



Briefing: Predator Free 2050 Limited – Statement of Performance Expectations 2024-25

To	Minister of Conservation	Date submitted	5 July 2024
CC	Minister of Finance		
Action sought	Agree to present Predator Free 2050 Limited's Statement of Performance Expectations 2024-25 to the House of Representatives	Priority	Normal
Reference	24-B-0312	DocCM	DOC-7679134
Security Level	In Confidence		

Risk Assessment	Low The expected performance outlined in the Statement of Performance Expectations will be subject to ongoing scrutiny.	Timeframe	26 July 2024
Attachments	Attachment A – Predator Free 2050 Limited – Statement of Performance Expectations 2024-25 s9(2)(f)(iv) [REDACTED]		

Contacts	
Name and position	Cell phone
Sia Aston, Deputy Director-General Public Affairs	s9(2)(a) [REDACTED]
Andrew Bichan, Acting Director Governance and Government Services	s9(2)(a) [REDACTED]
Grace Xu, Governance and Performance Manager	s9(2)(a) [REDACTED]

Executive summary – Whakarāpopoto ā kaiwhakahaere

1. On 25 June Predator Free 2050 Limited (**the Company**) provided you with its final Statement of Performance Expectations 2024-25 (**SPE**), having responded to the comments you provided on the draft SPE [24-B-0179 refers].
2. As the responsible Minister for the Company, you are required to present the Company's SPE (**Attachment A**) to the House of Representatives.
3. We consider the SPE is appropriate for you to present to the House and that there are no matters requiring action before doing so.
4. Your role as the responsible Minister includes overseeing the Company's performance. We have highlighted parts of the Company's response to your earlier comments and our understanding of the entity and the wider fiscal context, in particular:
 - the Company has increased its performance target for funding research and development ideas, aligned with its future strategic focus and
 - s9(2)(a) [REDACTED] However, the Company's running costs continue to rise as a proportion of its revenue, raising concerns about value for money.
5. With further Government scrutiny of public funding, the Company can be expected to be scrutinised on its spending, financial management, and value for money. Two reviews are planned for 2024-25 by the Auditor-General s9(2)(f)(iv) [REDACTED].
6. We will continue to seek information and ask questions about the Company's cost drivers and how these affect the sustainability of the Company, providing updated advice to you as necessary.

We recommend that you ... (Ngā tohutohu)

		Decision
	Agree to present Predator Free 2050 Limited's Statement of Performance Expectations 2024-25 to the House of Representatives	Yes / No
	Note DOC will seek further information from Predator Free 2050 Limited to understand its cost drivers and support the Minister of Finance's review.	Noted



Date: 05/07/2024

Sia Aston
Deputy Director-General Public Affairs
For Director-General of Conservation

Date: / /

Hon Tama Potaka
Minister of Conservation

Purpose – Te aronga

1. This briefing seeks your agreement to present Predator Free 2050 Limited's (**the Company**) Statement of Performance Expectations 2024-25 (**SPE**) to the House of Representatives.

Background and context – Te horopaki

2. Predator Free 2050 Limited is a Crown-owned charitable company, listed in Schedule 4A of the Public Finance Act 1989. It is the only entity in your conservation portfolio required to prepare a SPE each year under section 149C of the Crown Entities Act 2004 (**the Act**).
3. The SPE outlines the Company's annual financial and non-financial performance expectations, providing a base against which the Company's actual performance will be assessed.
4. The Company has considered your comments on its draft SPE [24-B-0179 refers].
5. On 25 June, the Company provided you with its final SPE (**Attachment A**).

The SPE is appropriate for presenting

6. The Company has revised the target for one performance measure in the draft SPE. The number of research and development ideas that will be funded has increased from two to eleven. We consider this a positive change to better support the future strategic focus.
7. You asked the Board to seek further opportunities to manage the Company cost drivers. s9(2)(g)(i) [REDACTED]
8. s9(2)(g)(i) [REDACTED] the Company's running costs continue to rise as a proportion of its revenue. This raises issues regarding:
 - the future financial sustainability of the Company as ongoing funding is decreasing
 - an increasing need across the public sector to demonstrate value for money
 - an increasing need for all public entities to respond to scrutiny of expenditure.
9. On balance, we consider the SPE appropriate for you to present to the House of Representatives and that there are no matters requiring action before doing so.
10. We will continue to seek information and ask questions about the Company's cost drivers and how these affect the sustainability of the Company, providing updated advice to you as necessary.

The Company, including its 2024-25 budget, will be subject to increasing scrutiny

11. Further to your comments to the Company on managing costs, two reviews have recently been advised that will likely include the Company.
 - The Auditor-General has recently announced that the Office of the Auditor-General will explore in more detail the value for money of public spending in 2024-25, including by public entities.
 - s9(2)(f)(iv) [REDACTED]

12. As the monitoring agency, we will support, where appropriate, the reviews of the Company's expenditure and/or value for money.

Risk assessment – Aronga tūraru

13. The scrutiny of public funding across the public sector will increase in 2024-25. We expect the Company will be further scrutinised on its spending, including questions regarding its value for money, business model, financial management and financial sustainability.

Next steps – Ngā tāwhaitanga

14. With your agreement we will work with your office to present the final SPE 2024-25 to the House of Representatives on your behalf.

ENDS

Proactively released