

Departmental Briefing



Department of
Conservation
Te Papa Atawhai

In Confidence

GS ref: 22-B-0669
DOCCM: 7180314

To: Minister of Conservation
Minister for Oceans and Fisheries

Date: 4 November 2022

Subject: Budget shortfall for priority marine initiatives

Action sought: Minister of Conservation to discuss with officials on 7 November 2022.
Agree to send the attached letter to the Minister of Finance.

Time Frame: 7 November 2022

Risk Assessment: DOC's current budget shortfall risks not delivering on priority marine protection initiatives.

Department's Priority: High

Level of Risk: High

Contacts

Name and position	Cellphone	First contact	Principal author
Kayla Kingdon-Bebb, Director, Policy	9(2)(a)	✓	
Ruth Isaac, Deputy Director-General, Strategy and Policy			
Marie Long, Deputy Director-General, National Operations and Regulatory Services			
Debbie Freeman, Senior Policy Advisor			✓

Executive summary – Whakarāpopoto ā kaiwhakahaere

1. The Oceans and Fisheries work programme includes three priority marine protection initiatives:
 - Rangitāhua / Kermadec Ocean Sanctuary;
 - Southeast Marine Protection (SEMP); and
 - *Revitalising the Gulf: Government action on the Sea Change Plan* (Sea Change).
2. \$14.57m was secured for these initiatives through last year's Natural Resource Cluster (NRC) process, of which nearly \$12m was allocated to Rangitāhua Ocean Sanctuary.
3. New policy proposals for Rangitāhua, with new cost implications, have been developed subsequent to the Budget 22 process. The \$12m is therefore insufficient to fully implement Rangitāhua. However, we consider we can fund those new elements through the Budget 22 allocation to SEMP and Sea Change. 9(2)(f)(iv)
4. The scaling down undertaken through Budget 22 (to fit within the NRC funding envelope) resulted in the Budget 22 allocation for SEMP and Sea Change being insufficient. The allocation will not allow for implementation of these priority initiatives. Further funding will be required when final decisions on these initiatives are taken, or specific reprioritisation decisions will need to be made.
5. Budget 23 is an invitation-only process and includes a track for manifesto / Government priorities. This briefing provides our assessment of the funding required to fully implement SEMP and Sea Change marine protection initiatives, which are both manifesto commitments and/or Government priorities under the Oceans and Fisheries portfolio. We recommend you seek an invitation from the Minister of Finance to participate in the Budget 23 process.

We recommend that you ... (Ngā tohutohu)

		Decision
a)	<u>Note</u> that in the coming months, agencies will be seeking final policy decisions from Ministers on the implementation of SEMP, Sea Change and the Rangitāhua Ocean Sanctuary	Noted
b)	<u>Note</u> that the Budget 22 funding allocated to these initiatives is insufficient and they will not be able to proceed with unfunded financial implications	Noted
c)	9(2)(f)(iv) [Redacted]	<input checked="" type="checkbox"/> Yes / No
d)	<u>Agree</u> to send the attached letter to the Minister of Finance	<input checked="" type="checkbox"/> Yes / No

9(2)(a)
[Redacted]



Date: 4 / 11 / 2022

Date: 9 / 11 / 2022

Ruth Isaac
DDG Strategy and Policy
For Director-General of Conservation

Hon Poto Williams
Minister of Conservation

Date: / /

Hon David Parker
Minister for Oceans and Fisheries

Purpose – Te aronga

1. This briefing provides you with advice regarding the outstanding funding requirements for implementation of priority marine protection initiatives within the Oceans and Fisheries work programme.

Background and context – Te horopaki

2. The Oceans and Fisheries work programme includes several priority marine protection initiatives, all of which are scheduled to progress towards implementation during the 2023 calendar year:
 - Rangitāhua/Kermadec Ocean Sanctuary;
 - Southeast Marine Protection (**SEMP**); and
 - Revitalising the Gulf: Government action on the Sea Change Plan (**Sea Change**).
3. Both Sea Change and Rangitāhua Ocean Sanctuary are manifesto commitments. SEMP is a Government priority.
4. Funding for all three initiatives was sought through the Budget 22 Natural Resource Cluster (**NRC**) process under “Implementation of marine protection and localised management actions.” Ultimately, \$14.57m was secured for Vote Conservation from a total which was scaled down significantly over the four financial years (2022/23 to 2025/26) to fit within the NRC funding envelopes, as required by the Minister of Finance.
5. Of the \$14.57m for “Implementation of marine protection and localised management actions”, \$9.317m (OPEX) and \$2.523m (CAPEX) was allocated to the Rangitāhua Ocean Sanctuary initiative.
6. Policy development for the Rangitāhua Ocean Sanctuary has continued since the Budget 22 process and there are new elements of the proposal that have been agreed or are pending agreement [briefing 22-B-0666 refers]. These new policy proposals have further cost implications for DOC.
7. Because of the required scaling process, the Budget 22 allocation for SEMP and Sea Change is insufficient to implement these initiatives. These initiatives cannot be implemented without further new funding, or specific reprioritisation decisions.

Overview of funding shortfall

8. The following (and **Attachment 1**) provides an overview of the funding needs, developed comprehensively through the Budget 22 process (noting there may be some refinement as final policy decisions are made by Ministers). We don't consider scaled options to be feasible for SEMP and Sea Change. The required funding will need to be obtained through a new bid, or through a reprioritisation decision.

SEMP

9. For the purposes of the NRC budget process, the SEMP implementation budget has been costed at \$13.4m over four years across DOC, Fisheries New Zealand, and Ngāi Tahu. Agencies will refine the required cost to implement SEMP in line with final policy decisions.
10. Across the four years, this funding would provide for initial implementation costs and then costs for managing the established processes and infrastructure. This includes boundary markers, survey, interpretation panels, signage, research and monitoring programmes, education and community outreach, establishing and supporting the co-management framework, phased hiring of personnel, and training and equipment. On-going costs (not included in the costs over four years) would include personnel, co-

management processes, compliance, science and management, education, and awareness.

Sea Change

11. The marine protection component of Sea Change will require \$10.54m for the first 4 years (\$4.26m of that for the first two years). This funding would provide for initial implementation costs including survey office plans, interpretation panels, signage, boundary markers and baseline surveys. It would also provide for ramping up to 3 marine rangers (3 FTE), and 1 FTE leading research, monitoring, and reporting. On-going costs would include compliance, science, management, education, and awareness.

12. [Redacted] 9(2)(g)(i)

Rangitāhua Ocean Sanctuary

13. The Rangitāhua Ocean Sanctuary proposal is a significant marine protection initiative. The Sanctuary will be New Zealand's largest protected area and one of the world's largest marine protected areas. Implementation of the Sanctuary, including all bespoke elements of the proposal, will be a significant undertaking and it is important that DOC can do this well.

14. [Redacted] 9(2)(f)(iv)

[Redacted]

[Redacted]

[Redacted]

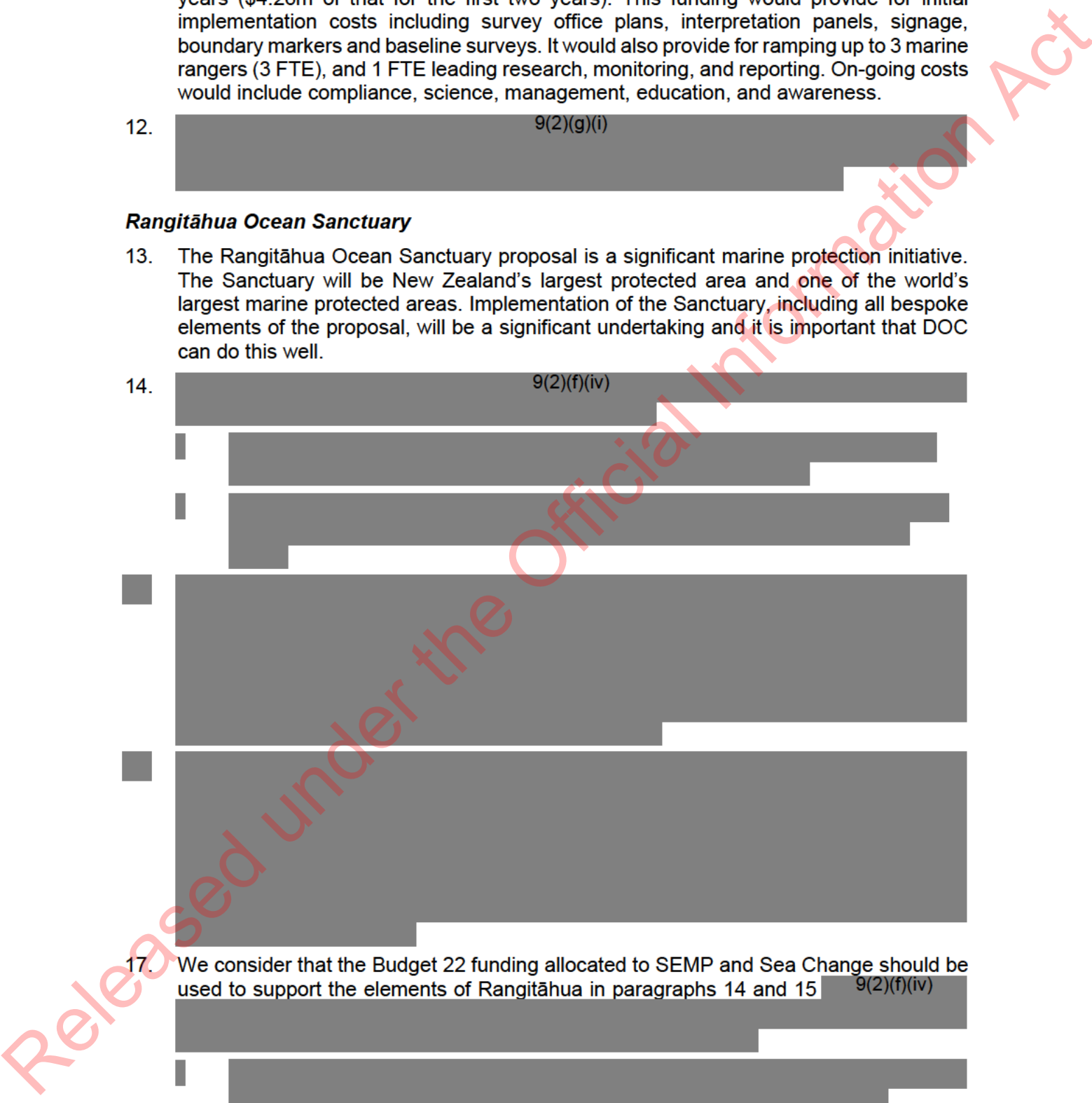
[Redacted]

17. We consider that the Budget 22 funding allocated to SEMP and Sea Change should be used to support the elements of Rangitāhua in paragraphs 14 and 15 [Redacted] 9(2)(f)(iv)

[Redacted]

[Redacted]

[Redacted]



An opportunity to secure funding through the Budget 23 process

18. The Budget 23 process will be by invitation only and includes a track for manifesto/ Government priorities. SEMP, Sea Change and Rangitāhua are such priorities. You may wish to signal the funding gap described above for Sea Change and SEMP (in the order of \$28m) to the Minister of Finance, to support an invitation to bid. We have provided a draft letter should that be required (**Attachment 2**).

Risk assessment – Aronga tūraru

19. The Budget 22 funding secured for SEMP and Sea Change is insufficient to provide for implementation of these priority initiatives. Without new funding, we would need to secure the required budget from elsewhere, for example, through reprioritisation.
20. We consider that in the absence of funding to support implementation of SEMP and Sea Change, Cabinet will not be able to take final decisions on these initiatives, given they will have unfunded financial implications.

Treaty principles (section 4) – Ngā mātāpono Tiriti (section 4)

21. Inability to fund the implementation of SEMP and Sea Change presents significant risks to Government's relationships with iwi and hapū; we are conscious that Treaty principles may not be met. Similarly, inability to give effect to new elements of the Rangitāhua proposal, which have been designed to better recognise Māori rights and interests, presents a risk to the relationships that have been strengthened in the course of the proposal's development.

Consultation – Kōrero whakawhiti

22. We have informed Fisheries New Zealand and the Ministry for the Environment of the proposals in this paper.

Financial implications – Te hiraunga pūtea

23. This briefing has identified additional funding requirements of approximately \$28m. The Budget 23 process presents an opportunity address this shortfall but would require an invitation from the Minister of Finance to participate in that process. Without either a Budget 23 bid, or a reprioritisation decision, implementation of SEMP and Sea Change would need to be delayed to align with the Budget 24 (or later) processes.

Next steps – Ngā tāwhaitanga

24. We recommend that you agree to the recommendations in this briefing, and send a letter to the Minister of Finance to seek an invitation to participate in the Budget 23 process to address the shortfall for SEMP and Sea Change. We will be available to discuss this briefing with the Minister of Conservation at the scheduled meeting with officials on Monday 7 November 2022.

Attachments – Ngā tāpiritanga

Attachment 1: Overview of estimated costs of implementation of SEMP and Sea Change

Attachment 2: Draft letter to the Minister of Finance

ENDS

Attachment 1: Overview of estimated costs of implementation of SEMP and Sea Change marine protection initiatives

SEMP

Year 1: Total costs - \$4.7m

- Establish co-management groups and processes.
- Develop and establish monitoring, mātauranga research, community engagement/education/outreach, and wānaka plans/programmes.
- Support for operational management, including compliance and signage, boundary markers, pou whenua.
- Purchase of new vessel.
- Training and support for new personnel.

Year 2: Total costs - \$3.3m

- Implement co-management processes.
- Support monitoring, research and engagement.
- Support for operational management, including compliance and signage.
- Maintain vessel.
- Training and support for new personnel.

Year 3: Total costs - \$2.7m

- Implement co-management processes.
- Support monitoring, research and engagement.
- Support for operational management, including compliance and signage.
- Maintain vessel.
- Training and support for personnel.

Year 4: Total costs - \$2.7m

- Implement co-management processes.
- Support monitoring, research and engagement.
- Support for operational management, including compliance and signage.
- Maintain vessel.
- Training and support for personnel.

Total of fully costed component: \$13.4m

Sea Change

Marine protection: Total costs over 4 years - \$10.54m

- Support DOC staff and consultant costs
- Support for external reviews
- Deliver on operational management

Active habitat restoration: 9(2)(g)(i)

- Support DOC staff and consultant costs
- Support for communications and external review

Protected species: 9(2)(g)(i)

- Support DOC staff and consultant costs
- Deliver on operational management

Research, monitoring and reporting: Total costs over 4 years - \$2.46m

- Support for staff and consultant costs
- Support hosting / attending conferences and workshops
- Deliver on operational management

Released under the Official Information Act

Hon Poto Williams

MP for Christchurch East

Minister of Conservation

Minister for Disability Issues

Associate Minister for Children



Minister of Finance

Tēnā koe Grant

We are writing to you regarding the Budget 23 process, to highlight a shortfall in funding required to implement Government manifesto commitments and key priorities under the Oceans and Fisheries and Conservation portfolios.

As you will no doubt be aware, a fundamental part of the Government's oceans and conservation manifesto commitments requires delivering large new marine protected areas (MPAs). One of these MPAs – the Rangitāhua Ocean Sanctuary – will be the largest in the country and one of the world's largest. Those in the Hauraki Gulf and the South-East of the South Island will put an end to almost 10 years of wrangling, and deliver novel approaches that work for tangata whenua and other interested parties.

In coming months, we expect to take final policy decisions on the following:

- Rangitāhua Ocean Sanctuary;
- *Revitalising the Gulf: the Government's response to the Sea Change Plan*; and
- Southeast Marine Protection: new marine protection measures on the Otago coast.

As a result of scaling processes through the Natural Resource Cluster Budget 22 process, the funding required to implement the Sea Change and Southeast Marine Protection initiatives – both manifesto / Government priorities – has not been appropriated.

We have been advised that the shortfall for the combination of Southeast Marine Protection and Sea Change initiatives is in the order of \$28m for implementation, with additional outyear funding required for ongoing management.

We consider that implementation of new policy proposals for Rangitāhua will be able to be funded through a redistribution of Budget 22 funding and we will be seeking Cabinet approval for that.

We welcome your consideration of an invitation to participate in the Budget 23 process, via the Government priorities track to allow these initiatives to be delivered.

Nāku noa nā

Hon Poto Williams
Minister of Conservation

Hon David Parker
Minister for Oceans and Fisheries



Briefing: Reprioritisation decisions for funding Revitalising the Gulf marine protection and the Southeast Marine Protection initiative

To	Minister of Conservation	Date submitted	10 March 2023
Risk Assessment	High The marine protection initiatives cannot be announced or implemented without a funding decision. This paper will help inform your priorities letter to the PM.	Priority	High
Reference	23-B-0049	DocCM	DOC-7266313
Security Level	In Confidence – related to budget		

Action sought	<p>Agree to reprioritisation options within Vote Conservation to fund implementation of marine protection in the Hauraki Gulf.</p> <p>Agree that Vote Conservation reprioritisation will not be considered for funding the Southeast Marine Protection initiative at this stage.</p>	Timeframe	In time for your response to the PM on your priorities by Monday 13 March.
Attachments	No attachments		

Contacts	
Name and position	Cell phone
Ruth Isaac, Deputy Director-General Strategy and Policy	9(2)(a)
Sam Thomas, Director – Policy, Department of Conservation	

Executive summary – Whakarāpopoto ā kaiwhakahaere

1. Delivery of *Revitalising the Gulf: Government action on the Sea Change Plan (Revitalising the Gulf)* is a Labour 2020 Manifesto commitment. Cabinet has made final policy decisions for the marine protection proposals and agreed to commence drafting the Hauraki Gulf Marine Protection Bill for introduction to the House before the election. Cabinet has noted that the implementation of the marine protection proposals will be funded through reprioritisation and transfer within Vote Conservation, to be determined by the Minister of Conservation [CAB-22-MIN-0599.02 refers].
2. You are the decision-maker for the Southeast Marine Protection (SEMP) proposal and you are yet to make decisions. It is currently unfunded.
3. Sufficient funding for both initiatives was not able to be secured through the Budget 22 process. The Minister of Finance declined a request from previous Ministers to seek new funding for these initiatives through Budget 2023. This means funding must come from existing conservation funds through savings initiatives or they cannot progress.
4. *Revitalising the Gulf* requires a total of \$12.02m over four years with ongoing operational costs of \$3.51m per annum. SEMP requires up to \$8.43m over four years with ongoing costs of \$1.83m per annum.
5. Due to the significant non-discretionary cost pressures facing the Department, reprioritisation of funding is not recommended to support the progression of both marine protection initiatives at this juncture. We understand that you have confirmed that *Revitalising the Gulf* remains a high priority with relevant Ministers.
6. Several options exist for reprioritisation to fund *Revitalising the Gulf*. The Treasury has advised that Ministers should reprioritise Budget 2022 funding unless other savings options are preferable.
7. Budget 2022 initiatives that can be reprioritised include:
 - Predator Free 2050 Strategy
 - National predator control programme
 - Deer management and goat control
 - Reducing extinction risk for key flagship marine species
8. [REDACTED] 9(2)(g)(i)
9. We recommend that *Revitalising the Gulf* is funded through reprioritisation of [REDACTED] 9(2)(g)(i), and from Predator Free 2050 Strategy for years 2024/25-2026/27 and outyears.
10. Our preferred option takes advantage [REDACTED] 9(2)(g)(i) the significant uplift in funding that Predator Free 2050 Strategy has beginning from 2024/25. Though drawing from the Budget 2022 funding will mean less is available for predator control, we consider this is manageable because the uplift to those initiatives from their 'normal' (baseline) levels is still very significant and provides for delivering more important conservation outcomes.
11. If you choose to use some of this funding for *Revitalising the Gulf*, the Department will prepare communications to address any concerns that may arise from stakeholder groups.
12. [REDACTED] 9(2)(g)(i)

13. If you decide not to take the recommended approach you could:
- allocate funding for 2023/24 from the 9(2)(g)(i) and for 2024/25 onwards from the range of Budget 2022 initiative options outlined in this paper (i.e., Predator Free 2050, and/or National Predator Control, and/or Deer and Goat Control, and/or Flagship Marine Species); or
 - allocate funding for all years from the range of Budget 2022 initiative options outlined in this paper (i.e., Predator Free 2050, and/or National Predator Control, and/or Deer and Goat Control, and/or Flagship Marine Species).
14. We recommend that you do not agree to reprioritise Vote Conservation to fund SEMP at this time. This is because SEMP is not a Manifesto commitment and final decisions have not yet been taken. Although this means that new marine protection (equating to 0.4% of New Zealand's waters) will not be delivered in the immediate term, it does not preclude delivery at a future point when funds allow (although the current assessment of the proposal will become out of date over time). Not funding SEMP is likely to create challenges for re-engaging with Ngāi Tahu on marine protection in the South Island in the future, and on other Departmental initiatives. If you agree not to fund SEMP, we will provide you with further advice on the process for your statutory decision-making and any associated risks.
15. If you decide you would like to reprioritise to fund SEMP should you decide to approve the proposal, we request that you indicate which options you wish to use from what is remaining following reprioritisation for *Revitalising the Gulf*.

We recommend that you ... (Ngā tohutohu)

		Decision
a)	Note that Cabinet decisions have been made to progress marine protection in the Hauraki Gulf (<i>Revitalising the Gulf</i>), and that funding would be reprioritised from the Department of Conservation baselines.	
b)	Note that the cost of <i>Revitalising the Gulf</i> is \$12.02m over four years with ongoing costs of \$3.51m per annum. This is made up of funding for the marine protection initiatives (\$10.54m over four years and ongoing costs of \$3.14m per annum) and research and monitoring (\$1.48m over four years and ongoing costs of \$0.37m per annum).	
c)	Note that you have not yet made decisions on proposed marine protection in the Southeast of the South Island, and funding has not been secured.	
d)	Agree that Vote Conservation reprioritisation will not be considered for funding the Southeast Marine Protection (SEMP) initiative at this stage.	Yes / No
e)	Note that we will provide further advice on the process for your statutory decision-making on SEMP from here and how to manage the associated risks.	

<p>f)</p>	<p>Either</p> <p>Agree to the Department's recommended option for reprioritising Conservation funding for the implementation of <i>Revitalising the Gulf</i> marine protection:</p> <ul style="list-style-type: none"> • For 2023/24, reallocate [redacted] 9(2)(g)(i) [redacted]; and • For 2024/25-2026/27 and outyears, reallocate \$3.41m-\$3.51m from the Predator Free 2050 Strategy Budget 22 funding increase. <p>OR</p> <p>Agree to allocate funding for 2023/24 from the [redacted] 9(2)(g)(i) [redacted] and for 2024/25 onwards from the range of Budget 2022 initiative options outlined in this paper (i.e., Predator Free 2050, and/or National Predator Control, and/or Deer and Goat Control, and/or Flagship Marine Species).</p> <p>OR</p> <p>Agree to allocate funding for all years from the range of Budget 2022 initiative options outlined in this paper (i.e., Predator Free 2050, and/or National Predator Control, and/or Deer and Goat Control, and/or Flagship Marine Species).</p>	<p>Yes / No</p> <p>Yes / No</p> <p>Yes / No</p> <p>Yes / No</p>
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[redacted] 9(2)(a) [redacted]

Date: 10 / 03 /23

Ruth Isaac
 Deputy Director-General Strategy and Policy
 For Director-General of Conservation

Date: / /

Hon Willow-Jean Prime
Minister of Conservation

Purpose – Te aronga

16. This briefing seeks a decision on what to deprioritise to fund *Revitalising the Gulf: Government action on the Sea Change Plan (Revitalising the Gulf)*. It also seeks a decision on whether to progress the Southeast Marine Protection initiative (SEMP), and if a decision is taken to progress it, it seeks a funding decision.
17. Delivery of *Revitalising the Gulf* is a Labour 2020 Manifesto commitment.
18. Both initiatives are unfunded. The Minister of Finance declined a request from previous Ministers to seek new funding for these initiatives through Budget 2023.
19. Cabinet has noted that the implementation of the marine protection proposals in *Revitalising the Gulf* will be funded through reprioritisation and transfer within Vote Conservation, to be determined by the Minister of Conservation [CAB-22-MIN-0599.02 refers]. This briefing provides options to achieve this.
20. Following your meeting with the Minister for Oceans and Fisheries on 8 March 2023, you are also considering whether to progress SEMP given that it is also unfunded. This briefing recommends that you do not reprioritise to fund SEMP at this time because there is not sufficient funding to pay for both marine protection initiatives.

Background and context – Te horopaki

21. The Department provided advice on reprioritisation options to the previous Minister of Conservation late last year for three unfunded initiatives¹ (including *Revitalising the Gulf*) [22-B-0780, 6 December 2022 refers]. The previous Minister did not make any decisions on reprioritising existing funding and instructed the Department to look at further options which are addressed in this briefing.
22. The Department of Conservation (the Department) has considered funding options for the delivery of *Revitalising the Gulf* and SEMP marine protection initiatives through reprioritisation of existing Conservation funding. Due to the wider cost pressures facing the Department, reprioritisation of funding cannot support the progression of both marine protection initiatives at this time.
23. As progressing marine protection under *Revitalising the Gulf* is a Labour 2020 Manifesto commitment, and Cabinet have agreed to the marine protection proposals, we recommend that *Revitalising the Gulf* progresses and is funded now. As SEMP is not a Manifesto commitment and final decisions have not yet been made, we recommend you do not reprioritise to fund the part of the SEMP proposal that the Department is responsible for until funding can be secured.

Revitalising the Gulf marine protection

24. In December 2022, Cabinet agreed to the final marine protection proposals for the Hauraki Gulf, building on those proposed in *Revitalising the Gulf* [CAB-22-MIN-0599.02 refers]. Delivery on this work is a Labour 2020 Manifesto commitment.
25. To progress *Revitalising the Gulf*, funding of 12.02m over four years with ongoing operational costs of \$3.51m per annum is required. This consists of \$10.54m funding for marine protection, with ongoing operational costs of \$3.14m per annum, and \$1.48m funding for the research and monitoring workstream, with ongoing operational costs of \$0.37m per annum.
26. New legislation is required to be drafted to implement the marine protection proposals. Officials submitted a legislative bid for the Hauraki Gulf Marine Protection Bill (the Bill) late last year for consideration in the 2023 Legislation Programme. The bid has a

¹ Decisions were sought on reprioritisation options for the 'No new mines on conservation land' (NNM), *Revitalising the Gulf* (Sea Change), and Ngā Whatu-a-Māui Ocean Sanctuary (the Sanctuary) proposals.

category 4 priority which means the Bill is to be referred to a select committee before the 2023 general election.

27. The Parliamentary Counsel Office (PCO) is currently drafting the Bill with the aim of introduction to the House in mid-August 2023. Funding is required from July 2023 onwards to enable critical work with mana whenua to progress in parallel to the drafting process, and to begin preparations for implementation. It is important that funding is secured for this work to be able to progress and for an announcement to be made.
28. This briefing outlines the options and recommendation for reprioritising funding. If you choose not to secure funding now, we will provide you with further advice on delaying the implementation of the marine protection component of the *Revitalising the Gulf* package.

Southeast Marine Protection (SEMP)

29. The proposed SEMP network includes six marine reserves, five Type 2 marine protected areas,² and one kelp protection area. It would create the first marine reserves between Banks Peninsula and Rakiura (Stewart Island).
30. The proposed marine reserves are led and administered by the Department and the Type 2 marine protected areas are led and administered by Fisheries New Zealand. The Department and Fisheries New Zealand have been working closely together on these initiatives and there are aspects have joint responsibility including the co-management arrangements with Ngāi Tahu.
31. Funding is required to implement the Department-led component of SEMP of up to \$8.43m over four years with ongoing costs of \$1.83m per annum. The statutory process to establish the proposed marine reserves under the Marine Reserves Act 1971 is well advanced, with consultation and extensive Treaty partner engagement undertaken, and an independently reviewed Departmental report³ is now ready to be delivered to you for decision-making.
32. Ngāi Tahu has been involved extensively with SEMP since it started in 2014 and remain committed to working in good faith with the Crown. Although not all their expectations have been met, Ngāi Tahu are prepared to support the six proposed marine reserves subject to certain conditions. Their support is based on the recommendations contained in the Departmental report (particularly those focusing on rebalancing and co-management) and a written commitment from you that:
 - Ngāi Tahu will have 50% of seats on the co-management groups, to reflect 'a true partnership arrangement', and
 - Sufficient funding will be provided by the Crown to make the marine reserves a success. This includes funding for co-management and its operational activities. Ngāi Tahu seek a similar fund for SEMP as is proposed for the Ngā Whatu-a-Maui Ocean Sanctuary proposal.
33. While Ngāi Tahu support the network, subject to the conditions above, they have stated that they will not support any more marine reserves in the southeast region.
34. The public's views were sought on the proposed marine reserves during statutory consultation carried out in 2020. We had submissions from 4,056 individuals or organisations and 90% of these were in support of the proposed marine reserves. Commercial fishers generally objected to the proposed marine reserves and raised issues of effects on quota value, impacts from displacing fishing effort to other areas, and the lack of need for marine protection.

² A Type 2 marine protected areas provide enough protection from the adverse effects of fishing to meet New Zealand's Marine Protected Area Protection Standard

³ The Departmental report is our advice to you to inform your decision-making on the proposed marine reserves, The report has not yet been provided to you.

Budget 22 and Vote Conservation (i.e., conservation funds) cost pressures

35. As noted in the memo to support your attendance at the Natural Resources Cluster Ministers' Meeting [23-M-0002 refers], the Department is facing several funding pressures that have materialised since Budget 2022. [REDACTED] 9(2)(g)(i) [REDACTED]
36. In Budget 22 the Department received approximately \$14.57m for "Implementation of marine protection and localised management actions". Nearly \$12m of this was allocated to fully fund the Ngā Whatu-a-Māui Ocean Sanctuary, previously known as the Kermadecs Sanctuary (the Sanctuary). This left \$2.73m to fund *Revitalising the Gulf* and SEMP which was not sufficient to fund either initiative. Since then, several new elements of the Sanctuary proposal were subsequently agreed through negotiations and the previous Minister of Conservation agreed to use that remaining \$2.73m to cover these Sanctuary costs (resulting in no funding for *Revitalising the Gulf* and SEMP).
37. The cost pressures the Department is facing will need to be managed within baselines. These cost pressures are estimated to be up to \$90.55m per annum and \$348.91m over the next five years.
38. Given the constrained fiscal environment and expectation that Natural Resource Cluster agencies will manage with the funding provided through Budget 2022 (until Budget 2025), we have identified three cost pressures which are non-discretionary and need to be funded as a priority. These cost pressures are due to:
- [REDACTED] 9(2)(g)(i) [REDACTED]
 - New statutory requirements (No New Mines on Public Conservation Lands \$0.70m); and
 - Cabinet decisions taken after the Budget 2022 Cluster process (which includes the funding covered in this briefing for *Revitalising the Gulf* of \$12.02m).
39. Potential funding increases of up to \$116.16m have been identified that may partially offset the cost pressures, including:
- Budget 2022 tagged contingency for wage pressures (\$70.40m over five years);
 - Uplifts in concession revenue following the return of international visitors (up to \$23.36m over five years); and
 - Uplifts in other revenue following the return of international visitors (\$22.40m over five years).
40. The revenue forecast assumes that tourism-driven revenue recovers to 2019 levels by 2025 in line with Tourism New Zealand forecasting, and non-tourism driven revenue increases in line with CPI. Concessions and recreation revenue may underachieve forecasts if tourism does not recover as quickly as forecast or if other unforeseen circumstances arise.
41. Even with those potential funding increases, the Department will need to manage \$46.35m of cost pressures by reprioritising within baselines (stopping, delaying, or cutting back existing activities and funding). We are still working through options to find these savings.
42. In addition, we are seeing a range of additional costs and new functions that are not included in these pressures, including from Cyclone Gabrielle (not all of which will necessarily receive new funding) and the new Resource Management system.
43. Following the financial sustainability review, the Department will be in a better position to advise on future reprioritisation decisions.

Funding requirements for *Revitalising the Gulf*

44. The total funding required for delivering *Revitalising the Gulf* is \$12.02m over four years, with additional ongoing operating costs of \$3.51m per annum. These costs are for both marine protection and research and monitoring activities, as follows:

Cost Pressure*	23/24 (\$m)	24/25 (\$m)	25/26 (\$m)	26/27 (\$m)	Total costs for 23/24 – 26/27 (\$m)	Ongoing annual opex (\$m)
Marine protection	1.220	3.040	3.140	3.140	10.540	3.140
Research and monitoring	0.385	0.365	0.365	0.365	1.480	0.365
Total costs (\$m)	1.605	3.405	3.505	3.505	12.020	3.505

*This funding includes some Capital Expenditure

Revitalising the Gulf: Marine protection

45. The *marine protection* funding (\$10.54m for the first 4 years) would provide for development of biodiversity objectives with mana whenua, and initial implementation costs, including survey office plans, interpretation panels, signage, boundary markers, baseline surveys and includes Capital Expenditure for a boat. It would also provide for new FTE to lead compliance, education, research, monitoring, and reporting. Ongoing costs would be approximately \$3.14m per year which includes compliance, science, management, education, and awareness.

Revitalising the Gulf: Research and monitoring

46. *Revitalising the Gulf* also proposed Government action across several other areas including protected species, biosecurity, and habitat restoration. Most of these wider actions are funded and are being delivered. However, a small number are not including a research and monitoring workstream to track the effectiveness of the actions in *Revitalising the Gulf*, including marine protection. This workstream is co-led by the Department and Fisheries New Zealand. The Department and Fisheries New Zealand have agreed to each fund half of the operational costs for the research and monitoring workstream. The Department will also fund 1 FTE to lead this work. The funding required for this workstream is \$1.48m over four years from 23/24.
47. While the Cabinet decision to reprioritise Vote Conservation funding was in reference to the marine protection component only [CAB-23-MIN-0599.02 refers], the research and monitoring workstream is critical for understanding the impact of the suite of actions under *Revitalising the Gulf*, including the marine protection component. Therefore, it is appropriate to reprioritise Vote Conservation funding to include this workstream.

Funding requirements for SEMP

48. We estimate up to \$8.43m is required to implement the six proposed marine reserves and co-management of the proposed network of 12 marine protected areas, with additional ongoing costs in outyears.

Cost Pressure*	23/24 (\$m)	24/25 (\$m)	25/26 (\$m)	26/27 (\$m)	Total costs for 23/24 – 26/27 (\$m)	Ongoing annual
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						opex (\$m)
Department-only costs	1.142	0.655	0.544	0.544	2.885	0.544
Co-management costs	0.949	1.899	1.409	1.284	5.541	1.284
Total costs (\$m)	2.091	2.554	1.953	1.828	8.426	1.828

**This funding includes some Capital Expenditure*

49. The Department is solely accountable for \$2.89m of this total, which would cover the establishment and management of the six proposed marine reserves in accordance with the Department's recommendations. Specifically, the Department-only costs cover personnel (remuneration, overheads and specialised training), operating costs (research and monitoring, compliance, vehicle lease) and Capex (boundary markers and signage).
50. The Department would have shared responsibility for co-management costs estimated at \$5.54m over four years and which apply across the proposed network of 12 marine protected areas. There may be some potential to share these costs with Fisheries New Zealand. The costs include personnel (remuneration, overheads and specialised training), operating costs (research and monitoring including mātauranga research plan, education and outreach, compliance, equipment, vehicles lease), co-management structure (hui, operating budget, mātauranga and education/outreach programmes), and capital expenditure (pou whenua, signage and interpretation).

Approach to identifying reprioritisation options

51. We have considered options for reprioritising funding from Vote Conservation using the following principles:
 - Exploring funds and appropriations that are lower value-for-money than the proposed initiatives, or lower priority for Ministers;
 - Funds that are able to be stopped or scaled without redundancies at scale, i.e., those which are 'discretionary' given our current structure – especially those which fund other parties to do work;
 - Funds that are from ongoing funding lines in baselines, not one-offs (like underspends); and
 - Where services and outputs can be stopped or scaled back with the lowest impact on conservation outcomes.
52. The Treasury has advised that Ministers should reprioritise Budget 2022 funding unless other savings options are preferable. We have therefore identified options from the Department's Budget 2022 initiatives which can be reprioritised as well as exploring other options. We have not explored funding options from outside of Vote Conservation (e.g., from Fisheries New Zealand) as these would need to be directed to be found by the relevant responsible Minister.
53. The following options will have lower immediate impacts than reductions from the Department's baseline budget, and are discussed further in the following section:
 - Reprioritising Budget 2022 multi-year initiative funding from one or more of the following initiatives:
 - i. Predator Free 2050 Strategy

- ii. National predator control programme
 - iii. Deer management and goat control
 - iv. Reducing extinction risk for key flagship marine species
 - [REDACTED] 9(2)(g)(i)
54. Options for reprioritisation that we do not consider appropriate are:
- Using International Visitor Conservation and Tourism Levy funding.
 - A general cut to Vote Conservation appropriations.
55. Using the International Visitor Conservation and Tourism Levy (IVL) funding could be used for one-off costs (such as Survey Office Plans or signage) or to contribute to the first year or two of funding. This would not provide an ongoing funding mechanism, so wider savings options would still be needed. It would need the agreement of IVL Ministers (you, the Minister of Tourism, and the Minister of Finance), [REDACTED] 9(2)(g)(i)
56. It is possible to make a general 'cut' to the Vote Conservation baseline (that is, general conservation funding). For example, you would ask the Department to find savings of \$3.5m per annum from the 'Management of Natural Heritage' appropriation. However, the risk with this approach is that this simply adds to our cost pressures for core activities, and that critical work is put at risk. There is also a risk that the required funding would not be made available. It is good and standard public financial management for Ministers to determine what initiatives should be scaled or stopped in order to fund new initiatives rather than the Department. Given our wider cost pressures, this is not feasible or good financial management. We are also not clear at this stage what level of funded vacancies we will have once wider costs pressures are met in 2023/24.

Options for reprioritisation

Reallocating from Budget 2022 multi-year funding

57. Funding could be reprioritised from some or all the following initiatives: Predator Free 2050 Strategy, National Predator Control Programme, deer and goat control, and reducing extinction risk for flagship marine species.
58. Other initiatives from Budget 2022 were considered and discarded including Max carbon storage and the funding that was allocated to the Ngā Whatu-a-Māui Ocean Sanctuary (see para 16). Funding for Max carbon storage is the Departments contribution to a cross-agency initiative that is already underway. Aspects of broader Ngā Whatu-a-Māui Ocean Sanctuary funding have been agreed by Cabinet. Reallocating from the Budget 22 share of this initiative would make us unable to fully deliver on the proposal.

Collective Delivery of Predator Free 2050 Strategy

59. From 2024/25, the funding Predator Free received from Budget 22 jumps from \$8.4m to \$25m ongoing annual funding.

B22 Predator Free 2050 Funding	2022/23 (\$m)	2023/24 (\$m)	2024/25 (\$m)	2025/26 (\$m)	2026/27 & Outyears (\$m)	Total (\$m)

Funding allocation	2.970	8.435	25.080	25.080	25.080	86.645
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60. This represents a significant funding uplift in 2024/25 from the pre-Budget 22 baseline of \$6m per annum (around 400% increase in funding).
61. The uplift in funding is not yet committed but planned to be spent on:
- Additional rangers and technical advisors;
 - Providing funding to communities to build community participation;
 - Building Māori capability and capacity;
 - Research projects to develop new predator management approaches;
 - An Island Eradication programme; and
 - An acceleration of landscape eradication projects.
62. Reprioritisation of this funding could be met through scaling back some of these activities. This option would reduce the amount of predator management that could be undertaken, including support to communities. The pace of eradication may be slowed compared to the full increase, and it will create additional challenges for scaling-up landscape-scale eradication to the same degree (such as, for example, how an island eradication programme is approached). However, there will still be a very significant funding boost to the programme of work that would allow for delivery of key pieces of work and improved outcomes. This option is recommended by the Department.
63. The Department has been implementing the Predator Free 2050 Strategy collaboratively with 26 organisations. You can manage any stakeholder concerns associated with the reallocation by conveying that you have reprioritised to achieve other important conservation outcomes and that the Predator Free funding is still significantly increased following Budget 22.

National predator control programme

64. Through Budget 22, the national predator control programme has been allocated an additional \$7.475m of ongoing annual funding from 2023/24 to enable maintenance of delivery of 600,000 hectares of predator control. The extra funding is for a shortfall in delivery of 150,000 hectares due to increased costs.
65. Prior to the additional Budget 22 funding, this programme had a baseline of \$20m.

B22 National Predator Control Funding	2022/23 (\$m)	2023/24 (\$m)	2024/25 (\$m)	2025/26 (\$m)	2026/27 & Outyears (\$m)	Total (\$m)
Funding allocation	4.475	7.475	7.475	7.475	7.475	34.375

66. Reallocating money from this expense area would reduce the number of hectares on which the Department can deliver predator control. This option is not recommended by the Department.

Ramping up deer management and goat control

67. Deer management and goat control received an additional \$7.470m and \$7.930m through Budget 22 for 2024/25 and 2025/26.

B22 Deer and Goat Funding	2022/23 (\$m)	2023/24 (\$m)	2024/25 (\$m)	2025/26 (\$m)	2026/27 & Outyears (\$m)	Total (\$m)
Funding allocation	5.270	9.330	7.470	7.930	7.930	37.930

68. Reallocating funding from this initiative would reduce the delivery of deer and goat control. This may pose risks to the planned eradication of deer from Northland (which is classified as deer-free), and on management of many conservation areas (e.g., Ruahine, Kaimanawa, and Kaweka Forest Parks) where browsers are having a significant impact.
69. There would be some concern raised from both conservation and hunting stakeholders to a reduction in funding for the leadership and management of deer and goats. You could manage this by conveying that you have reprioritised to achieve other important conservation outcomes and that the funding is still significantly increased following Budget 22. This option is not recommended by the Department.

Reducing extinction risk for key flagship marine species

70. Through Budget 2022, the Department's marine species protection work was allocated \$7.14m over three years from 2023/24 to 2025/26 to deliver dedicated measures to address threats that pose extinction risk to key marine taonga species. The funding starts next financial year as follows.

B22 Flagship Marine Species Total Funding	2022/23 (\$m)	2023/24 (\$m)	2024/25 (\$m)	2025/26 (\$m)	2026/27 & Outyears (\$m)	Total (\$m)
Funding allocation total	0.000	1.250	2.940	2.950	2.950	10.080
- Māui dolphin Toxoplasmosis research	0.000	0.480	2.200	2.200	2.200	7.080
- Protecting southern flagship species	0.000	0.770	0.740	0.750	0.750	3.000

71. The bulk of the funding is allocated to research into Toxoplasmosis which is a key threat to Māui dolphins. The research will inform any management action that could be taken to reduce the extinction risk to the dolphins.
72. The remaining funding is for growing international awareness, engagement, and action among fishing nations to reduce seabird bycatch in international waters, through a range of collaborative, partnership, and technical initiatives. As many of New Zealand's seabirds range beyond our waters this work helps to reduce the extinction risk for our own biodiversity as well as supporting our international leadership.
73. The funding for this work is minimal on an annual basis and has already been scaled back such that they received no funding in 2022/23 in contrast to other work programmes. To reprioritise from this area and maintain delivery of some outputs, one option is to reduce the Toxoplasmosis research budget by \$0.5m from 2024/25 onwards. This is not recommended by the Department. The work has links to a legal challenge in the US relating to New Zealand fisheries exports and threats to the dolphins so any decision to reduce funding should be discussed with Fisheries New Zealand. This option is not recommended by the Department.

Reallocating from

9(2)(g)(i)

9(2)(g)(i)

9(2)(g)(i)

Recommended approach

Revitalising the Gulf

77. Our recommended approach to meeting the funding shortfall for *Revitalising the Gulf* (both the marine protection and the research and monitoring components) is:

- For 2023/24, reallocate 9(2)(g)(i)

Potential Reprioritisation Option	2022/23 (\$m)	2023/24 (\$m)	2024/25 (\$m)	2025/26 (\$m)	2026/27 (\$m)
9(2)(g)(i)					
Reallocation to <i>Revitalising the Gulf</i>	0.000	1.605	0.000	0.000	0.000
Remaining Funding	9(2)(g)(i)				

- For 2024/25-2026/27, reallocate funding from the collective delivery of the Predator Free 2050 Strategy on an ongoing basis. While this will reduce what can be achieved through this programme, it still ensures a large increase in funding is invested in Predator Free 2050.

Potential Reprioritisation Option	2022/23 (\$m)	2023/24 (\$m)	2024/25 (\$m)	2025/26 (\$m)	2026/27 (\$m)
B22 Predator Free 2050 Funding	2.970	8.435	25.080	25.080	25.080
Cost pressure (<i>Revitalising the Gulf</i>)*	0.000	0.000	3.405	3.505	3.505
Remaining Funding	2.970	8.435	21.675	21.575	21.575

*This funding includes some Capital Expenditure

Revitalising the Gulf – alternative options

78. If you decide not to go with the recommended approach, a combination of the following options are available for your consideration:
- Allocate funding for all years from the range of Budget 2022 new initiatives outlined in this paper; or
 - Allocate funding for 2023/24 from the 9(2)(g)(i) and for 2024/25 onwards from the range of Budget 2022 initiatives outlined in this paper.
79. If you decide to go with an alternative option, we request you indicate which option you wish to use.

SEMP

80. Due to a lack of funding to implement this initiative and wider cost pressures that the Department needs to meet, we recommend that you do not reprioritise to fund SEMP at this time. The initiative is a discretionary cost pressure and is not a manifesto commitment.
81. If you agree, we will work with Fisheries New Zealand to provide you with further advice on the process to for your statutory decision-making that you can discuss with the Minister for Oceans and Fisheries.
82. If you decide to fund SEMP through reprioritisation of Vote Conservation funding, we request that you indicate which of the options above you wish to use, in addition to the options you support for *Revitalising the Gulf*.

Risk assessment – Aronga tūraru

83. The following risks exist for the preferred approach outlined above.

Revitalising the Gulf

84. If you decide not to reprioritise Vote Conservation funding for *Revitalising the Gulf*, then announcements and implementation will need to be delayed. Key risks are:
- The ongoing decline of the Hauraki Gulf in the absence of marine marine protection and growing pressures from urban and agricultural development as well as fishing;
 - Difficulties managing the message with the public and key stakeholders, given strong expectations that the Government will act to address the declining health of the Gulf;
 - You will need to return to Cabinet to outline the new approach, given final policy and funding decisions have been made. We can support you with materials and

key messages if you choose to do this. You will need the support and agreement of the Minister for Oceans and Fisheries.

Not funding SEMP

85. Key risks of not reprioritising to fund SEMP are:

- Strain to the Department's and Crown's relationship with Ngāi Tahu. There is a risk that Ngāi Tahu support for SEMP will be lost or weakened given their investment in the process to date. It may be challenging to re-engage with them on marine protection in the South Island, and on other Departmental initiatives. The Department can provide advice concerning managing this relationship.
- Negative reaction from parts of the public and eNGOs. This will need to be carefully managed, given the Government's recent commitment to protect 30 percent of its oceans by 2030 (at the Convention on Biodiversity in December) and the recent signing of the UN Oceans Treaty. The Department can provide you with communications advice, including making clear it does not preclude delivery before 2030.
- The Marine Reserves Act doesn't have specific timeframes at this stage in the decision-making process, however if a decision is made to pause the statutory process, there is a low risk of judicial review proceedings being lodged by an eNGO to force a decision.
- You may be able to announce your decision not to fund before, or after, making a statutory decision (we are working to understand your options, and will provide you with subsequent advice if you decide to not to fund SEMP). Following a decision not to fund, the time you have available to implement SEMP is important. This is because over time the consultation material and underlying data can become out of date and no longer valid to inform your decisions. If this were to occur, you would need to run the consultation process again. We will provide you with advice on managing this risk if you decide not to fund SEMP.

Reprioritising the Budget 22 and 9(2)(g)(i)

87. Reallocating from the Predator Free work, which involves collaboration with 26 other organisations, will also need to be managed. You can manage this by communicating that you have reprioritised for higher conservation priorities, and that Predator Free funding is still significantly increased following Budget 22. The pace of eradication may be slowed, and it will create additional challenges for scaling-up landscape-scale eradication to the same degree (such as, for example, how an island eradication programme is approached).

Treaty principles (section 4) – Ngā mātāpono Tiriti (section 4)

88. Deciding not to fund SEMP at this late stage may be viewed by Ngāi Tahu as the Crown failing to meet our reciprocal Treaty Partner obligations to act together reasonably and in good faith.

Financial implications – Te hiraunga pūtea

89. This briefing has identified immediate additional funding requirements of approximately \$12.02m over four years (and \$3.51m for every year afterwards) for *Revitalising the Gulf* and up to \$8.43m (and \$1.83m for every year afterwards) for SEMP. As a Cluster agency, the Department cannot seek additional new funding until Budget 2025. Without

a reprioritisation decision, progress of marine protection under *Revitalising the Gulf* and SEMP would need to be delayed to align with the Budget 25 (or later) processes.

Legislative implications – Te hiraunga a ture

90. New legislation for marine protection in the Hauraki Gulf will be unable to be introduced to the House before the election if the *Revitalising the Gulf* funding shortfall is not addressed.
91. If you decide not to fund SEMP, our follow-up advice will detail the legislative implications of this.

Next steps – Ngā tāwhaitanga

92. If you agree to our recommended option to reprioritise funding for *Revitalising the Gulf*, we will continue to progress the Hauraki Gulf Marine Protection Bill for introduction this term, and implementation planning. Once you have made a decision, we will advise you on what authority is required to make the changes (e.g., Joint Ministers or Cabinet).
93. If you decide not to proceed with any of the reprioritisation options for funding, we can support you to discuss options for delaying implementation of *Revitalising the Gulf* with the Minister for Oceans and Fisheries and Cabinet.
94. If you agree to not fund SEMP, we will support you to discuss this with the Minister for Oceans and Fisheries and to manage the risks of this option. The Department will undertake and support appropriate communication and engagement with Ngāi Tahu, stakeholders, and the public.

Item 7



Ministry for Primary Industries
Manatū Ahu Matua



First copy of briefing 23-B-0232 as signed by Minister for Oceans and Fisheries
Briefing withheld in full under section 9(2)(g)(i)

Oceans Secretariat Briefing: South East Marine Protection (SEMP): funding requirements and timing of decisions

9(2)(g)(i)

Released under the Official Information Act

Second copy of briefing 23-B-0232 as signed by Minister of Conservation. Briefing withheld in full under section 9(2)(g)(i)



Ministry for Primary Industries
Manatū Ahu Matua



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14 JUN 2023

Oceans Secretariat Briefing: South East Marine Protection (SEMP): funding requirements and timing of decisions

9(2)(g)(i)

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Item 8

23-B-0282: Advice to support marine protection discussion with Minister Parker

Status of Kermadec Ocean Sanctuary

- Te Ohu Kaimoana held a Special General Meeting on 13 June, to consider the Kermadec Ocean Sanctuary proposal.
- Te Ohu has advised Minister Parker that:
 - There was a large turnout of iwi from throughout Aotearoa;
 - After considerable discussion, the meeting voted strongly in opposition to the proposal for a range of reasons (one vote in support, two abstentions and 40 votes against).
 - The primary reason for the opposition is that iwi individually and collectively consider that the proposal does not provide necessary protections to the rights guaranteed in the 1992 Fisheries Deed of Settlement as signed by Māori and the Crown. [REDACTED] 9(2)(g)(i)
[REDACTED]
[REDACTED]
[REDACTED]
- Mandated Iwi Organisations have directed Te Ohu Kaimoana to bring iwi together to wānanga on this kaupapa.
- Te Ohu Kaimoana has stated to Minister Parker that they are committed to holding that hui in the coming months.
- Agencies are yet to advise Minister Parker on next steps for the proposal.
- [REDACTED] 9(2)(f)(iv)
[REDACTED]
[REDACTED]
[REDACTED]

Talking points

Iwi investment/aspirations for the 3 streams of work.

Kermadec Ocean Sanctuary

- Te Ohu is a litigant against the Crown in relation to the 2016 Kermadec Ocean Sanctuary Bill.
- Te Ohu's primary concern relates to how the Sanctuary proposal impacts Māori rights and interests, in particular those arising from the 1992 Fisheries Settlement.
- The proposal (in combination with the existing Kermadec Islands Marine Reserve) means an entire quota management area would be protected (and unavailable for fishing); this presents a unique situation in terms of impacts of marine protection on fishing rights and interests.
- The region is of particular importance to Māori because of the role the region played during their navigation to New Zealand from the Pacific.

- [REDACTED] 9(2)(g)(i)
[REDACTED]
- [REDACTED] 9(2)(g)(i)
[REDACTED]
[REDACTED]
[REDACTED]

Revitalising the Gulf

- Mana whenua have been engaged in the development of the Revitalising the Gulf proposals.
- The marine protection proposals reflect feedback from mana whenua.
- Support from mana whenua for the proposals is contingent on the recognition of their customary rights and interests within the High Protection Areas (HPAs).
- Customary fishing can continue within the HPAs under existing customary fishing regulations.
- Non-fishing customary practices can also continue within HPAs.
- Mana whenua expressed a preference for the marine protection adjacent to existing marine reserves to be HPAs as opposed to marine reserves, and may oppose the decision for these to be marine reserves.
- Some mana whenua have expressed an interest in being involved in the on-going management of these areas.

Southeast Marine Protection (SEMP)

- Te Rūnanga o Ngāi Tahu has been involved extensively with SEMP since it started in 2014 and remain committed to working in good faith with the Crown.
- Over this period, Ngāi Tahu have moved from not opposing the proposals, to most recently stating conditional support for the six proposed marine reserves.
- This support is based on the recommendations contained in DOC's draft report which follows several years of detailed engagement on measures to address the potential impact of the proposals on Ngāi Tahu's rights and interests.
- Te Runanga o Ngāi Tahu and papatipu rūnanga representatives have invested significant time, resources and mana in the SEMP initiative to date.
- Ngāi Tahu wish to see the proposed network implemented with sufficient funding to ensure the areas are a success.
- Ngāi Tahu have stated they wish to stand beside Ministers for public announcement of any MPAs approved. They have expressed frustration with SEMP delays.

Urgency for delivering workstreams

Kermadec Ocean Sanctuary

- Progressing the Sanctuary is a Labour Manifesto commitment.
- From an international obligations perspective, securing protection for this area would represent a significant milestone towards achieving New Zealand's international commitments for global marine protection.

- The Sanctuary would cover 15 percent of New Zealand's marine environment, which could represent half of our international commitment to protect 30 percent of our oceans by 2030 (as committed to under the Global Biodiversity Framework in December 2022) [while noting there are also qualitative elements to the target, and how the new global targets flow down to domestic targets is still to be worked through].
- From a conservation outcome perspective, the area is secure at least in the short term.
- The area is already a Benthic (seafloor) Protection Area and due to current catch limits is largely pristine. It is too far away for most commercial vessels to conduct economically viable fishing.
- The response from iwi to the current proposal suggests there is further work to do with iwi to better understand their aspirations for marine protection.

Revitalising the Gulf

- Progressing marine protection in the Hauraki Gulf is a Labour party manifesto commitment. It was also included as one of my key deliverables in the Prime Minister's priorities letter to me, sent earlier this year.
- Successive State of the Gulf reports have highlighted the decline of this area and public interest in addressing this decline is high.
- The marine protection measures proposed will almost triple protection in the region, from just over 6 percent to about 18 percent.
- This initiative is ready. I have already received a draft Cabinet paper and Bill, with a view towards gaining Cabinet approval in August to introduce the new legislation to the House before the end of the term.
- PCO is currently not prioritising this work. If it is not prioritised ASAP, it will not be ready for introduction to the House.
- This initiative can be funded. I (MOC) have taken funding reprioritisation decisions to enable implementation of Hauraki marine protection measures through Vote Conservation.
- The proposals are ready for implementation and would represent a significant achievement for marine biodiversity this term.

Southeast Marine Protection (SEMP)

- SEMP was initiated by the Government in 2014, has been a ministerial priority since, and is one of the three marine protection initiatives of the Oceans and Fisheries portfolio.
- The SEMP network resulted from a community forum process and proposes a network of 12 MPAs that would protect habitats in a coastal region currently with no MPAs. This includes almost doubling the area currently protected as marine reserves around mainland New Zealand (~485 sq km currently protected; to ~894 sq km).
- SEMP provides significant ecological benefits contributing to Te Mana o Te Taiao marine protection goals. The proposals provide for protection against current and future stressors, protecting fisheries nursery areas and creating resilience against the effects of climate change.
- [REDACTED] 9(2)(g)(i)
- DOC advice on the six proposed marine reserves is ready to support Ministerial decisions and could be provided as soon as requested.
- Fisheries NZ's advice on the six proposed fisheries measures is almost complete. Decisions on the six proposed fisheries measures require Cabinet approval. The proposals can be progressed separately.

- I (MOC) have taken a decision to not fund SEMP via Vote Conservation (23-B-0049 refers). A previous Minister of Conservation took a decision to reallocate \$2.73m of SEMP and Revitalising the Gulf funding to the Kermadec Ocean Sanctuary initiative (22-B-0780 refers).
- If funding cannot be secured, the SEMP network as proposed cannot be implemented.
- If SEMP doesn't go ahead at this time, there may be significant potential harm for achieving marine protection within the Ngāi Tahu takiwā in future. Ngāi Tahu have invested significant time and expertise to ensure SEMP proposals address and mitigate impacts insofar as possible on their rights and interests.
- Further delays risk Ngāi Tahu withdrawing their current support for the proposed marine reserves. Delaying decisions also creates a risk that supporting information, including public consultation, will become out of date.

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[should this arise] Using DOC's Kermadec Ocean Sanctuary funding for other initiatives

- Both DOC and the Environmental Protection Authority received funding to support implementation of the Kermadec Ocean Sanctuary.
- DOC secured funding of around \$12 million over 4 years through Budget 22, with additional Between Budget Contingency funding and baselining of Budget 22 totaling over \$65 million over 20 years.
- Revitalising the Gulf is funded for implementation through reprioritisation of Vote Conservation.
- 9(2)(g)(i) SEMP requires \$9.4m to implement over the first 4 years, including co-management, with ongoing annual costs of \$2.1m.
- Should you wish to seek to use the Kermadec Ocean Sanctuary funding for other initiatives, this is the process:
 - Confirm with Minister Parker whether the Sanctuary proposal is proceeding, is paused, or is not proceeding;
 - If the proposal is not proceeding, gain agreement of the Minister of Finance for using the Sanctuary funding for other marine protection initiatives (noting that the funding could also be used for other Conservation initiatives, or be returned to Treasury);
 - Seek Cabinet comfort on the reallocation of the Sanctuary funding.
- Note there is a narrowing window for such reallocation to take place prior to the election period.

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Overview of current marine protection proposals

	Kermadec Ocean Sanctuary	Revitalising the Gulf	Southeast Marine Protection
Conservation benefits	<ul style="list-style-type: none"> • Preservation of globally significant biodiversity and geology. • Builds on existing benthic (seabed) protection, and the existing Kermadec Islands marine reserve and nature reserve, providing comprehensive protection across the land and sea. • However, the area is largely unfished (most catch limits set to zero or near zero) and remote, and therefore is already one of the world's most pristine ocean environments. 	<ul style="list-style-type: none"> • Will triple marine protection in the Hauraki Gulf (from approx. 6 percent to 18 percent). • Provides protection for at-risk habitats and ecosystems. Consecutive State of the Gulf reports document the ongoing decline of the region. • Protection areas represent high ecological value and representative habitats and ecosystems – while minimising, where practical, the impact on fishers. • The marine protection proposals are designed to complement the proposed Fisheries Plan, which will significantly limit bottom trawling in the region. Fisheries New Zealand are due to consult on the proposed new trawl footprint later this year. 	<ul style="list-style-type: none"> • The proposed SEMP network of 12 MPAs includes six marine reserves, five Type 2 MPAs and a kelp protection area. • Proposals include globally significant bryozoan thickets, sea grass and giant kelp beds. • SEMP would double the area currently protected as marine reserves around mainland New Zealand (~485 sq km currently protected; to ~894 sq km). • SEMP uses international best practice to provide effective protection and provide opportunity for scientific study. • The network will protect nearly all coastal habitat types (in this region) and their biodiversity.
Marine protection coverage and contribution to global targets (new global target of 30% protection of oceans by 2030)	<ul style="list-style-type: none"> • Would be New Zealand's largest protected area and one of the world's largest marine protected areas. • Would cover around 620,000 sq km. • Would present a significant contribution to domestic and global targets as a highly protected area (note the area is already reported internationally as a marine protected area, due to its status as a benthic protection area). • Proposal = 15% of territorial sea and EEZ combined. 	<ul style="list-style-type: none"> • Marine protection proposals will increase marine protection in the Gulf from 6.7% to around 18%. • 12 new High Protection Areas (HPAs), five new Seafloor Protection Areas (SPAs) and the establishment of additional marine protection areas adjacent to two existing marine reserves. • The proposals will contribute to a network of protection in the Gulf and nationwide. • Proposals = 0.04% of the territorial sea and EEZ combined (about 0.9% of the territorial sea alone). 	<ul style="list-style-type: none"> • There are currently no MPAs in southeast region (Timaru to Waipapa Point) of the South Island. • The SEMP network would increase coastal protection in the region from 0% to 14.2%, including 4.5% in marine reserves. • Would also contribute to the global target by ensuring ecologically representative and well-connected areas that also recognise and respect indigenous rights. • Proposals = 0.03% of territorial sea and EEZ (about 0.7% of the territorial sea alone).
Costs of implementation and resourcing matters	<ul style="list-style-type: none"> • <u>DOC has secured funding</u> of around \$12 million over 4 years through Budget 22, with additional Between Budget Contingency funding and baselining of Budget 22 totaling over \$65 million over 20 years. • Pending future decisions on the Sanctuary progressing, funding could be reallocated (would require Ministerial and Cabinet decisions). 	<ul style="list-style-type: none"> • The cost of Revitalising the Gulf is \$12.02 million over four years with ongoing costs of \$3.505 million per annum. • Cabinet has already noted that implementation of Revitalising the Gulf marine protection initiatives is to be funded through reprioritisation and transfer of Vote Conservation. • <u>Funding has been identified for reallocation</u> within Vote Conservation from Predator Free 2050 and the International Visitor Levy. 	<ul style="list-style-type: none"> • SEMP is estimated to cost DOC and FNZ up to \$9.4m over the first 4 years, with ongoing annual costs of \$2.1m. • These costs would cover DOC and FNZ's respective implementation and ongoing management costs, and costs associated with implementing 'rebalancing' and co-management recommendations developed with Ngāi Tahu. Some contribution could be sought from Ngāi Tahu. • <u>SEMP is currently unfunded for implementation (23-B-0232 refers).</u>
Iwi matters, including relationship risks, concerns, interests and aspirations	<ul style="list-style-type: none"> • The region is of particular importance to Māori because of the role the region played during their navigation to New Zealand from the Pacific. • The proposal (in combination with the existing marine reserve) means an entire quota management area would be protected; this presents a unique situation in terms of impacts on fishing rights, including the 1992 Fisheries Settlement. • Te Ohu Kaimoana is a litigant in a judicial review application to the High Court in response to the 2016 Bill. • Agencies have been working closely with Te Ohu to address their concerns with the 2016 Bill, and have also engaged with Ngāti Kuri and Te Aupōuri on the revised proposal. • Ngāti Kuri and Te Aupōuri deeds of settlement with the Crown acknowledge their association with the Kermadec Islands and adjoining waters. • <u>9(2)(f)(iv)</u> • Ngāti Kuri have an active research programme in the area. • There have been twelve applications to the High Court and/or for direct engagement with the Crown for recognition of customary rights under Te Takutai Moana Act in the Rangitāhua region. There is potential for customary marine title to be recognised in the marine and coastal areas surrounding Rangitāhua. 	<ul style="list-style-type: none"> • The Hauraki Gulf is recognised as a taonga of significant natural, economic, recreational, and cultural importance. • Mana whenua have been engaged on the proposals. • Support from mana whenua for the proposals is contingent on the recognition of their customary rights and interests within the High Protection Areas (HPAs). • Customary fishing can continue within the HPAs under existing customary fishing regulations. • Non-fishing customary practices can also continue within HPAs. • Mana whenua expressed a preference for the marine protection adjacent to existing marine reserves to be HPAs as opposed to marine reserves. • Some mana whenua have expressed an interest in being involved in the on-going management of these areas. • Some members of the public have raised concerns about allowing customary fishing within HPAs, though majority of public feedback supports delivery of marine protection quickly. 	<ul style="list-style-type: none"> • The proposed SEMP network is within the takiwā of Te Rūnanga o Ngāi Tahu, and Ngāi Tahu has been actively engaged in the SEMP process since 2014. • Ngāi Tahu considers that the proposed network, particularly the marine reserves, would impact their customary and commercial rights and interests. • Via DOC and FNZ engagement with them, Ngāi Tahu now <u>support</u> the proposed marine reserves, contingent on rebalancing recommendations (including co-management) and sufficient Crown funding. • Ngāi Tahu want to stand beside Ministers for public announcements declaring the SEMP network and are expressing frustration with delays in progressing SEMP. • Pausing SEMP or establishing new protection without adequate funding risks harming the Crown-Ngāi Tahu relationship. • <u>9(2)(h)</u>

Item 9



Ministry for Primary Industries
Manatū Ahu Matua



Oceans Secretariat Memo

MPI ref: AM23-0440

MfE ref: BRF-3496

DOC ref: 23-M-0080

In Confidence

Date: 22 June 2023

To: Minister for Oceans and Fisheries
Minister of Conservation
Minister for the Environment

From: Sam Thomas, Director, Policy – Department of Conservation
Anna Cameron, Senior Manager, Regulatory Strategy and Design – Department of Conservation
Fiona Newlove, Acting Director, Water and Land Use Policy - Ministry for the Environment
Jacob Hore, Manager, Fisheries Inshore North – Fisheries New Zealand / Ministry for Primary Industries
Marianne Lukkien, Manager, National Direction – Fisheries New Zealand / Ministry for Primary Industries

Subject: Oceans and Marine Ministers Group meeting, 26 June 2023: Marine protection discussion

Executive summary - Whakarāpopoto ā kaiwhakahaere

1. Government has focused on delivering three marine protection initiatives this term, as part of the Oceans and Fisheries work programme:
 - a. The Ngā Whatu-a-Māui Ocean Sanctuary (previously the Kermadec Ocean Sanctuary);
 - b. Revitalising the Gulf marine protection initiatives; and
 - c. Southeast Marine Protection (SEMP).
2. Mandated Iwi Organisations voted against the current Ngā Whatu-a-Māui Ocean Sanctuary (the Sanctuary) proposal at Te Ohu Kaimoana's recent Special General Meeting. A decision on next steps for the Sanctuary proposal has not yet been made.
3. There are now risks facing delivery on the remaining two initiatives.
4. Cabinet has already noted that implementation of Revitalising the Gulf marine protection initiatives is to be funded through reprioritisation and transfer of Vote Conservation [CAB-22-MIN-0599.023 refers]. However, progress on this initiative has been affected

by deprioritisation by the Parliamentary Counsel Office (PCO) of all Category 4 legislative work (including the Hauraki Gulf Marine Protection Bill).

5. SEMP is the remaining Oceans and Fisheries marine protection initiative and is unfunded for implementation currently. SEMP requires an estimated \$9.4m to implement over the first 4 years, including co-management with Kāi Tahu, with ongoing annual costs of \$2.1m.
6. The Minister of Conservation and Minister for Oceans and Fisheries have recently (21 June) received a letter from Kāi Tahu, expressing frustration with the SEMP process (engagement and decision-making). Kāi Tahu have requested to meet with Ministers to ensure a productive way forward on their engagement with the Crown.

Purpose – Te aronga

7. This memo provides background to support your discussion on marine protection initiatives at the Oceans and Marine Ministers' Group (OMMG) meeting on 26 June 2023.

Background and context – Te horopaki

8. There are three marine protection initiatives within the Oceans and Fisheries work programme:
 - a. Ngā Whatu-a-Māui Ocean Sanctuary (the Sanctuary);
 - b. Revitalising the Gulf; and
 - c. Southeast Marine Protection (SEMP).
9. All three initiatives have made progress over many years and, if implemented, would make a significant contribution to domestic and global protection targets and to supporting achievement of the vision of the Oceans and Fisheries portfolio.
10. Working with Te Ohu Kaimoana and Māori to resolve outstanding issues surrounding the Sanctuary is a Labour Māori Manifesto commitment. The Sanctuary would cover 15 percent of New Zealand's marine environment, which would represent a significant contribution to our international commitment to protect 30 percent of oceans globally by 2030 (as committed to under the Global Biodiversity Framework in December 2022), while noting there are also qualitative elements to the target, and how the new global targets flow down to domestic targets is still to be worked through.
11. Progressing marine protection in the Hauraki Gulf is a Labour party manifesto commitment. It was also included as one of the key deliverables in the Prime Minister's priorities letter to the Minister of Conservation. The marine protection measures proposed will almost triple protection in the region, from just over 6 percent to about 18 percent.
12. SEMP was initiated by the Government in 2014. The Prime Minister has recently provided direction to progress SEMP. The SEMP network resulted from a community forum process and proposes a network of 12 marine protected areas (MPAs) that would protect habitats in a coastal region currently with no MPAs. This includes almost doubling the area currently protected as marine reserves around mainland New Zealand (~485 sq km currently protected; to ~894 sq km).

Current status of Oceans and Fisheries marine protection initiatives

Ngā Whatu-a-Maui Ocean Sanctuary (the Sanctuary)

13. At Te Ohu Kaimoana's recent Special General Meeting, Mandated Iwi Organisations voted not to support the current Sanctuary proposal. A decision on next steps for the proposal has not yet been made. The OMMG meeting is an opportunity for Ministers to discuss the outcome of the SGM and potential next steps.

Revitalising the Gulf

14. The Minister of Conservation and Minister for Oceans and Fisheries have both agreed to final policy decisions regarding Revitalising the Gulf marine protection [B23-0362 refers]. Feedback from Ministers on the briefing has been received and agencies are now proceeding with interagency consultation. Ministers have also been provided with a draft Cabinet Paper and draft Hauraki Gulf Marine Protection Bill (the Bill) for consideration.
15. The Bill is largely finalised and agencies had been working towards gaining Cabinet approval in August to introduce the new legislation to the House before the end of the term. However, PCO has deprioritised all Category 4 legislative work (i.e. any Bill seeking to reach Select Committee stage or earlier before the end of term), which includes this Bill. This creates significant risks to introducing the Bill before the end of the term. We propose that you discuss the relative priority of this initiative. If you consider that the Bill requires prioritising, we suggest you clarify direction to PCO.
16. As you will be aware, agencies are preparing for a potential Ministerial announcement on plans to introduce a Hauraki Gulf Marine Protection Bill, pending direction from the Minister of Conservation and Minister for Oceans and Fisheries and clarity on PCO support. Confirming an announcement date would enable agencies to finalise preparations and ensure iwi and stakeholders are aware of the event.

Southeast Marine Protection (SEMP)

17. [REDACTED] 9(2)(g)(i) . SEMP's Budget 22 allocation was reallocated to the Sanctuary [22-B-0780 refers] and the Minister of Conservation directed that Vote Conservation not be used to fund SEMP implementation at that time [23-B-0049 refers].
18. [REDACTED] 9(2)(g)(i)
DOC advice on the proposed marine reserves is ready for Ministerial decisions. FNZ's advice on the proposed fisheries measures is being finalised. Kāi Tahu supports the proposed marine reserves, with conditions [B23-0419 / 23-B-0232 refers].
19. The Minister of Conservation and Minister for Oceans and Fisheries have recently received advice on sequencing and costs of SEMP's implementation [B23-0419 / 23-B-0232 refers].
20. If a decision were made to fully fund SEMP, including all costs associated with the recommended co-management arrangements with Kāi Tahu, then SEMP would require an estimated \$9.4m (\$5.6m associated with co-management) to implement over the first four years, with ongoing annual costs of \$2.1m (\$1.4m associated with co-management). How the co-management costs are apportioned between DOC and FNZ is yet to be agreed. We anticipate there is scope to consider sharing co-management costs with Kāi Tahu but this needs further testing with Kāi Tahu.
21. If SEMP were fully funded, further dialogue is still required with Kāi Tahu to confirm the co-management framework. If a decision on funding were made within the next week, it may be possible to make decisions on the proposed MPAs and make an announcement before the end of the term. These decisions would enable finalisation of the co-management framework and costs (since the framework may be affected by the number/type of MPAs you decide to declare).
22. A separate option is to scale back aspects of SEMP. Further discussion with Kāi Tahu around apportionment of costs may also lower the Crown's costs. Such engagement will require time and is unlikely to be completed before the end of term. Scaling may result in reduced conservation outcomes.
23. Whether fully funded or scaled, potential funding pathways include: reprioritising existing DOC and FNZ funding; seeking reprioritisation across the Natural Resource Cluster

agencies; progressing alternative fisheries measures only; pausing SEMP and seeking new operating funding in Budget 2025. Not proceeding with SEMP is also an option. All pathways have risks and implications.

24. Reallocating funding secured by DOC for implementation of the Sanctuary has been raised as a possible avenue for funding SEMP [B23-0419 / 23-B-0232 refers], but this is contingent on a decision being made on next steps for the Sanctuary.
25. If full funding to implement SEMP cannot be reallocated from the Sanctuary funding, then there are no other clear funding options at this stage.
26. The Minister of Conservation and Minister for Oceans and Fisheries have recently (21 June) received a letter from Kāi Tahu, expressing frustration with the SEMP process (engagement and decision-making). Kāi Tahu have requested to meet with Ministers to ensure a productive way forward on their engagement with the Crown
27. For the OMMG meeting, we suggest you discuss how you want to proceed on SEMP, including the funding approach and approach to engagement with Kāi Tahu.

Risk assessment – Aronga tūrarū

28. There are risks to delivery on all three priority marine protection initiatives in the Oceans and Fisheries work programme.
29. Next steps on the Sanctuary proposal are yet to be agreed following the outcome of Te Ohu Kaimoana's Special General Meeting.
30. Progression of the Hauraki Gulf Marine Protection Bill this term has been paused as a consequence of PCO deprioritising all Category 4 legislative work.
31. [redacted] 9(2)(g)(i) with further discussions with Kāi Tahu required at some point. Kāi Tahu have recently (21 June) requested to meet with Ministers. Risks associated with not progressing SEMP at this time, delaying decision-making or progressing proposals with insufficient funding, have previously been described to Ministers [B23-0419/23-B-0232 refers].

Contact for queries:

Sam Thomas, Director, Policy – Department of Conservation: [redacted] 9(2)(a)

Fiona Newlove, Acting Director Water and Land Use Policy – Ministry for the Environment: [redacted] 9(2)(a)

Marianne Lukkien, Manager, National Direction – Fisheries New Zealand / Ministry for Primary Industries: [redacted] 9(2)(a)

ENDS

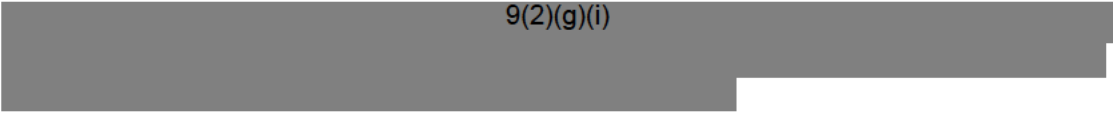
Briefing: Funding options for Southeast Marine Protection

To	Minister of Conservation	Date submitted	10 July 2023
Risk Assessment	<p>High</p> <p>Funding decision needed to progress SEMP. Not funding SEMP carries significant legal and relationship risks (23-B-0232 refers). However, reprioritisation within Vote Conservation (Options 2 and 3) will reduce outcomes for biodiversity in other priority areas, which creates significant risks.</p>	Priority	High
Reference	23-B-0229	DocCM	DOC-7383037
Security Level	In Confidence		

Action sought	Agree to fund SEMP implementation through reprioritisation within Vote Conservation.	Timeframe	As soon as possible, subject to any Ministerial discussions on funding options and related marine priorities.
Attachments	No attachments		

Contacts	
Name and position	Cell phone
Ruth Isaac, Deputy Director-General – Strategy and Policy	9(2)(a)
Siân Roguski, Director – Policy	
Steve Taylor, Director – Office of Regulatory Services	

Executive summary – Whakarāpopoto ā kaiwhakahaere

1. 9(2)(g)(i)

2. Depending on the timing of Ministerial decisions, gazettal of the new protections is now likely to happen in January 2024. In light of this we have revised the SEMP implementation costs and related reprioritisation amounts to reflect this updated timing:
 - SEMP implementation requires total funding of \$8.705m over four years for the DOC, Fisheries New Zealand (FNZ) and co-management costs.
 - Of this, \$7.795m (\$6.962m operating and \$0.833m capital funding) is for the DOC and co-management costs.
 - FNZ has previously indicated it will meet its costs within baseline funding if no new funding is secured.
3. The funding options in this briefing set out the contribution we consider Vote Conservation could make to implementing SEMP (covering DOC and co-management costs). All options require significant trade-offs against other conservation priorities (e.g. non-marine biodiversity) and carry risks that will need careful management.

Vote Conservation: Reprioritisation options

4. We have identified three options for funding SEMP implementation costs through reprioritisation, which are, **either**:
 - **Marine protection funding (Option 1)**: Subject to Ministerial decisions on next steps for the Kermadec Ocean Sanctuary (the Sanctuary) proposal, reallocate \$6.962m operating and \$0.833m capital marine protection funding from the Sanctuary, **or**
 - **Other conservation funding**: Reallocating Budget 2022 \$7.878m operating funding (includes additional funding to cover capital costs) from either:
 - Predator Free 2050 (Option 2), **or**
 - Predator Free 2050 and from National Predator Control Programme – split costs, \$3.939m each (Option 3).
5. Consistent with previous advice on reprioritisation options (23-B-0049), these options all relate to areas where the Department has received a recent uplift (i.e. Budget 2022 funding), where we consider services and outputs can be stopped or reduced without stopping whole work programmes or causing redundancies. A reduction in non-personnel funding in our other operating functions has also been ruled out in light of the impacts of Cyclone Gabrielle.
6. Option 1 is only viable as an option if Ministers take a decision to stop or pause the Sanctuary, making the funding available for reallocation. Under that scenario, Ministers would need to seek new funding for the Sanctuary should work on the proposal be renewed.
7. Alternatively, reprioritisation through Option 2 (and Option 3, by a smaller amount) would reduce the funding available for Predator Free 2050 implementation by 17-22% from what was agreed in Budget 2022. The reduction in funding is in addition to the \$10.415m reprioritisation already agreed to fund *Revitalising the Gulf :Sea Change* (Sea Change). This would impact the ability of the Predator Free 2050 programme to deliver on the proposed strategic direction for 2025-2030 such as delivering strategic eradication projects or community-led projects (23-B-0224 refers).
8. Reprioritisation through Option 3 would also reduce the funding provided in Budget 2022 to maintain the National Predator Control programme (cost pressure to deliver

existing commitments). This would place threatened species at further risk at those sites by reducing the hectares of predator control able to be achieved. Both Options 2 and 3 will impact our ability to deliver biodiversity outcomes and will likely attract some negative public, stakeholder and media attention.

- Options 2 and 3 involve reprioritisation of operating funding to meet the SEMP capital costs (bringing the total operating costs to \$7.878m over four years), through an operating to capital funding swap. We consider this is the best way to meet the capital costs, as alternative options would require reprioritisation of recent capital injections (e.g. for Cyclone Gabrielle and Molesworth Recreation Reserve) or use of depreciation funding which is needed to meet existing capital pressures.

Alternative approach – partially scaled costs

- We have also included an option to partially scale the costs, which would reduce the funding needed for SEMP implementation to \$4.837m operating and \$0.539m capital funding over four years (excluding FNZ costs).
- While this option would allow the proposed network to be implemented, as previously advised, the key risks and impacts include reduced management activities (e.g. compliance, research) and resourcing to support co-management of the network.
- There is a risk Kāi Tahu may consider the level of funding inadequate to resource the network. If you want to progress this option, it can be achieved by reducing the amount of funding that is reprioritised in each of the three options set out above. We have included an illustrative example to show the reduced financial impact of this option.

Recommended approach

- We recommend that operating and capital funding is reprioritised from the Sanctuary to fund SEMP implementation (Option 1). This option would reallocate existing marine funding from one priority to another and continue to support the same outcomes for marine biodiversity. We recommend you discuss this with Minister Parker as lead Minister for the Sanctuary proposal, before making a decision on reallocating the funding.
- If Option 1 is not possible due to there being no Ministerial decision on next steps for the Sanctuary proposal, we recommend that operating funding is reallocated through either Option 2 or Option 3.
- All of these options can be progressed by you without needing to go to Cabinet. However, you will need the agreement of the Minister of Finance given the funding options include either swapping operating funding for capital funding or shifting non-department funding into departmental funding. The Treasury has advised that getting the Minister of Finance's approval to your preferred reprioritisation option now provides the most certainty that the funding changes will be approved through the usual finance and Budget processes (e.g. Fiscally Neutral Adjustment at the October Baseline Update).

Next steps and timing of decisions

- This advice is intended to support your decisions on SEMP funding, including potential discussions with Minister Parker and other Natural Resource Cluster (NRC) Ministers around sharing the costs. If you wish to discuss the funding options with your NRC colleagues, we can provide support around how the costs could be shared and the associated funding impacts.
- Based on your preferred reprioritisation option, we will prepare a Joint Briefing for you to seek the agreement of the Minister of Finance, by 24 July 2023. Once funding has been secured, we recommend making a decision on the proposed marine reserves as soon as possible (23-B-0199 refers).

We recommend that you ... (Ngā tohutohu)

		Decision
a)	Note that implementing the Southeast Marine Protection (SEMP) network is estimated to cost \$8.705 million over the first four years, based on revised implementation timing, including Fisheries New Zealand (FNZ) and co-management costs.	✓
b)	Note that the funding options below are to meet the DOC and co-management costs (\$7.795 over four years, \$1.999m in outyears), as FNZ will meet its own SEMP costs.	✓
c)	<p>Agree to EITHER</p> <p>i) Fund the full DOC and co-management implementation costs through reprioritisation, as set out in recommendations d) and e) below.</p> <p>OR</p> <p>ii) Fund the partially scaled DOC and co-management costs, \$4.837m operating and \$0.539m capital funding, which will reduce the amounts indicated in recommendations d) and e) below, subject to discussion with the Minister for Oceans and Fisheries.</p>	<p>Yes / No</p> <p>Yes / No</p>
Reprioritisation options		
d)	<p>EITHER – Marine protection reprioritisation (Option 1)</p> <p>Agree to fund SEMP implementation costs through reallocating \$6.962m operating and \$0.833m capital marine protection funding from the Kermadec Ocean Sanctuary (the Sanctuary), subject to discussion with the Minister for the Environment on next steps for the Sanctuary proposal.</p>	<p>Yes / No</p> <p>Preferred option 1</p>
e)	<p>OR – Other conservation reprioritisation options</p> <p>Agree to reprioritise funding for SEMP implementation costs by, EITHER</p> <p>i) <u>Option 2</u>: Reallocating \$7.878m Budget 2022 operating funding from Predator Free 2050 (includes additional funding to cover capital costs).</p> <p>OR</p> <p>ii) <u>Option 3</u>: Reallocating \$7.878m Budget 2022 operating funding from Predator Free 2050 and from National Predator Control Programme – split costs, \$3.939m each (includes additional funding to cover capital costs).</p>	<p>Yes / No</p> <p>Preferred option 2</p> <p>Yes / No</p>
Next steps		
f)	Note that, while Cabinet approval is not needed, the Treasury has advised that you need to seek the Minister of Finance's agreement to any of the above reprioritisation options.	✓

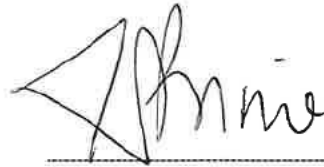
g)	Direct the Department to prepare a Joint Briefing with the Treasury to seek the Minister of Finance's agreement to reprioritise Vote Conservation funding for SEMP implementation.	Yes / No
h)	Note that, subject to the Minister of Finance's approval, the agreed reprioritisation option will be formalised through Fiscally Neutral Adjustments at the October or March Baseline Updates, or through Technical Budget Initiatives in March 2024.	✓

9(2)(a)

pp.

Date: 10 / 07 / 2023

Ruth Isaac
Deputy Director-General - Strategy and Policy
For Director-General of Conservation



Hon Willow-Jean Prime
Minister of Conservation

Date: 18 / 07 / 2023

Released under the Official Information Act

Purpose – Te aronga

1. This briefing sets out options for funding implementation of Southeast Marine Protection (SEMP) proposals through reprioritisation within Vote Conservation.

Background and context – Te horopaki

2. Development of the SEMP network has been in progress since 2014. Following statutory consultation on the proposed network in 2020, DOC has finalised advice on the six proposed marine reserves which you are the decision-maker for under the Marine Reserves Act 1971. That advice has been provided in parallel to this briefing on funding options (23-B-0199 refers). Fisheries New Zealand (FNZ) are finalising advice on the other six marine protected areas (MPAs) that make up the proposed network for the Minister for Oceans and Fisheries' decisions under the Fisheries Act 1996.
3. If approved, the SEMP network would almost double the area currently protected as marine reserves around mainland New Zealand (~485 km² currently protected, increased to ~894 km²). As a network, the proposed sites would provide protection to many of the region's habitat types and contribute to the marine-related goals in Te Mana o Te Taiao. It could also demonstrate a strong Crown-Māori partnership and effective co-management in action.
4. Funding is required to deliver on the significant new marine protection provided by SEMP. As set out in our recent advice on SEMP funding requirements and timing of decisions (23-B-0232 refers), [REDACTED] 9(2)(g)(i) [REDACTED]
5. We have identified options for reprioritisation within Vote Conservation to support your funding decision. The options set out in this advice respond to your feedback that you would like to, either:
 - Seek reprioritisation of funding across the Natural Resource Cluster (NRC) – DOC, Ministry for Primary Industries, and Ministry for the Environment; or
 - DOC and FNZ identify reprioritisation options from within their existing baselines.
6. As previously advised, seeking reprioritisation of funding across the NRC involves talking to and getting agreement from Minister Parker (as Lead Minister and Minister for the Environment), and potentially negotiations with other Ministry for Primary Industry Ministers, if reprioritisation is sought beyond FNZ's baseline funding.
7. This briefing sets out how funding could be found within Vote Conservation to support any Ministerial discussions around sharing the costs. Whether or not the costs are shared, the options in this briefing would allow you to secure the funding needed to decide on proceeding with SEMP, with the support of the Minister of Finance.
8. To support your imminent decision on SEMP, the options all assume that the DOC and full co-management costs will need to be met within Vote Conservation. You could choose to agree to a lower amount for the co-management costs on the expectation that the remainder would be met by either FNZ and/or Kāi Tahu. However, this would require further engagement and may risk not securing additional funding in time for decisions and any announcement ahead of the election.
9. Alternatively, we have included an approach that would partially scale the DOC and co-management costs. This would allow SEMP to progress, but carries risks that need careful consideration, including the risk that this funding level is considered too low by Kāi Tahu to support successful implementation. This too will require further engagement.

Funding needed for SEMP implementation

10. As indicated in our previous advice (23-B-0232), SEMP needs \$9.4m over four years for implementation. However, depending on when Ministerial decisions are made, gazettal of any approved marine reserves will not occur until approximately January 2024. Given this likely gazettal date, the pro-rata first year costs mean less is required for the first 6 months of implementation than previously estimated. We have revised and updated the SEMP costs to reflect this, which is the basis of the reprioritisation advice in this briefing.
11. Based on those revisions, SEMP needs combined operating and capital funding of \$8.705 million over four years for implementation, with \$2.239m ongoing annual costs. A breakdown of the full SEMP costs (including FNZ) is included in Appendix 1.
12. This funding would enable implementation of the proposed network of 12 MPAs, including the co-management framework developed with Kāi Tahu. These figures have been estimated as the maximum amount required assuming that all MPAs and associated recommendations are approved. Without further engagement with Kāi Tahu around co-management costs, this is the most accurate cost estimate we have.
13. Of the \$8.705m, \$7.795m (\$6.962m operating and \$0.833m capital funding) is for the DOC and co-management costs:

Table 1: Total SEMP operating and capital funding need (excluding FNZ costs)

Total SEMP costs (excluding FNZ), \$m	2023/24	2024/25	2025/26	2026/27 & outyears	Total 4-year cost
Total operating costs	0.519	2.384	2.059	1.999	6.962
<i>DOC operating</i>	0.159	0.668	0.603	0.603	2.033
<i>Co-management operating</i>	0.360	1.716	1.457	1.397	4.929
Total capital costs	0.000	0.833	0.000	0.000	0.833
<i>DOC capital</i>	0.000	0.588	0.000	0.000	0.588
<i>Co-management capital</i>	0.000	0.245	0.000	0.000	0.245
Total costs (excluding FNZ)	0.519	3.217	2.059	1.999	7.795

14. The remainder of the costs (\$0.810m operating and \$0.100m capital funding over four years) are FNZ costs associated with implementing the other proposed MPAs (23-B-0232 refers). These costs are not dealt with in this briefing.

Vote Conservation: Reprioritisation options

15. Consistent with our previous advice on reprioritisation (23-B-0198 refers), we have identified reprioritisation options that all relate to areas where the Department has received a recent uplift (i.e. Budget 2022 funding), where we consider services and outputs can be stopped or reduced without stopping whole work programmes or causing redundancies. Reducing non-personnel funding in our other operating functions has been ruled out in light of the ongoing impacts of Cyclone Gabrielle. This approach is in line with the Treasury's advice that Ministers should reprioritise Budget 2022 funding unless other savings options are preferable.
16. Given you are seeking to make a decision on SEMP marine reserves as soon as possible, we have assumed that full funding from within Vote Conservation is required to meet the DOC and co-management costs. While this approach aims to reduce further delays with SEMP, [REDACTED] 9(2)(g)(i) [REDACTED]

18. On that basis, we have identified three options for funding SEMP implementation operating and capital costs through reprioritisation, which are, **either**:
- **Marine protection funding (Option 1)**: Subject to Ministerial decisions on next steps for the Kermadec Ocean Sanctuary (the Sanctuary) proposal, reallocate \$6.962m operating and \$0.833m capital marine protection funding from the Sanctuary, **or**
 - **Other conservation funding**: Reallocating Budget 2022 \$7.878m operating funding (includes additional funding to cover capital costs) from either:
 - Predator Free 2050 (Option 2), or
 - Predator Free 2050 and National Predator Control Programme – split costs, \$3.939m each (Option 3).
17. Each option is discussed in turn below, including the associated risks and impacts on existing conservation activities and priorities (such as biodiversity outcomes). Options 2 and 3 require additional operating funding to be reprioritised to fund the SEMP capital costs, this is explained in paragraphs 39-42 below.

Option 1: Seek to reallocate marine protection funding from the Sanctuary

18. Following Te Ohu Kaimoana’s Special General Meeting (which resulted in a “no” vote from Mandated Iwi Organisations), we understand that Ministers are considering the future of the Sanctuary proposal.
19. DOC (and the Environmental Protection Authority) received new funding to implement the Sanctuary from the Between Budget Contingency and the Natural Resource Cluster Budget 2022 process (CBC-21-MIN-0111 refers). If Ministers decide to stop or pause work on the Sanctuary, you could decide to reallocate the associated funding to other marine priorities, such as SEMP. The funding currently allocated for implementing the Sanctuary is a combination of:
- Between-Budget Contingency in 2021/22 for DOC secretariat costs and Te Kāhui costs, which covers the first 20 years of the Sanctuary.
 - Budget 2022 funding (\$9.317m operating and \$2.523m capital over four years) for Te Kāhui research fund, agency compliance, monitoring, and enforcement, and permitting of marine scientific research, with \$3.089m ongoing operating funding.
 - A further \$2.732m (one-off funding, not baselined), initially secured in Budget 2022 for SEMP and Sea Change, that the previous Minister of Conservation agreed to reallocate to ensure delivery of the new elements of the amended Sanctuary Bill.
20. In total, there is currently \$63.091m operating and \$2.523m capital funding allocated for implementation of the Sanctuary over the next 20 years within Vote Conservation. Budget 2022 also secured \$1.536m under Vote Environment for compliance, monitoring and enforcement activities undertaken by the Environmental Protection Authority for the 2021/22-2025/26 financial years and \$0.385m for outyears.

Funding impacts

21. Through Budget 2022, \$14.57m was secured for *Vote Conservation: Implementation of marine protection and localised management actions*. All of this money has been reallocated to support implementation of the Sanctuary, including the one-off portion (\$2.732m operating funding) originally allocated to SEMP and Sea Change. This option would involve reallocating funding from the Sanctuary as follows:

Table 2: Financial impacts of Option 1 (subject to Ministerial decisions)

Option 1: Marine protection funding, \$m	2023/24	2024/25	2025/26	2026/27	Total 4-years	2027/28 & outyears
Operating funding						
Departmental ¹	2.107	7.043	2.812	2.843	14.805	2.843
Non-departmental ²	0.245	0.255	0.160	0.275	0.935	0.246
Total operating funding	2.352	7.298	2.972	3.118	15.740	3.089
Potential SEMP reprioritisation option	0.519	2.384	2.059	1.999	6.962	1.999
Remaining operating funding	1.833	4.914	0.913	1.119	8.778	1.090
Capital funding						
Total capital funding³	0.000	2.185	0.000	0.108	2.293	0.000
Potential SEMP reprioritisation option	0.000	0.833	0.000	0.000	0.833	0.000
Remaining capital funding	0.000	1.352	0.000	0.108	1.460	0.000

¹ For research fund and permitting, compliance and monitoring, implementation support, including secretariat.

² For new statutory body.

³ For research equipment, additional capital funding \$0.113m in 2028/29 and \$0.117m in 2030/31.

22. As this funding is within Vote Conservation, it is your choice as to whether or not reprioritisation of the departmental funding is appropriate. However, to meet the amounts needed for SEMP, you will also need to reprioritise non-departmental funding, which requires the agreement of the Minister of Finance. This can be done through a Joint Briefing, which sets out all the changes that would need to be made to reallocate the funding to SEMP implementation. No Cabinet decision is required, though you may wish to include an update in future Cabinet papers relating to SEMP or other marine priorities.
23. If you decide to progress this option, subject to the Minister of Finance's agreement, your decision will be formalised through either:
- Fiscally Neutral Adjustment/s at the October and/or March Baseline Updates to move operating funding from non-Departmental to Departmental spending, and to reprioritise operating and capital funding, or
 - Technical Budget Initiative/s in March 2024 to bring operating and capital funding forward (i.e. from 2024/25 to 2023/24).
24. Subject to your decisions, we will prepare the necessary material to support these actions, based on Treasury's guidance. If progressed, there is a risk that the Minister of Finance may request that the remaining operating and capital funding for the Sanctuary is returned to the centre, on the assumption that it is no longer needed for marine protection or other conservation cost pressures. We will address this risk in the Joint Briefing and support you to make the case for this funding being retained within Vote Conservation.

Impacts on conservation outcomes

25. Assuming Ministerial decisions see SEMP progressed as proposed, reallocating the Sanctuary funding to support SEMP implementation would:
- Support the establishment of new MPAs along the Otago coastline, significantly enhancing New Zealand's national MPA network and almost doubling the area currently protected as marine reserves around mainland New Zealand.
 - Reduce funding available for any future efforts to further protect the EEZ area around the Kermadec Islands (to build on existing benthic protection and marine reserve).
 - Carry public perception risks, [REDACTED] 9(2)(g)(i)
26. Existing protection in the EEZ around the Kermadec Islands includes Benthic Protection Area and current catch limits, which are zero or near-zero for all QMS species. As this protection would remain, there is no immediate risk to biodiversity in the Sanctuary area. However, achieving the longer-term security of the values associated with the Sanctuary area (including biodiversity of global significance) would require new funding to be secured (or found within baselines) if the current funding is reprioritised.

Option 2: Reallocating funding from Budget 2022 Predator Free 2050

27. Budget 2022 provided an additional \$63.5m over four years, with ongoing annual operating funding of \$25.080m from 2026/27, for collective delivery of the Predator Free 2050 Strategy. This was part of a wider initiative by the NRC to implement *Te Mana o Te Taiao/Aotearoa New Zealand Biodiversity Strategy*.

Funding impacts

28. You have already agreed to reprioritise \$10.415m over four years (\$3.505m ongoing annual cost) from Predator Free 2050 to *Revitalising the Gulf: Sea Change* marine protection (Sea Change). Further reprioritisation would have the following impact:

Table 3: Financial impacts of Option 2

Option 2: Budget 2022 Predator Free 2050 operating funding, \$m	2023/24	2024/25	2025/26	2026/27 & outyears	Total 4-year costs
Operating funding agreed through B22	8.435	25.080	25.080	25.080	83.675
Reprioritisation to Sea Change (23-B-0049)	0.000	3.405	3.505	3.505	10.415
Remaining B22 Predator Free 2050 funding	8.435	21.675	21.575	21.575	73.260
Potential reprioritisation to SEMP	0.519	3.217	2.101	2.041	7.878
Remaining B22 Predator Free 2050 funding	7.916	18.458	19.474	19.534	65.382
Overall reduction since B22	6.2%	26.4%	22.4%	22.1%	21.9%

29. This option will have significant implications for existing work to ramp up Predator Free 2050 Strategy delivery. For example, the full amount of funding for 2023/24 has already been pre-committed either through contracts or commitments made to other projects such as South Westland. The funding is also paying for permanent positions in DOC which are required to support ongoing delivery of this programme.

Impact on conservation outcomes

30. Possums, rats and mustelids (weasels, stoats and ferrets) are responsible for the deaths of an estimated 25 million birds each year. The Budget 2022 Predator Free 2050 investment is targeted to the eradication of these predators. Reducing funding for landscape scale eradication reduces our ability to address the decline in biodiversity over many years. It would also impact our ability to support key community led Predator Free projects to maintain the gains and outcomes made when Jobs for Nature funding comes to an end, resulting in likely loss of community engagement and social licence.
31. We have provided you with a draft Cabinet paper which outlines the strategic direction for Predator Free implementation from 2025-2030 (scheduled for ENV on 3 August 2023). It states the Programme plans investment in landscape scale predator eradication at key strategic sites (currently proposed as):
- Offshore Island site: Auckland Island
 - Inhabited Island site: Rakiura/Stewart Island
 - Mainland site: Predator Free South Westland
 - Community led sites of significance: TBC – high priority sites transitioning from Jobs for Nature funding.
32. Further reprioritisation will impact the ability of Predator Free 2050 to deliver these strategic priorities, including community-led projects and the embedded science and technology development. The latter is an essential part of supporting readiness for a step change in the scale of predator control which we expect to begin rolling out across New Zealand from 2030.

Option 3: Reallocating Budget 2022 funding from Predator Free 2050 and the National Predator Control Programme (split costs – \$3.939m each)

33. An alternative option is to spread the impact of the reprioritisation across more than one area. This option would split the costs between Budget 2022 funding that was agreed to support Predator Free 2050 and to maintain delivery the National Predator Control Programme.

Funding impacts

34. This would have the following impact on the funding agreed through Budget 2022:

Table 4 – Financial impacts of Option 3

Option 1: Split costs across Budget 2022 funding options, \$m	2023/24	2024/25	2025/26	2026/27 & outyears	Total 4-year costs
Predator Free 2050 funding					
Remaining B22 funding (excluding Sea Change)	8.435	21.675	21.575	21.575	73.260

Potential reprioritisation to SEMP (operating)	0.260	1.609	1.050	1.020	3.939
Remaining B22 funding	8.176	20.067	20.525	20.555	69.321
Overall reduction since B22 ¹	3.1%	20.0%	18.2%	18.0%	17.2%
National Predator Control Programme funding					
Funding agreed through B22	7.475	7.475	7.475	7.475	29.900
Potential reprioritisation to SEMP (operating)	0.260	1.609	1.050	1.020	3.939
Remaining B22 funding	7.216	5.867	6.425	6.455	25.961
Overall reduction in B22 funding	3.5%	21.5%	14.1%	13.7%	13.2%

¹ Including reduction in funding due to Sea Change reprioritisation decision.

Impact from reduced funding for Predator Free 2050

35. As outlined under Option 2, this reallocation would impact the ability of Predator Free 2050 to deliver against the proposed strategic priorities, including community-led projects and the embedded science and technology development. While the impact on outputs would be lower than under Option 2, there would still be an impact on biodiversity outcomes and risks that will need to be managed.

Impacts from reduced funding for the National Predator Control Programme

36. This option would also reduce the \$7.475 million¹ of funding allocated from Budget 2022 to the National Predator Control Programme. This additional funding was provided to enable maintenance of delivery of 600,000 hectares of predator control per year, specifically an expected shortfall in delivery of 150,000 hectares per year due to increased costs (cost pressure bid). Funding for the whole Programme is around \$29 million per annum. Overall, this Programme enables approximately 1.8 million hectares of prioritised public conservation land (for threatened species protection) to receive sustained protection from rats, possums and stoats.
37. Reducing the funding available for this Programme will significantly impact predator control projects by 25,000-30,000 hectares per year. This would place threatened species at further risk at those sites, and risks not achieving the agreed non-financial performance measures for predator control. This will be further exacerbated through future years where predators reach overwhelming abundance and the absence of control may result in localised extinctions of threatened species.
38. If you choose to direct DOC to reprioritise funding from these programmes, we will provide a memo outlining what can be achieved by the National Predator Control Programme in 2023/24 with the remaining funding and include an update on the impacts on Predator Free 2050 implementation in the planned 3 August 2023 Cabinet paper.

¹ Of which \$6.5m is for available for Programme delivery.

Funding SEMP capital costs – Options 2 and 3

39. Option 1 allows for reprioritisation of both operating funding and capital funding, as there is already capital funding attached to the Sanctuary proposal.
40. If you choose to progress Option 2 or Option 3, we are recommending the SEMP capital costs are met through an ‘Operating to Capital Funding’ swap. To do this, we have increased the amount of operating funding that needs to be reprioritised to account for the SEMP capital costs as follows:

Table 5: Additional operating funding required for ‘Operating to Capital Funding’ swap

SEMP capital costs, \$m	2023/24	2024/25	2025/26	2026/27 & outyears	Total 4-year costs
Total SEMP operating costs	0.519	2.384	2.059	1.999	6.962
Addition for: Operating to Capital Funding swap (1:1)	0.000	0.833	0.000	0.000	0.833
Addition for: Capital charge (5% of capital costs)	0.000	0.000	0.042	0.042	0.083
Options 2 & 3: Total SEMP operating funding need	0.519	3.217	2.101	2.041	7.878

Note: Associated depreciation (10%) and maintenance costs have already been factored into the total ongoing operating costs needed to support SEMP implementation – full and partially scaled options.

41. This additional amount has been included in the total operating funding needed for Option 2 and 3. You will need the Minister of Finance’s agreement to this swap, hence the recommendation that a Joint Briefing to you and the Minister of Finance is needed to confirm your preferred funding option.
42. We consider this is the best way to meet the capital costs, as alternative options would be to reprioritise recent capital injections (e.g. for Cyclone Gabrielle and Molesworth Recreation Reserve) or use depreciation funding which is required to meet existing capital pressures.

Alternative approach – Partial scaling of SEMP implementation costs

43. As indicated in previous advice (23-B-0232 refers), DOC and FNZ considered scaling implementation of the proposed network. DOC considers the fully scaled option presented in that briefing is not viable as it would not meet Treaty obligations and Treaty partner expectations regarding co-management.
44. An alternative approach is to agree to consider partially scaling the SEMP costs. Table B in Appendix 1 provides a full breakdown of the DOC, FNZ and co-management costs for this approach. The following tables set out the DOC and co-management costs, which will likely still need to be met within the Conservation baseline.

Table 6: Alternative approach – Partially scaled SEMP costs (excluding FNZ)

Partially scaled approach (excluding FNZ), \$m	2023/24	2024/25	2025/26	2026/27 & outyears	Total 4-year costs
Total operating costs	0.474	1.587	1.418	1.358	4.837
DOC operating	0.159	0.477	0.469	0.469	1.575
Co-management operating	0.315	1.110	0.949	0.889	3.262

Total capital costs	0.000	0.539	0.000	0.000	0.539
<i>DOC capital</i>	0.000	0.294	0.000	0.000	0.294
<i>Co-management capital</i>	0.000	0.245	0.000	0.000	0.245
Total cost	0.474	2.126	1.418	1.358	5.376

45. While this approach would allow the proposed network to be implemented, as previously advised, the key risks and impacts are:

- Reduced capacity for agency management activities (e.g. compliance, monitoring and research), with flow on effects to the marine protection outcomes achieved.
- Reduced resourcing to support the recommended Crown-Treaty partner co-management of the network. This could impact the extent to which each of the three proposed rohe-based co-management groups can participate equally (e.g. reduced number of Kāi Tahu rangers, reduced capacity to operate across the full geographic spread of the network).
- Treaty partner relationship risks if Kāi Tahu consider the level of funding inadequate to resource the network, including the co-management arrangements that they have engaged with agencies and (former) Ministers on over several years. Kāi Tahu may also consider the level of funding is not equitable with other marine protection initiatives.²

46. Noting those risks, if you choose this partially scaled approach you would still need to reprioritise \$4.837m operating funding and \$0.539m capital funding from within Vote Conservation. These costs could be met through any of the three reprioritisation options outlined in paragraph 17. For example, Option 1 could be modified as follows:

Table 7: Illustrative example of modified reprioritisation option – Partially scaled costs

Modified Option 2: Budget 2022 Predator Free Funding, \$m	2023/24	2024/25	2025/26	2026/27 & outyears	Total 4- year costs
Funding agreed through B22	8.435	25.080	25.080	25.080	83.675
Reprioritisation to Sea Change (23-B-0049)	0.000	3.405	3.505	3.505	10.415
Remaining B22 funding	8.435	21.675	21.575	21.575	73.260
Potential reprioritisation to SEMP (operating) ¹	0.474	1.587	1.445	1.385	4.891
Remaining B22 funding	7.961	20.088	20.130	20.190	68.369
Overall reduction in B22 funding	5.6%	19.9%	19.7%	19.5%	18.3%

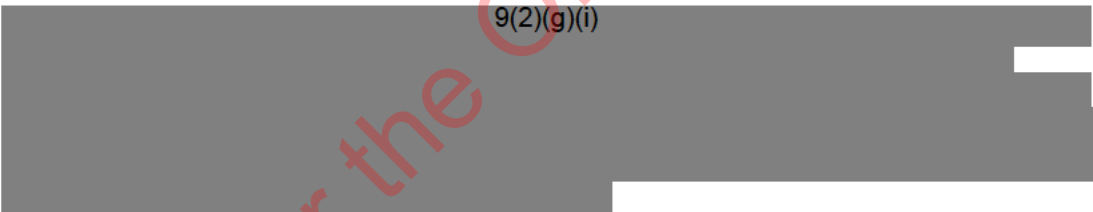
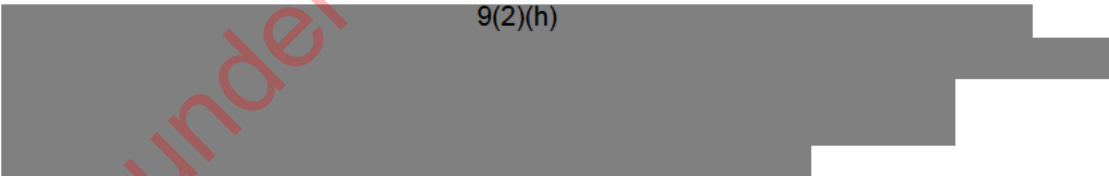
¹ Includes additional operating funding for 'Operating to Capital Funding' swap.

² In their letter of 13 December 2022 to former Ministers of Conservation and Oceans and Fisheries, Kāi Tahu shared the view that a similar level of funding should be established for SEMP as that anticipated for the Sanctuary proposal.

Recommended approach

47. Overall, we consider that Option 1 provides the best solution for meeting SEMP costs, including capital costs. This option would reallocate existing marine funding from one priority to another, which would allow the Government to continue to make progress against its goals for marine protection. However, this option is contingent on Ministerial decisions on next steps for the Sanctuary proposal, and whether the full funding amount is still needed for the Sanctuary. Choosing this option would mean that the Sanctuary will not have sufficient funding if a decision is taken to progress the proposal in future.
48. We recommend you discuss this with Minister Parker as lead Minister for the Sanctuary proposal, before deciding on whether to reallocate the funding. If you choose to progress this option, you will need to get the agreement of the Minister of Finance to the funding changes.
49. If Option 1 is unviable due to there being no Ministerial decision on next steps for the Sanctuary proposal, we recommend that operating funding is reallocated through either Option 2 or Option 3.
50. All of these options can be progressed by you without needing to go to Cabinet. However, you will need the agreement of the Minister of Finance given the funding options include either swapping operating funding for capital funding or shifting non-department funding into departmental funding.
51. The Treasury has advised that getting the Minister of Finance's approval to your preferred reprioritisation option now provides the most certainty that the funding changes will be approved through the usual finance and Budget processes (e.g. Fiscally Neutral Adjustment at the October Baseline Update).

Risk assessment – Aronga tūraru

52.  9(2)(g)(i)
53.  9(2)(h)
54. However, all of the reprioritisation options outlined above also carry risks:
 - Reallocating funding within the existing baseline will require a corresponding decrease in the funding available for other conservation work, such as pest management and predator control.
 - Both Predator Free 2050 and the National Predator Control Programme are highly visible programmes. Reducing previously announced funding for these carries significant risk of negative reaction from stakeholders and the public and increased media attention.

Treaty principles (section 4) – Ngā mātāpono Tiriti (section 4)

55. The Department has acted in accordance with section 4 of the Conservation Act by giving effect to the principles of the Treaty, both through its process to date and the recommendations regarding the proposed marine reserves. It has also acted

consistently with Kāi Tahu's settlement legislation (23-B-0199 refers). Implementation of any recommendations you agree to will require adequate funding in order for the Crown and the Department to demonstrably act in good faith with Kāi Tahu.

Consultation – Kōrero whakawhiti

56. This advice focuses on funding choices within Vote Conservation, to support your decisions as Minister of Conservation. As such, we have not shared this advice with other NRC agencies or discussed the cost estimates with Kāi Tahu. We have provided FNZ with a verbal update and confirmed that they will meet their own costs within baseline funding, which are \$0.810m operating and \$0.100m capital funding over four years.
57. We have discussed the proposed reprioritisation options with the Treasury to confirm advice on the financial decision rights of various options and the required next steps to implement the options (i.e. Minister of Finance and/or Cabinet approval). Their feedback has been reflected in the recommendations and next steps.

Financial implications – Te hiraunga pūtea

58. If approved, any of the funding options outlined above would involve reallocating funding within Vote Conservation (i.e. moving funding from predator control to marine protection). While these decisions are all fiscally neutral, the Treasury has advised that you will need to seek the agreement of the Minister of Finance through a paper to Joint Ministers. Your Ministerial decisions would then be formalised through:
 - Fiscally Neutral Adjustment/s at the October and/or March Baseline Updates, i.e. to move operating funding from non-Departmental to Departmental spending, swapping operating funding for capital funding.
 - Technical Budget Initiative/s in March 2024 to bring operating and capital funding forward (i.e. from 2025/26 to 2024/25).
59. Subject to your decision, we will prepare the necessary material to support these actions, based on Treasury's guidance.

Legal implications – Te hiraunga a ture

60. We have provided separate advice to support your statutory decisions on progressing the proposed SEMP marine reserves (23-B-0199), including the legal risks of not making decisions, of approving marine reserves with insufficient funding for implementation, and the risk of judicial review of any decisions you make.
61. As outlined in our previous advice on SEMP funding requirements and timing (23-B-0232), if no funding or insufficient funding is available, the SEMP MPAs cannot be implemented as advised.
62. Should you decide to declare any marine reserves, and concurrence is granted by the Minister for Oceans and Fisheries and the Minister of Transport, they will be enacted by Orders in Council.

Next steps – Ngā tāwhaitanga

Confirming your funding decisions

63. If you wish to discuss the funding options with your NRC colleagues, we can provide support around how the costs could be shared and the associated impacts on the amount of funding that needs to be reprioritised within Vote Conservation.
64. Once you have decided on your preferred option for funding SEMP, you will need to seek the agreement of the Minister of Finance to confirm that the funding can be

reprioritised for SEMP. We will prepare a Joint Briefing with the Treasury to support this, which you will receive by 24 July 2023.

Timing of decisions on the proposed SEMP marine reserves

65. We recommend you secure funding for implementation of any marine reserves approved prior to making your statutory decisions under the Marine Reserves Act.
66. Following this, we recommend you make your statutory decisions as soon as possible (23-B-0199 refers), and then proceed to seek the concurrence (as necessary) of the Minister for Oceans and Fisheries and Minister of Transport. The Minister for Oceans and Fisheries is expected to make decisions on the MPAs proposed under the Fisheries Act following your decisions on the proposed marine reserves.

ENDS

Released under the Official Information Act

Appendix 1: Breakdown of SEMP implementation costs

Table A: Full SEMP implementation costs, over four years

Full SEMP costs, \$m	2023/24	2024/25	2025/26	2026/27 & outyears	Total 4-year costs
DOC costs	0.159	1.256	0.603	0.603	2.621
<i>Operating</i>	0.159	0.668	0.603	0.603	2.033
<i>Capital</i>	0.000	0.588	0.000	0.000	0.588
FNZ costs	0.000	0.430	0.240	0.240	0.910
<i>Operating</i>	0.000	0.330	0.240	0.240	0.810
<i>Capital</i>	0.000	0.100	0.000	0.000	0.100
Co-management costs	0.360	1.961	1.457	1.397	5.174
<i>Operating</i>	0.360	1.716	1.457	1.397	4.929
<i>Capital</i>	0.000	0.245	0.000	0.000	0.245
Total costs	0.519	3.647	2.299	2.239	8.705

Table B: Partially scaled SEMP implementation costs, over four years

Partially scaled SEMP option, \$m	2023/24	2024/25	2025/26	2026/27 & outyears	Total 4-year costs
DOC costs	0.159	0.771	0.469	0.469	1.869
<i>Operating</i>	0.159	0.477	0.469	0.469	1.575
<i>Capital</i>	0.000	0.294	0.000	0.000	0.294
FNZ costs	0.000	0.352	0.162	0.162	0.676
<i>Operating</i>	0.000	0.252	0.162	0.162	0.576
<i>Capital</i>	0.000	0.100	0.000	0.000	0.100
Co-management costs	0.315	1.355	0.949	0.889	3.507
<i>Operating</i>	0.315	1.110	0.949	0.889	3.262
<i>Capital</i>	0.000	0.245	0.000	0.000	0.245
Total costs	0.474	2.478	1.580	1.520	6.052

Item 11



Ministry for Primary Industries
Manatū Ahu Matua



Oceans Secretariat Memo

MPI ref: B23-0545
DOC ref: 23-M-0094

In Confidence

Date: 21 July 2023

To: Minister for Oceans and Fisheries
Minister of Conservation

From: Marie Long, Deputy Director-General, Department of Conservation
Rob Gear, Acting Director Fisheries Management, Fisheries New Zealand

Subject: Meeting with Kāi Tahu on Southeast Marine Protection – 5pm to 6pm
25 July 2023, via Zoom

Executive summary - Whakarāpopoto ā kaiwhakahaere

1. This briefing supports your meeting with Kāi Tahu to discuss the proposed Southeast Marine Protection (SEMP) network on 25 July 2023.
2. The SEMP process has been underway since 2014. We have worked closely with Kāi Tahu as tangata whenua since then to give effect to Treaty obligations and there has been extensive engagement with stakeholders, local communities and other interested parties. The process has now reached the critical decision making point for marine reserves.
3. Achieving marine biodiversity protection through marine protected areas is often contentious, with divergent views on costs and benefits between existing marine resources users and those that seek biodiversity protection through spatial measures.
4. This has prompted judicial review and judgements that have been re-litigated as far as the Court of Appeal. The case law from this provides us clear guidance on process, advice and decision making. The process and advice from agencies on SEMP has been developed in this context and sets out the decision making process and obligations clearly. There is an increased judicial review and relationship risk if final decision making processes are significantly truncated.
5. As the Treaty partner with significant customary and commercial interests in their rohe moana, it is particularly important that Kāi Tahu are kept informed of developments with SEMP and their interests taken into account. When formal Ministerial engagement last occurred with Kāi Tahu in November 2021, discussion was focused on rebalancing measures, including roles for Kāi Tahu in co-management of the proposed network.
6. Kāi Tahu's views are outlined in advice DOC has provided to you (the Minister of Conservation) and will be set out by FNZ in future advice to you (the Minister for Oceans and Fisheries) if concurrence is sought.

7. This meeting provides an opportunity for Kāi Tahu to highlight areas of particular importance in advance of you (the Minister of Conservation) making decisions, and for you to clarify any questions you have about their positions to ensure Kāi Tahu's views are fully understood.
8. This is important to reduce risks of challenge of any decision, and for maintaining a strong partnership which will also be critical to implementation processes.
9. Further engagement with Kāi Tahu may be desirable before any concurrence decision (if requested) is made by you (the Minister for Oceans and Fisheries). This meeting provides an opportunity to test with Kāi Tahu how they would like to do this.

Purpose – Te aronga

1. You are meeting with Kāi Tahu to discuss their views and concerns on the proposed network of marine protected areas (MPAs) in the southeast South Island before you make your decisions.

Background and context – Te horopaki

2. You are meeting with representatives of Kāi Tahu papatipu rūnaka and Te Rūnanga o Ngāi Tahu (collectively referred to as Kāi Tahu in this paper) regarding the proposed Southeast Marine Protected Area network (the network, map in **Attachment 6**). The hui is virtual and will be held from 5:00 – 6:00 pm on Tuesday 25 July. The agenda is in **Attachment 1**.
3. This hui is an important opportunity to engage mana ki te mana, to hear Kāi Tahu views on the network directly from them, and to understand the impacts of the proposed network on their rights and interests. This recognises the Treaty partnership between the Crown and Kāi Tahu and the important role that Kāi Tahu have had in the development of the network, and will have in the implementation and operation of the network (if approved).
4. Kāi Tahu last met with former Ministers of Conservation and Oceans and Fisheries on 30 November 2021. Since then, Kāi Tahu personnel have met agency staff regularly to receive updates on progress. DOC provided excerpts of draft marine reserve advice in late 2022 to Kāi Tahu for comment and to check accuracy. Since then, new commercial fisheries data have been included in the DOC advice, which Kāi Tahu are yet to form a final view on.
5. You (the Minister of Conservation) have now received DOC's advice on marine reserve decision-making (23-B-0199 refers). Following the Minister of Conservation's approval of any marine reserves, the Minister of Oceans Fisheries concurrence (agreement) is required. MPI will provide additional advice to support this. Concurrence from the Minister of Transport is also required. **Attachment 7** provides an overview of the statutory and other steps for the proposed marine reserves and areas proposed under the Fisheries Act.
6. Kāi Tahu are awaiting engagement from FNZ regarding their advice on the fisheries measures proposed under the Fisheries Act. Kāi Tahu will likely advise you that they cannot form an informed position on the network as a whole until they have had time to consider the new commercial fisheries data and have been provided with excerpts of FNZ's draft advice on the other MPA proposals.

Previous Ministerial hui and correspondence with Kāi Tahu

7. On 11 February 2020 the former Minister of Conservation and Minister for Oceans and Fisheries met with senior leaders of papatipu rūnaka in Wellington to discuss the desired outcomes for the SEMP process, including Kāi Tahu "rebalancing" proposals.
8. On 20 April 2021 the former Ministers and the former Parliamentary Undersecretary for Oceans and Fisheries attended a hui at Ōtākou Marae with representatives from Kāi Tahu and officials, to discuss the desired outcomes for the SEMP process, including Kāi Tahu "rebalancing" and co-management measures. Kāi Tahu proposed these measures to address their identified concerns about impacts of the network on their rights and interests.

9. On 30 November 2021, a virtual hui attended by the former Ministers for Conservation and Oceans and Fisheries focussed on Kāi Tahu concerns that the network would negatively impact customary and settlement rights and interests. Kāi Tahu advised Ministers that implementing the network as then proposed may alienate Kāi Tahu from their rohe moana, prevent them from undertaking their kaitiaki roles and undermine their mana. Kāi Tahu proposed a package of measures that they wished to have incorporated into the network to address these matters. On 15 December 2021, Kāi Tahu wrote to Ministers seeking commitments to those measures as part of decision-making or in writing (**Attachment 11**).

Statutory processes and Treaty Partner engagement

10. The statutory processes required to deliver on the components of the network differ, with key steps of the statutory process explained in **Attachment 7**. Decisions regarding the declaration of marine reserves are made under the Marine Reserves Act 1971 by the MOC, with concurrence decisions required from the MfOF and Minister of Transport. Following concurrence, Cabinet noting of Ministerial decisions for marine reserves would be best practice, and could be included with the Cabinet approvals for fisheries measures or orally presented earlier. Regulations regarding the fisheries measures are recommended to the Governor-General by the MfOF following Cabinet decisions.
11. In order to be consistent with the Principles of the Treaty of Waitangi, the Crown must engage with Māori early and consistently throughout decision-making processes. Some key points for engagement with Kāi Tahu are highlighted within the figure in **Attachment 7**.
12. The broad next steps for the two parts of the process are:

Proposed marine reserves:

- MOC decision-making
- MOC requests concurrence of MfOF and MOT (if MOC decision to approve any marine reserves)
- Fisheries New Zealand consider MOC's decisions and finalise concurrence advice
- Fisheries New Zealand engage with Kāi Tahu on their draft concurrence advice (if Kāi Tahu wish for this step)
- Fisheries New Zealand and Ministry of Transport finalise their respective concurrence advice and provide to MfOF and Minister of Transport for concurrence decisions
- If concurrence is obtained, Cabinet committee oral item noting marine reserve decisions
- Remaining statutory steps including drafting of Orders in Council

Proposed Fisheries measures:

- FNZ finalises advice to MfOF on the proposed Type 2 MPAs and kelp protection area
- FNZ engage with Kāi Tahu on this draft advice and seek their views
- FNZ finalise the Type 2s/KPA advice and provide to MfOF
- MfOF makes decisions on fisheries regulations proposals, followed by seeking Cabinet Committee consideration and policy approvals

Recognising Kāi Tahu's interests in the network

13. Agencies undertook further engagement with Kāi Tahu on the proposed “rebalancing” and co-management measures and have used this engagement to inform advice (**Attachment 5**). The Department's advice recommends you (the Minister of Conservation) agree to most of this package of rebalancing and co-management measures in order to mitigate potential impacts of the proposed network on Kāi Tahu's rights and interests, specifically:
- a) formal co-management;
 - b) appointment of Kāi Tahu rangers;
 - c) provisions for periodic and generational review;

- d) boundary amendment to the proposed Te Umu Koau marine reserve;
- e) provisions for continued enhancement of mātauraka Māori through Wānaka;
- f) provisions for the retrieval of kōiwi tākata and archaeological artefacts, and access to cultural materials;
- g) 9(2)(g)(i) access to harvest of *Undaria* for control purposes; and
- h) Te reo Māori naming and pou whenua.

14. 9(2)(g)(i)
15. Additional rebalancing measures relating to fisheries management issues have been advanced in parallel to SEMP and, where they require ministerial decision-making, will be considered by you (the Minister for Oceans and Fisheries) separately. These include:
- a) legislative changes to improve protection in customary fishery management areas (taiapure and mātaimai); and
 - b) 9(2)(j)
16. On 13 December 2022, following review of excerpts of DOC's draft advice, Kāi Tahu wrote to the DOC Director-General and advised that overall, Kāi Tahu supported the proposed marine reserves and measures, including the Te Umu Koau marine reserve boundary amendment, with caveats regarding written commitments to co-management, adequate funding and Kāi Tahu rangers (**Attachment 9**). They stated they will not support any more marine reserves proposed in this region. This letter to the Director-General was followed by a letter to Ministers seeking to meet to discuss Kāi Tahu views before decision-making (**Attachment 10**).
17. In May 2023, DOC's draft advice was updated to reflect the most recent commercial fisheries data. Kāi Tahu were advised of these changes, and consider they need further information in order to meaningfully engage and to develop an informed view. We therefore do not know if the updates affect their support for the proposed marine reserves, including for the proposed Te Umu Koau marine reserve which had been of particular concern for Kāi Tahu due to the expected impacts on the commercial rock lobster fishery.

Funding for implementation of the network

18. 9(2)(g)(i)
- 19.
- 20.
21. You have received advice on funding options (23-B-0232 / B23-0419 and 23-B-0299 refer). 9(2)(g)(i)
22. DOC is preparing a briefing [23-B-0335 refers] to facilitate Minister Prime seeking the agreement of the Minister of Finance on funding options for SEMP. This briefing will be provided to you by 26 July 2023.

Risk assessment – Aronga tūraru

23. Managing relationship risk with Kāi Tahu is important and has implications if SEMP is implemented, including risk to ongoing co-management of SEMP and other Crown projects in the Kāi Tahu rohe. We consider meeting with Kāi Tahu before decision making will demonstrate the Crown upholding the Treaty partnership. As Ministers are aware, there are strong obligations under section 4 of the Conservation Act 1987 to give effect to the principles of the Treaty, and these apply to Marine Reserves Act decisions.
24. Meeting with Kāi Tahu prior to decision making could be seen by submitters as providing additional opportunities for input not available to them, resulting in undue influence, particularly for the Marine Reserves Act process. Statutory consultation has been completed and DOC's advice has been submitted to you (the Minister of Conservation). However, agencies consider that a meeting prior to decisions being made reflects the relationship afforded to a Treaty partner and also acknowledges repeated requests by Kāi Tahu earlier in the process for a further discussion with Ministers.

25. 9(2)(h)

26. We understand Kāi Tahu want to outline their views on the proposals, including impacts on their interests and proposed rebalancing to you directly as the new decision makers directly.

9(2)(g)(i)

The meeting should be treated as an information gathering exercise to aid informed decision making and partnership. We recommend you go into the meeting with an open mind and consider any matters raised by Kāi Tahu, but should be aware that there will be risks to the timing of decisions, particularly if new information comes to light that requires further advice from officials.

27. 9(2)(h)

Next steps – Ngā tāwhaitanga

28. Officials recommend that following your meeting with Kāi Tahu, you ensure you have sufficient time to carefully consider their views and the full advice package received, before making decisions.
29. Should the Minister of Conservation decide to declare any marine reserves and the Minister for Oceans and Fisheries and Minister of Transport concur, an announcement for marine reserves could be made prior to progressing the proposed fisheries measures, or announcements could wait until all decisions have been taken.
30. Cabinet Committee approval is not required for these Marine Reserves Act decisions, just noting. If it is not possible to align the context of the marine reserves decisions with submitting the Fisheries Regulations Cabinet paper and Regulatory Impact Statement to a Cabinet Committee for consideration and approval, the Marine Reserves Act decisions can be

presented orally to a Cabinet Committee (ENV or DEV) for their noting. This may not be necessary prior to any announcements if you and the Prime Minister's Office consider your colleagues are well enough informed. Prior to the election, DEV will be meeting 26 July, and 2, 16, 23, and 30 August, and ENV will meet 3 and 24 August.

Attachments – Ngā tāpiritanga

- Attachment 1 – Agenda for 25 July 2023 SEMP hui
- Attachment 2 – Talking points for Minister Prime
- Attachment 3 – Talking points for Minister Brooking
- Attachment 4 – Biographical sketches of Kāi Tahu attendees
- Attachment 5 – Rebalancing and co-management measures proposed by Kāi Tahu
- Attachment 6 – Map of proposed SEMP Network
- Attachment 7 – Diagram with key statutory process steps
- Attachment 8 – Ngāi Tahu letter to Ministers, 21 June 2023
- Attachment 9 – Ngāi Tahu letter to DG of Conservation, 13 December 2022
- Attachment 10 – Ngāi Tahu letter to Ministers, 13 December 2022
- Attachment 11 – Ngāi Tahu letter to Ministers, 15 December 2021

Contact for queries:

Anna Cameron, Senior Manager Regulatory Services, DOC, 9(2)(a)

Marianne Lukkien, Manager National Direction, FNZ, 9(2)(a)

ENDS

Manaaki ki te Toka Hui

Southeast Marine Protection Hui – Agenda –

Āhea / When: 25 July 2023

Wā / Time: 5.00pm – 6.00pm

Wāhi / Venue: Zoom

Aroha mai / Apologies:

Tuhinga / Attendees:

Members of Parliament

Hon. Rachel Brooking – Minister for Oceans and Fisheries

Hon. Willow-Jean Prime – Minister of Conservation

Kāi Tahu Representatives

9(2)(a) – Deputy Kaiwhakahaere and Chair, Kati Huirapa Rūnaka ki Puketeraki

9(2)(a) – Upoko, Te Rūnanga o Ōtākou

9(2)(a) – Te Rūnanga o Ngāi Tahu Representative, Te Rūnanga o Ōtākou

9(2)(a) – Upoko, Te Rūnanga o Moeraki and Tangata Tiaki

9(2)(a) – Upoko, Te Rūnanga o Waihao and Te Rūnanga o Arowhenua

9(2)(a) – Chair, Te Rūnanga o Arowhenua Tangata Tiaki Roopu

9(2)(a) – Te Rūnanga o Ngāi Tahu Representative, Te Rūnanga o Awarua and Tangata Tiaki

9(2)(a) – East Otago Taiapura Management Committee Chairman and Puketeraki Tangata Tiaki

9(2)(a) – East Otago Taiapure Management Committee and Puketeraki Tangata Tiaki

9(2)(a) – Te Rūnanga o Ōtākou

TRoNT Representatives

Lisa Tumahai – Kaiwhakaharāe, Te Rūnanga o Ngāi Tahu

9(2)(a) – Group Head, Strategy and Environment, Te Rūnanga o Ngāi Tahu

9(2)(a) – General Manager, Strategy and Influence, Te Rūnanga o Ngāi Tahu

9(2)(a) – Senior Policy Advisor, Strategy and Influence, Te Rūnanga o Ngāi Tahu

9(2)(a) – Principal Advisor, Strategy and Influence, Te Rūnanga o Ngāi Tahu

9(2)(a) – Policy Advisor, Te Rūnanga o Ngāi Tahu

Te Papa Atawhai Representatives

Penny Nelson – Director-General

Marie Long – Deputy Director-General, National Operations and Regulatory Services

Anna Cameron – Senior Manager, Regulatory Strategy and Design

Tini a Tangaroa Representatives

Judith MacDonald, Director of Fisheries and Aquaculture Treaty Partnerships

Marianne Lukkien, Manager National Direction

Steve Halley, Principle Advisor National Direction

Agenda

5:00	Open meeting Whakawhanaugātanga
5.15	Update on proposed marine reserves (Minister Prime)
5.25	Update on proposed fisheries measures (Minister Brooking)
5.35	Sequencing and timing of further engagement and decision-making (both Ministers)
5.45	Any additional items Agree forward actions and next steps
5.55	Karakia and meeting close
6.00	END

Attachment 2 – Talking points for Minister Prime

Context Information

9(2)(h)

- **I want to acknowledge the significant time, resources and energy that TRoNT and papatipu rūnaka have put into the SEMP initiative to date.**
 - Your input to Te Papa Atawhai at the end of 2022 has enabled them to finalise their advice, which I received earlier this month.
 - SEMP is a complex initiative, and it has taken time to ensure that advice reflects the best available information, to make sure that the network can be properly implemented.
- **I am committed to progressing this work, and making decisions on the SEMP network**
- **Continued and effective engagement is crucial to meeting the Crown's obligation to actively protect Māori rights and interests.**
 - The co-management kaupapa developed here with officials is very positive.
 - It has the potential to represent effective partnership for managing the marine environment that recognises and affirms the mana of tākata whenua.
 - I welcome Kāi Tahu's desire to get involved directly in the delivery and management of the proposed marine protected areas
 - If the proposed marine protected areas progress, my intention is that the proposed co-management framework would allow current and future generations to exercise tino rakatirataka and kaitiakitaka.
- **One option I am considering is whether to stagger the progression of the SEMP network**
 - This would see decision-making on the six marine reserves progressed first, followed by the process for proposed fisheries measures
 - This reflects the further regulatory and Cabinet decisions that would be required for FNZ to progress the proposed fisheries measures

Possible issues that Kāi Tahu may raise

- **I understand that there are outstanding issues that Kāi Tahu has sought assurances on, including:**
 - [REDACTED] 9(2)(g)(i)
 - [REDACTED] 9(2)(g)(i)
 - [REDACTED] 9(2)(g)(i)
 - the Ngāi Tahu Whānui application for customary marine title.
- **I understand you also have some concerns about updates to the commercial fisheries data, and the impacts that the SEMP network may have on the rights and interests of Kāi Tahu.**
 - You have sought to understand the financial implications of the proposed SEMP network on commercial fishing as further data has become available.
 - There are commercial sensitivities that prevent a full disclosure of this analysis.
 - Fisheries New Zealand provided additional information on this point, with the aim of enabling your own high-level assessment of the impact the network may have on your interests.
 - I am interested to hear your views.
- **I understand agencies have been working with you on these issues but I am grateful of this opportunity to now hear your views directly before I proceed to making my decisions.**
 - Can you tell us more about any ongoing concerns Kāi Tahu hold about commercial fishing?
 - Would Kāi Tahu have concerns about advancing the marine reserves ahead of the other marine protected areas?

Attachment 3 – Talking points for Minister Brooking (including question prompts)

- **I have a dual role in this process.**
 - I have a role in concurrence with the Minister of Transport on the Marine Reserve proposals and I have responsibility for making recommendations to Cabinet on the measures proposed under the Fisheries Act.
- **I want to provide an update on progress of the fisheries-specific aspects of this work.**

Concurrence

- When I receive the Minister of Conservation's views on the marine reserves, I will ask officials to provide advice to me to support my decision making as soon as possible.
- However, I want to make sure that you have real opportunity to consider excerpts of that advice to ensure your views have been fully and correctly captured.

○ How can officials best support you in the process of sharing excerpts of concurrence advice and incorporating your feedback?

Measures under the Fisheries Act

- Measures under the Fisheries Act to establish Type 2 marine protected areas and kelp protection areas will take longer to implement than marine reserve proposals because they need to be considered by Cabinet Committee and Cabinet based on my recommendation before being submitted to the Governor General.
- I have asked FNZ for advice on these measures to be provided as soon as possible so that I can commence that process. But again, I want to ensure that you have meaningful opportunity to review parts of the advice to ensure that it properly reflects your views before I receive it.

○ How can officials best support you in the process of sharing excerpts of fisheries measures advice and incorporating your feedback?

- **We of course want to make sure we make the best decisions.**
 - This means making sure they are based on the best available information.
 - Ensuring that the best available information is used to assess fisheries impacts has led to some delays but means FNZ can more accurately assess that impact which of course is important to fishers and decisions makers.
 - Failure to use the best available information has resulted in successful legal challenge of previous fisheries decisions.
- **I want to personally thank you for your ongoing commitment to this process despite your clear frustration with its speed and apparent on/off nature**
 - Marine protection is complex and can be fraught with competing interests.

- A lot of time and effort from Kāi Tahu and others has gone in to getting us to this point of decision making.
- **Some progress has been made on fisheries and biosecurity-related rebalancing measures**
 - A number of rebalancing measures were discussed in ropu with my predecessors through 2020 and 2021. Officials within MPI have been working to address measures specific to fisheries and biosecurity.

Fisheries measures:

- [REDACTED] 9(2)(g)(i)
- A legislative programme is being progressed to better protect customary fishing areas, closing loopholes for poachers in possession of too much fish and creating infringement offences for breaches of bylaws made under regulations. These build on recent changes that make amendment of recreational fishing limits more streamlined.

Biosecurity measures

- Biosecurity New Zealand have oversight for management of the invasive seaweed Undaria.
- [REDACTED] 9(2)(g)(i)
- I understand a permit has recently been amended that provides Kāi Tahu with the ability to defray costs of Undaria management through sale of the removed material.

- I am interested to know what your views are [REDACTED] 9(2)(g)(i)

Ensuring our relationship remains strong during and after this process is of paramount importance to me.

Attachment 4 – Biographical sketches of Kāi Tahu attendees

9(2)(a)



Released under the Official Information Act

9(2)(a)

Released under the Official Information Act

9(2)(a)

Released under the Official Information Act

9(2)(a)

Released under the Official Information Act

Attachment 5 - Rebalancing and co-management measures proposed by Kāi Tahu to mitigate expected impacts on their customary and commercial rights and interests, and Te Papa Atawhai's recommendations on each

Note: the table below was included as Table II in DOC's Report to the Minister of Conservation on the southeast marine reserves application, Vol. 1, pp 20-21. All recommendations are pending subject to Ministerial decision-making.

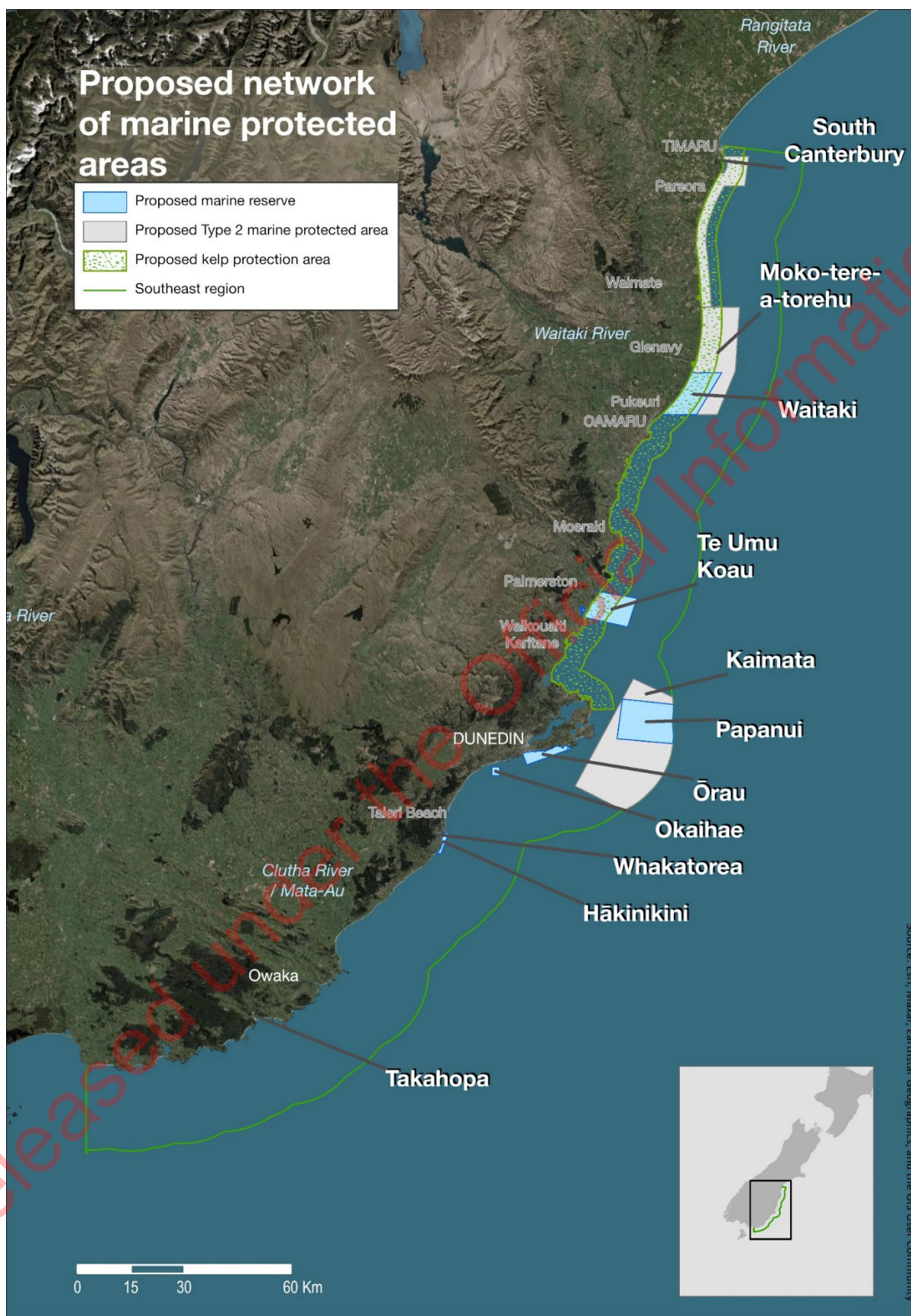
Key: ~ indicates proposed measure progressed by the Rōpū; * indicates measure that was not progressed by the Rōpū; # indicates new measure introduced by Kāi Tahu on 30 November 2021 during meeting with Ministers

Proposed measure	Kāi Tahu views	Te Papa Atawhai recommendations (apply to each marine reserve you approve, unless specified)
- Formal co-management	Kāi Tahu want to co-manage the Network with Agencies. Co-management will reflect tino rangatiratanga (self-determination), enhance the retention and transfer of knowledge through generations and allow for the maintenance of Kāi Tahu connection to their takiwā.	<ul style="list-style-type: none"> You direct that formal co-management arrangements are to be implemented, guided by the work undertaken to date by the Rōpū and the Rōpū co-management sub-committee. Co-management means working jointly as much as possible on operational matters, using rohe-specific and network-wide co-management groups. It does not include joint decision making at the level of statutory decisions for the Director-General or Minister of Conservation.
- Appointment of Kāi Tahu rangers	Kāi Tahu want to be directly involved in the active management of marine protected areas. Kāi Tahu have aspirations for Crown support (funding) and seek written Ministerial commitment to address before or immediately after establishment.	<ul style="list-style-type: none"> You direct that Kāi Tahu ranger roles are provided for within the formal co-management arrangements implemented, guided by the work to date of the Rōpū sub-committee, noting that the details of the rangers' roles, and the resourcing and support from Agencies cannot be determined at this point.
- Provisions for periodic and generational review	Kāi Tahu want data collected and 5-year review to respond to any impacts on their customary protected area, and a 25-year generational review so that future generations can assert tino rangatiratanga and exercise kaitiakitanga.	<ul style="list-style-type: none"> You direct that periodic reviews are incorporated into the formal co-management arrangements implemented. (Periodic review will be largely an operational matter for the co-management groups to consider.) A condition in the Order in Council to require generational reviews to be undertaken. The condition would provide for the following: <ul style="list-style-type: none"> The Minister of Conservation would undertake the generational review. The generational review would be undertaken within 25 years of the marine reserve being declared and at subsequent 25-year intervals. The Minister of Conservation would be required to consult with Ngāi Tahu Whānui as part of undertaking the generational review. Generational review of any marine reserve should be considered in the context of the proposed Network because that was how they were developed by the Forum (i.e. the value of each site was balanced and considered against the total components of the proposed Network).
- Boundary amendment to the proposed Te Umu Koau marine reserve	The site extends over areas of offshore deep reef that are seasonally important for kōura. Prohibiting commercial fishing on these grounds would impact on their people.	<ul style="list-style-type: none"> An amendment to the boundary of the proposed marine reserve to mitigate the interference with the commercial kōura fishery. We recommend the boundary be amended as per the D1-A proposal put forward initially by Kāi Tahu. This conclusion is likely to differ from the perspective of Kāi Tahu in terms of what they consider as necessary to fulfil Treaty obligations, particularly to 'rebalance' the expected economic impacts of the proposed marine protected areas.
- Provisions for continued enhancement of mātauraka Māori through wānaka	Kāi Tahu are concerned that the prohibition on taking marine life interferes with the inter-generational connection they have traditionally held with their rohe moana.	<ul style="list-style-type: none"> A condition in the Order in Council that would provide for members of Ngāi Tahu Whānui to continue undertaking activities that would otherwise constitute an offence where: <ul style="list-style-type: none"> those activities are undertaken as part of organised wānaka the activities are for the purpose of enhancing mātauraka Te Papa Atawhai (or the rohe specific co-management group once established) is notified by the relevant papatipu rūnaka of the proposed wānaka in advance, and provided detail of the activities (e.g. the period when wānaka activities would be undertaken and where, details of activities to be carried out and species affected). Mātauraka Māori/wānaka activities would be subject to any other legal requirements and must be consistent with the purpose of the Marine Reserves Act.
- Provisions for the retrieval of kōiwi tākata and archaeological artefacts, and access to cultural materials	Kāi Tahu want the retrieval of kōiwi tākata in line with the Kāi Tahu Kōiwi Tāngata (human remains) Policy, and access to cultural materials in line with the Ngāi Tahu Cultural Materials Policy, to be unaffected.	<ul style="list-style-type: none"> A condition in the Order in Council that would allow for Kāi Tahu papatipu rūnaka with mana moana (or anyone authorised by said papatipu rūnaka) to retrieve kōiwi tākata and archaeological artefacts consistent with the Ngāi Tahu Kōiwi Tāngata (human remains) Policy. This activity would be subject to any other legal requirements. It does not apply to the proposed Papanui marine reserve, which does not border land. With the exception of the proposed Papanui and Okaihae marine reserves, a condition in the Order in Council that provides for Kāi Tahu (Ngāi Tahu Whānui) to be able to take of all or part of dead marine mammals in accordance with the usual Marine Mammals Protection Act provisions. The condition should be drafted to cover the following aspects (which are similar to those in the Fiordland (Te Moana o Atawhenua) Marine Management Act): <ul style="list-style-type: none"> all or part of a marine mammal may be taken if it washes up dead, or strands and dies (permit required) bones, teeth, ivory or ambergris may be collected from a marine reserve if they have naturally separated from a marine mammal (no permit required, so long as Te Papa Atawhai is notified) The recommended condition does not fully align with Kāi Tahu's preferred outcome, which is a general condition to provide for access to cultural materials.

Proposed measure	Kāi Tahu views	Te Papa Atawhai recommendations (apply to each marine reserve you approve, unless specified)
- Continued Kāi Tahu access to any approved SEMP marine reserve to utilise Kāi Tahu's MPI <i>Undaria</i> permit	<i>Undaria pinnatifida</i> is an invasive exotic seaweed which can only be harvested in accordance with permitting requirements under the Biosecurity Act 1993. Kāi Tahu have a permit to harvest <i>Undaria</i> in many areas within the Forum region. Kāi Tahu want 9(2)(g)(i) rights to harvest in all proposed marine reserves except for Papanui, for the purpose of controlling <i>Undaria</i> .	<ul style="list-style-type: none"> A condition in the Order in Council that would provide for the removal of <i>Undaria pinnatifida</i> (unattached or attached), as long as all other legal requirements relating to the removal are complied with (e.g. Biosecurity Act and Resource Management Act). Te Papa Atawhai would require notice to the relevant Te Papa Atawhai Operations Team of the <i>Undaria</i> harvest.
- Naming and pou whenua for each new marine protected area	Preference that pou whenua should be in place for each of the approved marine protected areas. Papatipu rūnaka with mana moana provided 'placeholder' te reo Māori names for the proposed marine protected areas.	<ul style="list-style-type: none"> You progress the use of te reo Māori names confirmed by papatipu rūnaka through the Rōpū hui, noting that the ultimate decision on the use of te reo names is subject to review by the New Zealand Geographic Board. You direct the placement of pou whenua except for the proposed Papanui and Okaihae marine reserves.
* Changes to recreational take of pāua in PAU5D	Kāi Tahu want changes to the management of recreational pāua harvesting to address what they see will be the impacts of displaced recreational take on their commercial and non-commercial customary rights and interests. Measures sought are annual recreational allowance for pāua in PAU5D to be reduced from 22 tonnes to 10 tonnes along and a number of operational changes to support the management of recreational pāua take.	<ul style="list-style-type: none"> The consideration and implementation of this proposed measure is a matter for Tini a Tangaroa and the Minister for Oceans and Fisheries. 9(2)(j)
* Commitment sought in relation to application for customary marine title	Ngāi Tahu Whānui have an application for customary marine title under te Takutai Moana Act. Kāi Tahu want a commitment from Ministers that the proposed marine protected areas will not 'pre-empt or negatively impact' their application.	<ul style="list-style-type: none"> You record as part of your decision-making that a decision to declare one or more of the proposed marine reserves is <i>unlikely</i>, and not intended, to pre-empt or negatively impact on the Ngāi Tahu Whānui application for customary marine title.
* Financial compensation and ex gratia payments	Kāi Tahu suggested financial compensation (i.e. buy back of quota) and/or ex gratia payments as a means of achieving rebalancing the economic impacts of the proposed Network, to address the impact on established fisheries and loss of future opportunities to develop fisheries for species that have yet to be introduced into the quota management system.	<ul style="list-style-type: none"> The Crown does not need to consider compensation or ex gratia payments. This is because the Marine Reserves Act builds in a test to prevent undue interference with commercial interests and because the recommended Te Umu Koau boundary and the 9(2)(j) gives effect to the principles of partnership and active protection, by achieving what is reasonably required to actively protect the relevant Treaty interest. This outcome would therefore be consistent with your obligations in terms of section 4. Paying compensation would set a significant precedent for future environmental protection processes
* Coordinated establishment of customary protected areas and marine protected areas	Kāi Tahu initially requested Agencies slow down the southeast marine protection process so that it could be considered alongside their aspirations for customary protected areas in the region. This relates to Kāi Tahu concerns regarding the impact of the proposed marine protected areas on their non-commercial customary fishing rights.	<ul style="list-style-type: none"> The passing of proposed change to mātaimai and taiāpure regulations are matters that will need to be progressed by Tini a Tangaroa. Agencies can provide you with a further update on the progression of these changes prior to making your decisions on the proposed marine reserves if required.
* Preferential access to commercial development opportunities—eco-tourism	Kāi Tahu want Te Papa Atawhai to consider providing them with preferential access to eco-tourism opportunities once the marine protected areas are established.	<ul style="list-style-type: none"> In the event that the marine protected areas are established, permission for eco-tourism would be addressed through alternative statutory processes such as the Marine Mammals Protection Regulations.
* Integrated management of marine protected areas and customary protected areas	Kāi Tahu view the proposed marine protected areas as ineffective in terms of managing land-based effects on the marine environment. Kāi Tahu seek an integrated approach to managing marine protected areas and customary protected areas within the context of the wider marine environment, in particular, through working with local authorities.	<ul style="list-style-type: none"> It is anticipated that the co-management structures proposed by the Rōpū will provide avenues for engagement with other relevant agencies (in particular local authorities) within the region. This will support and enhance the opportunities for integrated management as sought by Kāi Tahu.

Released under the Official Information Act

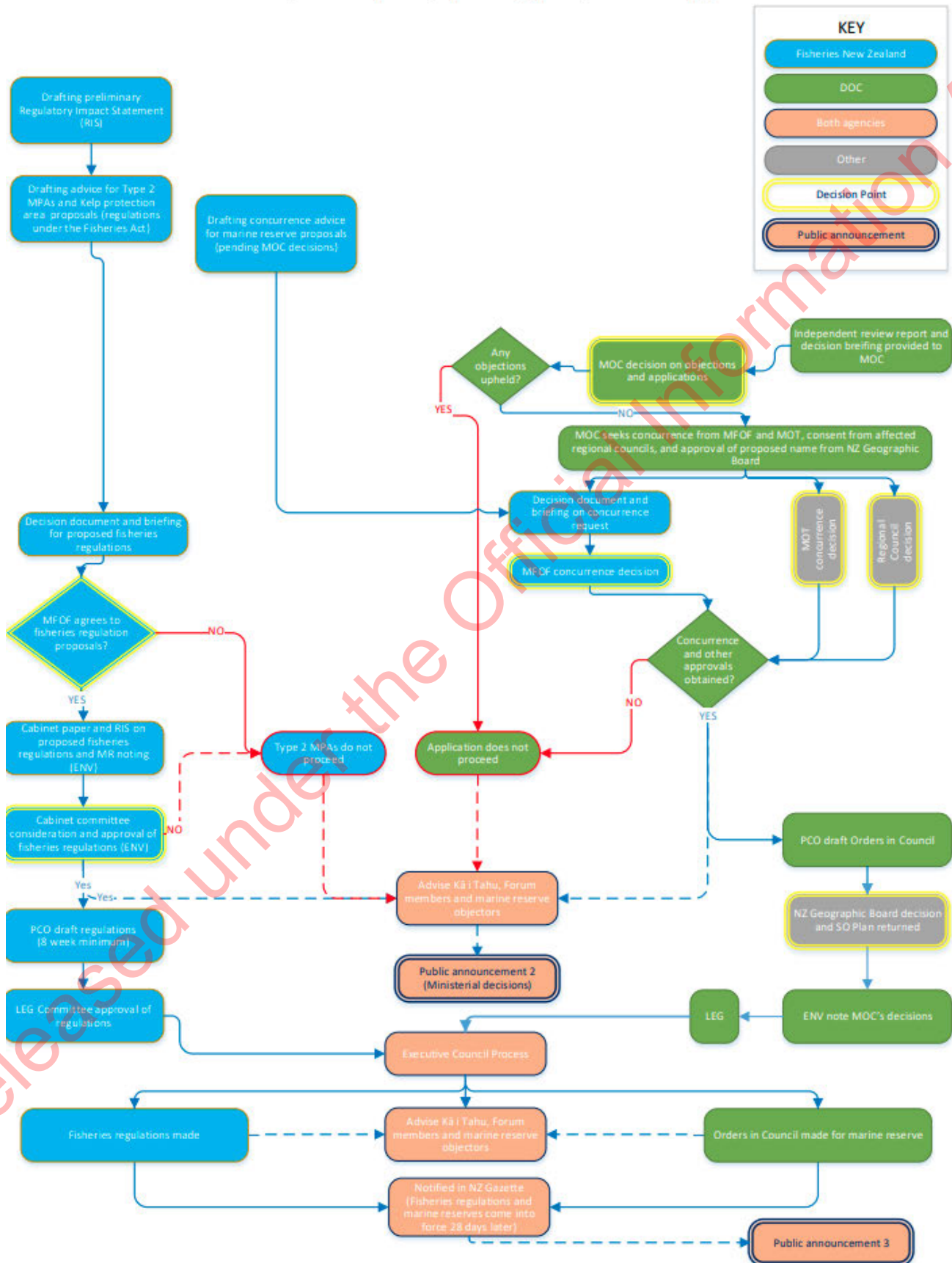
Attachment 6 - Map of proposed SEMP Network



Attachment 7 – Diagram with key statutory process steps

South-East Marine Protection Forum's Recommendations – Next Steps

Marine Reserves, Fisheries Regulations, Ngai Tahu Engagement, and Awarua Engagement



Attachment 8 – Ngāi Tahu letter to Ministers, 21 June 2023



Te Rūnanga o NGĀI TAHU

21 June 2023

Hon. Willow-Jean Prime
Minister of Conservation
By email: willow-jean.prime@parliament.govt.nz

Hon. Rachel Brooking
Minister for Oceans and Fisheries
By email: Rachel.brooking@parliament.govt.nz

E ngā Minita, tēnā kōrua

SOUTH EAST MARINE PROTECTION NETWORK PROPOSALS

I am writing to express our frustration and disappointment around the proposed South East Marine Protection (SEMP) kaupapa.

As you will know, Ngāi Tahu has been involved in marine protection initiatives for decades. Within the eastern seaboard, our Papatipu Rūnaka and Te Rūnanga have been directly engaged with SEMP since it was first proposed in 2014. We have worked in partnership, honourably and in good faith with the Crown on this kaupapa over the last nine years.

This involvement has taken significant time and effort from Ngāi Tahu. However, we have persisted because of our belief in the importance of this kaupapa and in working with the Crown to ensure the proposed reserves work for both Tiriti partners.

While we remain committed to working with the Crown on this matter, we have developed a view that the Crown could do more to expedite these matters.

Ngāi Tahu involvement to date

Ngāi Tahu has been deeply involved in this kaupapa from its inception. Six of the 18 members of the initial South East Marine Protection Forum, including the Deputy Chair, were Ngāi Tahu representatives. While these Ngāi Tahu representatives did not take a position on either of the options proposed by the Forum, we were committed members of the Forum throughout. Importantly, we did not support or oppose either of the options put forward by the Forum, thus enabling genuine Te Tiriti partnership with the Crown while it formed a position on this kaupapa.

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Since 2018, when the Forum provided its recommendations to Ministers, we have been engaging with the Crown in good faith and have repeatedly worked to meet the often-tight time frames set by the Crown.

This has included engaging with officials on the development of the proposal, providing our view on the subsequent draft of that proposal in late 2021 and, more recently, providing our view on the Department of Conservation's (the Department) draft advice in late 2022.

Timing

We have repeatedly been told that advice and decision making is imminent. As a result, we have diligently responded to Crown's timeframes each and every time we have been asked. And yet, from our perspective, it is not clear that this urgency was warranted; we are still yet to see any substantive progress or decisions. As we understand it, neither the Department's advice on the Type 1 reserves, nor the Fisheries New Zealand (FNZ) advice on the Type 2 reserves has been finalised.

We have appreciated the opportunity to consider exempts and overall recommendations from the Department's draft advice on Type 1 reserves and welcome the measures that have been incorporated into the advice in response to issues we raised with Ministers at Ōtākou marae in March 2021 and online in November 2021. But it appears that the haste with which we were asked to form a view on the Department's draft advice prior to Christmas 2022 was completely unnecessary. In the six months that have followed, this advice is yet to be finalised by officials, and we have seen no further progress.

Further to this, we wish to note that Type 1 reserves are only one part of the network. Eighteen months on from the November 2021 hui with Ministers we are yet to receive any information from FNZ regarding their advice on the Type 2 proposals (or their concurrence advice on the Type 1 proposals).

It is challenging for us to understand the impact of the proposal and to form an informed position when we are only being engaged by one of the two agencies involved, and on only one part of the network. We need information on both parts of the network to be able to effectively engage on this kaupapa.

Engagement with Ministers

We last met with your predecessors in November 2021 to discuss our view on the proposal. We felt that this was a constructive hui and a useful opportunity for us to discuss our positions on various aspects of the kaupapa. It also served as an opportunity for us all to affirm our joint commitment to the process.

Following this, in April 2022, we proposed a follow up hui (letter to Ministers Parker and Allan dated 15 December 2021). No response has been received to this request.

Furthermore, following our review of the Department's advice late last year, we again wrote to the then Minister of Conservation and Minister for Oceans and Fisheries seeking a hui prior to any decision making (letter to Ministers Parker and Williams, dated 13 December 2022). This request has also failed to be taken up, or even acknowledged, by the Crown.

This is not genuine te Tiriti partnership.

Moving forward

We remain committed to working with the Crown on this kaupapa in good faith and would like to find a solution that works for both Tiriti partners. But we need a change in behaviour from the Crown to enable this to happen.

To ensure our engagement on this kaupapa is worthwhile, we need to be provided with adequate information. For example, we understand that there is new fishing data available which has changed the estimated impact of the Type 1 reserves. We have only been provided with partial information that lacks key details regarding the extent of the financial implications expected to result from the proposal. It is simply not possible for us to engage meaningfully on this matter if we are not provided with all the relevant information.

In the same vein, we reiterate the need for us to be engaged on both parts of the network to ensure we have a complete picture of the network and can consider the cumulative effects it may have on our customary practices, our fisheries settlement and our whānau.

In light of the issues raised in this letter, and to ensure a productive way forward for our engagement, we consider that a hui with you both is required. Our kaimahi at Te Rūnanga o Ngāi Tahu will be in touch to assist in making arrangements.

Nāhaku noa, nā

9(2)(a)

Lisa Tumahai
Kaiwhakahaere

Mō tātou, ā, mō kā uri ā muri ake nei.
For us and our descendants after us.

Cc: 9(2)(a) Deputy Kaiwhakahaere and Chair, Kati Huirapa Rūnaka ki Puketeraki
9(2)(a) Upoko, Te Rūnanga o Ōtākou
9(2)(a) Te Rūnanga o Ngāi Tahu Representative, Te Rūnanga o Ōtākou
9(2)(a) Upoko, Te Rūnanga o Moeraki and Tangata Tiaki
9(2)(a) Upoko, Te Rūnanga o Waihao and Te Rūnanga o Arowhenua
9(2)(a) Chair, Te Rūnanga o Arowhenua Tangata Tiaki Roopu
9(2)(a) Te Rūnanga o Ngāi Tahu Representative, Te Rūnanga o Awarua and Tangata
Tiaki
9(2)(a) East Otago Taiapura Management Committee Chairman and Puketeraki
Tangata Tiaki
9(2)(a) East Otago Taiapure Management Committee and Puketeraki Tangata Tiaki
9(2)(a) Te Rūnanga o Ōtākou

Encl.

Letter to Minister of Conservation and Minister for Oceans and Fisheries (15 December 2021)

Letter to Minister of Conservation and Minister for Oceans and Fisheries (13 December 2022)

Attachment 9 – Ngāi Tahu letter to DG of Conservation, 13 December 2022



Te Rūnanga o NGĀI TAHU

13 December 2022

Penny Nelson
Director-General
Department of Conservation
By email: pnelson@doc.govt.nz

Tēnā koe Penny

SOUTH EAST MARINE PROTECTION DRAFT ADVICE

Thank you for the opportunity to comment on the draft advice that the Department has prepared on the South East Marine Protection (SEMP).

Ngāi Tahu involvement

As you know, Kāi Tahu has been involved in marine protection initiatives in Otago/Southland for decades and directly with this SEMP kaupapa since work on these proposals started in 2014. We have valued the opportunity to work in partnership with the Department as this proposal has been developed to ensure that solutions are found that are acceptable for both te Tiriti partners.

Kāi Tahu remains committed to working in good faith with the Crown on this kaupapa and consider that good progress has been made. We acknowledge the time and support offered by the Department to enable us to fully consider the proposals and our response to your advice.

Draft Advice

As you know, when we met with Ministers last year to discuss this proposal Kāi Tahu was concerned that it negatively impacts on our customary and settlement rights and interests. We considered that implementing these marine protection areas may alienate us from our rohe moana, prevent us from undertaking our kaitiaki roles and undermine our mana. We proposed the package of measures that we wished to have incorporated into this proposal to address these matters and followed up to outline that package in writing.

We welcome the measures that have been incorporated into the advice to support us to maintain our connection to these areas and to continue to undertake our responsibilities as kaitiaki in these areas. The proposed customary use through wānanga with prior notification, co-management structure, Kāi Tahu rangers, Kāi Tahu names for the reserves, pou whenua,

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continued access to kōiwi tangata, marine mammals and gamebirds in estuaries and continued ability to harvest the pest, *Undaria*, are all particularly important parts of enabling our kaitiaki responsibilities to continue.

Kāi Tahu is also pleased to note the changes that are being implemented by Fisheries NZ to enable more efficient and effective processes in taiāpure and mātaītai. These changes will have a significant impact at the flaxroots and better enable us to manage these areas and the customary fisheries resources that live within them.

9(2)(j)

We are also pleased to see that the advice recommends both generational and periodic reviews are undertaken. As we have discussed before, these reviews are an important mechanism to ensure that future generations are able to assert their own rangatiratanga and to exercise their own kaitiakitanga in these areas. These reviews are also vital in ensuring that the reserves are functioning effectively and are meeting the objectives set by the co-management group.

We remain disappointed, however, that we do not have a decision-making role in regards to the generational review. While there may currently be legislative requirements which state that only the Minister may make this decision, we expect that the Crown will amend this legislation to be more te Tiriti compliant (enabling for joint decision making between both te Tiriti partners) before the first generational review is undertaken. That is, within the next 25 years.

Overall, while this package of measures does not meet all the requests that Kāi Tahu made from Ministers last year, Kāi Tahu support this network as currently proposed, subject to comments below.

For clarity, this statement includes supporting the D1-A boundary. We still consider that this boundary has a significant impact on our commercial fishing rights. As you have noted in your analysis, there is a significant amount of commercial fishing effort in this area, which will also be affected. However, we understand that the Department considers that this area is necessary to get a representative network of marine protection. If the rest of the below is able to be accommodated, we will support the proposed boundary.

While we will support this network (subject to the below), we will not support any more marine reserves proposed in this region.

The full network (Type 1, Type 2 and kelp protection area) will provide the Crown a representative and comprehensive network of marine reserves off the south east coast of Te Waipounamu. Further marine protection is therefore not needed, and we will not tolerate any further alienation from our rohe moana, or any further reduction in our settlement rights and interests.

We also seek written commitment from the Minister on details that are not proposed to be included in the Order in Council. We note that there are a number of matters of detail that

the advice seeks to resolve after the Minister's decision making. Many of these are of high importance to Kāi Tahu and to ensure that we maintain our connection to these areas.

While this level of detail may not be appropriate for the Minister's formal decision-making documents, we are seeking written commitment from the Minister on these matters as part of her decision-making process. This commitment will ensure that both te Tiriti partners have shared expectations around how these proposals will be implemented.

To be specific, we seek written commitment from the Minister on the following matters:

- Co-management – The current proposal fails to provide any certainty for Kāi Tahu about our membership and role in these groups. 9(2)(g)(i)
9(2)(g)(i)
- Funding – Funding will be required from the Crown to ensure that these reserves are a success. We will not accept that they are set up and then abandoned by the Crown. Instead, we seek a commitment that there will be funding available to support the co-management groups (including Kāi Tahu participation), Kāi Tahu rangers, enable restoration work, research and mātauraka wānanga to take place and any other matters that the co-management groups consider appropriate. 9(2)(g)(i)
9(2)(g)(i)
- Kāi Tahu rangers – The draft advice fails to commit to a particular number of Kāi Tahu rangers being established. However, with 9(2)(g)(i)
9(2)(g)(i) a pool of funding for managing these reserves, we are comfortable that we will have the ability to develop and establish the required Kāi Tahu ranger coverage and operational activities early in the MPA implementation.

Finally, we appreciate the consideration that the Department has given to the impact that these reserves may have on our application for customary marine title. For the avoidance of doubt, we request that the following statement is included in the Minister's decision making document:

"That the proposed marine reserves are unlikely, and are not intended, to pre-empt or negatively impact on the Ngāi Tahu Whānui application for customary marine title".

We consider that this is not a substantial change from the text included in the draft advice but provides additional clarity on this matter and potentially reducing the impact on our application.

We also note that this advice only covers part of the full SEMP package. It has been difficult to form a Kāi Tahu position on this advice, without the full knowledge of the proposal for the

Type 2 and kelp protection area. Our view of these proposals is based on our understanding of the proposals for the Type 2 and kelp protection areas from November 2021. Any significant changes to these proposals may impact our ability to support the SEMP package as a whole.

I would encourage your team to continue to engage with our Strategy and Influence team if you have any questions regarding this feedback. We will also be seeking an opportunity to meet with the Minister of Conservation (and the Minister for Oceans and Fisheries given his concurrence role) to share our views on the proposal directly with her prior to her decision making.

Thank you again for the opportunity to provide feedback on your draft advice. We have valued the engagement that we have had on this kaupapa and we look forward to continuing to work together as the Minister makes her decision and the reserves are implemented.

Ngā mihi

9(2)(a)

Lisa Tumahai
Kaiwhakahaere

9(2)(a)

9(2)(a)
Deputy Kaiwhakahaere
Chair, Kati Huirapa Rūnaka Ki
Puketeraki

9(2)(a)

9(2)(a)
Chair, Te Rūnanga o Ōtakou

9(2)(a)

9(2)(a)
Kaiwhakahaere, Te Rūnanga o Moeraki

9(2)(a)

9(2)(a)
Chair, Te Rūnanga o Waihao

9(2)(a)

9(2)(a)
Kaiwhakahaere, Te Rūnanga o Awarua

9(2)(a)

9(2)(a)
Chair, Te Rūnanga o Arowhenua

Attachment 10 – Ngai Tahu letter to Ministers, 13 December 2022



Te Rūnanga o NGĀI TAHU

13 December 2022

Hon David Parker
Minister for Oceans and Fisheries
By email: d.parker@ministers.govt.nz

Hon Poto Williams
Minister of Conservation
By email: p.williams@ministers.govt.nz

E ngā Minister, tēnā korua

SOUTH EAST MARINE PROTECTION PROPOSALS

We understand that both of you will be receiving advice from your respective officials in the new year on the South East Marine Protection Proposals.

This is an important kaupapa and it has taken a lot of work to reach this point. We have engaged in good faith throughout the last eight years and remain committed to finding a solution that works for both te Tiriti partners, including enabling us to express our kaitiaki responsibilities.

We seek an opportunity to discuss these proposals with you both prior to you making any decisions.

We have appreciated the opportunity to provide feedback to the Department of Conservation on their draft advice and welcome the opportunity to do the same with the Fisheries New Zealand advice. However, given the importance of this kaupapa, we would like to be able to discuss it directly with you both prior to any decisions being made.

While we understand that the Fisheries New Zealand advice on the Type 2 and Kelp Protection Area is on a slower track, we consider that there is value in meeting with both of you together, given the concurrence role that the Minister of Oceans and Fisheries has on the Type 1 reserves and the connections between the two parts of the network.

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Website: www.ngaitahu.iwi.nz

We will look forward to hearing from you as to when might suit to hui in the New Year. In the meantime, we have asked our kaimahi to continue to engage with your officials to in the spirit of te Tiriti.

Nāhaku noa, nā

9(2)(a)

Lisa Tumahai
Kaiwhakahaere

Cc: Rino Tirikatene, Parliamentary Under-Secretary for Oceans and Fisheries

Attachment 11 – Ngāi Tahu letter to Ministers, 15 December 2021



Te Rūnanga o NGĀI TAHU

15 December 2021

Hon. David Parker
Minister for Oceans & Fisheries
By email: d.parker@ministers.govt.nz

Hon. Kiritapu Allan
Minister of Conservation
By email: k.allan@ministers.govt.nz

E ngā Minita, tēnā kōrua

SOUTH EAST MARINE PROTECTION NETWORK PROPOSALS

Thank you for meeting with our representatives on 30 November to discuss the South East Marine Network Proposals ("Proposals"). It was a valuable opportunity to discuss these Proposals and present our views.

We remain committed to working in good faith with the Crown on this kaupapa. It has taken a lot of work on both sides to reach this point and good progress has been made. While there are still points of disagreement remaining, we want to find solutions which are acceptable for both Ngāi Tahu and the Crown.

As we stated in the meeting, we expect that these Proposals, and the resulting displacement, will impact on our commercial and customary non-commercial rights and interests. As a result, we are seeking a package of measures that addresses the displacement of recreational and commercial fishing effort (addressing the biological impacts of Marine Protected Area (MPA) establishment), provides opportunities for us to exercise our kaitiaki responsibilities and rangatiratanga, and to uphold our mana.

In the hui, we outlined the package of measures that we consider would achieve this (see attached). We are seeking that these measures are either agreed to as part of the decision making on the Proposals, or that we receive written commitment from Ministers that these matters will be addressed immediately afterwards.

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. We look forward to hearing from you when you have considered this package further.

To maintain momentum, we propose that we meet again in April 2022 to discuss these Proposals and remaining issues. In the meantime, we have asked our kaimahi to continue to engage with your officials to identify solutions to the remaining issues, where possible.

Nāhaku noa, nā

9(2)(a)

Lisa Tumahai

Kaiwhakahaere

Cc: Rino Tirikatene, Parliamentary Under-Secretary for Oceans and Fisheries

9(2)(a)

Deputy Kaiwhakahaere and Chair, Kati Huirapa Rūnaka Ki Puketeraki

9(2)(a)

Upoko, Te Rūnanga o Moeraki

9(2)(a)

Upoko, Te Rūnanga o Ōtākou

9(2)(a)

Te Rūnanga o Ngāi Tahu representative of Awarua Rūnanga

9(2)(a)

Chair, Te Rūnanga o Arowhenua

9(2)(a)

Upoko, Te Rūnanga o Arowhenua

9(2)(a)

East Otago Taiāpure Management Committee Chairman and Puketeraki

Tangata Tiaki

9(2)(a)

East Otago Taiāpure Management Committee member and Puketeraki Tangata

Tiaki

Mō tātou, ā, mō kā uri ā muri ake nei.

For us and our descendants after us.

South East Marine - Summary of Package Sought on 30 November 2021

Papatipu Rūnanga are seeking written Ministerial commitments that the following matters will be addressed (either before or immediately after the establishment of the marine protected areas):

D1 Boundary

- Boundary amended to yellow or orange areas (see attached map)

Rebalancing the environmental impacts/displacement

- Reduce recreational allowance for PAU5D from 22t to 10t
- Supporting measures to manage recreational take
 - Bag limit of 5 per person
 - New accumulation limits (10 pāua or 1.25kg – like Canterbury)
 - Vehicle/vessel limits (20 pāua)
 - Minimum legal size review
 - Seasonal closures, if required
 - Recreational reporting or tagging system to identify harvest levels

Rebalancing the economic impacts

- Nothing further required, if the D1 boundary change and recreational allowance for PAU5 is agreed to.

Addressing the customary impacts

- Co-governance and co-management, including joint decision-making
- 6 Kaitiaki Rangers including funding and operational support
- Ability to take from MPAs for wānanga purposes
- Proposed legislative change to mātaītai and taiāpure passed
- Continued 9(2)(g)(i) access for Undaria control harvesting under the existing MPI permit

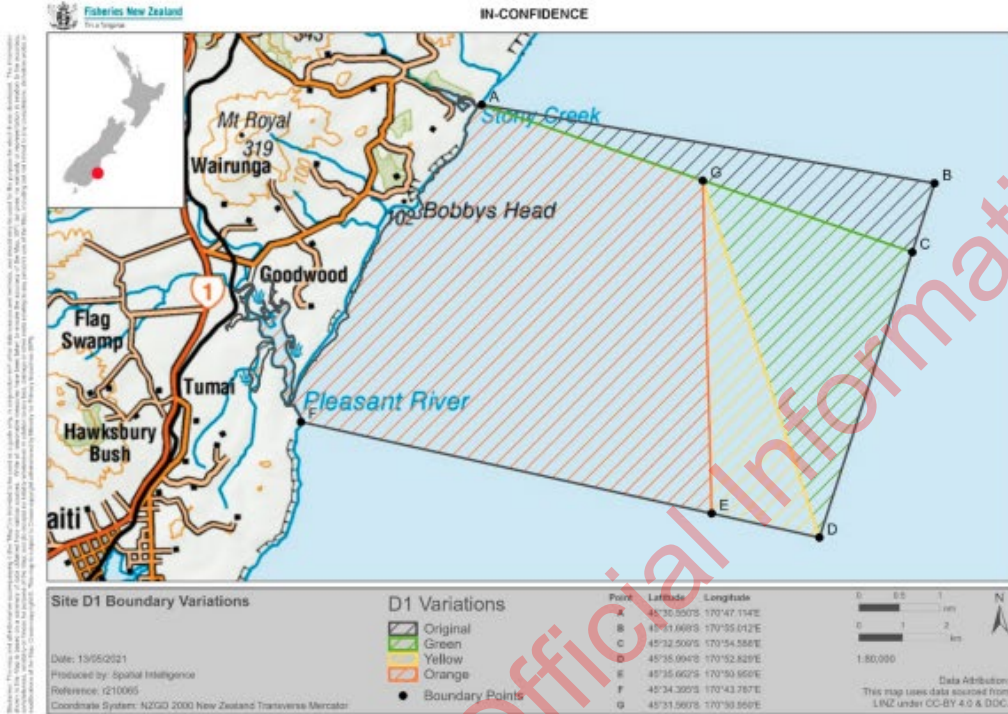
Periodic and generational review

- Periodic (5 yearly) reviews using science and wānanga
- Full generational review initiated no later than 25 years after establishment
- Generational review undertaken earlier if periodic reviews suggest it is necessary.

Interaction with the Marine and Coastal Area (Takutai Moana) Act 2011

- Ensuring that the Proposals do not preempt or negatively impact on our application for customary marine title.

D1 Boundary Variations





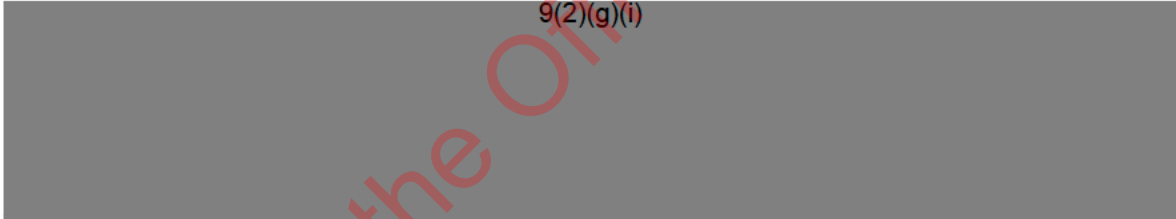
Briefing: Reallocation of Vote Conservation funding for Southeast Marine Protection

To	Minister of Conservation	Date submitted	2 August 2023
Risk Assessment	<p>Medium</p> <p>Two funding options are presented; each would have impacts on the funding of other initiatives. However not approving funding would create significant risks to the Southeast Marine Protection initiative, including Treaty partner relationship risks.</p>	Priority	High
Reference	23-B-0335	DocCM	DOC-7401179
Security Level	In Confidence		
Action sought	<p>Note the two funding options for implementation for SEMP initiative and confirm which reprioritisation option will be used to fund SEMP implementation.</p> <p>Approve required adjustments to Vote Conservation appropriations to give effect to the preferred option.</p> <p>Refer this briefing to the Minister of Finance for his approval or noting, as appropriate.</p>	Timeframe	7 August 2023
Attachments	No attachments		
Contacts			
Name and position			Cell phone
Anna Cameron, Senior Manager, Office of Regulatory Services			9(2)(a)
Kathryn Blakemore, Team Lead Marine Protection			
Martin Goodyear, Senior National Management Accountant			

RECEIVED

2 AUG 2023

Executive summary – Whakarāpopoto ā kaiwhakahaere

1. A network of marine protected areas (MPAs) is proposed in the southeast of the South Island (Southeast Marine Protection network, SEMP). Decisions on the proposals will be made by you (for proposed marine reserves) and Minister for Oceans and Fisheries (for proposed fisheries measures). These decisions have not been made yet.
2. If the Ministers' decisions are to approve the proposed marine protection, funding is required to ensure the network of marine protected areas is successfully implemented. This briefing seeks decisions on reprioritising funds within Vote Conservation to secure this funding for the DOC and 'co-management' costs.
3. SEMP is estimated to cost \$8.705m over four years, including co-management, with ongoing annual costs of approximately \$2.239m. Of the \$8.705m, \$7.795m (\$6.962m operating and \$0.833m capital funding) is for the DOC and co-management costs and therefore dealt with in this briefing.
4. You have signalled two options for funding SEMP implementation operating and capital costs through reprioritisation (23-B-0299 refers), which are, **either**:
 - **Marine protection funding (Option 1 - preferred)**: Subject to Ministerial decisions on the next steps for the Kermadec Ocean Sanctuary ('the Sanctuary') proposal, reallocate \$6.962m operating and \$0.833m capital marine protection funding from the Sanctuary proposal, into the SEMP initiative, **or**
 - **Predator Free 2050 funding (Option 2)**: Reallocating \$7.878m operating funding from the Budget 2022 Predator Free 2050 implementation, into the SEMP initiative. This would include an operating to capital swap of \$0.833m in the 2024/25 year, which would require approval by the Minister of Finance.
5.  9(2)(g)(i)
6. However, both of the reprioritisation options outlined above also carry risks:
 - Reallocating marine protection funding from the Kermadecs Sanctuary to SEMP is only viable if Ministers take a decision to stop, scale down or pause the Sanctuary. If it is subsequently decided to proceed with the Sanctuary proposal, then DOC and Ministers would need to make further reprioritisations within existing baselines.
 - Predator Free 2050 is a highly visible programme. Reducing previously announced funding carries significant risk of negative reaction from stakeholders and the public. The Government has made national and international commitments to manage the impacts of invasive species to reverse biodiversity decline. Media attention would likely focus on whether sufficient focus and funding is in place to support achieving these commitments. As set out below, this option is not preferred by the Department.
7. This briefing seeks:
 - your decision about which is your preferred option; and
 - your approval of the required adjustments to Vote Conservation appropriations to give effect to the preferred option.

We recommend that you ... (Ngā tohutohu)

		Decision					
		Minister of Conservation	Minister of Finance				
a)	Note that implementing the Southeast Marine Protection (SEMP) network is estimated to cost \$8.705 million over the first four years, based on revised implementation timing, including Fisheries New Zealand (FNZ) and co-management costs.	<input checked="" type="radio"/> Noted	Noted				
b)	Note that the funding options below are to meet the DOC and co-management costs (\$7.795 over four years, \$1.999m in outyears).	<input checked="" type="radio"/> Noted	Noted				
c)	Agree to fund the full DOC and co-management implementation costs through reprioritisation, as set out in recommendations d) and e) below.	<input checked="" type="radio"/> Yes / No	Noted				
Reprioritisation options							
d)	EITHER – Marine protection funding reprioritisation (Option 1) Agree to fund SEMP implementation costs through reallocating \$6.962m operating and \$0.833m capital marine protection funding from the funding currently set aside for the Kermadec Ocean Sanctuary (the Sanctuary), subject to discussion with the Minister for the Environment on next steps for the Sanctuary proposal.	First preference <input checked="" type="radio"/> Yes / No	Noted				
e)	OR – Predator Free 2050 implementation funding reprioritisation (Option 2) i. Agree to fund SEMP implementation operating costs through reallocating \$7.045m Budget 2022 operating funding from Predator Free 2050. ii. Agree to fund SEMP implementation capital costs through reallocating \$0.833m Budget 2022 operating funding from Predator Free 2050. iii. Agree to a fiscally neutral operating to capital swap to provide for SEMP implementation capital costs, with the following impacts on the operating balance and net core Crown debt:	If can't do Option 1, then Option 2. <input checked="" type="radio"/> Yes / No <input checked="" type="radio"/> Yes / No <input checked="" type="radio"/> Yes / No	Yes / No Yes / No Yes / No				
		<table border="1"> <thead> <tr> <th>Vote Conservation</th> <th>2024/25 \$m – increase/ (decrease)</th> </tr> </thead> <tbody> <tr> <td>Operating Balance and Net Core Crown Debt Impact</td> <td>(0.833)</td> </tr> </tbody> </table>		Vote Conservation	2024/25 \$m – increase/ (decrease)	Operating Balance and Net Core Crown Debt Impact	(0.833)
Vote Conservation	2024/25 \$m – increase/ (decrease)						
Operating Balance and Net Core Crown Debt Impact	(0.833)						

Net Core Crown Debt Only Impact	0.833		
Total	-		
iv. Approve the following changes to appropriations and departmental capital injections to give effect to the swap in recommendation iii above:		<input checked="" type="radio"/> Yes <input type="radio"/> No	Yes / No
Vote Conservation	2024/25		
Minister of Conservation	\$m – increase/ (decrease)		
Departmental Output Expense: Management of Natural Heritage (funded by revenue Crown)	(0.833)		
Department of Conservation: Capital Injection	0.833		
Total Operating	(0.833)		
Total Capital	0.833		
v. Agree that the proposed changes to appropriations and departmental capital injection for 2024/25 above be included in the 2023/24 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply.		<input checked="" type="radio"/> Yes <input type="radio"/> No	Yes / No

Date: 01 /08/2023

Marie Long
Deputy Director-General, National
Operations and Regulatory Services
For Director-General of Conservation

Hon Willow-Jean Prime
Minister of Conservation

Date: 3 / 8 / 2023

Hon Grant Robertson
Minister of Finance

Date: / /

Purpose – Te aronga

1. This briefing seeks your funding decision and approval of appropriation changes within Vote Conservation, to fund the implementation of the Southeast Marine Protection initiative.

Background and context – Te horopaki

2. The Southeast Marine Protection initiative (SEMP) has been a Government priority since 2014. SEMP proposes a network of 12 marine protected areas ('MPAs') between Timaru and The Catlins. The proposed network includes six marine reserves (404 km², or 4.5% of the region) that provide the highest level of biodiversity protection; five areas where, at a minimum, bottom impacting methods of fishing (e.g., trawling and dredging) are prohibited (Type 2 MPAs, 862 km² or 9.7% of the region); and a kelp protection area.
3. Following statutory consultation in 2020, and extensive Treaty partner engagement prior to and since then, the Department of Conservation (DOC) and Fisheries New Zealand (the Agencies) have prepared advice to support Minister's decision-making under the Marine Reserves Act 1971 and Fisheries Act 1996. DOC's advice was delivered to the Minister of Conservation (MOC) in early July, and Fisheries New Zealand are in the final stages of preparing their advice. Ministerial decisions on the proposals have not yet been made.
4. 9(2)(g)(i)
9(2)(g)(i) This includes funding for the Agencies' routine management activities (e.g. compliance, signage, monitoring, research) and funding to support implementation of proposed co-management and rebalancing measures that have been developed with Ngāi Tahu
5. To fit within the NRC Budget 2022 envelope, the marine protection package was scaled and DOC received \$14.57m over four years to fund SEMP, Revitalising the Gulf and the Kermadec Ocean Sanctuary ('the Sanctuary'). The remainder needed to fund the initiatives was to be met through existing baselines.
6. Of the \$14.57m received by DOC, nearly \$12m was allocated to the Sanctuary initiative, leaving \$2.73m to fund Revitalising the Gulf and SEMP. This amount was insufficient to fund implementation of either initiative.
7. Subsequently, several new elements of the Sanctuary proposal were agreed through negotiations and the previous MOC agreed to reallocate the remaining \$2.73m to cover these additional Sanctuary costs (22-B-0669 refers).
8. Given that SEMP remains a Government priority, MOC requested advice on reprioritisation options to provide funding for implementation of SEMP. This advice was delivered earlier in July 2023 (23-B-0299 refers) and as an outcome MOC directed that the preferred options for funding SEMP are firstly, reallocation of Kermadec Ocean Sanctuary funding, or secondly, reallocation of Budget 2022 funding provided for implementation of the Predator Free 2050 strategy.
9. This briefing sets out the potential impacts of reallocating funding under these two options and the appropriation changes that would be required to implement each option. Finally, the briefing seeks your decision of which option to adopt and your approval of the required changes to Vote Conservation appropriations.

Estimated funding requirements for implementation of SEMP

10. SEMP is estimated to cost \$8.705m over four years, including co-management, with ongoing annual costs of approximately \$2.239m. Of the \$8.705m, \$7.795m (\$6.962m operating and \$0.833m capital funding) is for the DOC and co-management costs (Table 1).

11. DOC considers the implementation of co-management measures applies across the network, and therefore should be the responsibility of both DOC and FNZ (and possibly some contribution from Ngāi Tahu). However, the funding options in this briefing account for all of the DOC and co-management costs in the interests of securing funding to allow the statutory processes to continue.

Table 1: Total SEMP operating and capital funding need (excluding FNZ costs)

Total SEMP costs (excluding FNZ), \$m	2023/24	2024/25	2025/26	2026/27 & outyears	Total 4-year cost
Total operating costs	0.519	2.384	2.059	1.999	6.962
<i>DOC operating</i>	0.159	0.668	0.603	0.603	2.033
<i>Co-management operating</i>	0.360	1.716	1.457	1.397	4.929
Total capital costs	0.000	0.833	0.000	0.000	0.833
<i>DOC capital</i>	0.000	0.588	0.000	0.000	0.588
<i>Co-management capital</i>	0.000	0.245	0.000	0.000	0.245
Total costs (excluding FNZ)	0.519	3.217	2.059	1.999	7.795

12. The remainder of the costs (\$0.810m operating and \$0.100m capital funding over four years) are FNZ costs and are not dealt with in this briefing.

Development of Vote Conservation reprioritisation options

13. DOC continues to face significant cost pressures, 9(2)(g)(i) as well as the ongoing impacts of severe weather events like Cyclone Gabrielle. While Budgets 2022 and 2023 included new funding which goes some way to address 9(2)(g)(i) and covers the immediate impacts of Cyclone Gabrielle, DOC still faces average annual cost pressures of \$20m - \$25m (excluding uncosted potential liabilities such as Ruapehu Alpine Lifts or The Chateau Tongariro) and significant weather-related rebuild and maintenance costs.
14. As directed by Cabinet, MOC has already made significant reprioritisation decisions within Vote Conservation to fund the Government's flagship marine protection proposal, Revitalising the Gulf. While these funding decisions will enable the NRC to deliver against its goal/outcome for marine protection, they result in a commensurate reduction in the Budget 2022 funding provided to deliver the Predator Free 2050 Strategy, which is critical to slowing New Zealand's biodiversity decline. Further reprioritisation of this funding will materially impact on DOC's ability to contribute to the NRC outcomes agreed through Budget 2022 and the goals of Te Mana o Te Taiao.
15. As a result of no new funding being available for implementation of the SEMP network and the cost pressures outlined above, DOC will only be able to meet the additional costs that would arise from the SEMP implementation by reprioritising funding within existing baselines.

Reprioritisation Options

16. Consistent with our previous advice on reprioritisation (23-B-0198 refers), we have identified reprioritisation options that relate to areas where DOC has received a recent

uplift (i.e. Budget 2022 funding) and where we consider services and outputs can be stopped or reduced without stopping whole work programmes or causing redundancies. Reducing non-personnel funding in our other operating functions has been ruled out in light of the ongoing impacts of Cyclone Gabrielle. This approach is in line with the Treasury's advice that Ministers should reprioritise Budget 2022 funding unless other savings options are preferable.

17. Given you are seeking to make a decision on SEMP marine reserves as soon as possible, we have assumed that full funding from within Vote Conservation is required to meet the DOC and co-management costs.
18. On that basis, MOC signalled preference for two options for funding SEMP implementation operating and capital costs through reprioritisation, which are, **either**:
 - **Marine protection funding (Option 1)**: Subject to Ministerial decisions on the next steps for the Sanctuary proposal, reallocate \$6.962m operating and \$0.833m capital marine protection funding from the Sanctuary proposal, into the SEMP initiative, **or**
 - **Predator Free 2050 funding (Option 2)**: Reallocating \$7.795m operating funding from the Budget 2022 Predator Free 2050 implementation, into the SEMP initiative. This would include an operating to capital swap of \$0.833m in the 2024/25 year, which would require approval by the Minister of Finance.
19. While either option identified above has implications for the work programmes that the funding was initially allocated for (discussed below), there are significant conservation outcomes to be achieved through the implementation of SEMP. In addition, there are reputational risks with Treaty partner Ngāi Tahu and the New Zealand public if, after nine years of collaborative work, the SEMP proposals were not progressed.

Reprioritisation options and impacts – reallocation within Vote Conservation

20. There are two options being presented to fund SEMP implementation through reprioritisation within Vote Conservation. The Minister of Conservation was previously briefed on these options (23-B-0299 refers).

Option 1 (preferred): Reallocation of Budget 2022 marine protection funding from the Kermadec Ocean Sanctuary proposal to SEMP implementation

21. Option 1 would reallocate \$6.962m operating and \$0.833m capital marine protection funding from the Sanctuary proposal.
22. The next steps for the Sanctuary proposal are currently unclear, following a vote against the proposal from Te Ohu Kaimoana. This means that Option 1 is only viable if Ministers take a decision to stop, scale down or pause the Sanctuary, making the funding available for reallocation. If it is subsequently decided to proceed with work on the Sanctuary proposal, then DOC and Ministers would need to make further reprioritisations within existing baselines, given that no new funding is available for the marine protection initiatives funded in Budget 2022.
23. However, Option 1 would represent a straightforward reallocation of existing marine funding from one priority to another and continuing to support the same wider conservation outcomes for marine biodiversity. For this reason, reprioritisation of funding for the Sanctuary proposal is the preferred option.
24. If approved, the SEMP network would almost double the area currently protected as marine reserves around mainland New Zealand (~485 km² currently protected, increased to ~894 km²). As a network, the proposed sites would provide protection to many of the region's habitat types and contribute to the marine-related goals in Te Mana

o Te Taiao. It could also demonstrate a strong Crown-Māori partnership and effective co-management in action.

Option 1 Funding Impacts

25. Through Budget 2022, \$14.570m was provided over four years for Vote Conservation under the *Implementation of marine protection and localised management actions* initiative. As discussed above, all of this money has been allocated to support implementation of the Sanctuary, including the portion (\$2.732m operating funding) originally allocated to SEMP and Revitalising the Gulf.

Option 1: Marine protection funding, \$m	2022/23	2023/24	2024/25	2025/26	Total 4-years	2026/27 & outyears
Operating funding						
Departmental	0.570	1.949	6.881	2.647	12.047	2.647
Potential SEMP reprioritisation option	0.000	0.519	2.384	2.060	4.963	1.999
Remaining operating funding	n/a	1.430	4.497	0.587	7.084	0.648
Capital funding						
Total capital funding	0.000	0.000	2.185	0.000	2.185	0.338
Potential SEMP reprioritisation option	0.000	0.000	0.833	0.000	0.833	0.000
Remaining capital funding	0.000	0.000	1.352	0.000	1.352	0.338

26. In terms of appropriations, the Budget 2022 initiative added \$12.047m of operating funds into the Departmental Output expense appropriation Management of Natural Heritage and \$2.523m into Departmental Capital Expenditure.

27. This option would reallocate \$7.795m of this funding out of the Sanctuary and into implementation of SEMP, made up of \$6.962m of operating funding and \$0.833m of capital funding. The value, scope and allocation of the existing appropriations would allow funds to be reallocated between the projects (Sanctuary and SEMP) without any requirement for changes to appropriations.

28. As noted above, further reprioritisation decisions would need to be made if Ministers decide to reactivate the Sanctuary proposal at some future date.

Option 1 Conservation Impacts

29. Assuming Ministerial decisions see SEMP progressed as proposed, reallocating the Sanctuary funding to support SEMP implementation would:

- Support the establishment of new MPAs along the Otago coastline, significantly enhancing New Zealand's national MPA network and almost doubling the area currently protected as marine reserves around mainland New Zealand.
- Reduce funding available for any future efforts to further protect the EEZ area around the Kermadec Islands (to build on existing benthic protection and marine reserve).
- Carry public perception risks, [REDACTED] 9(2)(g)(i)

[REDACTED] 9(2)(g)(i)

30. Existing protection in the EEZ around the Kermadec Islands includes a Benthic Protection Area and current catch limits, which are zero or near-zero for all Quota Management System species. As this protection would remain, there is no immediate risk to biodiversity in the Sanctuary area. However, achieving the longer-term security of the values associated with the Sanctuary area (including biodiversity of global significance) would require funding to be reprioritised within baselines if this portion of the current funding is reprioritised to SEMP, and the Sanctuary progresses.

Option 2: Reallocation of funding from Budget 2022 Collective Delivery of the Predator Free 2050 Strategy to SEMP implementation

31. Budget 2022 provided an additional \$63.585m over four years, for collective delivery of the Predator Free 2050 Strategy. This was part of a wider initiative by the NRC to implement Te Mana o Te Taiao/Aotearoa New Zealand Biodiversity Strategy.
32. This option would reallocate \$7.878m of this Budget 2022 funding from Predator Free 2050 delivery and into implementation of SEMP.
33. This option would impact the ability of Predator Free 2050 to deliver strategic priorities, which include predator eradication on Auckland Island and Rakiura/Stewart Island, Predator Free South Westland, community-led projects and the science and technology development which is an essential part of preparing for the planned step change in the scale of predator control. For this reason, reprioritisation of Predator Free 2050 funding is not the preferred option.

Option 2 Funding Impacts

34. In terms of appropriations, the Budget 2022 initiative added \$61.565m of operating funds into the Departmental Output expense appropriation Management of Natural Heritage over four years, and \$2.020m into Departmental Capital Expenditure.
35. The additional funding for capital expenditure is fully committed within the Predator Free programme, and so this option would reallocate \$7.878m of operating funding from the Predator Free programme, with \$7.045m allocated to operating expenses¹ for the SEMP initiative and \$0.833m allocated (via an operating to capital swap) to SEMP capital expenditure. This swap would require Joint Ministers approval.
36. However, as the Minister of Conservation has already agreed to reprioritise \$10.415m over four years (\$3.505m ongoing annual cost) from Predator Free 2050 to Revitalising the Gulf (Sea Change), this option could have significant implications for existing work to ramp up Predator Free 2050 Strategy delivery.

Option 2: Budget 2022 Predator Free 2050 operating funding, \$m	2022/23	2023/24	2024/25	2025/26	Total 4-year costs	2026/27 & outyears
Operating funding agreed through B22	2.970	8.435	25.080	25.080	61.565	25.080
Reprioritisation to Sea Change (23-B-0049)	0.000	0.000	3.405	3.505	6.910	3.505
Remaining B22 Predator Free 2050 funding	2.970	8.435	21.675	21.575	54.655	21.575

¹ This amount includes depreciation and maintenance costs and 5% for capital charge related to operating to capital funding swap.

Potential reprioritisation to SEMP	0.000	0.519	3.217	2.101	5.837	2.041
Remaining B22 Predator Free 2050 funding	2.970	7.916	18.458	19.474	48.818	19.534

37. For example, the full amount of Predator Free funding for 2023/24 has already been pre-committed either through contracts or commitments made to other projects such as South Westland. The funding is also paying for permanent positions in DOC which are required to support ongoing delivery of this programme.
38. Further reprioritisation will impact the ability of Predator Free 2050 to deliver strategic priorities for 2025-2030, particularly our ability to extend support to key community led Predator Free projects to maintain the gains and outcomes made when Jobs for Nature funding comes to an end. This will likely result in loss of community engagement and social licence. This is an essential part of supporting readiness for a step change in the scale of predator control which we expect to begin rolling out across New Zealand from 2030.

Option 2 Conservation Impacts

39. Possums, rats and mustelids (weasels, stoats and ferrets) are responsible for the deaths of an estimated 25 million birds each year. The Budget 2022 Predator Free 2050 investment is targeted to the eradication of these predators. Reducing funding for landscape scale eradication reduces our ability to address the decline in biodiversity.
40. However, as noted above under the impacts for Option 1, these conservation impacts will be mitigated through achieving comparable conservation outcomes from the establishment of six new marine reserves.

Risk assessment – Aronga tūraru

41. [Redacted] 9(2)(g)(i)

42. [Redacted] 9(2)(h)

43. However, the reprioritisation options outlined above also carry risks:
- Reducing funding from the Sanctuary proposal will mean further reprioritisation is required if/when the proposal proceeds. There would also be public perception risk [Redacted] 9(2)(g)(i)
 - Predator Free 2050 is a highly visible programme, both within New Zealand and internationally. Reducing previously announced funding for this carries significant risk of negative reaction from stakeholders and the public and increased media attention. Criticism is likely to focus on New Zealand's ability to meet Predator Free conservation goals for pest control and international commitments under the Kunming-Montreal Global Biodiversity Framework (GBF) targets.

Treaty principles (section 4) – Ngā mātauranga Tiriti (section 4)

44. Treaty partner Ngāi Tahu have been extensively involved in SEMP since it was initiated by the Government in 2014. The Agencies have engaged with Ngāi Tahu over this time, and particularly since the proposals were formally notified in 2020. This engagement has led to the development of a suite of proposed measures to address the potential impacts of the proposed marine protection on Ngāi Tahu rights and interests.
45. DOC has acted in accordance with section 4 of the Conservation Act by giving effect to the principles of the Treaty, both through its process to date and the recommendations regarding the proposed marine reserves. It has also acted consistently with Ngāi Tahu's settlement legislation (23-B-0199 refers). Implementation of the proposed marine reserves (if approved) will require adequate funding in order for the Crown and DOC to demonstrably act in good faith with Ngāi Tahu.

Consultation – Kōrero whakawhiti

46. The Treasury was consulted on this advice.

Financial implications – Te hiraunga pūtea

47. The funding impacts of both options are outlined above. If SEMP implementation is funded through reprioritisation of funding allocated to the Sanctuary proposal, and the Sanctuary proposal progresses at a later date, funding would need to be found through further reprioritisation within current baselines.
48. If funding is not found for SEMP implementation, decisions on the proposed marine protection will be delayed.

Legislative implications – Te hiraunga a ture

49. We have provided separate advice to support your statutory decisions on progressing the proposed SEMP marine reserves (23-B-0199 refers), including the legal risks of not making decisions, of approving marine reserves with insufficient funding for implementation, and the risk of judicial review of any decisions you make.

50. 9(2)(g)(i)

51. Should you decide to declare any marine reserves, and concurrence is granted by the Minister for Oceans and Fisheries and the Minister of Transport, they will be enacted by Orders in Council.

Next steps – Ngā tāwhaitanga

52. Once you have decided on your preferred reprioritisation option for funding SEMP, we recommend that you copy this briefing to the Minister of Finance for his information and (if necessary) approval.
53. If you choose to adopt option 1 (reprioritisation of marine protection funding from the Kermadec Sanctuary proposal) you would refer the briefing to the Minister of Finance for his information and noting only.
54. If you choose to adopt option 2 (reprioritisation of Predator Free 2050 implementation funding) you will need to seek approval from the Minister of Finance for the required operating to capital swap.

ENDS

Item 13

Hon Willow-Jean Prime

MP for Northland

Minister of Conservation

Minister for Youth

Associate Minister for Arts, Culture and Heritage

Associate Minister of Health

Associate Minister of Statistics



Ref: 23-B-0363

Hon. Grant Robertson
Minister of Finance
g.robertson@ministers.govt.nz

Tēnā koe Grant,

Reprioritisation of Budget 2022 Natural Resource Cluster funding for implementation of new marine protection in the southeast of the South Island

My decisions have been sought on six new marine reserves proposed in the southeast of the South Island. The Southeast Marine Protection initiative (SEMP) has been a government priority since 2014. If approved, the SEMP network of marine protected areas would almost double the area currently protected as marine reserves around mainland New Zealand, advance marine protection goals in Te Mana o te Taiao – Aotearoa New Zealand Biodiversity Strategy 2020 and showcase effective Crown-Māori partnership in action.

I intend to make my decisions on the six proposed marine reserves shortly. If any of the marine reserves are approved, I have decided implementation costs will be funded through reprioritisation of the Budget 2022 Natural Resource Cluster allocation for Predator Free 2050 Strategy implementation.

This reprioritisation requires a fiscally neutral operating to capital swap to provide for SEMP implementation capital costs (refer paragraph 13 of Attachment A). This adjustment requires your approval and so I am seeking your consideration and decisions in the attached briefing (Attachment A).

As I wish to make my decisions on SEMP imminently, I would appreciate your response as soon as possible.

Nāku noa nā

Hon Willow-Jean Prime
Minister of Conservation

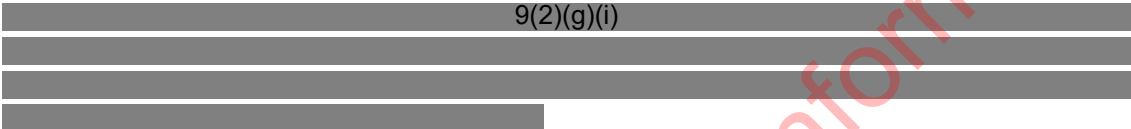



Encl. Attachment A – 23-B-0363 Reallocation of Vote Conservation Predator Free 2050 funding for Southeast Marine Protection



Briefing: Reallocation of Vote Conservation Predator Free 2050 funding for Southeast Marine Protection

To	Minister of Conservation	Date submitted	9 August 2023
Risk Assessment	Medium Not approving funding would create significant risks to the Southeast Marine Protection initiative, including Treaty partner relationship risks. However, reallocation from Predator Free 2050 Strategy funding will also have impacts.	Priority	High
Reference	23-B-0363	DocCM	DOC-7416076
Security Level	In Confidence		
Action sought	Approve required adjustments within Vote Conservation to reallocate Predator Free 2050 Strategy funding to SEMP implementation. Refer this briefing to the Minister of Finance to seek approval for the associated operating to capital swap.	Timeframe	14 August 2023
Attachments	Attachment A – Letter to Minister of Finance regarding funding reallocation for SEMP		
Contacts			
Name and position			Cell phone
Anna Cameron, Senior Manager, Office of Regulatory Services			9(2)(a)
Kathryn Blakemore, Team Lead Marine Protection			

Executive summary – Whakarāpopoto ā kaiwhakahaere

1. A network of marine protected areas (MPAs) is proposed in the southeast of the South Island (Southeast Marine Protection network, SEMP). Ministerial decisions on the proposals are imminent.
2. If Ministers decide to approve the proposals, implementation is estimated to cost \$8.705m over four years, with ongoing annual costs of approximately \$2.239m. This briefing focuses on the DOC and co-management cost component, which is estimated at \$7.795m (\$6.962m operating and \$0.833m capital funding). No new funding is available for this, so these costs need to be met within Vote Conservation in order for SEMP to proceed.
3. You have already indicated (23-B-0299 refers) that you would like to fund SEMP implementation through reprioritising either marine protection funding from the Kermadec Ocean Sanctuary proposal (first preference), or Predator Free 2050 Strategy funding (second preference).
4.  9(2)(g)(i)



5. As previously advised (23-B-0335 refers), funding SEMP implementation brings significant environmental and relationship benefits. However, reprioritisation of Predator Free 2050 funding carries risks that we will need to manage, which include negative reaction domestically and internationally, and reduced ability to meet conservation goals and international commitments.
6. The impact on Predator Free 2050 could be significantly reduced if Kermadec Ocean Sanctuary funding becomes available in the future and/or if Fisheries New Zealand (FNZ) agrees to contribute to SEMP's co-management costs.
7. This briefing seeks your approval to fund SEMP implementation by reallocating \$7.878m operating funding from the Budget 2022 Predator Free 2050 Strategy implementation into the SEMP initiative. This includes an operating to capital swap of \$0.833m in the 2024/25 year, which requires approval by the Minister of Finance. Subject to your decisions, we recommend you refer this briefing to the Minister of Finance for final approval.

Released under the Official Information Act

We recommend that you ... (Ngā tohutohu)

		Decision													
		Minister of Conservation	Minister of Finance												
a)	Note that implementing the Southeast Marine Protection (SEMP) network is estimated to cost \$8.705 million over the first four years, based on revised implementation timing, including Fisheries New Zealand (FNZ) and co-management costs.	<input checked="" type="checkbox"/> Noted													
b)	Note that the DOC and co-management costs of SEMP are \$7.795m over four years and \$1.999m in outyears.	<input checked="" type="checkbox"/> Noted													
c)	<p>Agree to fund the DOC and co-management costs of SEMP through reprioritisation of Budget 2022 Natural Resource Cluster funding allocated to Predator Free 2050 Strategy implementation, as follows:</p> <p>i. Agree to fund SEMP implementation operating costs through reallocating \$7.045m Budget 2022 operating funding from Predator Free 2050, with \$2.041m in outyears.</p> <p>ii. Agree to fund SEMP implementation capital costs through reallocating \$0.833m Budget 2022 operating funding from Predator Free 2050.</p> <p>iii. Agree to a fiscally neutral operating to capital swap to provide for SEMP implementation capital costs, with the following impacts on the operating balance and net core Crown debt:</p> <table border="1" data-bbox="295 1276 1085 1646"> <thead> <tr> <th>Vote Conservation</th> <th>2024/25 \$m – increase/ (decrease)</th> </tr> </thead> <tbody> <tr> <td>Operating Balance and Net Core Crown Debt Impact</td> <td>(0.833)</td> </tr> <tr> <td>Net Core Crown Debt Only Impact</td> <td>0.833</td> </tr> <tr> <td>Total</td> <td>-</td> </tr> </tbody> </table> <p>iv. Approve the following changes to appropriations and departmental capital injections to give effect to the swap in recommendation iii above:</p> <table border="1" data-bbox="295 1758 1085 2016"> <thead> <tr> <th>Vote Conservation Minister of Conservation</th> <th>2024/25 \$m – increase/ (decrease)</th> </tr> </thead> <tbody> <tr> <td>Departmental Output Expense: Management of Natural Heritage</td> <td>(0.833)</td> </tr> </tbody> </table>	Vote Conservation	2024/25 \$m – increase/ (decrease)	Operating Balance and Net Core Crown Debt Impact	(0.833)	Net Core Crown Debt Only Impact	0.833	Total	-	Vote Conservation Minister of Conservation	2024/25 \$m – increase/ (decrease)	Departmental Output Expense: Management of Natural Heritage	(0.833)	<p><input checked="" type="checkbox"/> Yes / No</p> <p><input checked="" type="checkbox"/> Yes / No</p> <p><input checked="" type="checkbox"/> Yes / No</p> <p><input checked="" type="checkbox"/> Yes / No</p> <p><input checked="" type="checkbox"/> Yes / No</p>	<p><input checked="" type="checkbox"/> Noted</p> <p><input checked="" type="checkbox"/> Noted</p> <p><input checked="" type="checkbox"/> Yes / No</p>
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Total Operating	(0.833)										
Total Capital	0.833										
	v. Agree that the proposed changes to appropriations and departmental capital injection for 2024/25 above be included in the 2023/24 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No								
d)	Note that DOC will aim to backfill Predator Free 2050 with any Kermadec Ocean Sanctuary underspend or following any future decision that makes Kermadec Ocean Sanctuary funding available.	<input checked="" type="checkbox"/> Noted									
e)	Note that DOC considers co-management a shared cost with FNZ. We will continue conversations with FNZ regarding their contribution to SEMP co-management costs. Any resulting savings to DOC will be allocated back to Predator Free 2050.	<input checked="" type="checkbox"/> Noted									
f)	Refer this briefing to the Minister of Finance for final approval.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No									

M. Long

Date: 09/08/2023

Marie Long
Deputy Director-General, National
Operations and Regulatory Services
For Director-General of Conservation

W. Prime

Date: 09/08/2023

Hon Willow-Jean Prime
Minister of Conservation

G. Robertson

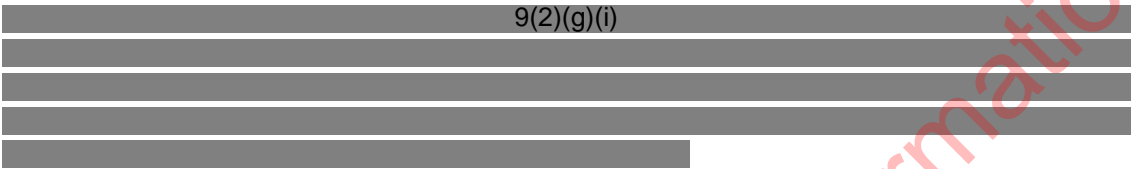
Date: 13/08/2023

Hon Grant Robertson
Minister of Finance

Purpose – Te aronga

1. This briefing seeks your approval of appropriation changes within Vote Conservation, to fund the implementation of the Southeast Marine Protection initiative by reallocating Predator Free 2050 funding.

Background and context – Te horopaki

2. SEMP proposes a network of 12 marine protected areas between Timaru and The Catlins. Following the recommendations of a Government-appointed community forum, extensive Treaty partner engagement and statutory consultation, Ministerial decision-making on the proposals is imminent.
3.  9(2)(g)(i)
4. There is no new funding available for SEMP implementation, so these costs would need to be met through reprioritisation within Vote Conservation to enable SEMP to proceed. We have previously advised you on reprioritisation options to meet these costs (23-B-0299 refers), which are limited given the significant cost pressures DOC is facing.
5. You signalled that your preferred options for funding SEMP are firstly, reallocation of Kermadec Ocean Sanctuary funding, or secondly, reallocation of Budget 2022 funding provided for implementation of the Predator Free 2050 strategy. As previously advised (23-B-0335 refers), both options would reduce what can be achieved in the associated work programmes and carry risks that will need to be managed.
6. There is uncertainty on next steps for the Kermadec Ocean Sanctuary. The Ministry for the Environment has confirmed Minister Parker's view that Kermadec Ocean Sanctuary funding reprioritisation is not an option right now and would likely require a Cabinet decision regarding next steps. To progress SEMP decision-making in a timely manner, reallocation of Predator Free 2050 funding is now the SEMP implementation funding pathway.
7. Therefore, this briefing seeks your approval of the required appropriation changes to enable Predator Free 2050 funding to be reallocated to SEMP implementation, should the proposed marine protection be approved (23-B-0199 refers).

Estimated funding requirements for implementation of SEMP¹

8. SEMP is estimated to cost \$8.705m over four years, including co-management, with ongoing annual costs of ~\$2.239m. Of the \$8.705m, \$7.795m (\$6.962m operating and \$0.833m capital funding) is for the DOC and co-management costs (Table 1).
9. The remainder of the costs (\$0.810m operating and \$0.100m capital funding over four years) are FNZ costs and are not dealt with in this briefing.

¹ The estimated funding requirements for implementation of SEMP have been provided in previous briefings (23-B-0232, 23-B-0335 refer).

Table 1: Total SEMP operating and capital funding need (excluding FNZ costs)

Total SEMP costs (excluding FNZ), \$m	2023/24	2024/25	2025/26	2026/27 & outyears	Total 4-year cost
Total operating costs	0.519	2.384	2.059	1.999	6.962
<i>DOC operating</i>	0.159	0.668	0.603	0.603	2.033
<i>Co-management operating</i>	0.360	1.716	1.457	1.397	4.929
Total capital costs	0.000	0.833	0.000	0.000	0.833
<i>DOC capital</i>	0.000	0.588	0.000	0.000	0.588
<i>Co-management capital</i>	0.000	0.245	0.000	0.000	0.245
Total costs (excluding FNZ)	0.519	3.217	2.059	1.999	7.795

Reallocation of Vote Conservation Predator Free 2050 Strategy funding

10. As previously advised, meeting SEMP implementation costs will require \$7.878m (over four years, with \$2.041m ongoing outyears costs) of Budget 2022 operating funding to be reallocated from Predator Free 2050 delivery. This includes an operating to capital funding swap to cover the \$0.833m SEMP capital costs in 2024/25 (Table 1), which requires approval from the Minister of Finance.

Impact on Predator Free 2050 Strategy funding

11. In terms of appropriations, the Budget 2022 initiative added \$61.565m of operating funds into the Departmental Output expense appropriation Management of Natural Heritage over four years (2022/23-2025/26), and \$2.020m into Departmental Capital Expenditure.
12. You have already agreed to reprioritise \$10.415m over three years (\$3.505m ongoing annual cost from 2027/28) from Predator Free 2050 to Revitalising the Gulf (Sea Change) from 2024/25. The additional reallocation for SEMP implementation would have additional significant implications for existing work to ramp up Predator Free 2050 Strategy delivery. The overall impact on Predator Free 2050 funding is set out in Table 2.

Table 2: Reallocations of Predator Free 2050 Budget 2022 funds to SEMP and Sea Change

Budget 2022 Predator Free 2050 operating funding, \$m	2022/23	2023/24	2024/25	2025/26	Total 4-year costs	2026/27 & outyears
Operating funding agreed through B22	2.970	8.435	25.080	25.080	61.565	25.080
Reprioritisation to Sea Change (23-B-0049)	0.000	0.000	3.405	3.505	6.910	3.505

Remaining B22 Predator Free 2050 funding	2.970	8.435	21.675	21.575	54.655	21.575
Potential reprioritisation to SEMP	0.000	0.519	3.217	2.101	5.837	2.041
Remaining B22 Predator Free 2050 funding	2.970	7.916	18.458	19.474	48.818	19.534

SEMP capital costs – operating to capital swap

13. Budget 2022 including some funding for capital expenditure for Predator Free 2050, however, this is fully committed and unavailable for reprioritisation. To meet the full SEMP implementation costs \$7.878m (over four years) of operating funding needs be reallocated, with \$7.045m allocated to operating expenses² and \$0.833m allocated (via an operating to capital swap) to SEMP capital expenditure. This swap requires Joint Ministers' approval.

Risk assessment – Aronga tūraru

14. [Redacted] 9(2)(g)(i)

15. [Redacted] 9(2)(h)

16. However, reprioritisation of Predator Free 2050 funding also carries risk. Predator Free 2050 is a highly visible programme, both within New Zealand and internationally. Reducing previously announced funding for this carries significant risk of negative reaction from stakeholders and the public and increased media attention. Criticism is likely to focus on New Zealand's ability to meet Predator Free conservation goals for pest control and international commitments under the Kunming-Montreal Global Biodiversity Framework targets.

17. [Redacted] 9(2)(g)(i)

18. For the reasons above, reprioritisation of existing marine protection funding was preferred. Subject to Ministerial decisions on the future of the Sanctuary proposal, we recommend that if this funding becomes available in the future it should be considered to offset the impact on Predator Free 2050.

² This amount includes depreciation and maintenance costs and 5% for capital charge related to operating to capital funding swap.

19. In addition, DOC considers the implementation of co-management measures applies across the proposed SEMP network, and therefore should be the responsibility of both DOC and FNZ (and possibly some contribution from Ngāi Tahu). We recommend further discussion with FNZ regarding their contribution towards co-management costs. Financial input from FNZ would reduce the amount DOC needs to contribute and, therefore, reduce the impact on Predator Free 2050.

Treaty principles (section 4) – Ngā mātāpono Tiriti (section 4)

20. Treaty partner Ngāi Tahu have been extensively involved in SEMP since it was initiated by the Government in 2014. DOC and FNZ have engaged with Ngāi Tahu over this time, and particularly since the proposals were formally notified in 2020. This engagement has led to the development of a suite of proposed measures to address the potential impacts of the proposed marine protection on Ngāi Tahu rights and interests.
21. DOC has acted in accordance with section 4 of the Conservation Act by giving effect to the principles of the Treaty, both through its process to date and the recommendations regarding the proposed marine reserves. It has also acted consistently with Ngāi Tahu's settlement legislation (23-B-0199 refers). Implementation of the proposed marine reserves (if approved) will require adequate funding in order for the Crown and DOC to demonstrably act in good faith with Ngāi Tahu.

Consultation – Kōrero whakawhiti

22. The Treasury was consulted on this advice.

Financial implications – Te hiraunga pūtea

23. The funding impacts and risks of reallocating Predator Free 2050 funding are outlined above.
24. If funding is not secured for SEMP implementation, decisions on the proposed marine protection will be delayed.

Legislative implications – Te hiraunga a ture

25. We have provided separate advice to support your statutory decisions on progressing the proposed SEMP marine reserves (23-B-0199 refers), including the legal risks of not making decisions, of approving marine reserves with insufficient funding for implementation, and the risk of judicial review of any decisions you make.
26. [REDACTED] 9(2)(g)(i) [REDACTED]
[REDACTED]
[REDACTED]
27. Should you decide to declare any marine reserves, and concurrence is granted by the Minister for Oceans and Fisheries and the Minister of Transport, they will be enacted by Orders in Council.

Next steps – Ngā tāwhaitanga

28. Subject to your decision on reprioritising Predator Free 2050 Strategy funding, we recommend referring this briefing to the Minister of Finance for his final approval with the draft letter provided (Attachment 1).
29. If you approve funding and depending on the outcome of your decisions under the Marine Reserves Act 1971 (23-B-0199 refers), we will prepare for implementation of any approved marine reserves.

ENDS
