

## Aide Memoire BRF-4621 – additional information for Minister Bishop – 20 May 2024

1. What was the size of Vote Environment in 2017/18 and each year through to today, and what is size out to 2027/28 (as forecast in B24)?
- The table below shows Vote Environment Operating Expenditure between 2017/18 and 2027/28 (actual and forecast). Source is BEFU 2024. Emissions Trading Scheme (ETS) non-cash related appropriations are excluded due to their size and the fact these are outside the control of the Ministry.

\$m	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Departmental Output Appropriations	68.1	72.1	91.7	118.7	166.4	222.0	244.2	184.3	157.5	155.0	149.3
Non-Departmental Appropriations (Crown excl ETS)*	59.3	57.0	76.0	117.1	127.2	142.6	182.0	234.8	129.2	77.6	81.8
Non-Departmental Appropriations (waste levy and product stewardship)	30.1	34.0	30.4	28.8	46.3	65.2	123.7	258.0	335.4	389.2	426.3
Total Appropriations (excl ETS)	157.5	163.0	198.1	264.7	339.8	429.7	549.9	677.1	622.0	621.9	657.4

- The Ministry's funding was smaller in 2017/18 because we performed less functions and had a smaller work programme.
- Departmental funding peaks in 2023/24. The Ministry's baseline will decline by 39 percent by 2027/28, due to the end of time-limited funding, and net savings from Budget 2024 and the 2023 Mini Budget.
- Non-departmental funding (Crown, excluding waste minimisation and product stewardship) falls 55.1 percent from 2023/24 to 2027/28.

*\*note that the non-departmental crown-funded row includes some freshwater funds, contaminated sites remediation, and reducing emissions from waste funding that will be funded by the waste levy in the future.*

2. What was the FTE for MfE from 2017/18 and each year through to today, and what is the FTE size out to 2027/28 (as forecast in B24)?

The table below shows the FTEs employed at the Ministry for the Environment between 2017/18 and 2027/28 (actual and forecast). These numbers do not include FTE at Crown Entities funded through Vote Environment eg Climate Change Commission and EPA.

Financial year	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
FTE	359.7	371.6	491.8	648.2	828.4	1,002.4	1,060*	812	684	s 9(2)(f)(iv)	

*\*1,060 is the FTE number used in Budget advice and reflected our FTE at that time (permanent, fixed-term and seconded out.) This was lower than the affordable level of FTE (1,230) given our 2023/24 funding, and reflects the Ministry's decisions to actively manage down our workforce in 2023/24 in the light of fiscal constraints.*

**3. How much is being returned as part of the B24 savings targets for Vote Environment (per annum and over four years) and what is it as percentage of baseline (including the Waste Levy targeted savings)**

- The final baseline savings package for Vote Environment meets the 7.5 percent savings target of \$196.4m over four years (\$49.1m per annum).
- The targeted waste levy-related savings of \$177.8m over four years are additional to the above baseline savings (and exceed the initial \$100m threshold).
- The remaining undrawn ETS Market Governance tagged contingency of \$34.3m over four years was also returned to the centre as part of the Budget 24 package.
- The final total savings of \$408.5m over four years represents a 15.4 percent return (as a proportion of our eligible baseline), which is more than double the 7.5 percent savings target.
- The above amounts relate only to Budget 24 decisions and do not reflect new funding through B24 for RM Reform Replacement, or the Mini Budget savings returned to the centre in December 2023. When these amounts are included, this gives a total net impact of \$617.8m savings over four years returned to the centre. This is a 21 percent saving, nearly three times the 7.5 percent savings target.
- Annual and total amounts over four years are shown in this table:

**Budget 24 final position**

	2024/25	2025/26	2026/27	2027/28	Total
<b>New spending initiatives</b>					
Resource Management Reforms - Replacement	23.525	23.911	23.911	20.888	<b>92.235</b>

**Savings**

Initial baseline savings exercise (7.5%)	(49.100)	(49.100)	(49.100)	(49.100)	<b>(196.400)</b>
Additional Targeted Waste levy-related savings	(88.226)	(61.130)	(14.499)	(13.899)	<b>(177.754)</b>
ETS Market Governance contingency savings	(9.437)	(9.437)	(9.437)	(6.000)	<b>(34.311)</b>
<b>Final total B24 savings</b>	<b>(146.763)</b>	<b>(119.667)</b>	<b>(73.036)</b>	<b>(68.999)</b>	<b>(408.465)</b>
<b>Avg annual Eligible baseline (per Treasury) incl ETS Mkt Gov</b>	664.368	664.368	664.368	660.931	<b>2,654.034</b>
<b>Final B24 savings % achieved</b>	<b>22.1%</b>	<b>18.0%</b>	<b>11.0%</b>	<b>10.4%</b>	<b>15.4%</b>

**Total savings returned to Crown since December 2023**

Final total B24 savings above	(146.763)	(119.667)	(73.036)	(68.999)	<b>(408.465)</b>
Add RM mini-Budget savings	(61.107)	(78.027)	(80.156)	(82.306)	<b>(301.596)</b>
<b>Total savings returned to Crown since Dec 2023</b>	<b>(207.870)</b>	<b>(197.694)</b>	<b>(153.192)</b>	<b>(151.305)</b>	<b>(710.061)</b>
<b>Avg Eligible baseline (before mini-Budget) incl ETS Mkt Gov</b>	736.329	736.329	736.329	732.892	<b>2,941.879</b>
<b>Final B24 + mini-Budget savings % achieved</b>	<b>28.2%</b>	<b>26.8%</b>	<b>20.8%</b>	<b>20.6%</b>	<b>24.1%</b>

**Total savings returned to Crown since December 2023 offset by RM new spending initiative**

Total savings returned to Crown since Dec 2023	(207.870)	(197.694)	(153.192)	(151.305)	<b>(710.061)</b>
Resource Management Reforms - Replacement	23.525	23.911	23.911	20.888	<b>92.235</b>
<b>Net impact of B24 + mini-Budget</b>	<b>(184.345)</b>	<b>(173.783)</b>	<b>(129.281)</b>	<b>(130.417)</b>	<b>(617.826)</b>
<b>Avg Eligible baseline (before mini-Budget) incl ETS Mkt Gov</b>	736.329	736.329	736.329	732.892	<b>2,941.879</b>
<b>Final B24 + mini-Budget savings + new RM initiative %</b>	<b>25.0%</b>	<b>23.6%</b>	<b>17.6%</b>	<b>17.8%</b>	<b>21.0%</b>

- Source of the above table is the slide pack sent on Friday 17 May 2024.
- 4. How much new is being funded in B24 (separate from savings) and on what (e.g RM Reform Replacement Funding)?**
- Budget 2024 delivers \$92.2m over four years in new operating funding to deliver the Coalition Government's resource management reforms. Annual funding is shown in the table above.

- New funding will be used to deliver Fast track consenting legislation, RMA amendments, updates to national direction and RMA replacement legislation. It also provides funding in out years for ongoing operation of the RM system to support system change.
- For further info see slide 12 of the slide pack sent on Friday 17 May 2024.

**5. Indigenous Biodiversity – return of funding. What was this intended to be spent on. BRF says “community groups had been anticipating funding being available” – what groups, where, and what were they expecting? What is the level of their expectation?**

- An investment strategy was provisionally approved in July 2023 (2023-BRF-3552), based on discussions with local government and other agencies during engagement on the NPS-IB implementation plan.
- The investment strategy was to be shared externally with other agencies (e.g., DOC, MPI), partners (e.g., Iwi/hapū, Local Government) and other groups (e.g., Forestry Sector Groups, Farming Sector Groups, Environmental NGOs, and Universities) for feedback prior to implementation.
- Stakeholders were aware there was funding allocated to support the implementation of NPS-IB, and protection of biodiversity. However, the details of the investment strategy had not been shared due to the election period moratorium and subsequent changes in government priorities.
- The strategy was broken into the following four themes based on specific gaps in the biodiversity protection system. Funding was to be flexible between the themes:
  - Supporting tangata whenua
  - Mapping and monitoring
  - Improving information
  - Maintaining and restoring indigenous biodiversity.

**6. Environment Hubs Aotearoa – has an evaluation of this funding been done, and if so, what did it show?**

- An independent evaluation of the Community Environment Fund was conducted in 2023 by EnviroStrat Limited (appended). Key findings were:
  - MfE’s overarching strategic goals are more effectively achieved through funding network organisations like EHA and Para Kore than by funding smaller-scale individual projects.
  - Funding network programmes promotes better integration among local initiatives, knowledge-sharing, exchange of lessons learnt, and replicating good practices among community initiatives can amplify MfE’s impact and reach.
  - Workshops and training provided by national networks to hubs also improve the effectiveness of community action and implementation. Greater impact is achieved by transferring capacity and capability to hubs, allowing them to be more effective in their operations and leveraging funds from other sources to address local community issues.
  - Regional hubs also have a role in advocating for social and environmental improvements through policy, governance, and coordinating participatory processes for public debate on environmental issues. Promoting public participation is aligned with the Ministry’s strategic agenda and represents value-for-money.

**7. Climate Change Development Fund – don’t we need to tell MFAT about this now? Seems weird to let them know close to Budget Day on no surprises – MFAT is part of government. Given the small size of the fund and Pacific focus it may be better to find \$300k internally to keep this going.**

- As per the above, we will engage with MFAT on the decision to remove MfE funding for the CCDF ahead of Budget Day.
- The decision to remove MfE funding was taken by Cabinet and will be evident from the Estimates documentation.
- Officials are available to discuss the future of this funding with Ministers as part of reprioritisation discussions on the Ministry's work programme, beginning later in May 2024.