

The Treasury

Budget 2022 Information Release

August 2022

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Key to sections of the Act under which information has been withheld:

- [1] 6(a) - to avoid prejudice to the security or defence of New Zealand or the international relations of the government
- [23] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [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
- [27] 9(2)(ba)(ii) - to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest
- [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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Treasury Report: Budget 2022 Natural Resources Cluster Final Package

Date:	14 March 2022	Report No:	T2022/498
		File Number:	AC-4-5-21

Action sought

	Action sought	Deadline
Hon Grant Robertson Minister of Finance	Approve your preferred package for the Natural Resources Cluster to take to Budget Ministers 5.	15 March 2022

Contact for telephone discussion (if required)

Name	Position	Telephone	1st Contact
Guy Bennett-Longley	Graduate Analyst, Natural Resources	[39]	N/A (mob) ✓
Jinal Mehta	Graduate Analyst, Natural Resources		N/A (mob)
James Haughton	Manager, Natural Resources		N/A (mob)

Minister's Office actions (if required)

<p>Return the signed report to Treasury.</p> <p>Refer a copy of this report and its annex to Budget Ministers.</p>
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Note any feedback on the quality of the report

Enclosure: No

Treasury Report: Budget 2022 Natural Resources Cluster Final Package

Executive Summary

Natural Resources Cluster Ministers (“Cluster Ministers”) submitted their final Budget 2022 package for your consideration on 11 March. The final package is [33] over four years in new operating funding, [33] above the 2022/23 and 2025/26 envelope limits. The draft Cluster package was reduced by [33] for the final package. This was achieved by scaling some cost pressures, rephrasing the package so some initiatives begin in Year 2, scaling some priority initiatives, and deferring others to Budget 2025.

The package invests across a number of Cluster and Government priorities, while improving essential agency services. It adds to an already ambitious work programme across Cluster agencies that will need to be carefully monitored and evaluated amid delivery constraints.

Cluster Ministers have signalled that Ministers responsible for the Ministry for the Environment (Minister Parker and Minister Shaw) still need to reduce the Cluster package by [33] before final Budget 2022 decisions are made. We do not have visibility of the Ministers’ timing to deliver the outcome of this further work.

[33]

To ensure that you have a package to consider that is within the medium envelope, and within the 2022/23 and 2025/26 envelope limits, the Treasury has developed an alternative package with modest adjustments to the Cluster’s 11 March package. The Treasury’s alternative package totals [33] over four years in new operating funding, reducing the Cluster’s submission by [33]. The Treasury’s draft package also provisions for the [33]

The timing of the future funding request is unclear and may present pressures at Budget 2023 or on the between-Budget contingency.

The Treasury’s alternative package proposes to fit within the medium envelope by:

- Scaling *climate change funding to deliver adaptation and New Zealand’s low-carbon future*, **saving** [33]
- Scaling *Integrated advisory services to support more sustainable and productive land-use practices*, **saving** [33]
- Delaying the start of *Biodiversity Protections and Incentives* to 2023/24, **saving** [33]

The final Natural Resources Cluster package you approve will be reflected in the Budget Ministers 5 material.

Recommended Action

We recommend that you:

- a **note** that Cluster Ministers have submitted a package totalling \$1.062 billion over four years in new operating funding, and \$12.233 million in new capital funding
- b **note** that the final Cluster package invests across a number of Cluster and Government priorities, while improving essential agency services
- c **note** that the final package submitted by Cluster Ministers remains [33] above the cluster envelope in total, and around \$7 million above the first- and fourth-year envelope limits

[33]

- e **note** that Cluster Ministers have indicated that they are working to reduce the package further by [33] before final Budget decisions are made, although the Treasury does not have visibility of the Ministers' timing to deliver the outcome of this work
- f **note** that Treasury has prepared an alternative package with modest adjustments to the package submitted by Cluster Ministers, that is within the envelope and provisions for a [33]

Either

- g **approve** the final Natural Resources Cluster package for Budget 2022 to take to Budget Ministers 5, subject to Cluster Ministers confirming their preferred option for bringing the package within the envelope (refer to Annex A)

Agree/disagree

OR – Treasury preferred

- h **approve** the Treasury's alternative package for the Natural Resources Cluster for Budget 2022 to take to Budget Ministers 5 (refer to Annex A)

Agree/disagree

- i **note** that, rather than set aside a contingency up-front in the package, Cluster Ministers propose that Chief Executives track its implementation over the period with a view to freeing up underutilised funding
- j **note** there are alternative options should you wish to establish a contingency up-front but that, on balance, we consider the Cluster's proposed approach to be reasonable
- k **include** a recommendation in the Budget 2022 Cabinet paper directing Cluster Ministers to report back to you on progress with reprioritisation in six months

Agree/disagree

I **note** that we will provide you with further advice on a process for this reprioritisation in March to inform the rules and expectations you set

m **request** confirmation from the Minister of Conservation that funding for 1331 will be met from within baselines, as indicated by her officials

Agree/disagree

n **refer** a copy of this report and its annex to Budget Ministers (Prime Minister, Rt Hon Jacinda Ardern, and Associate Minister of Finance, Hon Dr Megan Woods)

Refer/do not refer

James Haughton
Manager, Natural Resources

Hon Grant Robertson
Minister of Finance

Treasury Report: Budget 2022 Natural Resources Cluster Final Package

Purpose of Report

1. This report seeks your final decisions on the Natural Resources Cluster (“the Cluster”) package for Budget 2022. It also seeks your approval of a preferred package to take to Budget Ministers 5 on 22 March.
2. **Annex A** (attached) provides a summary of initiatives submitted by Cluster Ministers. It includes Treasury’s comment on alternative scaling or phasing to fit the Cluster package within the medium envelope. We recommend that you return **Annex A** with your decisions about each initiative for inclusion in Budget Ministers 5 slides on 15 March.

Direction Set for the Natural Resources Cluster

3. You met with Natural Resources Cluster Ministers on 3 March to discuss Budget Ministers’ decisions and direction of the Cluster’s draft package.
4. ^[33] It also raised significant implementation risks as all initiatives began in 2022/23 and did not include a contingency [T2022/280 refers].
5. At the meeting, you directed Cluster Ministers to submit a single revised Budget package that fit within the agreed \$1.040 billion medium envelope.
6. On 4 March, you sent a letter to Cluster Ministers outlining further details for the final package submission, including the revised medium envelope. You noted that the spending profile must not exceed the revised envelope amount in 2022/23 and 2025/26, which would impact on the Budget 2022 allowance and ongoing funding in outyears respectively.

\$ m	2022/23	2023/24	2024/25	2025/26	Total
Original Medium Envelope	100	220	360	360	1,040
Revised Medium Envelope	130	240	330	340	1,040

7. The final Cluster package was submitted to you on 11 March. Cluster agencies have also provided Treasury with the final funding profile across the four-year forecast period.
8. In advance of your meeting with Budget Ministers on 22 March, we recommend taking decisions on the final Natural Resources Cluster package (“the final Cluster package”). Your decisions from this report will be reflected in Budget Ministers 5 slides on 15 March, in order to seek agreement to the final Natural Resources Cluster package.

Final Natural Resources Cluster Package

9. Natural Resources Cluster Ministers submitted their final package for your consideration on 11 March. The final Cluster package totals [33] in new operating funding over four years and \$12.233 million capital funding. The package has made significant progress to reach the revised medium envelope, reducing the draft proposal by \$278 million.
10. The Cluster drew on some of the Treasury's example scaling and re-phasing options [T2022/280 refers] in developing its final package. Our understanding is that the Cluster worked separately to scale on the basis of individual agency allocations that could be drawn from the Treasury example. These allocations were not intended to be directive.
11. The primary areas where the Cluster has reduced the draft package include:
 - a [33]
 - b Scaling some cost pressures, including reducing the Ministry for the Environment's (MfE) overhead rate in line with Treasury's recommendation,
 - c Rephasing the package so some initiatives begin in Year 2 of the cycle,
 - d [33]
 - e
12. However, the final Cluster package still exceeds the medium envelope by [33]. In particular, the funding profile exceeds the maximum envelope limits in both 2022/23 and 2025/26.

\$ m	2022/23	2023/24	2024/25	2025/26	Total
Revised medium envelope	130	240	330	340	1,040

[33]

13. As a result of the approach taken by the Cluster to work within individual agency allocations drawn from the Treasury's example package, Cluster Ministers have signalled that Minister Parker and Minister Shaw still need to reduce the Cluster package by [33] across MfE's initiatives before final Budget 2022 decisions are made. We do not have visibility of the Ministers' timing to deliver the outcome of this further work.
14. [33], [34]

Performance monitoring will be critical for mitigating delivery risks

26. Robust implementation monitoring will be critical for mitigating delivery risks. It will also help to identify reprioritisation options as Cluster Ministers intend to use underutilised funding to build a contingency once the multi-year funding path has begun. You will receive further advice on performance monitoring and evaluation for Clusters later in March.
27. Evaluation is especially important for complex large-scale and programmes to ensure their effectiveness and suitability (e.g., *Integrated advisory services to support more*

sustainable and productive land use practices, Collective delivery of the Predator Free 2050 Strategy, Resource Management Reform Implementation).

Options for the final Natural Resources Cluster package

28. In response to the Cluster’s submission, the Treasury has prepared an alternative package that is within the overall medium envelope and within the 2022/23 and 2025/26 envelope limits. It also includes [33]
29. The Treasury’s package totals [33] over four years in new operating funding, reducing the Cluster’s submission by [33]

\$ m	2022/23	2023/24	2024/25	2025/26	Total
Revised medium envelope	130	240	330	340	1,040

[33]

30. We recommend that you approve the Treasury’s alternative package for the Natural Resources Cluster to take to Budget Ministers 5. At a high-level, the package proposes to fit within the medium envelope by:
- a Scaling the number of FTE in *Climate change funding to deliver adaptation and New Zealand’s low-carbon future* from 25 to 20 in order to reduce recruitment risks, [33]
 - b Scaling *Integrated advisory services to support more sustainable and productive land-use practices* [33] and in remaining years to reflect uncertainties around recruitment of advisors and the level of demand for these services, [33]
 - c Delaying the start of *Biodiversity Protections and Incentives* to 2023/24 to allow for further advice on how to best incentivise biodiversity protections on privately-owned land. [33]
31. The Treasury’s alternative package attempts to strike a balance across Cluster initiatives we view as the least value for money and that pose the greatest delivery risk, while retaining the integrity of the Cluster’s submitted package by limiting scaling to a small number of initiatives.
32. [33]

Next Steps

33. Return **Annex A** with your decisions for inclusion in Budget Ministers 5 slides on 15 March. You are meeting with the Prime Minister and Hon Dr Megan Woods on 22 March to take final decisions on the Budget 2022 package.

Annex A: Natural Resources Cluster Final Package and Treasury's alternative package

Natural Resources Cluster Final Submission and Treasury Recommended

	Operating Average (\$m)	Operating Total (\$m)	Opex as % of Envelope	Capital Total (\$m)
Cluster submission	\$ 265.5	\$ 1,062.0	102%	\$ 12.2
Treasury Recommend	\$ 259.5	\$ 1,038.1	100%	\$ 12.2

Note the above totals do not include the \$68 million sought for M Bovis, which is not counted against the cluster envelope

ID	Priority	Vote	Title	Description	Final Cluster Submission			Treasury Recommendation			Treasury comment	Minister of Finance comment
					Opex Average	Opex Total	Capex Total	Opex Average	Opex Total	Capex Total		
14221	Cost Pressure	Agriculture, Biosecurity, Fisheries and Food Safety	Addressing the Impact of Changes to the Ministry for Primary Industries' Collective Agreements and Supply Costs	This initiative provides critical funding for the Ministry for Primary Industries to continue its current scope and level of operations. This critical cost pressure includes addressing price and inflationary pressures including salary increases that arise from renegotiation of collective agreements, in line with Public Service Commission bargaining parameters, pay restraint guidance, and supplier cost changes driven by price increases and volume-driven cost increases. This funding is critical to continue production of existing outputs across MPI.	18.833	75.330	-	18.833	75.330	-		
14222	Cost Pressure	Agriculture, Biosecurity, Fisheries and Food Safety	Maintaining essential border biosecurity capacity in the cargo pathway	This initiative ensures continuity of border protection against biosecurity incursions, following the introduction of the new policy for collecting GST offshore for low value goods (LVGs). This is achieved by replacing biosecurity levy revenue which is no longer being collected on low value goods. This ensures the continuation of border activities including intelligence functions, risk assessment and intervention activities on LVGs that may pose biosecurity risks to New Zealand's Biodiversity and Economic wellbeing.	11.400	45.600	-	11.400	45.600	-		
14223	Cost Pressure	Agriculture, Biosecurity, Fisheries and Food Safety	Addressing critical gaps in NZ's biosecurity system to protect our taonga, biodiversity, economy and our way of life	This funding will address the financial costs associated with critical biosecurity system gaps that have been identified as a result of a programme of workstreams, and lessons being learned from the Mycoplasma bovis and COVID-19 responses. These include changes required to the National Animal Information Traceability (NAIT) operating model, addressing New Zealand's biosecurity surveillance programme gaps, improvements to our readiness for Foot and Mouth Disease or other major incursion, and addressing critical capacity and capability gaps in our technical and scientific roles which are vital to the continued functioning of New Zealand's biosecurity system.	10.735	42.941	-	10.735	42.941	-		

[33]

14226	Cost Pressure	Agriculture, Biosecurity, Fisheries and Food Safety	Protecting the credibility of New Zealand's animal health and welfare regulatory and adverse event response systems	This initiative will provide additional funding to protect New Zealand's animal health and welfare system and reputation in light of unprecedented growth in societal pressure for animal welfare protection and compliance both here in New Zealand and in key offshore markets like the United Kingdom and the European Union.	7.901	31.605	2.120	7.901	31.605	2.120		
14274	Cost Pressure	Conservation	Corporate Property – Remediation and Maintenance of Residential and Commercial Properties and Associated Infrastructure	This initiative provides funding to remediate and maintain Te Papa Atawhai's corporate property portfolio, including residential and commercial properties and associated primary infrastructure, to meet statutory compliance requirements and remedy critical health and safety risks.	6.253	25.010	-	6.253	25.010	-		

[38]

Natural Resources Cluster Final Submission and Treasury Recommended

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					Opex Average	Opex Total	Capex Total	Opex Average	Opex Total	Capex Total		
14277	Cost Pressure	Conservation	Cost Of Continuing Operations – CPI Pressures	The purpose of this initiative is to seek funding so that Te Papa Atawhai can continue to deliver front line conservation activities, maintain recreational assets to standard, fund biodiversity research, and provide adequate corporate support that enables these activities. Inflationary pressures of over three percent per annum over a number of years have eroded the department's ability to deliver core work. Recent COVID19 supply shocks and large increases in costs of materials and contracted labour have exacerbated this issue. Te Papa Atawhai has needed to reprioritise baseline funding to meet these pressures up until now, however the cumulative effects of price increases are now resulting in core work stopping as it has become unaffordable.	12.081	48.323	-	12.081	48.323	-		
14278	Cost Pressure	Conservation	Legislative and regulatory compliance	This initiative provides funding to ensure the public has continued access to the outdoors via the use of DOC's recreational assets. There have been significant changes to asset management legislation/regulation in recent years to ensure wellbeing of users. As a significant manager of assets, DOC is facing unforeseen costs in relation to three waters, asbestos removal, dam safety, contaminated sites, and the building code. Many of DOC's systems and assets fail to meet these requirements and baseline funding is not sufficient to bring them up to standard. As a regulator, our compliance costs have increased due to increased visitation to DOC sites. Improving our compliance system will result in better management of biodiversity risks, cultural heritage and impacts at place.	7.005	28.021	-	7.005	28.021	-		
14279	Cost Pressure	Conservation	Fit for purpose recreation assets	This initiative will fund cost pressures driven by an increasing volume of high priority maintenance work, work related to high-risk structures, and the renewal of recreation assets for visitor safety reasons. This work must be prioritised as it has serious implications for visitor safety. Additional funding will enable deferred maintenance to be addressed, offset costs related to increased asset valuation, and ensure DOC can continue to provide safe experiences for a range of New Zealanders and visitors. Without additional funding, significant reprioritisation decisions will need to be undertaken by DOC that will result in less access to the outdoors for New Zealanders.	8.099	32.396	-	8.099	32.396	-		
14280	Cost Pressure	Conservation	Protecting our cultural heritage	This initiative will fund increased investment in protecting cultural heritage by understanding current state and implementing site plans in collaboration with Treaty Partners. At present DOC does not have the capability to prevent irretrievable loss of New Zealand's important heritage fabric at 300 actively conserved heritage sites within the next 10 years. Due to the quantum of investment needed for maintenance projects, DOC is unable to manage these cost pressures through prioritisation and deferral. Heritage work is often deprioritised due to DOC needing to prioritise work related to visitor risk and safety concerns. The outcome of this initiative will be that New Zealanders will continue to be able to experience, understand and connect to their whakapapa.	3.296	13.184	-	3.296	13.184	-		

[33]

Natural Resources Cluster Final Submission and Treasury Recommended

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					Opex Average	Opex Total	Capex Total	Opex Average	Opex Total	Capex Total		
14295	Cost Pressure	Environment	Climate change funding to deliver adaptation and New Zealand's low-carbon future	This initiative provides funding for urgent cost pressures in the Ministry for the Environment climate change work programme. New legislative architecture requires increased resourcing to implement. As the scale and pace of the Government's ambition on climate change has increased, the funding required for the Ministry to maintain its responsibilities and stewardship functions is significantly beyond the current baseline. Funding will ensure the Ministry can implement a complex and cross government work programme, including existing climate initiatives, while continuing to keep pace with the Governments growing ambition on climate change.	9.175	36.700	-	8.245	32.980	-	Scaled the number of FTE funded from 25 to 20 to reduce recruitment risks.	
14296	Cost Pressure	Environment	COVID-19 Fast Track Consenting: extending the programme for one year	This initiative will enable continued delivery of the COVID-19 Fast-track Consenting Act 2020 functions for an additional year which has the potential to promote employment to support New Zealand's recovery from the economic and social impacts of COVID-19 and to support the certainty of ongoing investment across New Zealand, while continuing to promote the sustainable management of natural and physical resources.	0.558	2.232	-	0.558	2.232	-		
14301	Priority	Environment	Resource Management Reform Implementation	This initiative will provide funding to enable the successful delivery of the government's resource management reforms. Although some funding has been previously provided to support the legislative change process, this additional funding is required to achieve a successful implementation of the reform programme. This initiative is focused on providing funding for central and local government and Iwi/Maori to enable the successful implementation of the resource management reforms that are being progressed through the legislative changes.	36.926	147.704	-	36.926	147.704	-		
14217	Priority	Agriculture, Biosecurity, Fisheries and Food Safety	Integrated advisory services to support more sustainable and productive land-use practices	This initiative provides funding for a permanent integrated network of support for rural land-users including establishing a network of regionally based farm advisors, expanding Maori agribusiness services, and sustaining and expanding the forestry advisory service into new parts of the sector. This initiative supports our primary industries and rural land users to navigate significant ongoing change and increasing complexity in their operating environment and accelerate the adoption of more sustainable land use practices in land-based sectors to deliver improved environmental and productivity outcomes.			5.330	-	-	5.330	These three different advisory services are broken out below.	
14217 A	Priority	Agriculture, Biosecurity, Fisheries and Food Safety	Integrated advisory services to support more sustainable and productive land-use practices	Farm advisory services	[33]						Scaled in 2022/23 to provision for the deferred [33]	
14217 B	Priority	Agriculture, Biosecurity, Fisheries and Food Safety	Integrated advisory services to support more sustainable and productive land-use practices	Maori Agribusiness advisory services	[33]						Scaled in 2022/23 to provision for the deferred [33], and to reach a 20% lower steady-state, given uncertainties around the level of demand for these services.	
14217 C	Priority	Agriculture, Biosecurity, Fisheries and Food Safety	Integrated advisory services to support more sustainable and productive land-use practices	Forestry advisory services	[33]						Scaled in 2022/23 to provision for the deferred [33] and to reach roughly a 20% lower steady-state, given uncertainties around the level of demand for these services.	
14218	Priority	Agriculture, Biosecurity, Fisheries and Food Safety	Primary Industry Transformation: delivering industry transformation plans in partnership with primary sectors	This initiative will enable the timely delivery of key actions in the industry transformation plans for the food and beverage, fisheries, and forestry and wood processing industries to bring about Government objectives under the Economic Plan. These plans are being developed in partnership with industry and Maori. They will identify, and provide a plan to deliver, high impact actions to strengthen sector performance. Actions may deliver new technologies, diversification, emissions reductions, development of high-value jobs, and improved environmental performance. These will in turn fuel economic growth, including the Maori economy, and strengthen New Zealand's position as a provider of sustainable high-value food and fibre products.							These are broken out below for the three ITPs that MPI has sought funding for.	
14218 A	Priority	Agriculture, Biosecurity, Fisheries and Food Safety	Primary Industry Transformation: delivering industry transformation plans in partnership with primary sectors	Food and Beverage industry transformation plan	2.000	8.000		2.000	8.000			

Natural Resources Cluster Final Submission and Treasury Recommended

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					Opex Average	Opex Total	Capex Total	Opex Average	Opex Total	Capex Total		
14218 B	Priority	Agriculture, Biosecurity, Fisheries and Food Safety	Primary Industry Transformation: delivering industry transformation plans in partnership with primary sectors	Forestry industry transformation plan	6.750	27.000		6.750	27.000			
14218 C	Priority	Agriculture, Biosecurity, Fisheries and Food Safety	Primary Industry Transformation: delivering industry transformation plans in partnership with primary sectors	Fisheries industry transformation plan	1.250	5.000		1.250	5.000			
14220	Priority	Agriculture, Biosecurity, Fisheries and Food Safety	Antimicrobial Resistance – Addressing future antimicrobial resistance risks in New Zealand	This initiative will build capability and resilience in the food safety system to address future antimicrobial resistance risks in NZ. It will strengthen and establish surveillance programmes and lift the testing capability of NZ laboratories. Increased monitoring and reporting of resistant genes and antimicrobial use will enable MPI to meet international reporting requirements and support ongoing reassessment of antimicrobials. It will fund work to promote better infection and prevention control practices with animals and improve antibiotic prescribing practices in plant and animal health sectors. Regulatory programmes will be reviewed and updated, and an audit programme established to ensure compliance with regulatory and stewardship requirements across the food safety system.	2.786	11.145	0.240	2.786	11.145	0.240		
14275	Cost Pressure	Conservation	Maintaining Tiakina Nga Manu Programme Levels	This initiative provides funding to maintain Te Papa Atawhai's current Tiakina Nga Manu predator control outputs, required due to cost increases since 2018. Te Papa Atawhai's Tiakina Nga Manu programme currently receives \$20m of funding per year secured at Budget 2018 to deliver approximately 600,000 hectares of predator control per annum. However, due to significant cost increases since 2018 the Department is currently only able to deliver 450,000 hectares of annual predator control. This funding will reinstate Te Papa Atawhai's ability to deliver to the target set at 2018, increasing the ability to respond to significant mast events like the one forecast for 2022, and meet a growing call for support for predator control work undertaken by our partners.	6.725	26.900	-	6.725	26.900	-		
14297	Cost Pressure	Environment	Ministry for the Environment supporting Te Tiriti of Waitangi obligations	This initiative covers critical operating costs for the Tumatakokiri (Maori) business unit. \$30.9M over 4 yrs is sought to allow the unit to ensure; 1. Treaty settlement commitments & relationship agreements are being honoured & implemented; 2. Treaty negotiations are supported; 3. the Ministry develops & implements a Treaty settlements policy toolkit to ensure policy advice reflects Treaty settlements, commitments and agreements at all times; 4. the Ministry's Te Ao Hurihuri Maori capability strategy is fully implemented & monitored including the provision for te ao Maori expertise & advice in all work programs to ensure Maori views are reflected in policy development from the outset; 5. a Maori engagement framework is developed & implemented; and 6. MFE's Maori science plan is completed.	4.875	19.500	-	4.875	19.500	-		
14298	Cost Pressure	Environment	Ministry for the Environment accommodation cost pressure	This funding provides additional funding required to meet the Ministry for the Environment's accommodation costs.	4.000	16.000	-	4.000	16.000	-		
14299	Priority	Environment	Biodiversity Protections and Incentives	Biodiversity on private land is in decline and will continue without support from central government. This bid invests in actions to improve NZ's most significant biodiversity and invests into actions that will incentivise positive biodiversity actions. In summary the bid will result in the following outputs and outcomes: <ul style="list-style-type: none"> •Support 28 Councils to protect Significant Natural Areas (SNAs) •Support QEII National Trust to create 120 covenants •Eund Nga Whenua Rahui to support Maori landowners •Support 100 community projects •Support 16 councils to fund landowners to maintain & restore biodiversity •Eund policy, research & piloting of a mechanism to incentivise biodiversity action •Improving access to data for monitoring by creating a central database of significant biodiversity. 	4.865	19.460	-	3.000	12.001		Deferred the start of the initiative to year two to allow for further advice around how best to incentivise biodiversity action, and scaled by \$0.848 million per annum to account for an equivalent increase being sought through the Technical Package, funded by previous underspends.	

Natural Resources Cluster Final Submission and Treasury Recommended

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					Opex Average	Opex Total	Capex Total	Opex Average	Opex Total	Capex Total		

[33]

14303	Priority	Environment	Climate Adaptation Act development and delivery	This initiative will provide policy and engagement capability and technical expertise to develop a new Climate Adaptation Act (CAA) as part of reforms to the resource management system. The CAA will address complex legal and technical issues associated with managed retreat.	2.675	10.698	-	2.675	10.698	-		
14304	Priority	Environment	Freshwater Farm Plan system – Implementation and Operations	The Government has already decided to implement FWFPs. In 2020, the Government amended the RMA to provide for mandatory FWFPs. Regulations that will determine the details of the system are expected to come into force in mid-2022. Nationwide consultation was undertaken in September – October 2021 on regulation development and implementation of FWFPs. FWFPs will be progressively rolled out across all farms in New Zealand (above certain size thresholds) over the following four to six years. Once implemented, FWFPs will provide a new form of environmental regulation across roughly half New Zealand's land area. They are therefore a cornerstone of New Zealand's future freshwater management system and will be key to achieving many of the Government's objectives for freshwater reform.	8.911	35.643	-	8.911	35.643	-		
14322	Priority	Conservation	Implementing the Aotearoa New Zealand Biodiversity Strategy 2020: Collective delivery of the Predator Free 2050 Strategy	This initiative will address the urgent threat of possums, stoats and rats destroying our native bird and invertebrate populations. The investment proposition implements the Predator Free 2050 strategy through a mix of operational projects, such as offshore island eradications, as well as support programmes to ensure capacity for long-term success (e.g. growing professional capacity, research and development, and supporting community contributions).	15.391	61.565	2.020	15.391	61.565	2.020		
14323	Priority	Conservation	Implementing the Aotearoa New Zealand Biodiversity Strategy: Ramping up deer management and goat control	This initiative will reduce browsing pressure from deer and goats by scaling up direct management in the field and improved co-ordination across agencies and organisations. A national programme will coordinate across the sector to prioritise effort, enhance capacity, and monitor and evaluate outcomes. Regional- and site-based planning and management will be designed to balance the ecological impacts with the cultural, recreational, and economic values that these animals may provide.	7.500	30.000	-	7.500	30.000	-		
14316	Priority	Agriculture, Biosecurity, Fisheries and Food Safety	National Pathway Management Plan for Clean Hulls	This initiative will pilot a Clean Hulls Programme for the upper North Island, covering 70% of New Zealand's vessel fleet. The programme aims to prevent the spread of invasive marine species that can have significant impacts on the marine environment, marine based industries, and aquaculture, and taonga species. It will include development and implementation of a National Pathway Management Plan (under Biosecurity Act) which will require boat owners to keep boat hulls and equipment free of biofouling and invasive species.	1.390	5.560	-	1.390	5.560	-		
14319	Priority	Conservation	Implementation of marine protection and localised management actions	This initiative will support prompter and better implementation of critical marine management processes that are underway in the Hauraki Gulf, Kermadec Islands and south-east South Island. Funding will support delivery of a research fund, monitoring and enforcement to establish and manage a sanctuary in the Kermadec region. It will also support the development and implementation of Ahu Moana, an Integrated Shellfish Strategy and implementation of new marine protection in the Hauraki Gulf. Finally, it will support the implementation of a MPA network through the south east marine process.	3.012	12.047	2.523	3.012	12.047	2.523		

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Natural Resources Cluster Final Submission and Treasury Recommended

	Operating Average (\$m)	Operating Total (\$m)	Opex as % of Envelope	Capital Total (\$m)
Cluster submission	\$ 265.5	\$ 1,062.0	102%	\$ 12.2
Treasury Recommend	\$ 259.5	\$ 1,038.1	100%	\$ 12.2

Note the above totals do not include the \$68 million sought for M Bovis, which is not counted against the cluster envelope

ID	Priority	Vote	Title	Description	Final Cluster Submission			Treasury Recommendation			Treasury comment	Minister of Finance comment
					Opex Average	Opex Total	Capex Total	Opex Average	Opex Total	Capex Total		

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14321	Priority	Conservation	Reducing extinction risk for key flagship marine species	This initiative delivers dedicated measures to address threats that pose extinction risk to key marine taonga species. This initiative supports Objective 10 of the Aotearoa New Zealand Biodiversity Strategy 2020 (ANZBS) – Ecosystems and species are protected, restored, resilient and connected from mountain tops to ocean depths. Key elements include research to inform actions to reduce the fatal disease risk to Māui dolphin from toxoplasmosis, and actions to protect Aotearoa's southern flagship species from extinction.	1.785	7.140	-	1.785	7.140	-		
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Submitted alongside the package												
14224	Cost Pressure	Agriculture, Biosecurity, Fisheries and Food Safety	Continuing the Mycoplasma bovis programme delimiting phase and developing and implementing future phases of eradication	This funding will enable the M. bovis Programme to continue finding the last infected properties, pay any eligible compensation and fund the Programme's Transition to a National Pest Management Plan for the long-term surveillance phase. Without this funding, management of the disease would revert back to industry and individual farmers, and the disease would likely cause significant production losses for the dairy and beef industries.	17.090	68.360	-	17.090	68.360	-	Included outside of the cluster envelope	