

Cluster Overview

Cluster Approach

The government established two pilot clusters in the lead up to Budget 2022 as part of the work programme to modernise New Zealand's public finance system. The objectives of the cluster pilots include ongoing collaboration around agreed priorities through joined up working to achieve better spending and outcomes; managing within the Budget 2022 multi-year spending package; and improved performance reporting. The Natural Resources Cluster (NRC) has taken a more individual agency-based approach, focused on management of multi-year funding and improved performance reporting.

Cabinet has agreed to provide cluster agencies additional flexibility to make fiscally-neutral changes to manage baseline funding within the multi-year budgeting period. There are also circumstances where annual budget decisions continue to apply for the NRC, such as for initiatives funded through the Climate Emergency Response Fund (CERF), or new initiatives in response to adverse events, or major capital initiatives with associated operating funding. These new initiatives are funded from outside the Budget 2022 multi-year funding envelope, but reporting requirements for significant initiatives apply.

The cluster pilots are valuable because they inform further and future changes to the public finance system. They also support inter-agency collaboration, help Ministers collectively direct spending and make trade-offs across related areas, support medium-term planning, and put a greater focus on value for money.

The NRC covers all aspects of the natural environment including the Ministerial portfolios and Votes associated with the:

- Department of Conservation
- Ministry for the Environment, and
- Ministry for Primary Industries.

These three NRC agencies have complementary and separate roles in supporting the management, use, protection and enjoyment of our natural capital. The agencies also have critical stewardship and regulatory roles and responsibilities. They continue to work together to proactively address strategic challenges and opportunities that will impact New Zealand's natural resources now and for future generations.

Estimates Volumes

To reflect the cluster approach, the NRC Votes are shown together in the Natural Resources sector Estimates Volume:

- Vote Agriculture, Biosecurity, Fisheries and Food Safety
- Vote Conservation
- Vote Environment, and
- Vote Forestry.

Cluster Votes are grouped together immediately after this cluster overview, followed by non-cluster but related Votes (Vote Lands, Vote Parliamentary Commissioner for the Environment). Existing Vote and appropriation structures have not changed, and accountabilities for appropriations and delivery still sit with the relevant appropriation Ministers and agencies.

Cluster Priorities and Significant Initiatives

The NRC Ministers established six cluster priorities as part of Budget 2022 for new investment to address the cluster's strategic challenges and opportunities as shown in Table 1 below. These are aligned to the Government's broader priorities and aim to achieve a step change in management of the natural resource system, while ensuring agencies can maintain critical stewardship roles and responsibilities.

Table 1 lists the significant initiatives underway for the cluster agencies and indicates their primary contribution to the six cluster priorities (initiatives may contribute to multiple priorities). Further investment has been made in Budget 2023, for major capital investments and for the response to the North Island weather events (NIWE) in early 2023. These are included in Table 1, together with CERF initiatives, if they are significant and contribute to the cluster priorities.

Note that CERF and NIWE initiatives are also subject to additional monitoring and reporting to the Treasury, specific to their funding requirements.

Table 1 - Significant initiatives for the NRC agencies and their primary contribution to cluster priorities

Cluster priority	Significant initiatives	Cluster agency*
Improving biodiversity and biosecurity <i>By protecting indigenous biodiversity and addressing gaps in domestic biosecurity</i>	<ul style="list-style-type: none"> Implementing the Aotearoa New Zealand Biodiversity Strategy: Collective delivery of the Predator Free 2050 Strategy Implementing the Aotearoa New Zealand Biodiversity Strategy: Ramping up deer management and goat control 	Department of Conservation
	<ul style="list-style-type: none"> Biodiversity protections and incentives 	Ministry for the Environment
	<ul style="list-style-type: none"> National pathway management plan for clean hulls Plant Health and Environment Capability – core biosecurity infrastructure Eradicating <i>Mycoplasma bovis</i> from New Zealand 	Ministry for Primary Industries
Improving marine system resilience <i>By ensuring the long-term health and resilience of ocean and coastal ecosystems</i>	<ul style="list-style-type: none"> Reducing extinction risk for key flagship marine species Implementation of marine protection and localised management actions 	Department of Conservation
	<ul style="list-style-type: none"> Delivering Crown settlement obligations under the Māori Commercial Aquaculture Settlement Act 2004 	Ministry for Primary Industries
Implementing natural resource system reform <i>By ensuring it is effectively implemented on the ground with key partners able to uptake the changes alongside supporting land users and owners</i>	<ul style="list-style-type: none"> Resource Management Reform Implementation Freshwater Farm Plan system - Implementation and Operations 	Ministry for the Environment
Building a more inclusive and sustainable economy <i>By accelerating the natural resources sector's economic potential, including by responding to structural challenges highlighted by COVID 19</i>	<ul style="list-style-type: none"> Integrated Advisory Services to support more sustainable and productive land use practices Primary Industry Transformation: delivering industry transformation plans in partnership with primary sector (NIWE: Providing recovery support for primary industries and rural communities; Removing woody debris) 	Ministry for Primary Industries

Cluster priority	Significant initiatives	Cluster agency*
Enabling climate resilience <i>By investing in climate adaptation and mitigation initiatives through both the cluster and the Climate Emergency Response Fund (CERF)</i>	<ul style="list-style-type: none"> (CERF: Increasing natural sequestration to achieve New Zealand's future carbon goals) 	Department of Conservation
	<ul style="list-style-type: none"> Climate Adaptation Act development and delivery Climate change funding to deliver adaptation and New Zealand's low-carbon future (CERF: Reducing emissions from waste) 	Ministry for the Environment
	<ul style="list-style-type: none"> (CERF: Forestry: Increasing natural sequestration to achieve New Zealand's future carbon goals; Establishing native forests at scale to develop long-term carbon sinks; Increasing woody biomass supply) (CERF: Agriculture Emission Reduction: Accelerating Development of Greenhouse Gas Mitigations; Developing the Agriculture Emissions Pricing System; Supporting Producers and Māori Entities Transition to a Low emissions Future) 	Ministry for Primary Industries
Stewardship responsibilities <i>To ensure agencies can maintain and strengthen their critical stewardship and regulatory roles</i>	<ul style="list-style-type: none"> Ministry for the Environment supporting Te Tiriti O Waitangi obligations 	Ministry for the Environment
	<ul style="list-style-type: none"> Antimicrobial Resistance - Addressing future antimicrobial resistance risks in New Zealand 	Ministry for Primary Industries

* Note the Ministry for Primary Industries has two Votes involved in the listed initiatives: Vote Agriculture, Biosecurity, Fisheries and Food Safety, and Vote Forestry.

The NRC also has two cross-cutting priorities that underpin the successful delivery of the six cluster priorities – these are Iwi and Māori Partnerships and Science and Evidence, as outlined below.

Iwi and Māori Partnerships Cross-cutting Priority

A strong Māori-Crown relationship is vital to achieving Government and NRC priorities. The NRC is leading large-scale programmes that involve partnership and engagement with iwi and Māori. The NRC will build stronger connections between related work programmes and the development of a more common approach to partnerships and engagement with iwi or Māori across the three agencies. This will ensure Te Tiriti partners are able to lead, participate and inform decisions related to natural resources.

Science and Evidence Cross-cutting Priority

The NRC will use high-quality scientific evidence and expert advice to inform decision making. It will continue to fund, use, and generate science and research across the natural resources sector and apply it to the development, implementation, and evaluation of new initiatives. The Environment and Climate Research Strategy is being jointly developed by the NRC agencies, which will provide direction on prioritisation of investment in improving and increasing environmental research and data.

How the Cluster will Report on Performance

Reporting back to Ministers on progress of significant NRC initiatives will be provided to NRC Joint Ministers and the Minister of Finance annually each December. Any agency which receives CERF or NIWE funding is required to provide regular reporting on those initiatives to Treasury.

As part of government public accountability and transparency, all NRC agencies will report on the significant initiatives they are delivering to support cluster priorities in their respective Annual Reports, in line with Table 1 above.