

# Budget 2025 Savings Template

## Section 1: Overview

Section 1A: Basic initiative information				
Initiative title (max 120 characters)	Climate Resilience for Māori – Downscaling of Fund			
Lead Minister	Minister of Climate Change	Agency	Ministry for the Environment	
Initiative description (max 800 characters)	This initiative proposes to reduce the level of funding for 2025/26, from \$10m to \$5m, to better scale the investment for value for money and contribute to broader savings.			
Priority Area (PA) Objective	<input type="checkbox"/>	Targeted policy savings	<input type="checkbox"/>	Reprioritisation
	<input checked="" type="checkbox"/>	Grants and funds	<input type="checkbox"/>	Performance Plan Scrutiny
	<input type="checkbox"/>	Tagged Contingency		
Is this a cross-Vote initiative?	No	If yes, indicate which other Votes are affected.		
Is this a revenue initiative?	No	Does this require legislative change?	No	
Agency contact	Name: Hakarangi Tichborne Phone: 027 2432 172 Email: <a href="mailto:hakarangi.tichborne@mfe.govt.nz">hakarangi.tichborne@mfe.govt.nz</a>	Treasury contact (Vote Analyst)	Evie Lindsay <a href="mailto:Evie.lindsay@treasury.co.nz">Evie.lindsay@treasury.co.nz</a>	

## Section 1B: Summary of savings/reprioritisation profile

Operating funding available for return (\$m)					
2024/25	2025/26	2026/27	2027/28	2028/29 & outyears*	Total
0	(5.000)	0	0	0	(5.000)

\*For irregular outyears, add additional rows above to display the full profile of the initiative. Delete "& outyears" for time-limited funding. See Budget 2025: Uploading Initiatives to CFISnet for more information on entering outyears into CFISnet.

\*expenditure is shown as positives and savings are shown as negatives. Revenue increases are shown as negatives and revenue decreases are shown as positives.

Capital funding available for return (\$m)										
24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34*	Total
0	0	0	0	0	0	0	0	0	0	0

\*Extend the profile above if funding is needed beyond 2033/34.

## Section 2: Alignment and options analysis

Section 2A: Alignment				
The answer to each question must not exceed 1-2 paragraphs				
Does this savings/reprioritisation initiative have implications for the delivery of	<input type="checkbox"/>	Addressing the rising cost of living	<input checked="" type="checkbox"/>	Delivering effective and fiscally sustainable public services
	<input type="checkbox"/>	Building for growth and enabling private enterprise	<input type="checkbox"/>	No consequences

<p><b>Government priorities?</b> (if there are implications for multiple Priorities, select the most relevant)</p>	<p>This initiative supports delivering effective and fiscally sustainable public services by reducing funding to a level more commensurate with value for money when all factors are taken into account. The proposed savings strike a balance between maintaining important progress on climate resilience for Māori, while finding savings while pilot initiatives are completed and evaluated to better inform future investment rationale.</p>	
<p><b>What is the proposed use for reprioritisation?</b> (for reprioritisation initiatives only)</p>	<input checked="" type="checkbox"/> Cost Pressures / New Spending	<input type="checkbox"/> Economic Growth (invitation only)
<p><b>Which initiative(s) is this intended to be reprioritised for?</b></p>	<p>There is no specific proposal for reprioritisation at this time.</p> <p>Environment Ministers are interested in repurposing some savings towards a broad environment investment fund, for further consideration in early 2025. Funding may be available for this fund from the Waste Disposal Levy (decisions to be taken early 2025), and there may also be a case for repurposing some savings from Crown funding to support the fund's establishment.</p> <p>A broad fund would be consistent with the Minister of Finance's request to consider consolidation of funds. It would have potential to secure greater value for money in future, particularly through openness to what investments may be most valuable (some current funds restrict access, constraining prioritisation); improved investment flexibility, including for alignment with Government priorities; and better recognising the interdependencies of environmental effects and their management.</p>	
<p><b>Section 2B: Options analysis</b></p>		
<p>The answer to each question must not exceed 1-2 paragraphs</p>		
<p><b>What were the range of options considered?</b></p>	<p>The options relate to scaling, from no reduction in expenditure through to stopping the investment completely.</p> <p>Two options were requested by the Minister of Finance: 50% and 100% savings (i.e. a downscaling or a stop to the fund).</p> <p>In practice, the savings option relates to 2025/26 only – this is the only out-year that has funding allocated to it. Out-year funding from 2026/27 on was previously returned as part of previous savings work to support Budget 24 and the downscaling of the Ministry.</p>	
<p><b>What was the process used to select the preferred option?</b></p>	<p>Senior roles within the Ministry discussed the pros and cons of a downscaling of funding, taking into account the specific context for this fund and broader savings imperative. Options and advice were also discussed with Ministers.</p> <p><u>50% savings option (preferred option)</u></p> <p>A \$5m saving for 2025/26 (with \$5m retained for use) is considered an appropriate balance of factors, ensuring the fund retains sufficient critical scale while better aligning the investment level to the emergent nature of investment activity, as well as identifying meaningful savings to support wider aims.</p> <p>Within the existing Multi-Year Appropriation, there is also scope to make use of \$4m from 2024/25 in the 2025/26 year to continue momentum in implementing pilot investments. Notwithstanding, there is a downscaling in the level of investment in pilot projects.</p> <p><u>100% savings option (not supported)</u></p> <p>The 100% option would require the full amount of \$10m to be returned, stopping the fund ahead of schedule (and potentially quite abruptly given the timing of when Budget 25 decisions will be announced).</p> <p>We consider that stopping this fund completely would, in the context of partnership, have significant relationship and potentially wider Treaty risk.</p> <p>Important considerations are (i) the legal framework, which includes commitments in the Emissions Reduction Plan and National Adaptation Plan that stem from the Climate Change Response Act, and (ii) the importance of Māori-Crown partnership with respect to climate change, including the Government's relationship with the Iwi Chairs Forum.</p>	

As such, the “high” savings scenario requested by the Minister of Finance is considered to have significant risks.

From a broader perspective, other saving options have been generated across environment funds that, considered together (across the Climate and Environment portfolios), are above the combined “high” savings ask from the Minister of Finance. In other words, other savings options are strongly preferred to the risk associated with complete removal of funding for climate resilience for Māori. Additional savings are better generated from the grants and funds landscape more broadly.

There was no engagement with external stakeholders or partners, including iwi and Māori, given Budget sensitivity.

The principle most relevant to this initiative (from the principles for reviewing grants and funds) is ‘increase the value’ of government spend. At this time, the overall value of the fund is uncertain, given investment in pilot initiatives is just getting underway (using 2024/25 expenditure) and some lack of clarity in the fund’s investment purposes. Evaluation of the initial pilots will be important to determining any future investment rationale.

## Section 3: Costs and benefits analysis

### Section 3A: Benefits and non-fiscal costs

The answer to each question must not exceed 1-2 paragraphs. The primary benefit of savings is fiscal. Therefore, the primary purpose of this section is to highlight any risks or impacts of the savings/reprioritisation initiative.

<p><b>Where do the savings or revenue or reprioritisation arise from?</b></p>	<p>A downscaled fund would mean less funding is allocated to tangata Māori to support climate resilience at local levels.</p> <p>In principle, this increases risk to relevant communities (less preparedness and resilience), however this risk increase is considered very small given the relatively small scale of overall investment, along with the context of current investments being in pilot initiatives that need to be evaluated to test their effectiveness to inform future plans and initiatives.</p> <p>In terms of where savings arise from, they will result from a lower investment in pilot projects (either fewer projects and/or more narrowly scoped investments). This will likely lead to a change in what is invested in 2024/25 (\$5m instead of \$9m), and carry forward of the difference (\$4m) through the Multi-Year Appropriation into 2025/26 to supplement the lower amount in that year. Overall, this is the \$5m saving proposed.</p> <p>As indicated above, savings could be retained by the Crown or be available for reinvestment into other environmental initiatives or more broadly. Environment Ministers have interest in considering reinvestment in – and the establishment of – a broad environment investment fund. Such a fund would provide additional flexibility to pursue investments in environmental improvements that offer the best value for money, along with improved alignment with government priorities. Within such a broad fund, climate resilience could be one criteria for considering investments, and one of the benefits of investments (in other words, climate resilience does not necessarily need a stand-alone fund itself).</p>
<p><b>Risks and impacts</b></p>	<p>A downscaling, as proposed, will need management with Māori, particularly the Iwi Chairs Forum. This is considered manageable. An important point is that initial pilot initiatives need to be implemented and then evaluated, to give all parties greater confidence in the effectiveness of investment – and to inform what may be desirable investment focus areas and investment levels in the future.</p> <p>The future scale and shape of investment is something the Ministry remains open-minded to. 9(2)(f)(iv)</p> <p>[REDACTED]</p> <p>There are no dependencies, regulatory issues or existing contractual arrangements that a downscaling of investment would adversely impact.</p> <p>The Climate Change Response Act contains a Treaty provision and, pursuant to that Act, the Emissions Reduction Plan and National Adaptation Plan contain actions related to managing the impacts of climate change for Māori.</p> <p>While the Crown’s Treaty obligations apply across all initiatives to address climate change (noting the fund is a single and relatively small scale initiative), a reduction in funding that supports Māori initiatives in relation to climate change may be viewed by some as a breach of the principles of partnership and active protection.</p> <p>As the proposed changes are relatively small in fiscal terms, the Ministry has only undertaken qualitative assessment (without formal cost-benefit analysis).</p>

<b>Impact on frontline services</b>	<input type="checkbox"/> High <input type="checkbox"/> Medium <input checked="" type="checkbox"/> Low		
	The proposed changes do not relate to the Ministry’s own service delivery. If the proposals are agreed, there would be a reduction – albeit a relatively small one – in local- and community-level activity. At the scale of the proposals, this impact is considered very low.		
<b>Climate impact</b>	<input type="checkbox"/> Yes – emissions impacts (positive or negative)	<input checked="" type="checkbox"/> Yes – climate adaptation or resilience impacts (positive or negative)	<input type="checkbox"/> No impact
	A downscaled fund would mean less funding is allocated to tangata Māori to support climate resilience at local levels.  In principle, this increases risk to relevant communities (less preparedness and resilience), however this risk increase is considered negligible given the relatively low scale of overall investment, as well as the context of currently investing in pilot initiatives that need to be evaluated to test their effectiveness.		

**Section 3B: Status quo**

The answer to each question must not exceed 1-2 paragraphs.

<b>Status quo</b>	There are 2 FTE dedicated to supporting the Joint Work Programme for Pou Take Āhaurangi (Climate Pou), National Iwi Chairs Forum and future climate resilience deliverables. The FTE are not tied to this appropriation.
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**Existing operating funding for programme/service (\$m)**

2024/25	2025/26	2026/27	2026/28	2028/29 & outyears*	Total
9.000	10.000	-	-	-	<b>19.000</b>

\*Extend the profile above to a “steady state” if funding into outyears is irregular. Delete “& outyears” for time-limited funding.

**Existing capital funding for programme/service (\$m)**

24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34*	Total
0	0	0	0	0	0	0	0	0	0	<b>0</b>

\*Extend the profile above if funding is needed beyond 2033/34.

**Section 3C: Savings / Revenue / Reprioritisation profile and cost breakdown**

The answer to each question must not exceed 1-2 paragraphs.

<b>Formula and assumptions underlying costings</b>	The downscaling by 50% (\$5m) was a savings scenario expressly requested by the Minister of Finance.  There is unlikely to be any associated reduction in FTE (a part of one role), given the FTE are not expressly tied to this funding and the fact that a portfolio of pilot initiatives still need to be managed.
	N/A

Provide a breakdown of total initiative expenditure by individual expense category. Total operating and capital expenses in this section must match the totals in Section 1B: Summary of funding profile. Insert additional rows as appropriate for additional expense categories.

Recommended operating savings / reprioritisation (\$m)						
Operating expense category	2024/25	2025/26	2026/27	2027/28	2028/29 & outyears*	Total
<i>Non-Departmental Output Expense – Supporting Equitable Transitions and Climate Resilience for Māori (MYA)</i>	-	(5.000)	-	-	-	<b>(5.000)</b>
Net FTE funding	-	-	-	-	-	-
Net contractor/consultant funding	-	-	-	-	-	-
Net FTE and contractor/consultant overhead funding	-	-	-	-	-	-
<b>Total (\$m)</b>	-	<b>(5.000)</b>	-	-	-	<b>(5.000)</b>

\*Extend the profile above to a “steady state” if funding into outyears is irregular. Delete “& outyears” for time-limited funding.

Headcount Change	2024/25	2025/26	2026/27	2027/28	2028/29 & outyears*
Total # of net FTEs at [Agency / Crown Entity / etc.] (employees)	-	-	-	-	-
Total # of net FTEs at [Agency / Crown Entity / etc.] (contractors/consultants)	-	-	-	-	-
<b>Total # of net FTEs (employees and contractors/consultants)</b>	-	-	-	-	-

\*Extend the profile above to a “steady state” if headcount change into outyears is irregular. Delete “& outyears” for time-limited funding.

<b>Additional breakdown of FTE changes over the forecast period</b>	N/A
<b>Workforce Management</b>	N/A

Recommended capital savings (\$m)											
Capital expense category	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34*	Total
<b>Total (\$m)</b>	-	-	-	-	-	-	-	-	-	-	-

\*Extend the profile above if funding is needed beyond 2033/34.

## Section 4: Delivery

### Implementation of savings / reprioritisation

The answer to each question must not exceed 1-2 paragraphs

Implementation of savings from / reprioritisation of this programme, activity or investment	A halving of the 2025/26 allocated amount is considered manageable, with an underspend from 2024/25 carried forward to support future activity and recognise the later start to pilot investments that remain important to implement and evaluate.				
	FY24/25	Stage 1- 3-5 Māori Climate resilience Pilot Projects	\$5M		
	FY25/26	Stage 2 – Resourcing Māori Climate Resilience	\$9M		
Stage 1 will focus on delivering action-focused climate resilience pilots that are intended to deliver results on the ground and test key funding allocation models and criteria for longer-term Māori climate action in Stage 2. Based on how pilots inform decisions scope and scale of Stage 2, retains enough funding for Stage 2 to allow for broader impact.					
Transition costs associated with the savings initiative (\$m)					
2024/25	2025/26	2026/27	2027/28	2028/29 & outyears*	Total
-	-	-	-	-	-

## Section 5: Equity

The answer to each question must not exceed 1-2 paragraphs.

<b>Timing of costs and benefits</b>	A downscaled fund would mean less funding is allocated to tangata Māori to support climate resilience at local levels. This risk increase is considered very small in the context of the scale of the fund and its focus on pilot initiatives.			
<b>Treaty of (Te Tiriti o Waitangi) Waitangi implications</b>	<b>Y</b>	Many Māori live in coastal, rural or remote areas and are particularly vulnerable to the effects of climate change. A reduction in funding for grants and funds that support Māori initiatives in relation to climate change may be viewed by some as a breach of the principle of partnership. To the extent that reduced funding also affects the protections available to Māori communities, and the ability of hapū and iwi to be involved in adaptation to the effects of climate change, it may also be viewed as a breach of the principles of rangatiratanga and active protection. However, we note that the proposed reduction relates to a single, relatively small funding initiative and the Crown's Treaty obligations apply across all initiatives to address climate change.		
<b>Human rights implications</b>	<b>N</b>			
<b>Does the initiative have a larger impact on any of the following groups of New Zealanders than on the population as a whole</b>	<i>Māori</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input checked="" type="checkbox"/>	No impact <input type="checkbox"/>
	<i>Pasifika</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Other minority ethnic groups</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Rural Populations</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input checked="" type="checkbox"/>	No impact <input type="checkbox"/>
	<i>Seniors</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Disabled Peoples</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Women and girls</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Low-income individuals / families</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Children and Young People</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Other groups (please specify)</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
<b>Distributional Impacts</b>	<p>The impacts of both climate change and the low emission transition will be unevenly distributed among Māori across the country. Māori populations in urban areas will be impacted differently from those in rural areas. This initiative provides a platform for locally specific climate planning and action that is relevant and durable.</p> <p>Other population groups, besides Māori, are also subject to the impacts of climate change, and have interest in the role of government in supporting climate resilience. This is an important consideration in future investment in climate resilience, including in the context of the Cabinet Circular on Needs-based Service Provision.</p>			