

# The Treasury

## Budget 2020 Information Release

### August 2020

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#### Cabinet Document Details

Title: **Cabinet Minute CAB-20-MIN-0328.10: COVID-19 Response and Recovery Fund (CRRF) July Package: Vote Environment**

Date: **6 July 2020**

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**No Information has been Withheld**

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# Cabinet

## Minute of Decision

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### COVID-19 Response and Recovery Fund (CRRF) July Package: Vote Environment

On 6 July 2020, Cabinet:

- 1 **approved** the attached initiatives for the above Vote for inclusion in the COVID-19 Response and Recovery Fund (CRRF) July package;
- 2 **agreed** to establish new appropriations where required to implement these initiatives, as described in the attached initiative documents;
- 3 **approved** changes to appropriations and/or capital injections to the administering department (where applicable) to implement the initiatives, as set out in the attached initiative documents;
- 4 **approved** the additional recommendations to give effect to the initiatives, as set out in the attached initiative documents;
- 5 **authorised** the Minister of Finance and relevant Appropriation Ministers to approve jointly any other changes to appropriations and/or capital injections, and the establishment of new appropriations where necessary, to give effect to the policy decisions outlined in the submission under CAB-20-SUB-0328;
- 6 **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 prior to finalising the 2020/21 Supplementary Estimates;
- 7 **authorised** the chief executives of departments that monitor Crown entities directly affected by decisions in this minute to inform the chair and/or chief executive of a Crown entity, on an in-confidence-until-announcement basis, of decisions that directly affect that Crown entity for the purpose of planning and preparation of their Statement of Intent;
- 8 **agreed** that any and all underspends related to the initiatives approved in this package be returned to the CRRF, until it ceases to exist, at which point they be returned to the centre;
- 9 **agreed** that the changes to appropriations and/or capital injections for 2020/21 in the attached initiative documents be included in the 2020/21 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply;
- 10 **agreed** that the expenses incurred under the attached initiative documents be charged against the COVID-19 Response and Recovery Fund established as part of Budget 2020;

- 11 **agreed** that the initiative in the following table be set aside as a contingency item, and that corresponding funding for it be charged against the COVID-19 Response and Recovery Fund:

#### Operating Contingency

Initiative Name	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Resource Recovery Infrastructure: Plastics Recycling	-	12.000	15.000	-	-
<b>Total Operating</b>	-	<b>12.000</b>	<b>15.000</b>	-	-

- 12 **noted** that the tagged operating contingency 'Resource Recovery Infrastructure: Plastics Recycling' has been set aside for the purpose of investing in resource recovery infrastructure to support a transition to a low emissions and low-waste future for New Zealand;
- 13 **noted** that this contingency is intended to fund two projects that are also being considered for funding through the Provincial Growth Fund;
- 14 **authorised** the Minister of Finance and the Minister for the Environment to jointly draw down from the tagged contingency 'Resource Recovery Infrastructure: Plastics Recycling' should the projects not be funded through the Provincial Growth Fund as noted in paragraph 13 above;
- 15 **agreed** that if these projects are funded through the Provincial Growth Fund, the tagged contingency 'Resource Recovery Infrastructure: Plastics Recycling' cease to exist;
- 16 **noted** that this contingency is related to the attached initiative, 'Resource Recovery Infrastructure' (Initiative 12963);
- 17 **noted** that all communications relating to the CRRF and 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

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**Vote:** Environment

**Title:** Resource Recovery Infrastructure

**Description:** This initiative supports New Zealand to emerge from COVID-19 with a resilient system for reducing, recycling and managing its waste and the associated harm that it causes, as well as increased jobs and incomes spread across New Zealand. It will fund loans and grants to invest in resource recovery infrastructure to support a transition to a low emissions and low-waste future for New Zealand.

### Appropriation changes

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
Operating Balance Impact	-	54.500	7.800	2.000	-
Debt Impact	-	33.000	-	-	-
No Impact	-	-	-	-	-
<b>Total</b>	-	<b>87.500</b>	<b>7.800</b>	<b>2.000</b>	-

	\$m - increase/(decrease)				
	2019/20	2020/21	2021/22	2022/23	2023/24 & Outyears
<b>Departmental Output Expenses:</b>					
Improving New Zealand's Environment (funded by revenue Crown)	-	1.177	1.427	-	-
<b>Multi-Category Expenses and Capital Expenditure:</b>					
Waste and Resource Recovery (MCA)					
<i>Non-Departmental Output Expenses:</i>					
Waste Minimisation and Resource Recovery Initiatives	-	53.323	6.373	2.000	-
<i>Non-Departmental Capital Expenditure:</i>					
Waste and Resource Recovery Infrastructure	-	33.000	-	-	-
Total Multi-Category Expenses and Capital Expenditure: Waste and Resource Recovery (MCA)	-	53.123	6.373	2.000	-
<b>Total Operating</b>	-	<b>54.500</b>	<b>7.800</b>	<b>2.000</b>	-
<b>Total Capital</b>	-	<b>33.000</b>	-	-	-

### Additional recommendation

18 **noted** that the Minister of Finance has approved the establishment of a new multi-category appropriation “Waste and Resource Recovery” in Vote Environment, to be administered by the Ministry for the Environment and with Minister for the Environment as appropriation Minister;

- 19 **noted** that the Minister of Finance has agreed that the single overarching purpose of this appropriation is to build a resilient system for reducing, recycling and managing New Zealand's waste responsibly;
- 20 **noted** that the Minister of Finance and the Minister for the Environment have agreed that the categories for this appropriation be as follows:

Title	Type	Scope
Waste Minimisation and Resource Recovery Initiatives	Non-Departmental Output Expenses	This category is limited to supporting research and development, innovation and commercialisation opportunities, information and education, regulatory activities (including compliance, monitoring and enforcement), data, evidence and evaluation and resource recovery infrastructure to improve New Zealand's capacity to recycle and recover materials.
Fair value write-down of loans	Non-Departmental Other Expenses	This category is limited to the fair value write-down of loans to local authorities and others to develop the infrastructure needed to improve New Zealand's capacity to recycle and recover materials.
Waste and Resource Recovery Infrastructure	Non-Departmental Capital Expenditure	This category is limited to loans to local authorities and others to develop the infrastructure needed to improve New Zealand's capacity to recycle and recover materials.

- 21 **noted** that there is a related 'Resource Recovery Infrastructure: Plastics Recycling' operating contingency initiative.