-
	2026/27	2027/28	2028/29	2029/30	2030/31
Non-Departmental Other Expenses:					
Mātauranga Māori Fund	0.109	0.109	0.109	0.109	0.109

Total Operating	0.109	0.109	0.109	0.109	0.109
Total Capital	-	-	-	-	-
	2031/32	2032/33 & outyears			
Non-Departmental Other Expenses: Mātauranga Māori Fund	0.109	-			
Total Operating	0.109	-			
Total Capital	-	-			

Vote: Conservation

Appropriation Administrator: Department of Conservation

Title: Reallocation of funding received to support Māori landowners' protection of indigenous ecosystems

Description: Operating funding received of \$7.629m for 2021/22 needs to be reallocated from 2022/23 to 2030/31, as funding is aligned to future applications.

Appropriation Changes

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 &
Operating Balance Impact*	(7.629)	0.848	0.848	0.848	0.848
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	(7.629)	0.848	0.848	0.848	0.848
	2026/27	2027/28	2028/29	2029/30	2030/31
Operating Balance Impact*	0.848	0.848	0.848	0.848	0.845
Net Core Crown Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	0.848	0.848	0.848	0.848	0.845

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

	\$m - increase/(decrease)				
	2021/22	2022/23	2023/24	2024/25	2025/26 &
Multi-Category Expenses and Capital Expenditure:					
Identification and Implementation of Protection for Natural and Historic Places (MCA)					
<i>Non-Departmental Output Expenses:</i>					
Support for Māori Land	(7.629)	0.848	0.848	0.848	0.848
Total Multi-Category Expenses and Capital Expenditure: Identification and Implementation of Protection for Natural and Historic Places (MCA)	(7.629)	0.848	0.848	0.848	0.848
Total Operating	(7.629)	0.848	0.848	0.848	0.848

Total Capital	-	-	-	-	-
	2026/27	2027/28	2028/29	2029/30	2030/31
Multi-Category Expenses and Capital Expenditure:					
Identification and Implementation of Protection for Natural and Historic Places (MCA)					
<i>Non-Departmental Output Expenses:</i>					
Support for Māori Land	0.848	0.848	0.848	0.848	0.845
Total Multi-Category Expenses and Capital Expenditure: Identification and Implementation of Protection for Natural and Historic Places (MCA)	0.848	0.848	0.848	0.848	0.845
Total Operating	0.848	0.848	0.848	0.848	0.845
Total Capital	-	-	-	-	-