

The Treasury

Budget 2024 Information Release

September 2024

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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
- [31] 9(2)(f)(ii) - to maintain the current constitutional conventions protecting collective and individual ministerial responsibility
- [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] 18(c)(i) - that the making available of the information requested would be contrary to the provisions of a specified enactment

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Reference: T2024/938

Date: 5 April 2024

To: Minister of Finance (Hon Nicola Willis)

Deadline: None

Potential CERF savings opportunities from the Ministry for primary Industries

1. You have requested further advice on all potential CERF savings opportunities from the Ministry for Primary Industries (**MPI**) to support an upcoming meeting with Minister McClay ahead of Budget Ministers 5.
2. Remaining MPI CERF initiatives are attached at Annex 1. The CERF initiatives are divided into two categories:
 - a. CERF initiatives where you have further choices on additional savings.
 - b. CERF initiatives on which you have already taken decisions.
3. Where these CERF initiatives are also captured in the commission on further savings from Minister Seymour, this has been flagged in the relevant initiative. We have not included CERF initiatives without uncontracted funding in Annex 1, however, these are listed in paragraph 9 below for reference.
4. There may be potential savings in Annex 1 that are achievable for Budget 2024. However, there may be additional impacts for FTEs and/or impacts to intended outcomes for these programmes that may align with current Government priorities. We have also not been provided accurate costings of remaining uncontracted / uncommitted spend for these initiatives. ^[33] and ^[34]
5. ^[33]
6. In addition to the remaining CERF savings options in Annex 1, you have agreed to the following savings from MPI CERF tagged contingencies and indicated your intent to Minister McClay in your letter of 3 April:

- a. Returning \$39.951 million for the Establishing Native Forests at Scale to Develop Long-term Carbon Sinks and improve Biodiversity tagged contingency.
- b. Returning up to \$174.5 million for ID 15687: Agricultural Emissions Pricing – Return of Tagged Contingency but retaining \$8 million from an existing underspend to deliver on the National Party manifesto commitment to measure on-farm emissions from 2025.

7. ^[33]

8. ^[33] and ^[34]

9. The following MPI CERF initiatives have no remaining funding available for savings as all remaining funding is contracted:

- a. 15653 – Woody Biomass Planting Programme – Return of Funding,
- b. 15672 – Sustainable Land Management and Climate Change Programme – Return of Uncommitted Funding, and
- c. 15663 – Mātauranga Māori-Based Approaches to Agricultural Emissions Reduction – Reduction in Programme.

Maisie Hance, Analyst, Natural Resources, ^[39]

James Haughton, Manager - Natural Resources, ^[39]



Annex 1: List of remaining CERF initiatives

CERF initiatives with potential further savings within MPI			
Vote and CERF ID	Initiative	Potential savings over forecast period (\$m total)	Treasury comment
			<i>In the absence of further information on costings and impacts, in most instances we are only able to point to the upper limit of savings that may be available. [33]</i>
[33]			

[33]

			[33]
ID: NA Forestry	Emissions Trading Scheme – Market Governance	\$1.1 (opex)	There may be up to \$0.826-\$1.100 million of operating savings available. This initiative provides funding to MPI for market governance regulation to increase the integrity of the New Zealand Emissions Trading Scheme and reduce the risk of misconduct.

CERF initiatives for MPI you have already taken decisions on			
Vote and CERF ID	Initiative	Potential savings over forecast period (\$m total)	Treasury comment
ID: 14927 Agriculture, Biosecurity, Fisheries and Food Safety	Agricultural Emissions Reduction – Developing the Agricultural Emissions Pricing System	8.0 (opex)	<p>MPI confirmed it has forecast an \$8 million underspend from this initiative that was funded at Budget 2022 to deliver on progressing the development of the previous Government’s agricultural emissions pricing system. Minister McClay submitted a Budget technical initiative to retain this underspend.</p> <p>You have recently received and agreed to our updated recommendation to approve the budget technical initiative of \$8 million to fund the 2024/25 manifesto commitment to measure on farm emissions (ID 16048) [T2024/853 refers].</p> <p>We recommended a full return of the agricultural emissions pricing tagged contingency (a saving of \$174.5 million) on the basis the \$8 million underspend covers the immediate funding requirements.</p>
ID: 14058 Agriculture, Biosecurity, Fisheries	Agriculture Emissions Reduction – Accelerating Development	\$403.0 (opex)	There may be up to \$403 million of operating savings available. [33] and [34]

and Food Safety	of Greenhouse Gas Mitigations		<p>This initiative was funded at Budget 2022 to accelerate development and uptake of high impact agricultural mitigation technologies. Funding was to accelerate research, grow capability, expand greenhouse gas measurement capacity, streamline the path to market, and deliver demonstration programs to ensure there are fit for purpose tools for use on farm.</p> <p>Expanding international collaborations and our cleantech sector through innovation prizes will further raise both our international standing and contribution to reducing global agricultural emissions. Funding will also support mātauranga-based approaches to reduce agricultural emissions, providing further options for Māori and non-Māori landowners to improve sustainability on farm.</p>
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