

The Treasury

Budget 2023 Information Release

July 2023

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- [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;
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2023 Budget Package: Vote Agriculture, Biosecurity, Fisheries and Food Safety

Appropriation Administrator: Ministry for Primary Industries

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

- note** that Cabinet has approved the Budget initiatives for the above Vote for inclusion in the 2023 Budget package, as detailed in the summary tables below:

Summary of Funded Initiatives agreed by Cabinet:

Operating Initiatives (Impact on Operating Balance)

Initiative ID	Initiative Name	\$m - increase/(decrease)							
		2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30 & Outyears
14897	Completing the Eradication of Mycoplasma Bovis from New Zealand	-	23.100	23.030	20.395	11.264	24.738	11.067	-
14922	Core Biosecurity Infrastructure - Plant Health and Environmental Capability	-	4.342	-	-	-	-	-	-
14900	Delivering the Crown's Aquaculture Settlement Obligations	74.369	15.468	4.700	1.200	1.200	1.200	1.200	1.200
14904	Ensuring the Ongoing Delivery of Regulatory Compliance and Enforcement Activities Under the Animal Welfare Act 1999	2.304	2.304	2.304	2.304	2.304	2.304	2.304	2.304
14908	Herenga ā Nuku Aotearoa (New Zealand Outdoor Access Commission) Cost Pressures - Enabling Enduring Public Access to the Outdoors	-	1.806	1.806	1.806	1.806	1.806	1.806	1.806
14927	Setting Up and Operating an Agricultural Emissions Pricing Scheme	-	12.200	-	-	-	-	-	-
Total Operating		76.673	59.220	31.840	25.705	16.574	30.048	16.377	5.310

Capital Initiatives (Impact on Debt)

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
14922	Core Biosecurity Infrastructure - Plant Health and Environmental Capability	-	37.689	-	-	-
14904	Ensuring the Ongoing Delivery of Regulatory Compliance and Enforcement Activities Under the Animal Welfare Act 1999	-	0.780	-	-	-
Total Capital		-	38.469	-	-	-

Summary of Contingency Initiatives agreed by Cabinet:

Operating Contingency

Initiative ID	Initiative Name	\$m - increase/(decrease)				
		2022/23	2023/24	2024/25	2025/26	2026/27
15326	Core Biosecurity Infrastructure - Plant Health and Environmental Capability	-	-	[25]		
		2027/28	2028/29	2029/30	2030/31	2031/32 & Outyears
		[25]				
15365	Setting Up and Operating an Agricultural Emissions Pricing Scheme	2022/23	2023/24	2024/25	2025/26	2026/27
		-	[33]			
		2027/28	2028/29	2029/30	2030/31	2031/32 & Outyears
		[33]				
Total operating		2022/23	2023/24	2024/25	2025/26	2026/27
		-	[25], [33]			
		2027/28	2028/29	2029/2030	2030/31	2031/32 & Outyears
		[25], [33]				

Capital Contingency

Initiative ID	Initiative Name	\$m - increase/(decrease)					
		2022/23	2023/24	2024/25	2025/26	2026/27	2027/28 Only
15326	Core Biosecurity Infrastructure - Plant Health and Environmental Capability	-	-	[25]			
15271	Return of "Overseer Farm Decision-Support Tool – Supporting the Transition to Sustainable Land Use" Tagged Contingency	[25]	-	-	-	-	-
Total Capital		[25]					

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 2023 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 2022/23 approved by Joint Ministers as authorised above be included in the 2022/23 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 2023/24 Estimates and being sought in the Appropriation (2023/24 Estimates) Bill may be met from Imprest Supply until that Bill is enacted and comes into force;
- iv. **authorised** Joint Ministers, for each contingency initiative, jointly to agree:
 - a. the work that needs to be completed or other conditions that need to be satisfied before the contingency is drawn down into appropriations;
 - b. whether the draw down into appropriations requires Cabinet approval or the approval of Joint Ministers;
 - c. the expiry date of contingency funding;
 - d. any related recommendations necessary to give effect to the contingency initiative;
- v. **authorised** Joint Ministers to approve jointly any technical adjustments to baselines necessary to remove any errors or inconsistencies identified while finalising the 2022/23 Supplementary Estimates, the 2023/24 Estimates and the fiscal forecasts;
- vi. **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;
- vii. **noted** that all communications relating to the 2023 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 initiatives included in the summary tables above, as detailed in the attached initiative documents;

4 **approve** changes to appropriations and/or the capital injections to the administering department (where applicable) to implement the initiatives included in the summary tables above, as set out in the attached initiative documents;

- 5 **approve** the additional recommendations to give effect to the initiatives, as set out in the attached initiative documents;
- 6 **agree** that the proposed changes to appropriations and/or capital injections for 2022/23 detailed in the attached initiative documents be included in the 2022/23 Supplementary Estimates and that, in the interim, the increases be met from Imprest Supply;

Vote: Agriculture, Biosecurity, Fisheries and Food Safety

Appropriation Administrator: Ministry for Primary Industries

Title: Completing the Eradication of Mycoplasma Bovis from New Zealand

Description: This initiative funds the transition of the management of Mycoplasma bovis to a National Pest Management Plan, under the Biosecurity Act 1993. This supports the aim of eradicating Mycoplasma bovis by 30 June 2028. Operational management will shift to a management agency responsible for finding the last infected properties and managing the long-term surveillance phase.

Appropriation Changes

	Sm - increase/(decrease)						
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29 Only
Operating Balance Impact*	-	23.100	23.030	20.395	11.264	24.738	11.067
Net Debt Impact Only	-	-	-	-	-	-	-
No Impact	-	2.974	4.259	3.761	3.535	2.700	0.524
Total	-	26.074	27.289	24.156	14.799	27.438	11.591

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

	\$m - increase/(decrease)						
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29 Only
Non-Tax Revenue:							
Industry Contribution for Mycoplasma bovis	-	7.581	4.800	4.160	-	-	-
Multi-Category Expenses and Capital Expenditure:							
Biosecurity: Border and Domestic Biosecurity Risk Management (MCA)							
<i>Departmental Output Expenses:</i>							
Response to Mycoplasma bovis (funded by revenue Crown)	-	18.591	-	-	-	-	-
Response to Mycoplasma bovis (funded by revenue Other)	-	2.974	4.259	3.761	3.535	2.700	0.524
<i>Non-Departmental Output Expenses:</i>							
Biosecurity: Grants Supporting Biosecurity Programmes and Initiatives	-	6.990	12.830	11.555	11.264	24.738	11.067
<i>Non-Departmental Other Expenses:</i>							
Compensation and Ex-Gratia Payments in Response to Mycoplasma bovis	-	5.100	15.000	13.000	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Biosecurity: Border and Domestic Biosecurity Risk Management (MCA)	-	33.655	32.089	28.316	14.799	27.438	11.591
Total Operating	-	26.074	27.289	24.156	14.799	27.438	11.591

Additional Recommendations

- agree** to an in-principle transfer of up to \$56.575 million of any unspent portions of the 2022/23 "Response to Mycoplasma Bovis" and "Compensation and Ex Gratia Payments in Response to Mycoplasma Bovis" categories of the "Biosecurity: Border and Domestic Biosecurity Risk Management" multi-category appropriation to future years of the programme, to fund the next stage of the response;
- agree** that the Minister of Finance and Minister for Biosecurity can jointly agree the final amount of transfer to 2023/24 and outyears in the 2023 October Baseline Update, following completion of the 2022/23 audited financial statements of the Ministry for Primary Industries, with no impact on the operating balance and/or net debt across the forecast period;

Vote: Agriculture, Biosecurity, Fisheries and Food Safety

Appropriation Administrator: Ministry for Primary Industries

Title: Core Biosecurity Infrastructure - Plant Health and Environmental Capability

Description: This initiative funds the construction and commissioning of a new plant health and environment laboratory (PHEL) in Auckland, and the associated ongoing asset ownership costs. The PHEL will perform two critical functions within New Zealand's biosecurity system - protecting our unique biodiversity from pests and diseases and supporting the prosperity and resilience of our primary industries, particularly the horticulture, arable pasture, and forestry sectors.

New Appropriation Approval

Name	Appropriation Minister	Period	Title	Category Name	Scope
Plant Health and Environmental Capability	Minister for Biosecurity	Multi Year Appropriation Start: 1/07/2023 Finish: 30/06/2028 Amount: 4.342 million	Plant Health and Environmental Capability	N/A	This appropriation is limited to the design, construction and commissioning of the new Plant Health and Environment Laboratory.

Appropriation Changes

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Operating Balance Impact*	-	4.342	-	-	-
Net Debt Impact Only	-	37.689	-	-	-
No Impact	-	-	-	-	-
Total	-	42.031	-	-	-

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

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Departmental Output Expenses:					
Plant Health and Environmental Capability (MYA) (funded by revenue Crown)	-	4.342	-	-	-
Capital Injections:					
Ministry for Primary Industries - Capital Injection	-	37.689	-	-	-
Total Operating	-	4.342	-	-	-
Total Capital	-	37.689	-	-	-

Additional Recommendations

9. **note** that the amounts shown in the Appropriation Changes table for the Multi Year Appropriation: "Plant Health and Environmental Capability MYA" reflect the indicative annual spending profile;

10. [25]

11.

Vote: Agriculture, Biosecurity, Fisheries and Food Safety

Appropriation Administrator: Ministry for Primary Industries

Title: Core Biosecurity Infrastructure - Plant Health and Environmental Capability

Description: This initiative funds the construction and commissioning of a new plant health and environment laboratory (PHEL) in Auckland, and the associated ongoing asset ownership costs. The PHEL will perform two critical functions within New Zealand’s biosecurity system - protecting our unique biodiversity from pests and diseases and supporting the prosperity and resilience of our primary industries, particularly the horticulture, arable pasture, and forestry sectors. This funding will be held in contingency with drawdown subject to Ministerial approval of an implementation business case.

Tagged Contingency

	\$m - increase/(decrease)				
Operating Contingency	2022/23	2023/24	2024/25	2025/26	2026/27
	-	-	[25]		
	2027/28	2028/29	2029/30	2030/31	2031/32 & Outyears
	[25]				
Capital Contingency	2022/23	2023/24	2024/25	2025/26	2026/27
	-	-	[25]		
	2027/28	2028/29	2029/30	2030/31	2031/32 Only
	[25]	-	-	-	-
Total	2022/23	2023/24	2024/25	2025/26	2026/27
	-	-	[25]		
	2027/28	2028/29	2029/30	2030/31	2031/32 & outyears
	[25]				

Additional Recommendations

12. **agree** that the expiry date for the above tagged contingency be 30 June 2024;
13. **agree** that the Minister of Finance, the Minister of Infrastructure, and the Minister for Biosecurity may jointly draw down the tagged operating and capital contingencies, subject to joint Ministers’ satisfaction with the completion of an Implementation Business Case;
14. **note** that the tagged operating contingency may also be used to meet further expenses, as

outlined in initiative 14922;

Vote: Agriculture, Biosecurity, Fisheries and Food Safety

Appropriation Administrator: Ministry for Primary Industries

Title: Delivering the Crown’s Aquaculture Settlement Obligations

Description: This initiative enables the Ministry for Primary Industries to deliver future Crown settlement obligations under the Māori Commercial Aquaculture Claims Settlement Act 2004.

New Appropriation Approval

Name	Appropriation Minister	Period	Title	Category Name	Scope
Fisheries: Aquaculture Settlements	Minister for Oceans and Fisheries	Multi Year Appropriation Start: 1/07/2023 Finish: 30/06/2028 Amount: 17.768 million	Fisheries: Aquaculture Settlements	N/A	This appropriation is limited to the recognition of settlements negotiated under the Māori Aquaculture Commercial Claims Settlement Act 2004.

Appropriation Changes

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Operating Balance Impact*	74.369	15.468	4.700	1.200	1.200
Net Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	74.369	15.468	4.700	1.200	1.200

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

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Non-Departmental Other Expenses:					
Fisheries: Aquaculture Settlements	74.369	-	-	-	-
Fisheries: Aquaculture Settlements (MYA)	-	14.268	3.500	-	-
Multi-Category Expenses and Capital Expenditure:					
Fisheries: Managing the Resource Sustainably (MCA)					
<i>Non-Departmental Output Expenses:</i>					
Fisheries: Grants to Manage Sustainable Use of Fisheries Resources	-	1.200	1.200	1.200	1.200
Total Multi-Category Expenses and Capital Expenditure: Fisheries: Managing the Resource Sustainably (MCA)	-	1.200	1.200	1.200	1.200
Total Operating	74.369	15.468	4.700	1.200	1.200

Additional Recommendations

15. **note** that, if settlements are not likely to be concluded in the 2022/23 financial year, approval for an in-principle expense transfer of up to \$74.369 million will be sought from the Minister for Oceans and Fisheries and the Minister of Finance jointly, in line with Cabinet Office Circular (18) 2;
16. **note** that the amounts shown in the Appropriation Changes table for the Multi Year Appropriation: "Fisheries: Aquaculture Settlements MYA" reflect the indicative annual spending profile;

Vote: Agriculture, Biosecurity, Fisheries and Food Safety

Appropriation Administrator: Ministry for Primary Industries

Title: Ensuring the Ongoing Delivery of Regulatory Compliance and Enforcement Activities Under the Animal Welfare Act 1999

Description: This initiative will provide additional funding to protect New Zealand's animal health and welfare system. It provides funding for the Society for the Prevention of Cruelty to Animals (SPCA) to maintain animal welfare compliance work for domestic pets.

Appropriation Changes

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Operating Balance Impact*	2.304	2.304	2.304	2.304	2.304
Net Debt Impact Only	-	0.780	-	-	-
No Impact	-	-	-	-	-
Total	2.304	3.084	2.304	2.304	2.304

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

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Capital Injections:					
Ministry for Primary Industries - Capital Injection	-	0.780	-	-	-
Multi-Category Expenses and Capital Expenditure:					
Agriculture: Programmes Supporting Sustainability (MCA)					
<i>Non-Departmental Output Expenses:</i>					
Agriculture: Grants Supporting Sustainability	2.304	2.304	2.304	2.304	2.304
Total Multi-Category Expenses and Capital Expenditure: Agriculture: Programmes Supporting Sustainability (MCA)	2.304	2.304	2.304	2.304	2.304
Total Operating	2.304	2.304	2.304	2.304	2.304
Total Capital	-	0.780	-	-	-

Vote: Agriculture, Biosecurity, Fisheries and Food Safety

Appropriation Administrator: Ministry for Primary Industries

Title: Herenga ā Nuku Aotearoa (New Zealand Outdoor Access Commission) Cost Pressures - Enabling Enduring Public Access to the Outdoors

Description: This initiative provides sustainable funding for Herenga ā Nuku Aotearoa (New Zealand Walking Access Commission) to continue to deliver core functions, including creating and maintaining public access for New Zealanders to access awa, beaches, maunga and important places, advising on access opportunities to land sold to overseas investors and providing maps of public outdoor access. It also supports the Te Araroa trail and enables work with communities and mana whenua to invest in local access opportunities.

Appropriation Changes

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Operating Balance Impact*	-	1.806	1.806	1.806	1.806
Net Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	1.806	1.806	1.806	1.806

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

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Non-Departmental Output Expenses:					
Support for Walking Access	-	1.806	1.806	1.806	1.806
Total Operating	-	1.806	1.806	1.806	1.806

Vote: Agriculture, Biosecurity, Fisheries and Food Safety

Appropriation Administrator: Ministry for Primary Industries

Title: Return of "Overseer Farm Decision-Support Tool – Supporting the Transition to Sustainable Land Use" Tagged Contingency

Description: This initiative returns the [25] tagged contingency "Overseer Farm Decision-Support Tool – Supporting the Transition to Sustainable Land Use" set aside in Budget 2019, which expired on 1 March 2023.

Tagged Contingency

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Capital Contingency	[25]				
Total Capital					

Additional Recommendations

17. **note** that the above tagged contingency is now closed;

Vote: Agriculture, Biosecurity, Fisheries and Food Safety

Appropriation Administrator: Ministry for Primary Industries

Title: Setting Up and Operating an Agricultural Emissions Pricing Scheme

Description: This initiative funds a system to administer agricultural greenhouse gas emissions pricing. This pricing scheme will support the agriculture sector to reduce agricultural emissions in line with international and domestic targets.

Appropriation Changes

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Operating Balance Impact*	-	12.200	-	-	-
Net Debt Impact Only	-	-	-	-	-
No Impact	-	-	-	-	-
Total	-	12.200	-	-	-

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

	\$m - increase/(decrease)				
	2022/23	2023/24	2024/25	2025/26	2026/27 & Outyears
Multi-Category Expenses and Capital Expenditure:					
Agriculture: Programmes Supporting Sustainability (MCA)					
<i>Departmental Output Expenses:</i>					
Climate Emergency Response Implementation and Administration (funded by revenue Crown)	-	12.200	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Agriculture: Programmes Supporting Sustainability (MCA)	-	12.200	-	-	-
Total Operating	-	12.200	-	-	-

Additional Recommendations

- note** that Cabinet has agreed to charge the operating expenditure associated with this initiative against the Climate Emergency Response Fund;

19. **agree** that this initiative will be subject to the financial and outcome-based monitoring and reporting associated with the Climate Emergency Response Fund;
20. [33]

