

Vote Environment – Overview

The table below summarises the net savings returned to the Crown from the December 2023 Mini Budget and Budget 24 decisions, as a proportion of our eligible baseline. When the new funding received through the RM Reform – Replacement initiative is 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.

Budget 24 final position

| 2024/25 | 2025/26 | 2026/27 | 2027/28 | Total |
|---------|---------|---------|---------|-------|
|---------|---------|---------|---------|-------|

New spending initiatives

| | | | | | |
|---|--------|--------|--------|--------|--------|
| Resource Management Reforms - Replacement | 23.525 | 23.911 | 23.911 | 20.888 | 92.235 |
|---|--------|--------|--------|--------|--------|

Savings

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

Total savings returned to Crown since December 2023

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

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) | (710.061) |
| Resource Management Reforms - Replacement | 23.525 | 23.911 | 23.911 | 20.888 | 92.235 |
| Net impact of B24 + mini-Budget | (184.345) | (173.783) | (129.281) | (130.417) | (617.826) |
| Avg Eligible baseline (before mini-Budget) incl ETS Mkt Gov | 736.329 | 736.329 | 736.329 | 732.892 | 2,941.879 |
| Final B24 + mini-Budget savings + new RM initiative % | 25.0% | 23.6% | 17.6% | 17.8% | 21.0% |

- The final baseline savings package for Vote Environment meets the 7.5 percent savings target of \$196.4m. Of this, \$42.2m is expected to be funded via the expanded waste disposal levy.
- The targeted waste levy-related savings of \$177.8m are additional to this. When added to the above \$42.2m, this gives a total of \$220m waste levy-related savings in the Budget 24 package.
- The remaining undrawn ETS Market Governance tagged contingency of \$34.3m was also returned to the centre as part of the Budget 24 package.
- We received \$92.2m of new funding for RM Reform – Replacement through Budget 24. This partially offsets the \$301.6m returned through the December 2023 Mini Budget.
- We'll bring options for stopping, scaling and phasing some elements of our work programme to ministers in the second half of May. This will inform the Ministry's final business plan aligned to our smaller appropriation from 1 July 2024.

Vote Environment Savings – Summary

This table shows the main components of the B24 package: Initial Baseline Exercise savings, Targeted Savings from the Waste Disposal Levy, Return of the Tagged Contingency, and RM Reform – Replacement funding, as well as the impact of December 2023 Mini Budget. Each element is discussed further overleaf.

| | | \$m - increase/(decrease) | | | | | | |
|---|---|---------------------------|-----------|-----------|-----------|-----------|---|-----------------|
| Initiative ID | Initiative Name | 2024/25 | 2025/26 | 2026/27 | 2027/28 | Total | Notes | Additional Info |
| 15573 | Reduction in Back Office Functions - Ministry for the Environment | (3.588) | (6.204) | (6.272) | (6.189) | (22.253) | Achieved by reducing staff, contractors and consultants; making process improvements; eliminating non-essential services; and right-sizing back-office capacity and services to reflect the Ministry becoming a smaller organisation. | Slide 3 |
| 15585 | Return of Funding - Climate Change Programmes | (3.761) | (4.458) | (13.610) | (13.653) | (35.482) | Achieved by reducing departmental funding (FTE and non-FTE) for the Ministry’s climate work programme and the Climate Change Chief Executives Board; and reducing non-departmental funding for climate change initiatives including Māori Climate Action and the Climate Change Development Fund. | Slide 4 |
| 15593 | Return of Funding - Climate Change Commission | (3.000) | (4.208) | (4.208) | (4.208) | (15.624) | Achieved by returning funding intended for the Climate Change Commission to establish an agricultural emissions pricing function (no longer a Government priority), and a 7.5% reduction in baseline funding for the Climate Change Commission from 25/26. | Slide 5 |
| 15586 | Return of funding - Evidence and Data | (1.783) | (3.585) | (2.194) | (2.111) | (9.673) | Achieved by reducing departmental funding (FTE and non-FTE costs) associated with the production of environmental evidence, data, analysis, science, reporting and monitoring. Funding reductions span both Climate Change and Environment appropriations/work programmes. | Slide 6 |
| 15588 | Return of funding - Freshwater | (15.522) | (2.765) | (2.645) | (2.668) | (23.600) | Achieved by reducing departmental funding and work programmes for the Jobs for Nature Secretariat and freshwater investment; and reducing non-departmental funding for three Essential Freshwater Fund initiatives: (a) Freshwater Farm Plans (b) Te Tuatara o Pukekohe – Integrated Catchment Management Plan and (c) Tangata Whenua – capability building to strengthen participation in freshwater management. | Slide 7 |
| 15591 | Return of funding - Partnerships and Engagement | (10.551) | (10.850) | (8.191) | (8.203) | (37.795) | Achieved by reducing departmental funding (FTE and non-FTE) for partnerships and engagement work within the Ministry’s work programme; and reducing non-departmental funding for the Community Environment Fund, Environmental Legal Assistance Fund, Indigenous Biodiversity, and Regional Planning (Non-Governmental Organisations). | Slide 8 |
| 15592 | Return of funding - Waste Minimisation | (10.896) | (17.030) | (11.979) | (12.067) | (51.972) | Achieved by returning funding for Waste Minimisation activities. Most of these activities will instead be funded by Waste Disposal Levy revenue, subject to Waste Minimisation Act 2008 amendments to expand the scope of activities levy revenue can be used for. | Slide 9 |
| | Initial Baseline Exercise Savings Target | (49.101) | (49.100) | (49.099) | (49.099) | (196.399) | | |
| 15595 | Targeted savings: Reallocation of Funding – Waste Disposal Levy | (88.225) | (61.130) | (14.500) | (13.900) | (177.755) | The scope of activities the waste disposal levy can be used for is being expanded to allow it to fund a wider range of activities, reducing expenses to the Crown. This is subject to Waste Minimisation Act 2008 amendments. | Slides 10 |
| 16158 | Return of Tagged Contingency – NZ ETS Market Governance | (9.437) | (9.437) | (9.437) | (6.000) | (34.311) | This tagged contingency was intended to fund work to strengthen Market Governance for the NZ ETS. The funding has been returned. | Slide 11 |
| 15582 | Resource Management Reforms - Replacement | 23.525 | 23.911 | 23.911 | 20.888 | 92.235 | This new operating funding will be used to deliver the Coalition Government’s resource management reforms. | Slide 12 |
| Total Operating impact of Budget 2024 | | (123.238) | (95.756) | (49.125) | (48.111) | (316.230) | | |
| | December 2023 Mini Budget savings (RM reform implementation) | (61.107) | (78.027) | (80.156) | (82.306) | (301.596) | The Mini Budget returned RM funding for implementation of RM reforms following repeal of the Natural and Built environment Act and the Spatial Planning Act. | Slide 12 |
| Net impact of Mini Budget + Budget 2024 | | (184.345) | (173.783) | (129.281) | (130.417) | (617.826) | | |

Reduction in Back Office functions*

How much is being saved?

Reduction in Back-Office Functions – Ministry for the Environment

This savings initiative returns \$22.253 million total operating funding for back-office functions. These savings relate to reducing spending on contractors and consultants, efficiencies, and a reduction in funding for back office functions and services relating to information and communications technology, accommodation, business and administrative support, programme and project management, legal, risk and assurance, finance, people and capability, Chief Executive and Executive support, and procurement. It also incorporates savings from reductions in funding for staff travel, learning and development.

| Vote | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | Operating Total | Capital Total |
|-------------|---------|---------|---------|---------|---------|--------------------|------------------|
| Environment | - | (3.588) | (6.204) | (6.272) | (6.189) | (22.253) | - |

Further breakdown

| Policy Initiative | Appropriation | 2023/24 Final Budgeted | 2024/25 Budget | 2025/26 Estimated | 2026/27 Estimated | 2027/28 Estimated | |
|---|--|------------------------------|-------------------|----------------------|----------------------|----------------------|-----------------|
| | | \$0 | \$0 | \$0 | \$0 | \$0 | 4-YEAR TOTAL |
| Reduction in Back Office Functions - Ministry for the Environment | Improving New Zealand's Environment | - | -2,799 | -4,839 | -4,892 | -4,827 | -17,357 |
| | Departmental Output Expense | | | | | | |
| | Managing Climate Change in New Zealand | - | -789 | -1,365 | -1,380 | -1,362 | -4,896 |
| | Departmental Output Expense | | | | | | |
| TOTAL | | 0 | -3588 | -6204 | -6272 | -6189 | -22253 |

Which programmes are being affected by the savings?

Total Departmental savings: \$22.253m over 4 years

Achieved by reducing departmental funding (FTE and non-FTE costs) for back-office staff, contractors and consultants; making process improvements; scaling service offering and eliminating non-essential services; and right-sizing back-office capacity and service offering to reflect the Ministry becoming a smaller organisation. Spans the environment and climate work appropriations.

*Note this addresses the question “Which operational functions (e.g., lease, advertising, refurbishments) are being affected by the savings programme?”

Classification

Return of Funding – Climate Change Programmes

How much is being saved?

Climate Change Programmes – Return of Funding

This savings initiative returns \$35.482 million total operating funding. These savings are from reducing funding for the Climate Change Development Fund and Climate Resilience for Māori initiative. These savings also reduce funding for the Climate Change Chief Executives Board, implementing the Carbon Neutral Government Programme, and other climate work programmes such as Climate Data Infrastructure and the Voluntary Carbon Market.

| Vote | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | Operating Total | Capital Total |
|-------------|---------|---------|---------|----------|----------|-----------------|---------------|
| Environment | - | (3.761) | (4.458) | (13.610) | (13.653) | (35.482) | - |

Further breakdown

| Policy Initiative | Appropriation | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | TOTAL |
|--------------------------------------|---|----------------|---------|-----------|-----------|-----------|--------|
| | | Final Budgeted | Budget | Estimated | Estimated | Estimated | |
| | | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Return of funding for Climate Change | Climate Change Chief Executives Board | - | -697 | -698 | - | - | -1395 |
| | Departmental Output Expense | | | | | | |
| | Managing Climate Change in New Zealand | - | -2,764 | -3,460 | -3,310 | -3,353 | -12887 |
| | Departmental Output Expense | | | | | | |
| | Supporting Equitable Transitions and Climate Resilience for Māori | - | - | - | -10,000 | -10,000 | -20000 |
| | Non Departmental Output Expense | | | | | | |
| | Climate Change Development Fund | - | -300 | -300 | -300 | -300 | -1200 |
| | Non Departmental Other Expense | | | | | | |
| TOTAL | | 0 | -3761 | -4458 | -13610 | -13653 | -35482 |

Which programmes are being affected by the savings?

Total savings: \$35.482m over 4 years

Departmental funding: \$14.282m over 4 years – comprised of:

Climate Change Chief Executives Board: \$1.395m over 4 years

Achieved by a reduction in funding for the Climate Change Chief Executives Board.

Climate Change Work Programme: \$12.887m over 4 years

Achieved by reducing departmental funding (FTE and non-FTE) for the Ministry’s climate change work programme, for work such as implementing the Carbon Neutral Government Programme, Climate Data Infrastructure, and the Voluntary Carbon Market.

Non-Departmental funding: \$21.2m over 4 years – comprised of:

Climate Resilience for Māori: \$20m over 4 years

Achieved by returning funding allocated for Māori Climate Action initiatives in 26/27 and 27/28.

Climate Change Development Fund

Achieved by reducing funding for the Climate Change Development Fund from 24/25 (\$300k per annum).

Return of Funding – Climate Change Commission

How much is being saved?

Climate Change Commission – Return of Funding

This savings initiative returns \$15.624 million total operating funding for the Climate Change Commission's proposed agricultural emissions pricing advisory function, and to scale the Commission's baseline to create efficiencies.

| Vote | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | Operating Total | Capital Total |
|-------------|---------|---------|---------|---------|---------|--------------------|------------------|
| Environment | - | (3.000) | (4.208) | (4.208) | (4.208) | (15.624) | - |

Further breakdown

| Policy Initiative | Appropriation | 2023/24 Final Budgeted \$0 | 2024/25 Budget \$0 | 2025/26 Estimated \$0 | 2026/27 Estimated \$0 | 2027/28 Estimated \$0 | 4-YEAR TOTAL |
|---|--|-------------------------------------|--------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------|
| Return of funding for the Climate Change Commission | Climate Change Commission - Advisory and Monitoring Function | - | -3,000 | -4,208 | -4,208 | -4,208 | -15,624 |
| | Non Departmental Output Expense | | | | | | |
| TOTAL | | \$0 | -\$3,000 | -\$4,208 | -\$4,208 | -\$4,208 | -\$15,624 |

Which programmes are being affected by the savings?

Total savings: \$15.624m over 4 years. Two components:

Agricultural emissions pricing function (\$3m p.a / \$12m over 4 years)
Achieved by returning funding intended for the Climate Change Commission to establish an agricultural emissions pricing function. This is no longer aligned with Government priorities.

7.5% reduction in baseline funding (1.208m per annum / \$3.624m over 4 years)
Achieved through a 7.5% reduction in baseline funding for the Climate Change Commission from 25/26.

Return of Funding – Evidence and Data

How much is being saved?

■ Evidence and Data – Return of Funding

This savings initiative returns \$9.673 million total operating funding by reducing spending on consultants, external agencies, and external and internal specialists that supply a range of evidence and data services, including updates to environmental standards, monitoring, reporting, policy work, and science assurance.

| Vote | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | Operating Total | Capital Total |
|-------------|---------|---------|---------|---------|---------|--------------------|------------------|
| Environment | - | (1.783) | (3.585) | (2.194) | (2.111) | (9.673) | - |

Further breakdown

| Policy Initiative | Appropriation | 2023/24 Final Budgeted \$0 | 2024/25 Budget \$0 | 2025/26 Estimated \$0 | 2026/27 Estimated \$0 | 2027/28 Estimated \$0 | 4-YEAR TOTAL |
|---|---|-------------------------------------|--------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------|
| Return of funding for Evidence and Data | Improving New Zealand's Environment | - | -1,146 | -3,263 | -2,133 | -2,050 | -8,592 |
| | Departmental Output Expense | | | | | | |
| | Managing Climate Change in New Zealand | - | -637 | -322 | -61 | -61 | -1,081 |
| | Departmental Output Expense | | | | | | |
| TOTAL | | 0 | -1783 | -3585 | -2194 | -2111 | -9673 |

Which programmes are being affected by the savings?

Total savings (all departmental): \$9.673m over 4 years

Achieved by reducing departmental funding (FTE and non-FTE costs) associated with the production of environmental evidence, data, analysis, science, reporting and monitoring across the Ministry's work programme. Across the Environment and Climate appropriations.

Return of Funding – Freshwater

How much is being saved?

Freshwater – Return of Funding

This savings initiative returns \$23.600 million total operating funding for freshwater programmes to align with the Government’s priorities. These include the Jobs for Nature Secretariat, freshwater investment, and implementation of freshwater policy and initiatives under the Essential Freshwater Fund (EFF). The EFF savings return funds that were yet to be contracted or fully distributed.

| Vote | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | Operating Total | Capital Total |
|-------------|---------|----------|---------|---------|---------|--------------------|------------------|
| Environment | - | (15.522) | (2.765) | (2.645) | (2.668) | (23.600) | - |

Further breakdown

| Policy Initiative | Appropriation | 2023/24 Final Budgeted \$0 | 2024/25 Budget \$0 | 2025/26 Estimated \$0 | 2026/27 Estimated \$0 | 2027/28 Estimated \$0 | TOTAL |
|----------------------------------|-------------------------------------|-------------------------------------|--------------------------|-----------------------------|-----------------------------|-----------------------------|---------|
| Return of funding for Freshwater | Improving New Zealand's Environment | - | -2,522 | -2,765 | -2,645 | -2,668 | -10,600 |
| | Departmental Output Expense | | | | | | |
| | Freshwater Improvement Fund (MYA) | - | -13,000 | - | - | - | -13,000 |
| | Non Departmental Output Expense | | | | | | |
| TOTAL | | 0 | -15522 | -2765 | -2645 | -2668 | -23600 |

Which programmes are being affected by the savings?

Total savings: \$23.600m over 4 years

Departmental savings (\$10.6m over 4 years)

Achieved by reducing departmental funding (FTE and non-FTE) for freshwater work programmes, including for the Jobs for Nature Secretariat and freshwater investment.

Non-departmental savings (\$13.0m over 4 years)

Achieved by reducing funding in 2024/25 for three initiatives in the Essential Freshwater Fund (EFF): (1) Freshwater Farm Plans; (2) Te Tuatara o Pukekohe – Integrated Catchment Management Plan; and (3) Tangata Whenua – capability building to strengthen participation in freshwater management. More detail in the Aide Memoire.

Classification

Return of Funding – Partnerships and Engagement

How much is being saved?

Partnerships and Engagement – Return of Funding

This savings initiative returns \$37.795 million total operating funding. These savings scale back resourcing that supports delivery of communication, engagement and partnership functions. This includes removing funding for the Community Environment Fund, the Environmental Legal Assistance Fund, Indigenous Biodiversity, and Regional Planning (Non-Governmental Organisations).

| Vote | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | Operating Total | Capital Total |
|-------------|---------|----------|----------|---------|---------|-----------------|---------------|
| Environment | - | (10.551) | (10.850) | (8.191) | (8.203) | (37.795) | - |

Further breakdown

| Policy Initiative | Appropriation | 2023/24 Final Budgeted | 2024/25 Budget | 2025/26 Estimated | 2026/27 Estimated | 2027/28 Estimated | 4-YEAR TOTAL |
|---|---|------------------------------|-------------------|----------------------|----------------------|----------------------|-----------------|
| | | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Return of funding for Partnerships and Engagement | Improving New Zealand's Environment | - | -1,274 | -1,145 | -1,165 | -1,175 | -4,759 |
| | Departmental Output Expense | | | | | | |
| | Managing Climate Change in New Zealand | - | -359 | -323 | -329 | -331 | -1,342 |
| | Departmental Output Expense | | | | | | |
| | Community Environment Fund (MYA) | - | -1,428 | - | - | - | -1,428 |
| | Non Departmental Output Expense | | | | | | |
| | Community Environment Fund | - | - | -2,172 | -2,172 | -2,172 | -6,516 |
| | Non Departmental Output Expense | | | | | | |
| | Indigenous Biodiversity Fund (MYA) | - | -6,490 | -6,210 | -3,925 | -3,925 | -20,550 |
| | Non Departmental Output Expense | | | | | | |
| | Regional Planning Implementation - Non-Government Organisations (MYA) | - | -400 | -400 | - | - | -800 |
| | Non Departmental Output Expense | | | | | | |
| | Environmental Legal Assistance | - | -600 | -600 | -600 | -600 | -2,400 |
| | Non Departmental Other Expense | | | | | | |
| TOTAL | | 0 | -10551 | -10850 | -8191 | -8203 | -37795 |

Which programmes are being affected by the savings?

Total savings: \$37.795m over 4 years

Departmental savings: \$6.101m over 4 years

Achieved by reducing departmental funding (FTE and non-FTE) for the partnerships and engagement work across the Ministry’s Environment (\$4.759m over 4 years) and Climate (\$1.342m over 4 years) work programmes.

Total Non-Departmental Savings: \$31.694 over 4 years

Community Environment Fund (\$7.944m over 4 years)

Achieved by closing the Community Environment Fund (CEF) from 24/25. There are currently two CEF programmes underway, and funding for these programmes will end: 1) Para Kore and 2) Environment Hubs Aotearoa.

Indigenous Biodiversity (\$20.550m over 4 years)

Achieved by removing funding for Indigenous Biodiversity. This funding was originally intended for councils and communities to implement the NPS-IB. The implementation programme had not yet started.

Regional Planning (NGOs) (\$0.8m over 4 years)

Achieved by stopping funding from the Regional Planning Fund to the Environmental Defence Society and Forest & Bird for a pilot programme to support their engagement with regional councils on the development of new regional plans. This no longer aligns with Government priorities.

Environmental Legal Assistance Fund (\$2.4m over 4 years)

Achieved by closing the Environmental Legal Assistance Fund from 24/25 and returning that funding to the centre.

Return of Funding – Waste Minimisation

How much is being saved?

Waste Minimisation – Return of Funding

This savings initiative returns \$51.972 million total operating funding for Waste Minimisation. These savings scale back resourcing that supports waste minimisation policy and non-levy funded operational work programmes; return Climate Emergency Response Fund (CERF) funded waste minimisation investment funding administration, behaviour change and data initiative fund by \$9.689 million total operating. The remainder of the savings will now be funded by Waste Disposal Levy revenue, enabled by amendments to the Waste Minimisation Act 2008 to expand the scope of activities levy revenue can be used for.

| Vote | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | Operating Total | Capital Total |
|-------------|---------|----------|----------|----------|----------|--------------------|------------------|
| Environment | - | (10.896) | (17.030) | (11.979) | (12.067) | (51.972) | - |

Further breakdown

| Policy Initiative | Appropriation | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | |
|--|---|-------------------|---------------|---------------|---------------|---------------|-----------------|
| | | Final Budgeted | Budget | Estimated | Estimated | Estimated | 4-YEAR TOTAL |
| | | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Return of funding for Waste Minimisation | Improving New Zealand's Environment | - | -2,546 | -3,552 | -9,351 | -9,439 | -24,888 |
| | Departmental Output Expense | | | | | | |
| | Climate Emergency Response Fund - Waste Initiatives (MYA) | - | -8,350 | -8,350 | - | - | -16,700 |
| | Non Departmental Other Expense | | | | | | |
| | Contaminated Sites Remediation Fund | - | - | -5,128 | -2,628 | -2,628 | -10,384 |
| | Non Departmental Other Expense | | | | | | |
| TOTAL | | 0 | -10896 | -17030 | -11979 | -12067 | -51972 |

Which programmes are being affected by the savings?

Total savings: \$51.972m over 4 years

This initiative includes \$9.7m of non-levy-related waste savings which will reduce funding (FTE and non-FTE) for waste minimisation activities, as well as \$42.2m of levy-related savings which will be used to offset activities funded by the Crown.

Departmental savings (\$24.9m over 4 years)

Achieved by reducing departmental funding (FTE and non-FTE) for waste minimisation programmes.

Non-Departmental savings (\$27.1m over 4 years)

CERF – waste initiatives (\$16.7m)

Returning uncontracted non-departmental funding.

Contaminated Sites Remediation Fund (CSRF) (\$10.4 m)

The WMA 2008 is being amended to broaden the scope of the waste levy to fund contaminated sites and landfills vulnerable to severe weather events, which will offset the crown funding set aside for remediating contaminated sites.

Return of Funding – Waste Disposal Levy

How much is being saved?

Waste Disposal Levy – Reallocation of Funding

This initiative returns \$177.755 million total operating funding by reallocating Waste Disposal Levy revenue to a wider range of waste-related and environmental activities permitted under the Waste Minimisation Act 2008. This includes initiatives that reduce emissions from waste, remediation of contaminated sites and vulnerable landfills, freshwater improvement, funding for costs associated with managing waste generated by emergencies and the Ministry for the Environment's waste and hazardous substances work programme.

| Vote | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | Operating Total | Capital Total |
|-------------|---------|----------|----------|----------|----------|--------------------|------------------|
| Environment | - | (88.225) | (61.130) | (14.500) | (13.900) | (177.755) | - |

Total waste levy-related savings are \$220m.

This is made up of reallocation of waste disposal levy funding above (\$177.8m) plus the additional \$42.2m from the baseline savings exercise (within the waste minimisation savings initiative – slide 9).

Which programmes are being affected by the savings?

The scope of activities the waste disposal levy can be used for is being expanded to allow it to fund a wider range of activities, reducing expenses to the Crown, including funding:

- a broader range of environmental activities that reduce environmental harm and/or increase environmental benefits such as Kaipara Moana Remediation and the Freshwater Improvement Fund
- Costs associated with managing waste generated by an emergency
- fund the Ministry's waste and hazardous substance related work programme.

Further breakdown

| Policy Initiative | Appropriation | 2023/24 Final Budgeted | 2024/25 Budget | 2025/26 Estimated | 2026/27 Estimated | 2027/28 Estimated | 4-YEAR TOTAL |
|---|---|------------------------------|-------------------|----------------------|----------------------|----------------------|-----------------|
| | | \$0 | \$0 | \$0 | \$0 | \$0 | |
| Reduction of funding from the Waste Disposal Levy | Improving New Zealand's Environment | - | -15,150 | -16,480 | - | - | -31630 |
| | Departmental Output Expense | | | | | | |
| | Climate Emergency Response Fund - Waste Initiatives (MYA) | - | -14,950 | -15,250 | - | - | -30200 |
| | Non Departmental Output Expense | | | | | | |
| | Waste Minimisation MCA | | | | | | |
| | Contestable Waste Minimisation Fund | - | -96575 | -74608 | -24728 | -24128 | -220039 |
| | Non Departmental Output Expense | | | | | | |
| | Freshwater Improvement Fund (MYA) | | | | | | |
| | Non Departmental Output Expense | - | -47,000 | - | - | - | -47000 |
| | | | | | | | |
| | Kaipara Moana Remediation (MYA) | - | -11,125 | - | - | - | -11125 |
| | Non Departmental Output Expense | | | | | | |
| | Kaipara Moana Remediation | - | - | -14,400 | -14,500 | -13,900 | -42800 |
| | Non Departmental Output Expense | | | | | | |
| | The Freshwater Improvement Fund | - | - | -15,000 | - | - | -15000 |
| | Non Departmental Output Expense | | | | | | |
| | Waste Minimisation MCA | | | | | | |
| | Environment Work Programme | - | 15,150 | 16,480 | 7,600 | 7,600 | 46830 |
| | Waste Minimisation MCA | | | | | | |
| | Contaminated Sites and Vulnerable Landfills | - | - | 5,128 | 2,628 | 2,628 | 10384 |
| | Waste Minimisation MCA | | | | | | |
| | Freshwater Improvement Fund | - | 47,000 | 15,000 | - | - | 62000 |
| | Waste Minimisation MCA | | | | | | |
| | Kaipara Moana Remediation | - | 11,125 | 14,400 | 14,500 | 13,900 | 53925 |
| | Waste Minimisation MCA | | | | | | |
| | Reducing Emissions from Waste | - | 23,300 | 23,600 | - | - | 46900 |
| | Departmental Output Expense | | | | | | |
| | | | | | | | |
| TOTAL | | 0 | -88225 | -61130 | -14500 | -13900 | -177755 |

Return of Tagged Contingency – NZ ETS Market Governance

How much is being saved?

New Zealand Emissions Trading Scheme Market Governance – Return of Tagged Contingency

This savings initiative returns \$34.311 million total operating funding previously held in tagged contingency for New Zealand Emissions Trading Scheme market governance improvements to align with the Government's priorities.

| Vote | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | Operating Total | Capital Total |
|--------------------|---------|---------|---------|---------|---------|--------------------|------------------|
| Tagged Contingency | - | (9.437) | (9.437) | (9.437) | (6.000) | (34.311) | - |

Total savings: \$34.311m over 4 years.

Which programmes are being affected by the savings?

This tagged contingency was intended to fund work to strengthen Market Governance for the NZ ETS. The work was intended to deliver enhanced collection and publication of market transaction data, build monitoring of the NZU market, enable the Financial Markets Authority to follow up on suspicious trading, establish standards and potentially regulation for market participants, and provide education for those who trade NZ units.

Classification

Resource Management Reform – Replacement

How much funding is being provided?

Resource Management Reforms – Replacement

This initiative provides \$92.235 million total operating funding to deliver the Government's resource management reforms, including fast-track consenting legislation, Resource Management Act (RMA) 1991 amendments, updates to national direction and RMA replacement legislation. Funding is provided in outyears for ongoing operation of the resource management system to support system change.

| Vote | 2023/24 | 2024/25 | 2025/26 | 2026/27 | 2027/28 | Operating Total | Capital Total |
|-------------|---------|---------|---------|---------|---------|--------------------|------------------|
| Environment | - | 23.525 | 23.911 | 23.911 | 20.888 | 92.235 | - |

Further breakdown

| Policy Initiative | Appropriation | 2023/24 Final Budgeted \$000 | 2024/25 Budget \$000 | 2025/26 Estimated \$000 | 2026/27 Estimated \$000 | 2027/28 Estimated \$000 | 4-YEAR TOTAL |
|---|--|---------------------------------------|----------------------------|-------------------------------|-------------------------------|-------------------------------|-----------------|
| Resource Management Reforms - Replacement | Improving New Zealand's Environment | 0 | 23,025 | 23,411 | 23,411 | 20,388 | 90,235 |
| | Departmental Output Expense | | | | | | |
| | Environmental Protection Authority functions | 0 | 500 | 500 | 500 | 500 | 2,000 |
| Non-Departmental Output Expense | | | | | | | |
| TOTAL | | 0 | 23,525 | 23,911 | 23,911 | 20,888 | 92,235 |

Budget 2024 delivers \$92.2m in new operating funding to deliver the Coalition Government’s resource management reforms.

Which programmes are being affected?

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.

The new funding partially replaces the \$301.6m of Resource Management Reform Implementation funding returned in the Mini Budget, shown below.

| Policy Initiative | Appropriation | 2023/24 Final Budgeted \$000 | 2024/25 Budget \$000 | 2025/26 Estimated \$000 | 2026/27 Estimated \$000 | 2027/28 Estimated \$000 | 4-YEAR TOTAL |
|--------------------------------|---|---------------------------------------|----------------------------|-------------------------------|-------------------------------|-------------------------------|-----------------|
| Fiscal Management: Mini Budget | Improving New Zealand's Environment | - | -36,202 | -30,417 | -26,674 | -26,674 | -119,967 |
| | Departmental Output Expense | | | | | | |
| | National Māori Entity | - | -5,200 | -5,150 | -4,738 | -4,738 | -19,826 |
| | Non-Departmental Output Expense | | | | | | |
| | Regional Planning Implementation - Delivery Partners in first Tranche Regions (MYA) | - | -2,845 | -5,211 | -9,975 | -11,480 | -29,511 |
| | Non-Departmental Output Expense | | | | | | |
| | Regional Planning Implementation - Non-Government Organisations (MYA) | - | -400 | -400 | -1,104 | -1,104 | -3,008 |
| | Non-Departmental Output Expense | | | | | | |
| | Regional Planning Implementation - Regional Readiness (MYA) | - | -3,810 | -14,800 | -14,244 | -14,889 | -47,743 |
| | Non-Departmental Output Expense | | | | | | |
| | Spatial Planning Board | - | -12,650 | -18,380 | -18,380 | -18,380 | -67,790 |
| | Departmental Output Expense | | | | | | |
| Residual contingency | | | | -3,669 | -5,041 | -5,041 | -13,751 |
| TOTAL | | 0 | -61,107 | -78,027 | -80,156 | -82,306 | -301,596 |

Net RM savings are \$209.4m over 4 years.

Are there any redundancies, and if so, which roles are being impacted?

Redundancies across the portfolios

- Decisions about staffing and any redundancies required will be confirmed following consultation with our people in early June.
- The change proposal document – released in early June – is likely to show a reduction from the 1230 FTE forecast for 2023/24, of about 403 FTE in the first year and 527 FTE (in total) by June 2025. These figures include a large number of positions that were not filled in the past year as we managed our staffing levels down through recruitment controls. The actual impact on current staffing levels will be approximately 200 fewer positions in the first year and about 330 in total by June 2025.
- Reductions are proposed to be achieved through the end of about 140 fixed term contracts, and a combination of voluntary and proposed redundancies. **This is confidential to staff until the change proposal is released.**
- **These reductions encompass the impact of Budget 2024 decisions, the Mini Budget, and our already declining baseline.**
- FTE impacts of Budget 2024 is a net estimated reduction of 210 FTE – including impacts of baseline savings (-71, Mini Budget (-224) and new RM funding (+85)
- Potential redundancies will be spread across all groups and include enabling functions like science and data, communications and engagement, and back-office functions. The extent of budget reductions mean there will be redundancies in all groups working to support all ministerial portfolios.
- Positions likely to be proposed made redundant include General Managers, Managers, Team Leaders, Advisors, Analysts, Senior Analysts, Senior Advisors, Principal Advisors, EAs, PAs, Business Support Partners, Project Coordinators, Project Managers, Data Analysts, Scientists and other specialist positions.
- The draft consultation document – due with ministers on May 27, will outline proposed staff reductions at the business unit and group level.

Vote Environment Total Funding*

The table below shows total available Vote Environment funding as at BEFU 2024*.

| \$m | 23/24 | 24/25 | 25/26 | 26/27 | 27/28 |
|---|--------------|--------------|--------------|--------------|--------------|
| Departmental Appropriations | 244.2 | 184.3 | 157.5 | 155.0 | 149.3 |
| Non-Departmental Appropriations (Crown excl ETS) | 182.0 | 234.8 | 129.2 | 77.6 | 81.8 |
| Non-Departmental Appropriations (waste-levy & PS tyres) | 123.7 | 258.0 | 335.4 | 389.2 | 426.3 |
| Total Appropriations (excl ETS) | 549.9 | 677.1 | 622.0 | 621.9 | 657.4 |

*Source is Budget Economic and Fiscal Update 2024 appropriations. 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. Contingencies are also excluded and discussed further below.

Vote Environment Departmental Funding

The table below summarises the Ministry's departmental baseline as at BEFU 2024. Departmental funding falls 39 percent from 2023/24 to 2027/28.

| Departmental Appropriations | 23/24 \$'000 | 24/25 \$'000 | 25/26 \$'000 | 26/27 \$'000 | 27/28 \$'000 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Departmental Output Expenses | | | | | |
| Improving New Zealand's Environment | 167,776 | 102,416 | 80,254 | 85,497 | 82,501 |
| Managing Climate Change in New Zealand | 54,584 | 49,500 | 50,226 | 50,666 | 47,899 |
| Spatial Planning Board | 4,112 | - | - | - | - |
| Climate Change Chief Executives Board | 3,532 | 3,435 | 3,434 | 4,132 | 4,132 |
| <i>Environment Work Programme (Waste & HSNO)</i> | - | 15,150 | 16,480 | 7,600 | 7,600 |
| <i>Waste Minimisation Administration</i> | 13,342 | 12,704 | 5,906 | 5,906 | 5,906 |
| <i>Product Stewardship Administration</i> | 867 | 1,047 | 1,154 | 1,185 | 1,215 |
| Total Departmental Appropriations (excl contingencies) | 244,213 | 184,252 | 157,454 | 154,986 | 149,253 |
| Reduction from peak year (23/24) | - | 59,961 | 86,759 | -89,227 | -94,960 |
| <i>Third Party funded in grey shading</i> | | | | | -39% |

Vote Environment Non-Departmental Funding

The table below summarises the Ministry's non-departmental baseline as at BEFU 2024. Non-departmental funding excluding waste minimisation and product stewardship falls 55.1 percent from 2023/24 to 2027/28.

| Non Departmental (excl ETS) | 23/24 \$'000 | 24/25 \$'000 | 25/26 \$'000 | 26/27 \$'000 | 27/28 \$'000 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Non-Departmental Category | | | | | |
| Climate change | 1,480 | 8,170 | 10,170 | 170 | 170 |
| Climate Change Commission | 18,433 | 16,103 | 14,904 | 14,904 | 14,904 |
| Community funding | 5,294 | 3,378 | 2,875 | 2,875 | 2,875 |
| Environmental Protection Authority | 37,599 | 36,899 | 35,616 | 35,616 | 35,393 |
| International obligations | 768 | 785 | 785 | 785 | 745 |
| Indigenous Biodiversity | - | - | - | - | 2,950 |
| RMR implementation | 400 | - | - | - | 2,285 |
| Treaty obligations | 12,128 | 5,125 | 5,182 | 4,671 | 4,444 |
| Contaminated sites | 2,379 | 7,772 | 5,128 | 2,628 | 2,628 |
| Waste minimisation (debt impairment (levy)) | - | 5,000 | 5,000 | 5,000 | 5,000 |
| Waste Minimisation Fund | 120,958 | 195,705 | 265,895 | 318,225 | 352,569 |
| Product Stewardship Schemes | 2,750 | 57,342 | 64,456 | 66,004 | 68,760 |
| Reducing emissions from waste | 20,247 | 23,300 | 23,600 | - | - |
| Water initiatives (partially levy-funded) | 83,272 | 133,308 | 30,900 | 16,000 | 15,400 |
| Total Non-Departmental (excl contingencies) | 305,708 | 492,887 | 464,511 | 466,878 | 508,123 |
| <i>Third Party funded in grey shading</i> | | | | | |
| Total Non-Departmental excl WMF & PS tyres | 182,000 | 234,840 | 129,160 | 77,649 | 81,794 |
| Reduction from 23/24 | | | | | -55.1% |