



Aide memoire: Funding queries

Date submitted: 13 February 2024

Security level: In-Confidence

Actions sought from ministers	
<i>Name and position</i>	<i>Action sought</i>
To Hon Simon WATTS Minister of Climate Change	For noting only

Key contacts at Ministry for the Environment			
<i>Position</i>	<i>Name</i>	<i>Cell phone</i>	<i>First contact</i>
Principal Author	Simon King	022 047 5541	✓

Funding queries

Purpose

1. To provide you with responses to your specific funding queries made on 13 February 2024.
2. Further information is on the Ministry's baseline savings target that responds to some of your queries was provided in BRF-4237.

Carbon Neutral Government Programme (CNGP)

3. Our pre mini-Budget departmental forecasts for the CNGP are in the table below:

	FY23/24	FY24/25	FY25/26
FTE	896,872	924,115	1,062,039
Data & Evidence	132,230	79,000	68,000

4. The CNGP has been identified as an area likely to be scaled to meet the smaller appropriation [BRF-4168, Appendix 2 refers].
5. The team currently consists of 7 FTE (2 FTE data and evidence, 2 FTE policy, 2 FTE implementation + Manager). ^{s 9(2)(f)(iv)}
6. ^{s 9(2)(f)(iv)}

Market Governance

7. Our pre mini-Budget departmental forecasts for the CNGP are in the table below:

Total tagged contingency

(\$m)	2023/24	2024/25	2025/26	2026/27	Sum	Outyears
Tagged operating contingency	9.500	9.500	9.500	9.500	38.000	6.000
Remainder after first drawdown	-	9.437	9.437	9.437	28.310	6.000

First draw down

	\$m – increase/(decrease)				
	2023/24	2024/25	2025/26	2026/27	2027/28 & Outyears
Vote Environment					
Minister for the Environment Non-departmental output expense: Environmental Protection Authority functions	0.795	0.672	0.223	0.223	0.000
Minister of Climate Change Departmental Output Expense: Managing Climate Change in New Zealand (funded by revenue Crown)	0.888	0.941	0.640	0.670	0.000
Vote Business, Science and Innovation					
Minister of Commerce and Consumer Affairs Departmental Output Expenses: Policy Advice and Related Services to Ministers (funded by revenue Crown)	0.525	0.662	0.277	0.291	0.000

Financial Markets Authority Multi-Category Expenses and Expenditure: Services and Advice to Support Well-functioning Financial Markets					
MCA	0.171		0.562	0.583	0.000
Non-Departmental Other Expenses: Performance of Market Analysis and Guidance, Investor Awareness, and Regulatory Engagement Functions		0.421			
Vote Forestry					
Minister of Forestry					
Departmental Output Expenses: Policy Advice and Ministerial Servicing (funded by revenue Crown)	0.316	0.398	0.209	0.219	0.000
Total Operating	2.695	3.094	1.911	1.986	0.000
Total Capital	-	-	-	-	-

8. s 9(2)(f)(iv), s 9(2)(g)(i)


9. s 9(2)(f)(iv), s 9(2)(g)(i)

10. As this funding has not yet been drawn down it is not included in the forecasts previously submitted in BRF-4127, BRF-4168 and BRF-4237.

Data and Evidence

11. The Data and Evidence functions deliver a range of science assurance, reporting, and legislative obligations under legislation such as the Climate Change Response Act and Environmental Reporting Act. Statutory data and evidence programmes impacted by the savings request include:

- Emissions insights and reporting
- Carbon sequestration reporting

- State of Environmental Reporting
12. These will be scaled to minimum legislative requirements. We hope to minimise the impact of funding cuts through efficiency gains from our operating model changes and use of technology.
 13. Beyond our legislative requirements, data and evidence is developed to support policy formation and analysis. Policy development programmes impacted by the savings initiatives include:
 - Building the evidence base and science assurance through targeted investment
 - Improving the accuracy and effectiveness of environmental reporting
 - Monitoring the outcomes of environmental policy and legislation
 - Data on climate adaptation
 - Soils sequestration research funding (via CERF).
 14. Climate Data Initiative - this work supports policy development, tracking and measuring of climate goals, the Ministry's climate adaptation work programme, and making data more accessible to businesses, public and local government.
 15. The biggest impact of the proposed cuts will be on our investment in building our evidence base and monitoring the effectiveness of policy, and strategically targeting government interventions. We would also have to scale our science assurance work. Similarly, the CERF funded research to look at expanding sequestration into soils (beyond forestry) would be scaled.
 16. While we will have sufficient resources to support the projections and modelling needed for the mitigation work programme (e.g. ERP2 and emissions projections) we will struggle to deliver the breadth of data and evidence required for the adaptation policy work. The adaptation programme is not resourced at the same level as mitigation as it is not a legislative requirement.
 17. ^{s 9(2)(f)(iv)} 
 18. Depending on the level of funding received as part of the RM Budget Bid, we could increase our data and evidence work for climate adaptation and resilience, as well as other environmental indicators that would help decision-makers.