



Briefing: Scope of Budget 2025 submissions

To	Minister of Conservation	Date submitted	6 December 2024
Action sought	Approve the attached draft letter to the Minister of Finance after discussion with officials on Monday 9 December	Priority	High
Reference	24-B-0611	DocCM	DOC-7830734
Security Level	Budget Sensitive	Timeframe	9 December 2024
Risk Assessment	High - The options outlined in this briefing have significant reputational, relationship and contractual risks		
Attachments	Attachment A – Detailed assessment of all funding arrangements currently in scope for the 'Grants and Funds' submission Attachment B – Draft letter to the Minister of Finance Attachment C – Summary of impacts by funding package		

Purpose – Te aronga

1. To provide initial advice on your Budget 2025 submissions and a draft letter to the Minister of Finance on narrowing the scope of DOC's grants and funds submission and withdrawing the Molesworth Great Walk initiative from consideration in Budget 2025

Background and context – Te horopaki

2. The Minister of Finance wrote to you on 15 November 2024 inviting you to submit three initiatives for Budget 2025:
 - a review of the tagged contingency for Conservation Drinking Water Infrastructure;
 - savings options in relation to DOC's 'grants and funds'; and
 - a new funding initiative for a Great Walk at Waiau-toa/Molesworth.
3. On 2 December, you agreed to discuss two key aspects of this request with the Minister of Finance before finalising your response; the scope of the grants and funds submission and your desire to withdraw the Molesworth Great Walk submission.
4. This briefing provides you with further advice on these issues, and a draft letter for the Minister of Finance for your approval.

The arrangements in scope for the 'grants and funds' submission include formal agreements, contracts, or joint ventures for core conservation work

5. Earlier this year, the Treasury led a review of Government grants and funds. This review asked DOC to identify:

"funding arrangements between public entities and external parties designed to support an organisation or activity without directly purchasing goods or services or funding arrangements that directly purchase goods or services that have features consistent with grant funding"

6. In good faith, we identified \$26m per annum in funding arrangements as 'in scope' in response. This was based on all expenditure that could possibly be interpreted as falling within the definition. However, many of these funding arrangements are not 'discretionary funds or grants' but are akin to contracts with third parties or co-funding contributions to joint ventures to deliver core conservation work.
7. You have now been asked to identify low (\$12m p.a.) and high (\$24m p.a.) savings options based on the information we provided. Under the current scope, stopping these funding arrangements will in some cases create contractual risks, and in many cases could damage the Crown's reputation and relationship with key stakeholders and Treaty partners. In addition, several of these arrangements leverage significant third-party investment, providing a very strong value for money case for funding.

We recommend you write to the Minister of Finance seeking an amendment to the scope of the grants and funds included in DOC's submission

8. As set out in Attachment A, funding arrangements currently included in the submission can be grouped into:
- i. agreements, contracts and joint ventures for delivering specific conservation interventions
 - ii. contributions to research and databases
 - iii. contestable grants and funds (where external parties apply to DOC with various project proposals)
9. We consider that focusing the savings exercise on the contestable grants and funds is more aligned with the intent of the review and treats the conservation portfolio on the same footing as others. This would give a total value for grants and funds of approximately \$11.6m per annum, as opposed to the \$26m currently in scope.
10. We have drafted a letter to the Minister of Finance attached at Attachment B, which seeks her agreement to scale your savings packages based on this scope rather than the current scope.
11. As previously agreed with you, we have also included a request in the draft letter to the Minister of Finance to withdraw the Molesworth Great Walk submission on the basis that it does not represent good value for money.

We are preparing savings options based on the proposed scope (options 1 and 2) and original scope (options 3 and 4) of the grants and funding review

12. Attachment C sets out our proposed savings options, and the key risks of each approach, including:
- Option 1: the low option for a rescoped package (3m)
 - Option 2: high option for the rescoped package (5.8m)
 - Option 3: low option for the current scope package (11.98m)
 - Option 4: high option for the current scope package (23.245m)

13. We wish to discuss these with you on Monday 9 December 2024, before you send the letter to the Minister of Finance.
14. Even if the Minister agrees to the revised scope for the submission, there will still be significant impacts for Government to consider under both the low and high options. Saving \$5.8m (50% of DOC's total contestable funds) will remove large portions of these funds once contractual commitments are factored in. This will impact our ability to incentivise third party involvement in conservation, which plays an important role in improving conservation outcomes over time.

Risk assessment – Aronga tūraru


15. In the limited time available, it is not possible to provide you with a comprehensive assessment or evidence of the impact of removing DOC's grants and funds on conservation outcomes. However, we know that many of these investments are being targeted at priority conservation outcomes, such as highly threatened species and ecosystems, and that they leverage significant co-funding from third parties, which means they are likely to represent good value for money.
16. We have also not had time to explore in detail the cost of stopping specific arrangements where there is a formal agreement or contract of some kind. As all savings are on top of those put forward in the Performance Plan, there will be additional staffing implications for DOC if funds are stopped or scaled back, which we will need to work through.
17. As many of these funding arrangements have a significant public profile, there is likely to be a significant and widespread negative reaction to reduction or closure. Fully stopping Ngā Whenua Rāhui could also potentially be considered a contemporary breach of the Treaty of Waitangi.

Next steps – Ngā tāwhaitanga

18. We recommend you send the attached letter to the Minister of Finance following our discussion with you on Monday 9 December. The Director General will relay this proposal to the Secretary of the Treasury at the same time.
19. We will provide you with a full briefing on your Budget submissions ahead of your formal response letter to the Minister of Finance on Thursday 12 December. Your final response is due to the Minister of Finance on Friday 20 December 2024.

We recommend that you ... (Ngā tohutohu)

		Decision
a)	Discuss this advice with Officials on Monday 9 December 2024	Yes / No
b)	Approve the draft letter to the Minister of Finance attached to this briefing following that meeting	Yes / No


Penny Nelson
Director-General

Date: 6 / 12 / 24

Date: / /
Hon Tama Potaka
Minister of Conservation

ENDS

Attachment A – Detailed assessment of all funding arrangements currently in scope for the ‘Grants and Funds’ submission						
	Funding arrangement	Description/objectives	Alignment with priorities & value for money (VfM)	Constraints, risks, or loss of outcome(s)	Admin savings	Current annual (\$m)
	Formal agreements, contracts, or joint ventures for delivering specific conservation interventions					
9(2)(f)(iv)						
2	Tohu Whenua Contribution	A co funding initiative with MCH and HNZ to support tourism and regional development by developing a high value experience at 26 premiere heritage visitor sites. This pays for a programme team to deliver and promote key heritage sites across NZ as a world class visitor experience for domestic and international visitors.	Medium- High: Targets investment into high value heritage conservation areas. Investment is to increase visitation to important heritage sites, enriching New Zealand’s heritage and facilitating economic development in communities that support these sites.	Withdrawing DOC funding is likely to mean the programme is discontinued. FTE at HNZ would be impacted. Less people would engage with our top heritage sites, meaning a likely reduction in economic impacts for the communities that support these sites, and no additional new sites.		\$0.130
3	Landscape Scale Eradication and Research Investment – ZIP (Zero Invasive Predator)	DOC has two eradication programmes under the predator free programme. This fund supports the delivery of these programmes, including direct operational delivery of predator management, species management, research, and large scale predator eradication in South Westland and Stewart Island. The fund achieves economies of scale through co investment. In Rakiura, predators have been eradicated on close to 170,000ha and full eradication should be complete within 6 years. It is a test of our ability to achieve eradication at scale. Methods can then be deployed at other locations domestically and internationally. Making Rakiura predator free will benefit a wide range of endangered species. It would provide much needed space for kākāpō population growth, as well as for the critically endangered NZ dotterel, mohua and more.	High: Targets investment in high value conservation outcomes and the delivery of specialist eradication and research programmes. The investment leverages specialist expertise, local operators and other co funders over multiple years. <div>9(2)(b)(ii)</div> In South Westland, the Crown is purchasing the development of complete predator removal and defence mechanisms that can be translated to other areas of NZ. Predators have been eradicated across approx. 80,000ha, and work is taking place now to eradicate predators across 107,000ha. This will be followed by refining predator defence techniques. There is evidence of all bird species growing, including rowi, kea and kakariki – outcome monitoring work will quantify these changes over next few years.	<div>9(2)(b)(ii)</div>		\$6.000
4	Wild Animals Wild Deer Free Northland	DOC and Wild Deer Free Northland have a longstanding partnership (since 1990) with Northland Regional Council, Iwi and hapū to return Northland to being deer free. There is a proven track record of successful delivery with eradication on track for 7,000ha of Russell Forest the largest historical population in Northland.	High: Targets investment with third parties for service delivery of deer management and eradication. Leverages regional expertise and co funding relationships at place.	This is an opportunity to make Northland the first deer free region in NZ. Northland is 1,250,700 ha, or 4.7% of NZ’s total land area. Removing funding would exacerbate cost pressures as deer numbers increase, impact ecologically sensitive areas, and lose the gains made since 1990. If deer are not removed now, populations will firmly establish and will expand over time to add 1.25m hectares to the deer range.		\$0.910
5	Wild Animals Kaimanawa adaptive deer management	Partnership with Sika Foundation for deer control and ecological monitoring in Kaimanawa Forest Park.	High: Targets investment with third parties for service delivery of deer management and ecosystem health management. Aligns with Government commitment to establish Sika deer as a Herd of Special Interest.	Removing funding would have significant implications for relationships with the Sika Foundation, the Game Animal Council, and wider hunting interests. Aerial control of deer would not happen without being led by the Sika Foundation, as they manage this with the hunting sector.		\$0.090
6	Contribution to Pukaha Mt Bruce	Contributes to breeding programmes for endangered species at the Pukaha Wildlife Centre in their protected habitats. It would cost DOC a lot more to fund this separately (e.g. establish protected habitats).	High: Targets investment in high value conservation outcomes (endangered species persistence) via interventions that we know are successful and leverages third party infrastructure.	Would breach a contract and would threaten the sustainability of the Pukaha Wildlife Centre over time.		\$0.200
7	Contribution to Zero Invasive Predators	Contributes to a joint initiative with the Next Foundation for developing and delivering new pest control methods.	High: New and more innovative pest control methods are key to recalibrating costs and targeting investment into high value outcomes.	This is in addition to the ZIP funding outlined in item 3. Impacts would be the same as initiative 3.		\$0.500

	Funding arrangement	Description/objectives	Alignment with priorities & VfM	Constraints, risks, or loss of outcome	Admin savings	Current annual (\$m)
	Formal agreements, contracts, or joint ventures for delivering specific conservation interventions					
8	Contribution to Wakatipu Wilding Conifer Control Group	Contributes to a consortium of funders (landowners and local authorities) for wilding pine control.	High – Wilding pine is a high priority invasive species for control. It would cost DOC \$1m in alternative interventions if it was still to meet its weed control targets.	Likely to see other parties reconsider their contributions. Could result in wilding pines significantly impacting Whakatipu’s native ecosystems and increasing fire risk in the area.	N/A (managed as part of general Deptl activity)	\$0.240
9	Contribution to Mid Dome Wilding Pine Charitable Trust	Contributes to a consortium of funders for wilding pine control in Southland.	High – Wilding pine is a high priority invasive species for control.	Likely to see other parties reconsider their contributions. Less control over wilding pines could cause a decline in the internationally recognised pattern mires (string bogs) and the range of intact alpine plant communities present in the area.		\$0.070
10	Contribution to Taranaki Mounga Project	Contributes to a joint initiative with the Next Foundation and others for pest removal on Taranaki Mounga.	High – aligns with strengthening relationships w Iwi/Hapū in a high value conservation area and leverages private investment (\$1m p.a.).	Would breach a formal agreement and contradict significant expectation based on the previous Minister of Finance signing the Tomorrow Accord to commit DOC to maintain conservation gains. Could result in reduced pest removal, which would threaten the species on the Mounga, including translocated kiwi.		\$0.200
11	Contribution to Te Manahuna Aoraki Ltd	Contributes to a joint initiative in Mackenzie district to manage significant animal and weed threats.	High – targets investment in a high value conservation area and leverages a total project budget of \$20.7m from other parties over five years.	Would breach a formal agreement and contradict significant expectation based on the previous Minister of Finance signing the Tomorrow Accord. Could impact predator control, resulting in increased degradation of species and ecosystems in the area.		\$1.000
12	Contribution to Te Apiti Gorge Governance	Contributes to a local pest management collaboration with local authorities, Iwi/Hapū, and landowners. Contribution leverages a much higher reciprocal payment to DOC of approx. \$200k p.a.	High – this is a high value scenic reserve with significant recreational, cultural, and educational values.	Would breach a formal agreement. The Governance group is likely to reconsider its payment to DOC (i.e. a potential net loss of \$180k p.a).		\$0.020
13	Southeast Marine Protection Programme	Working with Kāi Tahu, this funds TRONT to support community engagement on the establishment of 12 Marine Reserves.	Med – Aligns with high value conservation outcomes and strengthening relationships with Iwi/Hapū.	Stopping would harm relationships with Kāi Tahu.		\$0.495
14	Grants arising from Treaty settlements	Various funding agreements including some payments to Iwi/hapu to do conservation activities, others in lieu of statutory management planning agreements.	Med – Meets and/or responds to settlements commitments and aligns with strengthening relationships with Iwi/Hapū for better outcomes, but we do not expect to negotiate such commitments at this scale in future.	Expectations for such payments will still come through negotiations for some time, and we must honour commitments already made.		\$0.760
15	Save our Kiwi Agreement – Save the Kiwi Trust	Funds monitoring, translocation, predator control and kiwi breeding work through annual contestable funds to Iwi/Hapū and community led kiwi conservation projects. The Trust uses DOC funding to invest in stocking and managing two predator free sites as kōhanga for brown kiwi Sanctuary Mountain Maungatautari (Waikato) and Motutapu Island (Auckland). Their aim is to grow numbers quickly and transfer excess kiwi to protected areas on the mainland.	High Leverages well known brand and established organisational and technical expertise for predator control on a range of land types (private and Māori), kiwi breeding programmes, and supports community work for localised kiwi protection.	Reduced funding risks DOC reputation (as the lead for threatened species), strategic risk as the Trust runs a successful model securing funding and donations, species/outcome risks – DOC does not have the capability or resourcing to achieve the Trust’s success in predator control and protecting kiwi habitats on non Crown land.	\$0.310	
Total						\$11.475
	Contributions to research/databases					
16	Biodiversity Data Management	Maintenance of critical databases for biodiversity and environmental reporting. Co funded with Manaaki Whenua Landcare Research and MPI. Used by regional councils for environmental data standardisation. The objective is to enable efficiency and economies of scale across these parties.	High Databases are critical information infrastructure for national and international reporting obligations.	System would be shut down. DOC/ New Zealand would lose decision making influence and access to consolidated data. There would likely be duplicated data collection across these parties in the near future.	As above	\$0.090
17	Biodiversity Data Global Assessments	Government contribution to the Intergovernmental Science Policy Platform on Biodiversity and Ecosystem Services (IPBES) under the Convention of Biological Diversity. The objective is to support filling critical knowledge and policy gaps to increase the effectiveness of management interventions.	Medium – Supporting the IPBES demonstrates New Zealand’s commitment to the platform.	Contribution provides a 'seat at the table' for New Zealand, enabling us to influence the work programme, resulting in filling knowledge, data and policy gaps. The recent work on invasive species which supported policy improvement in New Zealand is an example of this. In addition, removal will have international reputational risks.	As above	\$0.030

	Funding arrangement	Description/objectives	Alignment with priorities & VfM	Constraints, risks, or loss of outcome	Admin savings	Current annual (\$m)
	Contributions to research/databases (cont.)					
9(2)(f)(iv)						
19	Research collaborations small scale	Research management for species and ecosystems improvements and coordination of best practice methods to assist conservation protection and investments.	Medium Targets investment into research bodies that contribute to best practice methods for high value conservation outcomes.	Withdrawal of funding would reduce biocontrol investigations, educational hui, public information maintenance, and training. DOC has already reduced funding for the Biocontrol research by 50%.	Minor admin savings	\$0.040
Total						\$0.180
	Grants/funds where DOC exercises discretion					
20	Nature Heritage Fund	Contestable fund established in 1990 to protect the full range of indigenous biodiversity in Aotearoa New Zealand through legal and physical protections, including direct purchasing of areas in need of protection or covenanting.	Medium Targets investment into high value conservation outcomes by protecting rare and threatened ecosystems on private land from logging, clearing or other damage. The fund has protected 1.3% (over 349,000 hectares) of New Zealand land for less than \$200m since 1990.	Reduced funding would limit the opportunities to protect biodiversity values on private land over the long term through land acquisition/protection. There is some reputational risk with reducing/stopping this fund, given its profile with conservation NGOs. Further cuts will make this fund non viable for achieving its intent given admin costs and land prices.	Admin costs could potentially be reduced by consolidating this fund with other funds and/or centralising fund and grant admin within DOC. This could involve removing the independent Committee function, which costs \$20,000 per annum.	\$1,300
21	Community Conservation Funds	Supports community led conservation projects on public and private land. It is available for community groups, iwi and private landowners across New Zealand for projects that protect and restore threatened species and ecosystems. High demand current funding round resulted in 298 applications seeking \$135 million worth of funding.	High Targets investment into high value conservation outcomes and strengthens relationships with Iwi/hapū for better conservation outcomes. The fund attracts co funding and volunteer work to deliver a high return for conservation. The latest round of \$9.2m of funding leveraged an additional \$7.2m of co funding and 120,000 150,000 expected volunteer hours towards high priority biodiversity outcomes. The Jobs for Nature impact assessment demonstrates that investing in others provides a good return on investment for DOC. For every dollar spent, there was a \$4 return in environmental, economic, social and cultural benefits over 30 years. This is applicable to the Community Conservation Fund – with data for FY21 and FY22 included within this impact assessment.	The fund is focused on protecting species and ecosystems on the brink or at serious risk of extinction. The latest round of funding supported 38 projects that help protect 31 nationally critical species and 7 critically endangered ecosystems. Reducing the funding available for future projects will result in a loss of significant benefits of investing through community groups and impact priority conservation outcomes. There is high reputational and relationship risks with reducing/stopping the fund, given its high profile and as it is the only remaining Government led discretionary conservation fund. Given the number of applicants, closing the fund will likely lead to widespread negative reaction. The fund has also been identified as part of the Jobs for Nature transition plan, providing an avenue for sustaining the gains achieved by that work programme.	Admin costs could potentially be reduced by consolidating this fund with other funds and/or centralising fund and grant admin within DOC.	\$4,910
22	Mātauranga Kura Taiao Fund	Contestable fund which supports tangata whenua to preserve their traditional knowledge in indigenous biodiversity management, tikanga, history, stories, and practice through the handing down of that knowledge to future generations.	Medium-High Targets investment into high value conservation outcomes and strengthens relationships with Iwi/hapū for better conservation outcomes. Over the past 22 years, the fund has supported over 330 Māori entities, enabling greater Māori participation in the management of New Zealand’s biodiversity on private and public land and the preservation of traditional knowledge.	Reducing funding would lead to a reduction in the engagement and capacity of tangata whenua to participate in management of biodiversity, particular on whenua Māori. It could cause reputational damage to the Crown, as being seen as a less honourable Treaty partner.	Admin costs could potentially be reduced by consolidating this fund with other funds and/or centralising fund and grant admin within DOC. This could involve removing the independent Committee function.	\$0.630
23	Ngā Whenua Rāhui Fund	Contestable fund established in 1991 to facilitate the voluntary protection of indigenous biodiversity on Māori owned land, while honouring the rights guaranteed to Māori landowners under Te Tiriti o Waitangi. This includes formally protecting land, developing and implementing pest management plans, and building landowner capability.	Medium-High Targets investment into high value conservation outcomes and strengthens relationships with Iwi/hapū for better conservation outcomes. The fund has supported the protection of approximately 185,000 hectares of private Māori land through 302 formal agreements, many of which are contiguous with National Parks and Conservation Areas, supporting conservation management at scale.	The fund has enabled 302 legal agreements to protect land, some of which stipulate agreed work that DOC will undertake to support biodiversity outcomes (e.g. pest control, monitoring). If funding is reduced, priority would be given to maintaining existing agreements and contractual obligations rather than entering into new agreements. There are significant risks if the Crown withdraws from existing agreements and/or doesn’t meet its obligations. Relationships with Māori landowners could be significantly impacted. There is potentially 1.200 2.000m that could be saved from operational spending, without affecting contractual obligations.	Admin costs could potentially be reduced by consolidating this fund with other funds and/or centralising fund and grant admin within DOC.	\$4,750
Total						\$11.59
Total						\$23m



BUDGET SENSITIVE

Hon Nicola Willis
Minister of Finance
Parliament Buildings

Tēnā koe Nicola,

Thank you for your letter on 15 November 2024 in which you invited me to submit three initiatives for Budget 2025:

- a review of the tagged contingency for the Conservation Drinking Water Infrastructure Programme;
- savings initiatives for 'Grants and Funds' in Vote Conservation; and
- a new initiative bid for a Molesworth Great Walk in the Eastern South Island.

My officials are working on this request now and I am on track to provide you with a response by 23 December as requested. However, I seek your agreement to change two key aspects of this request before finalising my response.

Grants and funds

Earlier this year, as part of Government Grants and Funds Review, Treasury requested that DOC identify all grants and funds within scope of the review.¹ In response, DOC submitted all funding arrangements that could possibly be interpreted as being in scope. DOC identified a total of \$26 million per annum of funding arrangements. This was used by the Treasury to identify the low (\$12 million) and high (\$24 million) grants and funds savings packages for DOC in Budget 2025.

DOC has notified me of an error in the information submitted. I am concerned that many of these arrangements (approximately half of the original \$26 million) are **not** discretionary grants or funds, but are contracts or formal arrangements with third parties to deliver core conservation interventions or contribute to joint ventures. There are reputational and contractual risks from stopping such funding. These arrangements also leverage significant third-party investment and support.

Of the arrangements originally submitted to the Treasury, **only approximately \$11.6 million per annum is in the form of contestable grants and funds** (where external parties apply to DOC with various project proposals). For your consideration, I have attached a high-level

¹ The specific definition used was: "funding arrangements between public entities and external parties designed to support an organisation or activity without directly purchasing goods or services or funding arrangements that directly purchase goods or services that have features consistent with grant funding."

overview of all funding arrangements included within scope of the review, and grants and fund I consider as within scope. DOC has also provided this information to the Treasury.

I understand it's critical that I play my part in this savings exercise. I propose that \$11.6 million is the total for the grants and funds within scope of this savings exercise, with a high savings package of \$5.8 million and low of \$2.9m.

I request that you agree to re-scope the low and high savings options to \$2.9 million and \$11.6 million respectively. I consider this more in line with the intent of the grants and funds review.

There are significant risks even with a reduced savings package, including a reduction in the Government's ability to incentivise high value third-party involvement in conservation, and breaching commitments with our Treaty partners. For example:

- Reducing the funding available to invest in future projects through community groups will result in a significant loss of benefits. The latest round funding from DOC's Community Conservation Fund (\$9.2m) leveraged an additional \$7.2m of co-funding and 120,000-150,000 expected volunteer hours.
- The Ngā Whenua Rāhui fund, which facilitates the protection of biodiversity on Māori owned land, supports DOC to undertake work that is outlined in contractual obligations with Māori landowners. There are significant risks if the Crown withdraws from existing agreements and/or does not meet its obligations.

New initiative bid for a Molesworth Great Walk

I am seeking your agreement to not submit an initiative for a Great Walk in the Molesworth Reserve. I am conscious that we made a statement of intent to this effect in our pre-election policy 'Boosting Tourism.' However, I was briefed on this in May and have concluded that it does not represent good value for money. There are several reasons for this:

- the cost estimates for construction (\$24-33 million in capital expenditure) and operation (\$2.7 million per annum) far exceed the original \$14 million estimate;
- there is a range of feasibility constraints that are likely to make this location sub-optimal for a future Great Walk (including the remote starting and finishing points, a lack of natural shade and drinking water, snowfall and landslide risk, and the competing popularity of hunting in the area); and
- there has been no analysis of market demand or revenue projections.

We have also recently allocated \$6 million from the International Visitor Levy to develop short walks, including in this area, that will provide some alternative regional benefit.

I would welcome a chance to confirm my requests with you as soon as possible, and look forward to continuing to work with you through the Budget process.

Mauriora,

Hon Tama Potaka
Minister of Conservation

Attachment C - Summary of impacts by funding package	Option 1 (\$m)	Option 2 (\$m)	Option 3 (\$m)	Option 4 (\$m)	Allocated 2025/26	Breaches Contract	Breaches Formal Agreement	Aligns with Conservation Priorities	Impacts Treaty Obligations	Significant reputational risk
Item										
Contestable & discretionary funds	3.000	5.800	10.290	11.590						
Community Conservation Fund (CCF)	0.200	3.000	4.910	4.910	-	-	-	✓✓	-	✓✓
Ngā Whenua Rāhui (NWR)	0.870	0.870	3.450	4.750	2.75	v✓ once granted	-	✓✓	✓✓	✓✓
Mātauranga Kura Taiao Fund (MKT)	0.630	0.630	0.630	0.630	-	-	-	✓	✓	✓
Nature Heritage Fund (NHF)	1.300	1.300	1.300	1.300	-	-	-	✓	-	✓
Contributions to research/databases	-	-	-	0.180						
Biodiversity Data Management	-	-	-	0.090	-	✓✓	-	✓✓	-	✓✓
Biodiversity Data Global Assessments	-	-	-	0.030	-	✓	-	✓	-	✓
9(2)(f)(iv)										
Research collaborations – small	-	-	-	0.040	-	✓	-	✓	-	✓
Formal agreements, contracts, or joint ventures for delivering specific conservation interventions	-	-	1.690	11.475						
9(2)(f)(iv)										
Tohu Whenua contribution	-	-	0.130	0.130	-	-	✓✓	✓✓	✓✓	✓✓
Landscape Scale Eradication & Research Investment – ZIP (Zero Invasive Predator)	-	-	-	6.000	-	-	✓✓	✓✓	✓✓	✓✓
Contribution to Zero Invasive Predators	-	-	-	0.500	-	-	✓✓	✓✓	-	✓✓
Wild Deer Northland	-	-	-	0.910	-	-	✓✓	✓✓	✓✓	✓✓
Kaimanawa adaptive Deer Mgmt	-	-	-	0.090	-	-	✓✓	✓✓	✓✓	✓✓
Contribution to Mt Bruce Pukaha	-	-	-	0.200	-	✓✓	-	✓✓	-	✓✓
Contribution to Wakatipu Wilding Cntrl	-	-	-	0.240	-	-	✓✓	✓✓	-	✓✓
Contribution to Mid-Dome Wilding Cntrl	-	-	-	0.070	-	-	✓✓	✓✓	-	✓✓
Contribution to Taranaki Mounga	-	-	-	0.200	-	-	✓✓	✓✓	✓✓	✓✓
Contribution to Te Manahuna Aoraki	-	-	-	1.000	-	-	✓✓	✓✓	✓✓	✓✓
Contribution to Te Apiti Gorge	-	-	-	0.020	-	-	✓✓	✓✓	-	✓✓
Southeast Marine Reserve Programme	-	-	-	0.495	-	-	-	✓	✓	✓
Grants arising from Treaty settlements	-	-	0.710	0.760	-	-	-	✓	✓	-
Save our Kiwi Agreement (SOK)	-	-	0.300	0.310	-	✓✓	-	✓✓	-	✓✓
Total	3.000	5.800	11.980	23.245						

From: Victoria Rhodes-Carlin
Sent: Friday, 13 December 2024 11:22 am
To: Peter Galvin
Cc: Penny Nelson; Ruth Isaac; Mike Tully; Nick Mayo; James Johnson (Policy Manager); Siân Roguski; Igor Milosevic; Lucia Sobiecki; Tim Saunders
Subject: Budget 2025 Package
Attachments: Attachment D - Grants and Funds Summary Table.xlsx; Attachment B - Budget 2025 Submission Template - Drinking Water Infrastructure - Tagged Contingency (1).docx; Attachment A - Draft letter to Minister of Finance on Budget 2025 (3).docx; Minister of Conservation Briefing - Budget 2025 Submission.docx; Attachment C – Budget 2025 submission templates – grants and funds .docx

BUDGET SENSITIVE AND STAFF SENSITIVE

Hi Peter,

Our Budget 2025 package is attached to this email for discussion with the Minister on Monday and for the Minister's approval. This includes a briefing and 4 attachments which are explained below:

Briefing: 24-B-0603 Budget 2025 submission

- Provides context on Budget 2025, and the implications and risks associated with the package we have developed for him.
- Seeks the Minister's approval to send his formal response to the Minister of Finance's budget invitation (Attachment A), and to submit our budget package to the Treasury (Attachments B, C and D).

Attachment A – Draft letter to Minister of Finance on Budget 2025

- This is the Minister's formal response to the Minister of Finance's budget invitation. We have drafted it on the assumption that the Minister won't have received a response from the Minister of Finance to his 9 December letter. The Office will need to send the letter to the Minister of Finance once the Minister has approved it and the Budget package.
- This letter needs to attach the Grants and Funds Summary Table (attachment D).

Attachment B – Budget 2025 submission template – water infrastructure

- The Minister of Finance requested a review of the tagged contingency for the Conservation Water Infrastructure Programme to identify savings and consider funding the initiative from the IVL.
- This attachment is a completed Budget template, which identifies the savings we can make and highlights why funding the initiative from the IVL does not align with the IVL investment priorities in some cases for some sites and the opportunity costs it presents. We need to submit this to Treasury as part of our Budget package.

Attachment C – Budget 2025 submission templates – grants and funds

- The Minister of Finance requested savings options from DOC's grants and funds.
- This attachment is 4 x completed Budget templates, which set out saving options for DOC's 4 contestable funds. This is based on the revised scope and low savings option of \$2.9m proposed in the Minister's 9 December letter. We need to submit this to Treasury as part of our Budget package.

Attachment D – Budget 2025 submission template – grants and funds, summary of high and low options

- This attachment is a completed Budget template table, summarising the impact of a high versus low saving option for grants and funds. This is also based on the revised scope and low (\$2.9m) and high (\$5.8m) savings options set out in the Minister's 9 December letter. We need to submit this to Treasury

as part of our Budget package. We will submit it to Treasury with the correct ID numbers which will be developed next week.

Penny and Ruth will speak to this package on Monday.

Ngā mihi,

Victoria

Victoria Rhodes-Carlin

Policy Advisor | 9(2)(a)

Budget and Funding Policy

Department of Conservation | Te Papa Atawhai



Department of Conservation
Te Papa Atawhai



Briefing: Budget 2025 submission

To	Minister of Conservation	Date submitted	13 December 2024
Action sought	Approve your Budget 2025 submission, including draft letter to the Minister of Finance	Priority	High
Reference	24-B-0603	DocCM	DOC-7836665
Security Level	In Confidence, Budget Sensitive, Staff Sensitive	Timeframe	16 December 2024
Risk Assessment	High – the options outlined in this paper have reputational, relationship and contractual risks		
Attachments	Attachment A – Draft letter to Minister of Finance on Budget 2025 Attachment B – Budget 2025 submission template – water infrastructure Attachment C – Budget 2025 submission templates – grants and funds Attachment D – Budget 2025 submission template – grants and funds, summary of high and low options		

Contacts	
Name and position	Phone
Ruth Isaac, Deputy Director-General, Policy and Regulatory Services	9(2)(a)
Mike Tully, Deputy Director-General, Organisation Support	9(2)(a)

Purpose – Te aronga

To seek your agreement to your Budget 2025 response package, including a draft letter to the Minister of Finance (**Attachment A**) and completed Budget 2025 templates for submission to the Treasury (**Attachments B, C and D**).

We recommend that you ... (Ngā tohutohu)

		Decision
a)	Approve the draft letter to the Minister of Finance attached to this briefing.	Yes / No
b)	Agree to submit savings of \$7.16 million from the Conservation Drinking Water Infrastructure tagged contingency (Attachment B).	Yes / No
c)	Agree to submit the high and low savings options for grants and funds (Attachments C and D).	Yes / No
d)	Note we will attach supplementary material to the Budget submission on the other funding arrangements in scope of the Minister of Finance's request for the Treasury's information.	Yes / No



Date: 13 / 12 / 2024

Ruth Isaac
Deputy Director-General
Policy and Regulatory Services

Date: / /

Hon Tama Potaka
Minister of Conservation

Background and context – Te horopaki

1. On 15 November 2024, the Minister of Finance invited you to submit three initiatives for Budget 2025:
 - a review of the tagged contingency for Conservation Drinking Water Infrastructure
 - a new funding initiative for a Great Walk at Waiau-toa/Molesworth
 - savings options in relation to DOC's grants and funds.
2. On 9 December 2024, you sought the Minister of Finance's agreement to not submit the Great Walk initiative and to amend the scope of the Department of Conservation's (DOC's) grants and funds review (24-B-0611 refers).
3. We have developed your Budget submission on the basis that the Minister of Finance will accept your proposals. We must submit all budget templates to the Treasury by 20 December 2024.
4. The Baseline Saving Programme (BSP) and Performance Plan are separate processes. The BSP is being led by the Associate Minister of Finance and will explore whether DOC can make any additional savings. We understand there will be a meeting between you and the Associate Minister of Finance shortly to discuss the BSP, and we have provided you talking points to support this discussion. Further, we understand that DOC's Performance Plan will be considered by Cabinet early next year.

We have identified savings of \$7.16m from the Conservation Drinking Water Infrastructure tagged contingency

5. DOC is required by the Water Services Act 2021 to ensure all its drinking water sites comply with legislative requirements. At Budget 2024, a tagged contingency was established to provide operating and capital funding for DOC to ensure its drinking water sites comply with legislation.
6. As part of developing a single-stage business case for this work, we have worked closely with Taumata Arowai (the regulator) to, where possible, exempt drinking water sites or right size compliance requirements. Through this process we have been able to reduce the estimated costs by \$7.16 million, which can be returned to the centre in savings. This is reflected in the budget template for this initiative (**Attachment B**).

\$m	Tagged contingency	Funding now required	Total savings that can be returned to Crown
Total operating costs	9(2)(i), 9(2)(j)		
Total capital costs			
Total			

7. We are waiting for a final decision from Taumata Arowai on further exemptions for three drinking water sites. We expect this decision at the end of December 2024.
8. On 11 December 2024, Cabinet's Economic Policy Committee (**ECO**) approved your Cabinet paper and the single-stage business case for this work.
9. The Minister of Finance also asked you to consider funding the initiative from the International Visitor Conservation and Tourism Levy (**IVL**). We have included information in the submission highlighting that 7 of the 24 sites to be remediated are not tourist sites and would not align with the IVL investment priorities. The remaining sites are tourist sites and therefore could be funded through the IVL.

10. Funding this work from the IVL would limit DOC's ability to fund other high priority biodiversity and visitor projects. IVL Ministers could consider allocating funding to this initiative from the tourism portion of the IVL, given there remains unallocated funding in the tourism portion.
11. Funding the initiative from the IVL would cost \$23 million rather than 9(2)(i), 9(2)(j) because of the need to swap CAPEX to OPEX to at a rate of 10:1 to fund ongoing depreciation. We have included examples of what could be funded by \$23 million from the IVL to show the opportunity cost.

We have not prepared a submission for the Great Walk at Waiautoa/Molesworth initiative

12. As agreed with you on 9 December 2024, we have not prepared a submission for this initiative (24-B-0611 refers). We understand that it is likely that the Minister of Finance will approve this request.

We have prepared high and low savings options for DOC's 'contestable' grants and funds

13. As you are aware, the Minister of Finance asked you to submit a high option of \$24 million and low option of \$12 million in savings from DOC's grants and funds, which includes formal agreements (including some contracts) for service and joint ventures. This represents nearly 100 per cent and 50 per cent of the total funding for the arrangements captured in the review.
14. As discussed with you on 9 December 2024, we have developed a high savings option of \$5.8 million and a low savings option of \$2.9 million for DOC's 'contestable' funds only, as set out in the table below.

Fund	Status quo (\$m p.a.)	High option (\$m p.a.)	Low option (\$m p.a.)
Community Conservation Fund	4.91	2.2 (leaving 2.71)	0.65 (leaving 4.26)
Ngā Whenua Rāhui	4.75	2 (leaving 2.75)	0.65 (leaving 4.1)
Mātauranga Kura Taiao Fund	0.63	0.3 (leaving 0.33)	0.3 (leaving 0.33)
Nature Heritage Fund	1.3	1.3 (leaving 0)	1.3 (leaving 0)
Total left in DOC's contestable funds	11.59	5.79	8.69
Total savings	0	5.8	2.9

15. This approach is based on securing the Minister of Finance's agreement to:
 - exclude formal agreements, contracts for service or commitments to joint letters from the scope of the savings exercise
 - submit savings options of approximately 25 per cent and 50 per cent of DOC's total funding for 'contestable/discretionary' grants and funds (which does not align with the general approach being taken in the review to provide savings options of 50 per cent and 100 per cent).

16. This revised approach has not yet been agreed by the Minister of Finance, and therefore there is a risk that you are asked to submit options based on the original scope of the request.
17. We are preparing supplementary material to attach to the Budget submission on the other funding arrangements within scope of the Minister of Finance's request. This will help mitigate the risk of you being seen as not meeting the Minister of Finance's request and ensure the Treasury has some information available to undertake a broader assessment if required. This material will set out the value for money of these funding arrangements, and the risks and impacts of reducing/stopping their funding.

Risks and implications of these savings options

18. We have completed the Budget 2025 submission templates required by the Treasury for each of the four funds (**Attachment C**) and a template summarising the impact of the high and low options (**Attachment D**). The key risks and implications for each fund are summarised below.

Community Conservation Fund

19. The Community Conservation Fund (**CCF**) supports community-led projects that protect and restore ecosystems and species on public and private land. It is our primary mechanism for incentivising third-party participation in conservation – attracting significant co-funding and volunteer work, which helps deliver a high return for the Crown's investment.
20. The latest round of \$9.2 million of funding leveraged an additional \$7.2 million of co-funding and 120,000-150,000 expected volunteer hours towards high priority biodiversity outcomes. This was a one-off high year for the fund because of an expense transfer from the previous year (due to the timing of the grants not aligning with the financial year). The fund is usually \$4.9 million per annum.
21. The high option (\$2.2 million in savings per annum) involves significantly scaling back this fund. This is on the basis that reducing CCF's funding poses fewer risks than reducing the Ngā Whenua Rāhui fund (discussed below), which involves contractual commitments to Māori landowners.
22. Reducing CCF by this amount will significantly limit our ability to leverage third party contributions to conservation and negatively impact DOC's ability to protect New Zealand's most threatened species and ecosystems. Given the high profile of the fund (due to the wide range of community projects it supports across New Zealand), reducing its funding is likely to receive widespread negative feedback. The fund is already massively oversubscribed – for example, the current funding round resulted in 298 applications seeking \$135 million worth of funding.
23. The low option involves reducing the fund by \$0.65 million per annum, which would have a smaller impact on outcomes. Under both scenarios, introducing a co-funding criterion could help to mitigate the impact reduced funding would have on outcomes by leveraging more private investment into conservation. However, this could rule out volunteer-based projects and potentially raise the cost of administration.

Ngā Whenua Rāhui

24. The Ngā Whenua Rāhui (**NWR**) fund facilitates the voluntary protection of indigenous biodiversity on Māori owned land, including by formally protecting land, developing and implementing pest management plans, and building landowner capability. It is the only programme in New Zealand supporting and funding the protection of high-value conservation areas on Māori owned land and has successfully protected more than

- 185,000 hectares. It is essentially the Māori land equivalent of the QEII Trust, which the Treasury excluded from the grants and funds review.
25. The high option (\$2 million in savings) would mean we cannot accept new applications to the fund for the next couple of years, and our focus would be on meeting our obligations under existing agreements (some of the legal agreements stipulate work that DOC will undertake). As our obligations are fulfilled, we could reopen the fund for new applicants but would have to accept fewer in line with available funding. The low option enables us to continue to consider new applications in the short term.
 26. There are significant risks for the Crown if it were to consider even greater savings options, which would mean withdrawing from existing funding agreements and/or not meeting obligations under those agreements. While both the low and the high (\$2 million) option avoid this scenario, the high option may still be considered a contemporary Treaty of Waitangi breach by Iwi and Hapū and generate a strong negative reaction.
 27. The fund was established under the policy framework for the 'National Policy for Indigenous Forests'; a key principle of that policy was "recognition of the rights and obligations of Māori landowners and the Crown under the Treaty of Waitangi". Because of this, we consider that the temporary closure and/or ongoing funding level under the high option is likely to be considered a breach of the Treaty of Waitangi by many Iwi and Hapū (unless there was some alternative provision for this activity by the Crown through the lens of te ao Māori).

Nature Heritage Fund

28. The Nature Heritage Fund (**NHF**) supports the protection of rare and threatened ecosystems on private land – either through direct purchasing or covenanting. The fund has protected over 349,000 hectares of New Zealand land for less than \$200 million since 1990.
29. Both savings options involve closing this fund, which will limit DOC's opportunities to protect biodiversity values on private land over the long term through land acquisition/protection.
30. We have recommended this option on the basis that further land acquisition does not align with your priorities for the conservation portfolio. The fund also to some extent duplicates the QEII Trust, which provides a vehicle for protecting private land through covenants.
31. There is some reputational risk with stopping this fund, given its profile with conservation NGOs.

Mātauranga Kura Taiao Fund

32. The Mātauranga Kura Taiao fund (**MKT**) supports the preservation of traditional knowledge in indigenous biodiversity management and practice. It has supported 330 Māori entities over the past 22 years.
33. Both savings options involve significantly scaling back this fund to focus on honouring existing commitments, rather than accepting new applications in the short-term. Reducing funding would lead to a reduction in the engagement and capacity of tangata whenua to participate in the management of biodiversity.
34. We can look for opportunities to foster the development of mātauranga through the NWR.

Next steps – Ngā tāwhaitanga

35. We will discuss the submission with you on Monday 16 December 2024 and incorporate any feedback you have.
36. We intend to submit the information on Thursday 19 December 2024. Your office will send the letter to the Minister of Finance, and we will upload the submission templates to the Treasury.

ENDS



BUDGET SENSITIVE

20 December 2024

Hon Nicola Willis
Minister of Finance
Parliament Buildings

Tēnā koe Nicola

Thank you for your letter dated 15 November 2024 in which you invited me to submit three initiatives for Budget 2025:

- a review of the tagged contingency for the Conservation Drinking Water Infrastructure Programme;
- a new initiative bid for a Molesworth Great Walk in the Eastern South Island; and
- savings initiatives for 'Grants and Funds' in Vote Conservation.

I responded to your request on 9 December 2024, seeking your agreement to change two key aspects of your request. I have submitted my response in line with the proposals I outlined in my letter.

Conservation Drinking Water Infrastructure Programme

As requested, my officials have reviewed the tagged contingency for the Conservation Drinking Water Infrastructure Programme. I am pleased to say we can return \$7.16 million in savings, which is a 9(2)(i), 9(2)(j) in the total cost. The Department of Conservation (DOC) identified these savings by working closely with Taumata Arowai (the regulator) to process exemptions and minimise compliance costs. I will seek your agreement to draw down the remaining funding in the tagged contingency in mid-2025 to ensure DOC meets its legal requirements under the Water Services Act 2021.

My officials have also considered whether this programme could be funded by the International Visitor Conservation and Tourism levy (IVL). Approximately two-thirds of the sites to be remediated are visited by international tourists and could be considered for IVL funding. However, funding this work from the IVL would limit DOC's ability to fund other high priority biodiversity and visitor projects. IVL Ministers could consider allocating funding from the tourism portion of the IVL, given there remains unallocated funding. Funding the initiative from the IVL would cost \$23m rather than 9(2)(i), 9(2)(j) because of the need to swap CAPEX to OPEX to at a rate of 10:1 to fund ongoing depreciation.

Molesworth Great Walk

As proposed in my letter to you on 9 December 2024, I have decided not to submit an initiative for a new Great Walk in the Molesworth Reserve. It does not represent good value for money and does not fit with my priorities for the conservation portfolio.

Grants and funds

As set out in my letter to you on 9 December 2024, I am concerned that many of the funding arrangements within scope of the grants and funding review are not discretionary contestable funds. Instead, they are formal arrangements (including some contracts) with third parties to deliver core conservation interventions or contribute to joint ventures. In addition, these arrangements leverage significant third-party investment and support.

Given the significant reputational and contractual risks from stopping such funding, I have prepared high and low savings options based on DOC's contestable grants and funds only, which total approximately \$11.6 million per annum.

I have submitted a high savings option of \$5.8 million and low option of \$2.9 million. See the attached Grants and Funds Summary table comparing the impacts and risks of the high and low options. Realising these savings would result in:

- closure of the long-standing Nature Heritage Fund, which supports the protection of rare and threatened ecosystems on private land through land acquisition and covenanting;
- scaling back the Community Conservation Fund, which supports community-led conservation projects and attracts significant co-funding and volunteer work, delivering a high return on the Crown's investment; and
- scaling back the Ngā Whenua Rāhui fund and Mātauranga Kura Taiao funds, which supports the protection of indigenous biodiversity on Māori-owned land and the preservation of traditional knowledge in biodiversity management and practice.

This will impact our ability to deliver improved outcomes for conservation and there are risks we will need to manage due to the profile and popularity of these funds. The Community Conservation Fund attracted 298 applications in the last round, seeking \$135 million worth of funding. The latest round of \$9.2m from the Community Conservation Fund leveraged an additional \$7.2m of co-funding and 120,000-150,000 expected volunteer hours towards high priority biodiversity outcomes. Scaling back this fund is likely to receive widespread negative feedback.

A higher savings target, such as the \$12 million originally requested, would result in the closure of all these funds as they would no longer be viable. This would reduce our ability to incentivise high value third-party involvement in conservation. In the case of the Ngā Whenua Rāhui fund and Mātauranga Kura Taiao funds, this would breach contractual commitments with our Treaty partners.

I look forward to continuing to work with you through the Budget process to deliver our objectives for the conservation portfolio.

Mauriora

Hon Tama Potaka
Minister of Conservation

Annex 3: Budget 2025 Tagged Contingency Template

Section 1: Overview

Section 1A: Basic initiative information

Initiative title (max 120 characters)	Conservation Drinking Water Infrastructure Programme – Ensuring Compliance – Efficiency Savings				
Lead Minister	Conservation		Agency	Department of Conservation	
Initiative description (max 800 characters)	This initiative returns \$7.16 million of operating and capital funding from the tagged contingency found through efficiencies and a reduction in scope of improvement obligations. This tagged contingency will fund the Conservation Drinking Water Infrastructure Programme Ensuring Compliance programme that will comply with the safe drinking water legislative requirements for drinking water providers.				
Priority Area (PA) Objective	<input type="checkbox"/>	Targeted policy savings		<input type="checkbox"/>	Reprioritisation
	<input type="checkbox"/>	Grants and funds		<input type="checkbox"/>	Performance Plan Scrutiny
	<input checked="" type="checkbox"/>	Tagged Contingency			
Is this a cross-Vote initiative?	N	N/A			
Agency contact	Name: Magnus Monahan Phone: 9(2)(a) [REDACTED] Email: mmonahan@doc.govt.nz		Treasury contact (Vote Analyst)	Name: Bronte Creighton-Shaw Phone: 9(2)(a) [REDACTED] Email: Bronte.Creighton-Shaw@treasury.govt.nz	

Section 1B: Summary of savings profile

Operating funding available for return (\$m)										
2024/25	2025/26	2026/27	2027/28	2028/29	2029/30 & outyears*	Total				
0.461	0.214	0.821	0.533	0.493	0.501	3.023				
*For irregular outyears, add additional rows above to display the full profile of the initiative. Delete "& outyears" for time-limited funding. See Budget 2025 Uploading Initiatives to CFISnet for more information on entering outyears into CFISnet. *expenditure is shown as positives and savings are shown as negatives. Revenue increases are shown as negatives and revenue decreases are shown as positives.										
Capital funding available for return (\$m)										
24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34*	Total
3.110	1.557	(0.244)	(0.307)	-	-	-	-	-	-	4.136
*Extend the profile above if funding is needed beyond 2033/34.										

Section 2: Status Update and Risks

Section 2A: Status Update

The answer to each question must not exceed 1-2 paragraphs

What is the current status of the tagged contingency?

The Cabinet Economic Policy Committee considered and approved the Single Stage Business Case and Cabinet paper on 11 December, including the recommendation to approve an extension to the expiry date to 30 June 2025.

This extension and Cabinet approval of the Single Stage Business Case will allow the Department to complete an Implementation Business case and seek approval for draw down of funding from the tagged contingency by June 2025. Without this extension, the Department will not be able to draw down the funds as the Implementation Business Case cannot be completed by 1 February 2025.

The tagged contingency of 9(2)(i), 9(2)(i) established at Budget 2024 was for the estimated cost of 18 registered sites on the basis that full compliance with the legislation was required (noting that at that point there were still 55 unregistered sites not included in that funding). Since May 2024, DOC has obtained exemptions through the Water Services Authority – Taumata Arowai and is now left only with 24 sites in total, with only 3 of these sites needing to be made compliant with all legislative requirements. This has reduced the estimated costs from 9(2)(i), 9(2)(i)

Section 2B: Risks

The answer to each question must not exceed 1-2 paragraphs

What is the risk of fully or partial returning the tagged contingency to the centre?

Returning more than the \$7.16M already identified would mean that DOC would not have adequate funding to deliver this work and meet its legal obligations.

We have considered if the initiative could be appropriately funded from the International Visitor Tourism and Conservation Levy (IVL). While this is possible, it would significantly impact DOC's ability to deliver much-needed improvements for visitors and biodiversity. IVL Ministers could consider allocating funding to this initiative from the tourism portion of the IVL, given there remains unallocated funding in the tourism portion.

The majority of the sites are visitor related (visitor centres and campsites), but 7 of the 24 sites would not fit with the proposed investment priorities for the conservation portion of the IVL, which focuses on highly visited areas.

Funding the initiative from the IVL would cost \$23m because DOC would have to swap CAPEX to ongoing OPEX at a rate of 10:1.

\$23M of funding could instead be used to deliver priorities from DOC's IVL strategic investment programme, such as:

- Landscape scale predator control in National Parks and popular visitor sites (150,000 ha for \$6m)
- Stopping the spread and removing wilding conifers from iconic landscapes (150,000 ha for \$7m)
- Improving the visitor experience at Piopiotahi/Milford Sound (\$8.5m to deliver core tourism infrastructure recommendations from Milford Opportunities Project)
- Hiring additional rangers at 20 of the busiest sites of the summer season (1.5m p.a. for 20 sites)

If this tagged contingency were to be fully or partially returned to the centre, the risks are:

	<ul style="list-style-type: none"> • The Department would not be able to meet its statutory obligations under the Water Services Act 2021 in ensuring the provision of safe drinking water. • The Department would have to reprioritise capital expenditure committed for the replacement of visitor assets would be necessary. This would result in consequences such as the closure of sites to maintain visitor safety due to lack of essential maintenance. • There is a considerable reputational risk if DOC, as a public service department, does not address its non-compliance with the Act. Taking no action also risks enforcement action or legal proceedings against DOC by the Authority.
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Please note that there are no other dynamic field requirements for tagged contingency initiatives on CFISnet outside of the fields highlighted in purple in this template. Please input “N/A” “No impact” or “0” where relevant. Further guidance on dynamic field requirements can be found in *Budget 2025: Uploading Initiatives to CFISnet*.

Ngā Whenua Rāhui

Section 1: Overview

Section 1A: Basic initiative information											
Initiative title (max 120 characters)		Ngā Whenua Rāhui – Protection of Indigenous Biodiversity on Māori-Owned Land – Scaling Programme									
Lead Minister		Minister of Conservation – Hon Tama Potaka			Agency		Department of Conservation				
Initiative description (max 800 characters)		This initiative scales the Ngā Whenua Rāhui Fund, a contestable fund for the protection of indigenous biodiversity on Māori owned land. The recommended savings preserves the contractual commitments of the 302 existing contracts with Māori landowners, some funding for new protection, and provides savings for Budget 2025. Ngā Whenua Rāhui is the only programme in New Zealand supporting and funding the protection of high-value conservation areas on Māori owned land, protecting more than 185,000 hectares of land. Further reductions may impact DOC's ability to meet its Treaty of Waitangi obligations (section 4 of the Conservation Act 1987) and its relationships with Iwi & Hapū.									
Priority Area (PA) Objective		<input type="checkbox"/> Targeted policy savings			<input type="checkbox"/> Reprioritisation						
		<input checked="" type="checkbox"/> Grants and funds			<input type="checkbox"/> Performance Plan Scrutiny						
		<input type="checkbox"/> Tagged Contingency									
Is this a cross-Vote initiative?		N		No							
Is this a revenue initiative?				N		Does this require legislative change?				N	
Agency contact		Name: Magnus Monahan Phone: 9(2)(a) Email: mmonahan@doc.govt.nz			Treasury contact (Vote Analyst)		Name: Bronte Creighton-Shaw Phone: 9(2)(a) Email: Bronte.Creighton-Shaw@treasury.govt.nz				
Section 1B: Summary of savings/reprioritisation profile											
Operating funding available for return (\$m)											
2024/25	2025/26	2026/27	2027/28	2028/29 & outyears*	Total						
-	0.650	0.650	0.650	0.650	2.600						
*For irregular outyears, add additional rows above to display the full profile of the initiative. Delete "& outyears" for time-limited funding. See Budget 2025: Uploading Initiatives to CFISnet for more information on entering outyears into CFISnet. *expenditure is shown as positives and savings are shown as negatives. Revenue increases are shown as negatives and revenue decreases are shown as positives.											
Capital funding available for return (\$m)											
24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34*	Total	
-	-	-	-	-	-	-	-	-	-	-	
*Extend the profile above if funding is needed beyond 2033/34.											

Section 2: Alignment and options analysis

Section 2A: Alignment			
The answer to each question must not exceed 1-2 paragraphs			
Does this savings/reprioritisation initiative have implications for the delivery of Government priorities? (if there are implications for multiple Priorities, select the most relevant)	<input type="checkbox"/>	Addressing the rising cost of living	<input checked="" type="checkbox"/> Delivering effective and fiscally sustainable public services
	<input type="checkbox"/>	Building for growth and enabling private enterprise	<input type="checkbox"/> No consequences
	Ngā Whenua Rāhui is essential to DOC delivering positive biodiversity outcomes on private (Māori) land. This fund is the most cost-effective mechanism for DOC to achieve conservation protections on Māori owned land through outsourcing management activities and implementation of land protection instruments.		
What is the proposed use for reprioritisation? (for reprioritisation initiatives only)	<input type="checkbox"/>	Cost Pressures / New Spending	<input type="checkbox"/> Economic Growth (invitation only)
Which initiative(s) is this intended to be reprioritised for?	NA		
Section 2B: Options analysis			
The answer to each question must not exceed 1-2 paragraphs			
What were the range of options considered?	<p>1. Low impact option (\$2.9m package) = \$0.650m p.a 2. High impact option (\$5.8m package) = \$2.000m p.a</p> <p>Total savings packages were calculated at 25% and 50% of DOC's total contestable funds (including the Community Conservation Fund, Ngā Whenua Rāhui, Nature Heritage Fund, and Mātauranga Kura Taiao – totalling \$11.6m). \$12.4m in contracts or formal agreements for services, or contributions to joint ventures were excluded from scope.</p> <p>In scope funds were assessed for alignment with conservation portfolio priorities, value for money, contractual commitments, and minimum viable funding levels. High and low options for each fund were then identified, considering that analysis.</p>		
What was the process used to select the preferred option?	<p>NWR has significant contractual commitments, a unique impact on biodiversity on Māori land, and plays a significant role in meeting DOC's Treaty of Waitangi obligations. The savings options were scaled to reflect this.</p> <p>The savings proposed contribute mainly to the principle of increasing value for money, but we propose to review the administrative approach to the fund following savings decisions to assess whether there is scope to realise further administrative savings, or to consolidate fund management.</p>		

Section 3: Costs and benefits analysis

Section 3A: Benefits and non-fiscal costs

The answer to each question must not exceed 1-2 paragraphs. The primary benefit of savings is fiscal. Therefore, the primary purpose of this section is to highlight any risks or impacts of the savings/reprioritisation initiative.

<p>Where do the savings or revenue or reprioritisation arise from?</p>	<p>The savings arise from a reduction in the core operating funding of the fund.</p> <p>The binding contractual nature of grants made under NWR means that making the savings under the high option would require Ngā Whenua Rāhiu to stop all operations work outside what is detailed in the Kawenata (formal agreements). The NWR Fund would close to new applications for 1-2 years while a review is undertaken. There are currently 95 applications in the pipeline for processing, which would be paused. The review would determine essential obligations from the current 302 formal agreements, what capacity would be required to maintain those agreements, and what could be put towards future applications. We would also review the current structure and administration of the fund to ensure an efficient level of supporting services and administrative resources at that funding level.</p>			
<p>Risks and impacts</p>	<p>Under the recommended option (\$0.650m p.a), the impacts and risks associated with reducing this fund are reduced.</p> <p>However, these risks increase significantly under the high option (\$5.800m p.a). The temporary closure and ongoing funding level under this option would severely restrict the potential for gains in biodiversity on Māori land and potentially lead to declines in species persistence outcomes or increases in the prevalence of pests and threats on that land.</p> <p>The Ngā Whenua Rāhui Fund was established under the policy framework for the 'National Policy for Indigenous Forests'; a key principle of that policy was "recognition of the rights and obligations of Māori landowners and the Crown under the Treaty of Waitangi". Because of this, we consider that the temporary closure and/or ongoing funding level under the high option is likely to be considered a breach of the Treaty of Waitangi by many Iwi & Hapū (unless there was some alternative provision for this activity by the Crown through a Te Ao Maori lens).</p> <p>No engagement was possible with Iwi/Hapū on these proposals in the time available, exacerbating the likelihood that Māori leaders will not support a decrease in a fund they consider makes an important contribution to the Crown's Treaty obligations in relation to the protection of Māori land.</p> <p>Due to these factors, reducing the fund would significantly damage DOC's relationship and credibility with Iwi & Hapū.</p> <p>Under the high option, reducing grantable funds by \$2.0m could also result in a reduction of approximately 6 frontline FTE to maintain an efficient operating structure and a reduction in implementation/operation support. A management of change process would need to be followed in line with PSA obligations. The FTE reduction would provide an ongoing saving of \$0.500m through personnel expense reductions, however, one-off transition costs and redundancy payouts are estimated at \$0.250m</p> <p><i>These risks would be substantially mitigated under the recommended (low) option.</i></p>			
<p>Impact on frontline services</p>	<div> <input type="checkbox"/> High <input checked="" type="checkbox"/> Medium <input type="checkbox"/> Low </div> <p>There are biodiversity and contract monitoring frontline staff involved in this programme.</p>			
<p>Climate impact</p>	<div> <input type="checkbox"/> Yes – emissions impacts (positive or negative) <input checked="" type="checkbox"/> Yes – climate adaptation or <input type="checkbox"/> No impact </div>			

			resilience impacts (positive or negative)		
	High option savings will have a flow on impact on the ecosystem services that flow downstream from well managed landscapes providing mitigation outcomes including climate change resilience and flood mitigation. As most of the lands were formally protected post-1991, they were not considered viable for credits from the ETS so there would not be a significant impact on emissions.				

Community Conservation Funds

Section 1: Overview

Section 1A: Basic initiative information											
Initiative title (max 120 characters)		Community Conservation Funds – Protection and Restoration of Threatened Species and Ecosystems – Reducing Programme									
Lead Minister		Minister of Conservation – Hon Tama Potaka			Agency		Department of Conservation				
Initiative description (max 800 characters)		This initiative reduces funding from the Department of Conservation's annual contestable Community Conservation Fund (also known as the DOC Community Fund) for projects that protect and restore critical ecosystems. The Community Conservation Fund is the Government's primary tool to leverage third-party investment and significant volunteer hours for localised conservation projects; further scaling would have significant impacts on biodiversity outcomes. This initiative would mean community conservation projects would have limited options to seek funding for new projects or to support the continuation of existing projects.									
Priority Area (PA) Objective		<input type="checkbox"/> Targeted policy savings			<input type="checkbox"/> Reprioritisation						
		<input checked="" type="checkbox"/> Grants and funds			<input type="checkbox"/> Performance Plan Scrutiny						
		<input type="checkbox"/> Tagged Contingency									
Is this a cross-Vote initiative?		N									
Is this a revenue initiative?				N		Does this require legislative change?				N	
Agency contact		Name: Magnus Monahan Phone: 9(2)(a) Email: mmonahan@doc.govt.nz				Treasury contact (Vote Analyst)		Name: Bronte Creighton-Shaw Phone: 9(2)(a) Email: Bronte.Creighton-Shaw@treasury.govt.nz			
Section 1B: Summary of savings/reprioritisation profile											
Operating funding available for return (\$m)											
2024/25	2025/26	2026/27	2027/28	2028/29 & outyears*	Total						
-	0.650	0.650	0.650	0.650	2.600						
*For irregular outyears, add additional rows above to display the full profile of the initiative. Delete "& outyears" for time-limited funding. See Budget 2025: Uploading Initiatives to CFISnet for more information on entering outyears into CFISnet. *expenditure is shown as positives and savings are shown as negatives. Revenue increases are shown as negatives and revenue decreases are shown as positives.											
Capital funding available for return (\$m)											
24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34*	Total	
-	-	-	-	-	-	-	-	-	-	-	
*Extend the profile above if funding is needed beyond 2033/34.											

Section 2: Alignment and options analysis

Section 2A: Alignment				
The answer to each question must not exceed 1-2 paragraphs				
Does this savings/reprioritisation initiative have implications for the delivery of Government priorities? (if there are implications for multiple Priorities, select the most relevant)	<input type="checkbox"/>	Addressing the rising cost of living	<input type="checkbox"/>	Delivering effective and fiscally sustainable public services
	<input type="checkbox"/>	Building for growth and enabling private enterprise	<input checked="" type="checkbox"/>	No consequences
	<p>Savings delivered through a reduction in this fund impacts the Minister of Conservation's Cabinet approved Conservation Priorities. The Community Conservation Fund (the CCF) supports delivery of the Minister of Conservation's priorities for the Conservation portfolio by:</p> <ul style="list-style-type: none"> targeting investment into high-value conservation outcomes (i.e. the CCF supports the protection of species and ecosystems on the brink or at serious risk of extinction). strengthening relationships with Iwi/hapū for better conservation outcomes. 			
What is the proposed use for reprioritisation? (for reprioritisation initiatives only)	<input type="checkbox"/>	Cost Pressures / New Spending	<input type="checkbox"/>	Economic Growth (invitation only)
Which initiative(s) is this intended to be reprioritised for?	NA			
Section 2B: Options analysis				
The answer to each question must not exceed 1-2 paragraphs				
What were the range of options considered?	<p>3. Low impact option (\$2.9m package) = \$0.650m p.a 4. High impact option (\$5.8m package) = \$2.200m p.a</p> <p>Total savings packages were calculated at 25% and 50% of DOC's total contestable funds (including the Community Conservation Fund, Ngā Whenua Rāhui, Nature Heritage Fund, and Mātauranga Kura Taiao - \$11.6m) but excluding \$12.4m in contracts or formal agreements for services, or contributions to joint ventures.</p> <p>In scope funds were assessed for alignment with conservation portfolio priorities, value for money, contractual commitments, and minimum viable funding levels. High and low options for each fund were then identified, taking into account that analysis.</p>			
What was the process used to select the preferred option?	<p>Maintaining a material quantum in the CCF under the high option was prioritised because of:</p> <ul style="list-style-type: none"> the significant value for money achieved by leveraging co-funding (the last funding round leveraged \$7.2m in additional funding and 120,000 volunteer hours for the \$9.2m in Crown funding invested) its focus on high value conservation outcomes such as the persistence of endangered species and ecosystems <p>Retaining the fund gives other donors confidence that Crown will continue to support these projects and donors can complement or match with additional funding. Closing the fund foregoes DOC's primary tool for incentivising third party contributions to conservation, with long run impacts on outcomes and financial sustainability for DOC. Savings proposed contribute mainly to the principle of increasing value for money, but we propose to review the administrative approach to the fund following savings decisions to assess whether there is scope to realise further administrative savings, or to consolidate fund management.</p>			

Section 3: Costs and benefits analysis

Section 3A: Benefits and non-fiscal costs

The answer to each question must not exceed 1-2 paragraphs. The primary benefit of savings is fiscal. Therefore, the primary purpose of this section is to highlight any risks or impacts of the savings/reprioritisation initiative.

Where do the savings or revenue or reprioritisation arise from?

Savings arise from reduced investment in the CCF. Reducing investment means that a smaller number of conservation projects will be funded.

Risks and impacts

Stopping or reducing investment in the CCF would:

- Negatively impact DOC's ability to protect New Zealand's most threatened species and ecosystems. The most recent funding round will support the protection of 31 nationally critical species and 7 critically endangered ecosystems.
- Incur significant reputational and relationship risk (including impacting relationships with Treaty Partners and key conservation groups). The CCF is the only remaining Government-led discretionary conservation fund. In the most recent funding round, DOC received 298 applications totalling over \$135m – the highest demand in the fund's history.
- Loss of significant benefits from investing through community groups and reduced value for money (outsourcing conservation work). DOC currently leverages the CCF to deliver priority conservation work through others. The Jobs for Nature impact assessment demonstrated that private investment is more likely to occur if Government is also investing. The last CCF funding \$9.2M round of funding leveraged an additional co-funding and an expected 120,000-150,000 volunteer hours.

There is a dependency with the Jobs for Nature (JFN) transition plan. The CCF has been identified as part of the JFN transition plan, providing an avenue to help sustain the gains achieved by that work programme, including extensive pest, predator and weed control.

Under both the high and low savings scenarios, introducing a co-funding criterion could help to mitigate the impact reduced funding would have on outcomes by leveraging more private investment into conservation. However, this could rule out volunteer-based projects and potentially raise the cost of administration.

Impact on frontline services

☐ High ☐ Medium ☒ Low

Climate impact

☐ Yes – emissions impacts (positive or negative) ☒ Yes – climate adaptation or resilience impacts (positive or negative) ☐ No impact

Reducing support for community conservation projects will see a decline in climate resilience and environmental restoration projects.

Section 3B: Status quo

The answer to each question must not exceed 1-2 paragraphs.

Status quo

Funding is allocated through annual contestable funding rounds and is administered by a team of 3 FTE.

Existing operating funding for programme/service (\$m)

2024/25	2025/26	2026/27	2026/28	2028/29 & outyears*	Total
9.200	4.909	4.909	4.909	4.909	28.836

*Extend the profile above to a “steady state” if funding into outyears is irregular. Delete “& outyears” for time-limited funding.

Existing capital funding for programme/service (\$m)

24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34*	Total
-	-	-	-	-	-	-	-	-	-	-

*Extend the profile above if funding is needed beyond 2033/34.

Section 3C: Savings / Revenue / Reprioritisation profile and cost breakdown

The answer to each question must not exceed 1-2 paragraphs.

Formula and assumptions underlying costings	Total savings packages were calculated at 25% and 50% of DOC’s total contestable funds (including the Community Conservation Fund, Ngā Whenua Rāhui, Nature Heritage Fund, and Mātauranga Kura Taiao - \$11.6m) but excluding \$12.4m in contracts or formal agreements for services, or contributions to joint ventures.
	In scope funds were assessed for alignment with conservation portfolio priorities, value for money, contractual commitments, and minimum viable funding levels. High and low options for each fund were then identified, considering that analysis.
	The savings reflect a 13% reduction of available outyear funding.

Provide a breakdown of total initiative expenditure by individual expense category. Total operating and capital expenses in this section must match the totals in Section 1B:Summary of funding profile. Insert additional rows as appropriate for additional expense categories.

Recommended operating savings / reprioritisation (\$m)

Operating expense category	2024/25	2025/26	2026/27	2027/28	2028/29 & outyears*	Total
[Name of Departmental operating expense category] – [Agency / Crown Entity etc.]	-	-	-	-	-	-
<i>Non-Departmental Output Expenses – Community Conservation Funds</i>	-	0.650	0.650	0.650	0.650	2.600
Depreciation and/or capital charge (if relevant) – [Agency / Crown Entity etc.]	-	-	-	-	-	-
Net FTE funding	-	-	-	-	-	-
Net contractor/consultant funding	-	-	-	-	-	-
Net FTE and contractor/consultant overhead funding	-	-	-	-	-	-
[Name/type of contingency] – [Agency / Crown Entity etc.]	-	-	-	-	-	-
Total (\$m)	-	0.650	0.650	0.650	0.650	2.600

*Extend the profile above to a “steady state” if funding into outyears is irregular. Delete “& outyears” for time-limited funding.

Headcount Change	2024/25	2025/26	2026/27	2027/28	2028/29 & outyears*
Total # of net FTEs at [Agency / Crown Entity / etc.] (employees)	-	-	-	-	-

Total # of net FTEs at [Agency / Crown Entity / etc.] (contractors/consultants)	-	-	-	-	-
Total # of net FTEs (employees and contractors/consultants)	-	-	-	-	-

*Extend the profile above to a "steady state" if headcount change into outyears is irregular. Delete "& outyears" for time-limited funding.

Additional breakdown of FTE changes over the forecast period	
Workforce Management	DOC is reviewing the potential for consolidation of grants and funds across the organisation. Once savings are confirmed, DOC will reconsider the programme and find efficiencies. Any reductions to FTEs could result in redundancies and would need to follow the change management process set out in the PSA Collective Agreement.

Recommended capital savings (\$m)											
Capital expense category	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34*	Total
[Name of Departmental capital expense category] – [Agency / Crown Entity etc.]	-	-	-	-	-	-	-	-	-	-	-
[Name of Non-Departmental capital expense category] – [Agency / Crown Entity etc.]	-	-	-	-	-	-	-	-	-	-	-
[Name/type of contingency] – [Agency / Crown Entity etc.]	-	-	-	-	-	-	-	-	-	-	-
Total (\$m)	-	-	-	-	-	-	-	-	-	-	-

*Extend the profile above if funding is needed beyond 2033/34.

Section 4: Delivery

Implementation of savings / reprioritisation					
The answer to each question must not exceed 1-2 paragraphs					
Implementation of savings from / reprioritisation of this programme, activity or investment	If a decision is taken to reduce the level of investment in the programme, there will be a transition period to allow administration of existing projects until their Deed of Grant is complete (current contracts are for up to three years).				
	A team of 3 FTE currently administer the DOC Community Fund. If the DOC Community Fund is scaled, then DOC will consider how to achieve efficiencies through workforce management and administration savings.				
Transition costs associated with the savings initiative (\$m)					
2024/25	2025/26	2026/27	2027/28	2028/29 & outyears*	Total
[•]	[•]	[•]	[•]	[•]	[•]

Section 5: Equity

The answer to each question must not exceed 1-2 paragraphs.

Timing of costs and benefits	Over the short-term conservation outcomes are decreased through reduced community projects. Impacts will likely build over time, as gains from investments may be lost or not maintained through the fund.			
Treaty of (Te Tiriti o Waitangi) Waitangi implications	Y	Section 4 of the Conservation Act 1987 requires DOC to give effect to the principles of the Treaty of Waitangi when interpreting and administering its legislative responsibilities. This includes DOC's role in administering funds and grants and criteria weighting for applications towards projects that enable whānau, iwi and hapū to exercise their role as rangatira and kaitiaki. Through the latest round of grants, Māori groups made up 24% of funding recipients, which we would expect this proportion to continue under a scaled fund. There are no Treaty Settlement commitments associated with the CCF.		
Human rights implications	N			
Does the initiative have a larger impact on any of the following groups of New Zealanders than on the population as a whole	<i>Māori</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input checked="" type="checkbox"/>	No impact <input type="checkbox"/>
	<i>Pasifika</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Other minority ethnic groups</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Rural Populations</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input checked="" type="checkbox"/>	No impact <input type="checkbox"/>
	<i>Seniors</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Disabled Peoples</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Women and girls</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Low-income individuals / families</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Children and Young People</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input checked="" type="checkbox"/>	No impact <input type="checkbox"/>
	<i>Other groups (please specify)</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
Distributional Impacts	Māori groups make up 24% of funding recipients. The Jobs for Nature evaluation shows that investing in Māori Collective Entities to undertake conservation work has enabled Māori to exercise kaitiakitanga and rangatiratanga over their whenua. Reducing funding availability will impact these groups' ability to invest in conservation activities and exercise kaitiakitanga.			

Nature Heritage Fund

Section 1: Overview

Section 1A: Basic initiative information										
Initiative title (max 120 characters)	Nature Heritage Fund – Protection of High-Value Ecosystems – Closure of Programme									
Lead Minister	Minister of Conservation – Hon Tama Potaka	Agency	Department of Conservation							
Initiative description (max 800 characters)	This initiative closes a contestable fund that protects biodiversity through direct purchasing of land or legal land protections. This initiative will reduce DOC's ability to purchase land, establish protective legal instruments, and fund land exchanges for the permanent protection of indigenous biodiversity. The closure of this fund supports consolidation by removing duplication of funding legal protection of land. Closing this fund will provide administration savings of approximately \$20,000 per annum through the closure of the independent advisory committee.									
Priority Area (PA) Objective	<input type="checkbox"/>	Targeted policy savings	<input type="checkbox"/>	Reprioritisation						
	<input checked="" type="checkbox"/>	Grants and funds	<input type="checkbox"/>	Performance Plan Scrutiny						
	<input type="checkbox"/>	Tagged Contingency								
Is this a cross-Vote initiative?	N									
Is this a revenue initiative?	N	Does this require legislative change?		N						
Agency contact	Name: Magnus Monahan Phone: 9(2)(a) Email: mmonahan@doc.govt.nz		Treasury contact (Vote Analyst)	Name: Bronte Creighton-Shaw Phone: 9(2)(a) Email: Bronte.Creighton-Shaw@treasury.govt.nz						
Section 1B: Summary of savings/reprioritisation profile										
Operating funding available for return (\$m)										
2024/25	2025/26	2026/27	2027/28	2028/29 & outyears*	Total					
-	1.303	1.303	1.303	1.303	5.212					
*For irregular outyears, add additional rows above to display the full profile of the initiative. Delete "& outyears" for time-limited funding. See Budget 2025: Uploading Initiatives to CFISnet for more information on entering outyears into CFISnet. *expenditure is shown as positives and savings are shown as negatives. Revenue increases are shown as negatives and revenue decreases are shown as positives.										
Capital funding available for return (\$m)										
24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34*	Total
-	-	-	-	-	-	-	-	-	-	-
*Extend the profile above if funding is needed beyond 2033/34.										

Section 2: Alignment and options analysis

Section 2A: Alignment			
The answer to each question must not exceed 1-2 paragraphs			
Does this savings/reprioritisation initiative have implications for the delivery of Government priorities? (if there are implications for multiple Priorities, select the most relevant)	<input type="checkbox"/>	Addressing the rising cost of living	<input type="checkbox"/> Delivering effective and fiscally sustainable public services
	<input type="checkbox"/>	Building for growth and enabling private enterprise	<input checked="" type="checkbox"/> No consequences
What is the proposed use for reprioritisation? (for reprioritisation initiatives only)	<input type="checkbox"/>	Cost Pressures / New Spending	<input type="checkbox"/> Economic Growth (invitation only)
Which initiative(s) is this intended to be reprioritised for?	NA		
Section 2B: Options analysis			
The answer to each question must not exceed 1-2 paragraphs			
What were the range of options considered?	We considered scaling or closing this fund.		
What was the process used to select the preferred option?	<p>Total savings packages were calculated at 25% and 50% of DOC's total contestable funds (including the Community Conservation Fund, Ngā Whenua Rāhui, Nature Heritage Fund, and Mātauranga Kura Taiao - \$11.6m) but excluding \$12.4m in contracts or formal agreements for services, or contributions to joint ventures.</p> <p>In scope funds were assessed for alignment with conservation portfolio priorities, value for money, contractual commitments, and minimum viable funding levels. High and low options for each fund were then identified, considering that analysis.</p>		

Section 3: Costs and benefits analysis

Section 3A: Benefits and non-fiscal costs

The answer to each question must not exceed 1-2 paragraphs. The primary benefit of savings is fiscal. Therefore, the primary purpose of this section is to highlight any risks or impacts of the savings/reprioritisation initiative.

<p>Where do the savings or revenue or reprioritisation arise from?</p>	<p>Savings arise from the closure the NHF from 2025/26 onwards.</p> <p>Through the closure of the NHF, DOC would deliver savings through the removal of a fund that provides similar outcomes to other funds in relation to its function to establish legal protection on land. The Department supports legal protection on private land through supporting the Queen Elizabeth the second Trust (QEII) and Ngā Whenua Rāhui.</p> <p>However, this fund is a unique tool for the Crown to receive applications to purchase important conservation areas for protection, which will be lost.</p>				
<p>Risks and impacts</p>	<p>Reduced funding would negatively impact DOC's ability to protect rare and threatened ecosystems on private land. The fund has protected 1.3% (over 349,000 hectares) of New Zealand land for less than \$200m since 1990.</p> <p>There is some reputational risk with reducing/stopping this fund, given its profile with conservation non-Governmental organisations.</p> <p>A review of the NHF is currently underway including consideration of its impact and financial effectiveness. The report is due in March 2025.</p> <p>The proposed savings would remove DOC's ability to protect high-value conservation land through purchasing or legal protection.</p>				
<p>Impact on frontline services</p>	<input type="checkbox"/> High	<input type="checkbox"/> Medium	<input checked="" type="checkbox"/> Low		
<p>Climate impact</p>	<input type="checkbox"/> Yes – emissions impacts (positive or negative)	<input type="checkbox"/> Yes – climate adaptation or resilience impacts (positive or negative)	<input checked="" type="checkbox"/> No impact		
<p>NA</p>					

Section 3B: Status quo

The answer to each question must not exceed 1-2 paragraphs.

Status quo Funding is allocated through annual contestable funding rounds and is administered by a team who also administer the DOC Community Fund.

Existing operating funding for programme/service (\$m)

2024/25	2025/26	2026/27	2026/28	2028/29 & outyears*	Total
6.155	1.303	1.303	1.303	1.303	11.367

*Extend the profile above to a "steady state" if funding into outyears is irregular. Delete "& outyears" for time-limited funding.

Existing capital funding for programme/service (\$m)

24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34*	Total
3.541	-	-	-	-	-	-	-	-	-	3.541

*Extend the profile above if funding is needed beyond 2033/34.

Section 3C: Savings / Revenue / Reprioritisation profile and cost breakdown

The answer to each question must not exceed 1-2 paragraphs.

Formula and assumptions underlying costings

The available savings reflect the full closure and all potential savings that can be delivered for this initiative.

The savings reflect 100% of the appropriation in 2025/26 and outyears.

Provide a breakdown of total initiative expenditure by individual expense category. Total operating and capital expenses in this section must match the totals in *Section 1B: Summary of funding profile*. Insert additional rows as appropriate for additional expense categories.

Recommended operating savings / reprioritisation (\$m)

Operating expense category	2024/25	2025/26	2026/27	2027/28	2028/29 & outyears*	Total
[Name of Departmental operating expense category] – [Agency / Crown Entity etc.]	-	-	-	-	-	-
Non-Departmental Output Expenses – Identification and Implementation of Protection for Natural and Historic Places MCA - Nature Heritage Fund	-	1.303	1.303	1.303	1.303	5.212
Depreciation and/or capital charge (if relevant) – [Agency / Crown Entity etc.]	-	-	-	-	-	-
Net FTE funding	-	-	-	-	-	-
Net contractor/consultant funding	-	-	-	-	-	-
Net FTE and contractor/consultant overhead funding	-	-	-	-	-	-
[Name/type of contingency] – [Agency / Crown Entity etc.]	-	-	-	-	-	-
Total (\$m)	-	1.303	1.303	1.303	1.303	5.212

*Extend the profile above to a “steady state” if funding into outyears is irregular. Delete “& outyears” for time-limited funding.

Headcount Change	2024/25	2025/26	2026/27	2027/28	2028/29 & outyears*
Total # of net FTEs at [Agency / Crown Entity / etc.] (employees)	-	-	-	-	-
Total # of net FTEs at [Agency / Crown Entity / etc.] (contractors/consultants)	-	-	-	-	-
Total # of net FTEs (employees and contractors/consultants)	-	-	-	-	-

*Extend the profile above to a “steady state” if headcount change into outyears is irregular. Delete “& outyears” for time-limited funding.

Additional breakdown of FTE changes over the forecast period

DOC estimates that half an FTE manages the Fund.

Workforce Management

Recommended capital savings (\$m)

Capital expense category	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34*	Total
[Name of Departmental capital expense category] – [Agency / Crown Entity etc.]	-	-	-	-	-	-	-	-	-	-	-
[Name of Non-Departmental capital expense category] – [Agency / Crown Entity etc.]	-	-	-	-	-	-	-	-	-	-	-
[Name/type of contingency] – [Agency / Crown Entity etc.]	-	-	-	-	-	-	-	-	-	-	-
Total (\$m)	-	-	-	-	-	-	-	-	-	-	-
*Extend the profile above if funding is needed beyond 2033/34.											

Section 4: Delivery

Implementation of savings / reprioritisation					
The answer to each question must not exceed 1-2 paragraphs					
Implementation of savings from / reprioritisation of this programme, activity or investment	Implementing this initiative would require a policy decision to disestablish the fund or reduce the level of annual funding.				
	If the fund is shut down, the NHF Committee function would also be dis-established. Administration costs include \$20,000 per annum to support the NHF Committee function. These savings can be realised immediately as the costs are only incurred when the committee meets.				
	As the Minister of Conservation appoints the independent committee under section 56 of the Conservation 1987, the Minister will need to disestablish the committee.				
Transition costs associated with the savings initiative (\$m)					
2024/25	2025/26	2026/27	2027/28	2028/29 & outyears*	Total
[•]	[•]	[•]	[•]	[•]	[•]

Section 5: Equity

The answer to each question must not exceed 1-2 paragraphs.

Timing of costs and benefits	Savings will be realised immediately.			
Treaty of (Te Tiriti o Waitangi) implications	<i>N</i>	NA		
Human rights implications	<i>N</i>	NA		
Does the initiative have a larger impact on any of the following groups of New Zealanders than on the population as a whole	<i>Māori</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Pasifika</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Other minority ethnic groups</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Rural Populations</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input checked="" type="checkbox"/>	No impact <input type="checkbox"/>
	<i>Seniors</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Disabled Peoples</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Women and girls</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Low-income individuals / families</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Children and Young People</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Other groups (please specify)</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
Distributional Impacts	As the majority of land acquisitions occur in rural communities, there is a potential impact on rural economies as DOC withdraws this funding for land acquisition.			

Mātauranga Kura Taiao Fund

Section 1: Overview

Section 1A: Basic initiative information										
Initiative title (max 120 characters)	Mātauranga Kura Taiao Fund – Preserving Traditional Knowledge for Biodiversity Management – Scaling Programme									
Lead Minister	Minister of Conservation – Hon Tama Potaka	Agency	Department of Conservation							
Initiative description (max 800 characters)	This initiative scales the Mātauranga Kura Taiao Fund, reducing funding available for tangata whenua to preserve their traditional knowledge in indigenous biodiversity management, tikanga, history, stories, and practice. The recommended scaling achieves savings for the Crown, while honouring existing funding commitments. The savings reflect an approximate 50% reduction in the programme.									
Priority Area (PA) Objective	<input type="checkbox"/>	Targeted policy savings	<input type="checkbox"/>	Reprioritisation						
	<input checked="" type="checkbox"/>	Grants and funds	<input type="checkbox"/>	Performance Plan Scrutiny						
	<input type="checkbox"/>	Tagged Contingency								
Is this a cross-Vote initiative?	N									
Is this a revenue initiative?	N	Does this require legislative change?	N							
Agency contact	Name: Magnus Monahan Phone: 9(2)(a) Email: mmonahan@doc.govt.nz		Treasury contact (Vote Analyst)	Name: Bronte Creighton-Shaw Phone: 9(2)(a) Email: Bronte.Creighton-Shaw@treasury.govt.nz						
Section 1B: Summary of savings/reprioritisation profile										
Operating funding available for return (\$m)										
2024/25	2025/26	2026/27	2027/28	2028/29 & outyears*	Total					
-	0.300	0.300	0.300	0.300	1.200					
*For irregular outyears, add additional rows above to display the full profile of the initiative. Delete "& outyears" for time-limited funding. See Budget 2025: Uploading Initiatives to CFISnet for more information on entering outyears into CFISnet. *expenditure is shown as positives and savings are shown as negatives. Revenue increases are shown as negatives and revenue decreases are shown as positives.										
Capital funding available for return (\$m)										
24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34*	Total
-	-	-	-	-	-	-	-	-	-	-
*Extend the profile above if funding is needed beyond 2033/34.										

Section 2: Alignment and options analysis

Section 2A: Alignment				
The answer to each question must not exceed 1-2 paragraphs				
Does this savings/reprioritisation initiative have implications for the delivery of Government priorities? (if there are implications for	<input type="checkbox"/>	Addressing the rising cost of living	<input type="checkbox"/>	Delivering effective and fiscally sustainable public services
	<input type="checkbox"/>	Building for growth and enabling private enterprise	<input checked="" type="checkbox"/>	No consequences
	NA			

multiple Priorities, select the most relevant)				
What is the proposed use for reprioritisation? (for reprioritisation initiatives only)	<input type="checkbox"/>	Cost Pressures / New Spending	<input type="checkbox"/>	Economic Growth (invitation only)
Which initiative(s) is this intended to be reprioritised for?	NA			
Section 2B: Options analysis				
The answer to each question must not exceed 1-2 paragraphs				
What were the range of options considered?	<p>5. Low impact option (\$2.9m package) = \$0.300m p.a 6. High impact option (\$5.8m package) = \$0.300m p.a</p> <p>Total savings packages were calculated at 25% and 50% of DOC's total contestable funds (including the Community Conservation Fund, Ngā Whenua Rāhui, Nature Heritage Fund, and Mātauranga Kura Taiao – totalling \$11.6m). \$12.4m in contracts or formal agreements for services, or contributions to joint ventures were excluded from scope. In scope funds were assessed for alignment with conservation portfolio priorities, value for money, contractual commitments, and minimum viable funding levels. High and low options for each fund were then identified, considering that analysis.</p>			
What was the process used to select the preferred option?	<p>As above</p> <p>Savings proposed contribute mainly to the principle of increasing value for money, but we propose to review the administration approach to the fund following savings decisions to ensure this is efficient at the level of grantable funds.</p>			

Section 3: Costs and benefits analysis

Section 3A: Benefits and non-fiscal costs

The answer to each question must not exceed 1-2 paragraphs. The primary benefit of savings is fiscal. Therefore, the primary purpose of this section is to highlight any risks or impacts of the savings/reprioritisation initiative.

Where do the savings or revenue or reprioritisation arise from?	Savings are delivered through reducing the funding available for new applications, while honouring existing funding commitments. Mātauranga Kura Taiao Fund outlines a summary of recently funded projects.				
Risks and impacts	<p>Scaling this programme would limit the potential to foster the development and retention of mātauranga Māori in a conservation context, limiting the engagement and capacity of tangata whenua to participate in the management of indigenous biodiversity, with a potential flow on impact on biodiversity outcomes on Māori land. Almost 50 percent of the total indigenous vegetation remaining on private land is held in Māori title.</p> <p>No engagement was possible with Iwi/Hapū in the time available. Scaling the fund (particularly without prior engagement) may be seen as a decrease in DOC's level of commitment to its contemporary Treaty of Waitangi obligations.</p> <p>These risks are mitigated by the recommended option for scaling the Whenua Rāhui Fund, as maintaining a material number of new applications under this fund will foster the development of mātauranga Māori to some extent.</p>				
Impact on frontline services	<input type="checkbox"/> High	<input type="checkbox"/> Medium	<input checked="" type="checkbox"/> Low		
Climate impact	<input type="checkbox"/> Yes – emissions impacts (positive or negative)	<input type="checkbox"/> Yes – climate adaptation or resilience impacts (positive or negative)	<input checked="" type="checkbox"/> No impact		
	NA				

Section 3B: Status quo

The answer to each question must not exceed 1-2 paragraphs.

Status quo The Fund is contestable and administered by the Ngā Whenua Rāhui Komiti. There is 1 FTE that administers the fund. There are 36 existing funding commitments during the forecast period.

Existing operating funding for programme/service (\$m)

2024/25	2025/26	2026/27	2026/28	2028/29 & outyears*	Total
0.847	0.547	0.663	0.663	0.663	3.383

*Extend the profile above to a "steady state" if funding into outyears is irregular. Delete "& outyears" for time-limited funding.

Existing capital funding for programme/service (\$m)

24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34*	Total
-	-	-	-	-	-	-	-	-	-	-

*Extend the profile above if funding is needed beyond 2033/34.

Section 3C: Savings / Revenue / Reprioritisation profile and cost breakdown

The answer to each question must not exceed 1-2 paragraphs.

Formula and assumptions underlying costings

Total savings packages were calculated at 25% and 50% of DOC's total contestable funds (including the Community Conservation Fund, Ngā Whenua Rāhui, Nature Heritage Fund, and Mātauranga Kura Taiao - \$11.6m) but excluding \$12.4m in contracts or formal agreements for services, or contributions to joint ventures.

In scope funds were assessed for alignment with conservation portfolio priorities, value for money, contractual commitments, and minimum viable funding levels. High and low options for each fund were then identified, considering that analysis.

The recommended saving option reflects a 47% decrease of available outyear funding.

Provide a breakdown of total initiative expenditure by individual expense category. Total operating and capital expenses in this section must match the totals in Section 1B: Summary of funding profile. Insert additional rows as appropriate for additional expense categories.

Recommended operating savings / reprioritisation (\$m)

Operating expense category	2024/25	2025/26	2026/27	2027/28	2028/29 & outyears*	Total
[Name of Departmental operating expense category] – [Agency / Crown Entity etc.]	-	-	-	-	-	-
[Non-Departmental Other Expense – Mātauranga Maori Fund]	-	0.300	0.300	0.300	0.300	1.200
Depreciation and/or capital charge (if relevant) – [Agency / Crown Entity etc.]	-	-	-	-	-	-
Net FTE funding	-	-	-	-	-	-
Net contractor/consultant funding	-	-	-	-	-	-
Net FTE and contractor/consultant overhead funding	-	-	-	-	-	-
[Name/type of contingency] – [Agency / Crown Entity etc.]	-	-	-	-	-	-
Total (\$m)	-	0.300	0.300	0.300	0.300	1.200

*Extend the profile above to a “steady state” if funding into outyears is irregular. Delete “& outyears” for time-limited funding.

Headcount Change	2024/25	2025/26	2026/27	2027/28	2028/29 & outyears*
Total # of net FTEs at [Agency / Crown Entity / etc.] (employees)	-	-	-	-	-
Total # of net FTEs at [Agency / Crown Entity / etc.] (contractors/consultants)	-	-	-	-	-
Total # of net FTEs (employees and contractors/consultants)	-	-	-	-	-

*Extend the profile above to a “steady state” if headcount change into outyears is irregular. Delete “& outyears” for time-limited funding.

Additional breakdown of FTE changes over the forecast period	No FTE are impacted by this savings proposal.										
Workforce Management	N/A										
Recommended capital savings (\$m)											
Capital expense category	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34*	Total
[Name of Departmental capital expense category] – [Agency / Crown Entity etc.]	-	-	-	-	-	-	-	-	-	-	-
[Name of Non-Departmental capital expense category] – [Agency / Crown Entity etc.]	-	-	-	-	-	-	-	-	-	-	-
[Name/type of contingency] – [Agency / Crown Entity etc.]	-	-	-	-	-	-	-	-	-	-	-
Total (\$m)	-	-	-	-	-	-	-	-	-	-	-
*Extend the profile above if funding is needed beyond 2033/34.											

Section 4: Delivery

Implementation of savings / reprioritisation					
The answer to each question must not exceed 1-2 paragraphs					
Implementation of savings from / reprioritisation of this programme, activity or investment	Savings can be delivered through a reduction of allocated funding for the Fund from 2025/26 ongoing.				
Transition costs associated with the savings initiative (\$m)					
2024/25	2025/26	2026/27	2027/28	2028/29 & outyears*	Total
[•]	[•]	[•]	[•]	[•]	[•]

Section 5: Equity

The answer to each question must not exceed 1-2 paragraphs.

Timing of costs and benefits	The risks are likely to manifest in the short to medium term.			
Treaty of (Te Tiriti o Waitangi) Waitangi implications	Y	Scaling this fund (particularly without prior engagement) may be seen as a decrease in DOC's level of commitment to its contemporary Treaty of Waitangi obligations, damaging its relationship with Iwi & Hapū. As noted above, this risk can be mitigated to some extent by maintaining funding for the Whenua Rāhui Fund at the recommended level.		
Human rights implications	N			
Does the initiative have a larger impact on any of the following groups of New Zealanders than on the population as a whole	Māori	Yes - Positive <input type="checkbox"/>	Yes - Negative <input checked="" type="checkbox"/>	No impact <input type="checkbox"/>
	Pasifika	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	Other minority ethnic groups	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	Rural Populations	Yes - Positive <input type="checkbox"/>	Yes - Negative <input checked="" type="checkbox"/>	No impact <input type="checkbox"/>
	Seniors	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	Disabled Peoples	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	Women and girls	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	Low-income individuals / families	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	Children and Young People	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	Other groups (please specify)	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
Distributional Impacts	Tangata whenua/ Iwi and hapū would be disproportionately impacted. Scaling funding would lead to a reduction in the engagement and capacity of tangata whenua to participate in management of biodiversity, particular on whenua Māori. Given that a higher-than-average portion of the Māori population reside in small urban or rural areas, and most of the activity funded in these projects will adjoin such areas, there is also likely to be a larger impact on rural populations.			

Grants and Funds Submission Summary

Portfolio: Conservation

This summary template is to provide information on grants and funds choices to meet the high and low savings values set through the Budget 2025 Invitation Letters for each portfolio. Letters outlining the Budget 2025 strategy and the relevant high and low amounts have been issued to Ministers (with Chief Executives CC'd).

A copy of this summary must be attached to your Minister's submission letter to the Minister of Finance, and uploaded to the CFISnet document sharing function by **1pm Monday 23 December 2024**. Agencies must also submit the relevant Annex 2: Savings (all agencies) for individual grants and funds initiatives.

	High Amount	Low Amount
Total Operating \$p.a (Current)	(For Contestable funds) - \$11.6m	(For contestable funds) \$11.6m
Total Operating savings p.a from 2025/26 onwards)	\$5.8m	\$2.9m
Details	<p>DOC submitted all funding arrangements that could possibly be interpreted within scope of the Treasury's Grants and Funds review process. Many of these arrangements are not discretionary grants or funds but are formal arrangements (including some contracts) with third parties to deliver core conservation interventions or contribute to joint ventures.</p> <p>Of the funding arrangements originally submitted to the Treasury, only approximately \$11.6 million per annum is in the form of contestable grants and funds (the Community Conservation Fund, Ngā Whenua Rāhui, Nature Heritage Fund, and Mātauranga Kura Taiao Fund). DOC has developed a high package based on reviewing these contestable funds in line with the principles set out in the Minister of Finance's letter.</p> <p>DOC's Community Conservation Fund is the Government's primary tool for leveraging community support for conservation, including significant co-funding and volunteer hours. DOC does not have sufficient funding to improve conservation outcomes on its own, and this fund is a critical avenue for securing high value for money community support.</p> <p>The Nature Heritage Fund and Ngā Whenua Rāhui Fund are important for securing the protection of threatened and rare species and ecosystems on private land. Public conservation land does not contain a full representation of all of New Zealand's indigenous biodiversity and therefore these funds are an important avenue for protecting private land with high conservation values.</p> <p>DOC assessed the funds for their alignment with conservation portfolio priorities, value for money, contractual commitments, risks to the Crown from scaling/stopping funding and opportunities to consolidate them and/or reduce administrative costs. The high package (\$5.8 million) focuses on ensuring the Crown can meet its contractual commitments to Māori landowners and operate a minimum viable Community Conservation fund that can continue to deliver value for money for conservation. It provides savings through significantly scaling back the Community Conservation, Ngā Whenua Rāhui and Mātauranga Kura Taiao Funds, and closing the Nature Heritage Fund.</p> <p>This includes per annum savings of (\$5.8m)</p> <p>- Community Conservation Fund - \$2.200 - Ngā Whenua Rāhui - \$2.000 - Mātauranga Kura Taiao Fund - \$0.300 - Nature Heritage Fund - \$1.300</p> <p>The Ngā Whenua Rāhui fund cannot be scaled further as this option is already the minimum required to maintain the existing 302 contracts with landowners. The Mātauranga Kura Taiao Fund cannot be scaled further without breaching existing commitments.</p> <p>The package reduces administrative costs through the closure of the Nature Heritage Fund. DOC is in the process of reviewing and assessing consolidation opportunities and whether this would decrease or increase administrative costs.</p>	<p>DOC submitted all funding arrangements that could possibly be interpreted within scope of the Treasury's Grants and Funds review process. Many of these arrangements are not discretionary grants or funds but are formal arrangements (including some contracts) with third parties to deliver core conservation interventions or contribute to joint ventures.</p> <p>Of the funding arrangements originally submitted to the Treasury, only approximately \$11.6 million per annum is in the form of contestable grants and funds (the Community Conservation Fund, Ngā Whenua Rāhui, Nature Heritage Fund, and Mātauranga Kura Taiao Fund). DOC has developed the low package based on reviewing these contestable funds in line with the principles set out in the Minister of Finance's letter.</p> <p>DOC's Community Conservation Fund is the Government's primary tool for leveraging community support for conservation, including significant co-funding and volunteer hours. DOC does not have sufficient funding to improve conservation outcomes on its own, and this fund is a critical avenue for securing high value for money community support.</p> <p>The Nature Heritage Fund and Ngā Whenua Rāhui Fund are important for securing the protection of threatened and rare species and ecosystems on private land. Public conservation land does not contain a full representation of all of New Zealand's indigenous biodiversity and therefore these funds are an important avenue for protecting private land with high conservation values.</p> <p>DOC assessed the funds for their alignment with conservation portfolio priorities, value for money, contractual commitments, risks to the Crown from scaling/stopping funding and opportunities to consolidate them and/or reduce administrative costs.</p> <p>The low package (\$2.9 million) enables DOC to maintain both the Community Conservation Fund and Ngā Whenua Rāhui Fund with reasonable levels of funding so that they can continue to deliver improved conservation outcomes. It provides savings through closing the Nature Heritage Fund, significantly scaling back the Mātauranga Kura Taiao Fund, and making smaller reductions to the Community Conservation and Ngā Whenua Rāhui funds.</p> <p>This includes per annum savings of (\$2.9m)</p> <p>- Community Conservation Fund - \$0.650 - Ngā Whenua Rāhui - \$0.650 - Mātauranga Kura Taiao Fund - \$0.300 - Nature Heritage Fund - \$1.300</p> <p>The Mātauranga Kura Taiao Fund cannot be scaled further without breaching existing commitments.</p> <p>The package reduces administrative costs through the closure of the Nature Heritage Fund. DOC is in the process of reviewing and assessing consolidation opportunities and whether this would decrease or increase administrative costs.</p>
Risks and mitigation	<p>This high package balances the need to make savings with meeting the Crown's contractual obligations and retaining the minimum funding required for the Community Conservation Fund to continue to support community conservation projects, which deliver significant value for money for conservation.</p> <p>The latest round of \$9.2m from the Community Conservation Fund leveraged an additional \$7.2m of co-funding and 120,000-150,000 expected volunteer hours towards high priority biodiversity outcomes. This package significantly scales back this fund, which will reduce DOC's ability to leverage third-party investment and volunteer hours for high-value conservation projects across New Zealand. Given the high profile of the fund (due to the wide range of community projects it supports across New Zealand), reducing its funding is likely to receive widespread negative feedback. Scaling the fund even further would reduce its viability, and result in significant loss of biodiversity outcomes, reputational risks, and potential transition costs and FTE impacts for DOC.</p> <p>By scaling back Ngā Whenua Rāhui and closing the Nature Heritage Fund, this package will limit DOC's ability to protect indigenous biodiversity on private land. Protecting land in perpetuity which has high conservation values is an important lever for improving conservation outcomes. As around 50 per cent of indigenous biodiversity remaining on private land is held in Māori title, Ngā Whenua Rāhui is a critical mechanism for the Government to protect and conserve non-Crown high value conservation areas on Māori owned land. This is a high demand fund, with 95 applications currently due to be processed and considered by the Minister of Conservation. The Queen Elizabeth II Trust (which is out of scope of this review), does provide another avenue for protecting biodiversity on private land.</p> <p>The Ngā Whenua Rāhui fund is scaled to its minimum viable option that does not break existing contracts. It would see the fund close to new applicants for a few years while existing contracts are maintained. Scaling the fund to this level will likely be seen as a contemporary Treaty of Waitangi breach by many Iwi and Hapū. Iwi and Hapū have not been consulted on this potential reduction in the time available and are unlikely to receive this positively as many groups view this as an essential tool for kaitiaki of their whenua. DOC anticipates that under this option, 6 FTE could be impacted, including frontline services (biodiversity and monitoring staff). DOC would have to undergo a change management process according to the Collective Agreement with the Public Service Association and incur transition costs.</p> <p>The Mātauranga Kura Taiao fund is scaled to focus on honouring existing commitments rather than accepting new applications in the short term. Reducing the fund by 50% will reduce support for biodiversity protections and restoration, educational wānanga and conservation training, and the practising of traditional biodiversity management. This will impact DOC's ability to support outsourcing conservation restoration and protection on non-Crown land.</p>	<p>This low package is recommended over the high package because it enables DOC to not only meet its contractual obligations, but also reduces the risk of a Treaty of Waitangi breach and minimises the impact on DOC's Community Conservation Fund, which attracts significant co-funding and support from third parties for critical conservation work.</p> <p>The latest round of \$9.2m from the Community Conservation Fund leveraged an additional \$7.2m of co-funding and 120,000-150,000 expected volunteer hours towards high priority biodiversity outcomes. This package scales back this fund by \$0.650m rather than the \$2.2m proposed in the high package. This means that DOC's ability to leverage third-party investment and volunteer hours will be less impacted. It will also likely result in less negative feedback, as most of the fund is retained.</p> <p>The low package preserves most of the funding in the Ngā Whenua Rāhui fund, which enables DOC to not only meet its contractual obligations but keep the fund open for applications. This will support further protection and restoration of biodiversity on Māori owned land through agreements with Māori landowners. This is a high demand fund, with 95 applications currently due to be processed and considered by the Minister of Conservation. Retaining funding for new protections will lessen relationship impacts with Iwi/Hapū and potential Treaty of Waitangi breaches, particularly as Treaty Partners have not been consulted on a potential reduction of the fund.</p> <p>As with the high package, this low package includes the closure of the Nature Heritage Fund. This will limit DOC's ability to protect indigenous biodiversity on private land through acquisition or covenanting. Protecting land in perpetuity which has high conservation values is an important lever for improving conservation outcomes. This is somewhat mitigated by continuing to fund Ngā Whenua Rāhui. The Queen Elizabeth Trust (which is out of scope of this review), also provides another avenue for protecting biodiversity on private land.</p> <p>As with the high package, the Mātauranga Kura Taiao is scaled to focus on honouring existing commitments rather than accepting new applications in the short term. Reducing the fund by 50% will reduce support for biodiversity protections and restoration, educational wānanga and conservation training, and the practising of traditional biodiversity management. This will impact DOC's ability to support outsourcing conservation restoration and protection on non-Crown land.</p>

Initiative Breakdown for High and Low Grants and Funds Amount

Please ensure that the initiative IDs, PA Objective and Title match their corresponding CFISnet Submissions

Please ensure that the sum of the High and Low columns match the high and low amounts outlined in Budget 2025 Invitation Letters for the portfolio

Average per annum should be calculated as the average savings from 2025/26 onwards, please refer to Budget 2025: Guidance

Individual Budget 2025 Savings Templates are required for each initiative (grant and/or fund)

Initiative ID	PA Objective	Vote	Portfolio	Title	High Amount	Low Amount (average)	Comments
	Grants and Funds	Conservation		Ngā Whenua Rāhui – Protection of Indigenous Biodiversity on Māori-Owned Land – Scaling Programme	2	0.65	High option highest savings without breaking existing 302 contracts. Treaty breach risks with high option.
	Grants and Funds	Conservation		Mātauranga Kura Taiao Fund – Preserving Traditional Knowledge for Biodiversity Management – Scaling Programme	0.3	0.3	50% scaling of programme.
	Grants and Funds	Conservation		Nature Heritage Fund – Protection of High-Value Ecosystems – Closure of Programme	1.3	1.3	Closure of programme. Minimal administrative savings through closure of independent committee.
	Grants and Funds	Conservation		Community Conservation Funds – Protection and Restoration of Threatened Species and Ecosystems – Reducing Programme	2.2	0.65	High value conservation outcomes. High option minimum viability to keep programme open. Fund leverages millions of dollars in third-party investment and volunteer hours for conservation work.



Briefing: Budget 2025 submission approval

To	Minister of Conservation	Date submitted	17 December 2024
Action sought	Approve your Budget 2025 submission, including draft letter to the Minister of Finance	Priority	High
Reference	24-B-0634	DocCM	DOC-7839574
Security Level	In Confidence, Budget Sensitive, Staff Sensitive	Timeframe	18 December 2024
Risk Assessment	High – the options outlined in this paper have reputational, relationship and contractual risks		
Attachments	Attachment A – Draft letter to Minister of Finance on Budget 2025 Attachment B – Budget 2025 submission template – water infrastructure Attachment C – Budget 2025 submission templates – grants and funds Attachment D – Budget 2025 submission template – grants and funds, summary of high and low options		

Contacts	
Name and position	Phone
Ruth Isaac, Deputy Director-General Policy and Regulatory Services	9(2)(a)
Mike Tully, Deputy Director-General Organisation Support	9(2)(a)

Purpose – Te aronga

1. To seek your agreement to your Budget 2025 response package, including a draft letter to the Minister of Finance (Attachment A) and completed Budget 2025 templates for submission to the Treasury (Attachments B, C and D).

We recommend that you ... (Ngā tohutohu)

		Decision
a)	Approve the draft letter to the Minister of Finance attached to this briefing. (Attachment A)	Yes / No
b)	Agree to submit savings of \$7.16 million from the Conservation Drinking Water Infrastructure tagged contingency (Attachment B)	Yes / No
c)	Agree to submit the high and low savings options for grants and funds (Attachments C and D)	Yes / No
d)	Note we will attach supplementary material to the Budget submission on the funding arrangements included in the high savings package for the Treasury's information.	



Date: 17/12/24

Ruth Isaac
Deputy Director-General Policy and
Regulatory Services

Date: / /

Hon Tama Potaka
Minister of Conservation

Background and context – Te horopaki

2. On 15 November 2024, the Minister of Finance invited you to submit three initiatives for Budget 2025:
 - a review of the tagged contingency for Conservation Drinking Water Infrastructure;
 - a new funding initiative for a Great Walk at Waiau-toa/Molesworth; and
 - savings options in relation to DOC's grants and funds.
3. On 9 December 2024, you sought the Minister of Finance's agreement to not submit the Great Walk initiative and to amend the scope of DOC's grants and funds review (24-B-0611 refers).
4. On 16 December 2024, the Minister of Finance agreed to you not submitting the Great Walk initiative. However, she has not agreed to amend the scope of the grants and funds review. As such, DOC must still submit a high option of \$24m and a low option of \$12m. This briefing covers the impacts and risks of delivering those options.
5. For details on the drinking water tagged contingency refer to the previous briefing (24-B-0603).

6. DOC must submit all budget templates to the Treasury by 23 December, but for staffing reasons we will submit on Thursday 19 December. You must submit the letter and the summary grants and funds table to the Minister of Finance by 23 December.

We have prepared high and low savings options for DOC's grants and funds

7. The high option of \$24m represents nearly 100% of DOC's grants and funds, as such there are no decisions about what to include.¹
8. When preparing the low option of \$12m we have considered and weighed:
- the alignment of arrangements with agreed priorities for the conservation portfolio;
 - value for money;
 - the statutory, contractual, or reputational consequences of discontinuing the arrangements; and
 - any impact on our ability to meet Treaty of Waitangi obligations or our relationships with Iwi/Hapū.
9. In this context, the low (\$12m) package has prioritised retaining a minimum viable amount in Ngā Whenua Rāhui (in order to avoid breaching existing contractual commitments to Treaty partners), while closing all of DOC's other contestable funds. The balance of the \$12m is made up by terminating arrangements which we consider represent the lowest combined risk across the above criteria, although several of these items still involve significant reputational or relationship risk.
10. The funding agreements included in the low option are set out in the table below.

Low savings option (\$12m)				
Funding agreement	Description	Contract	Treaty impacts	Savings (\$m)
Contestable Funds				
Community Conservation Fund	Provides funding for community projects which protect and restore biodiversity		No	4.91 (entire fund)
Nature Heritage Fund	Supports land acquisition and legal land protection		No	1.30 (entire fund)
Ngā Whenua Rāhui	Protects biodiversity on Māori owned land. 302 existing contracts. Leaves \$2.75m grants and \$0.71m support services.	Yes	Yes (potential breach)	3.45
Mātauranga Kura Taiao Fund	Preservation of traditional biodiversity management	Yes	Yes (minor)	0.630 (entire fund)
Total contestable				10.29
Other funding arrangements				

¹ The only funding arrangements excluded are a \$2m p.a. grant to Tūhoe for co-management of Te Urewera and a \$10k grant to fund a PhD student researching freshwater biodiversity.

Tohu Whenua – Departmental agreement	Co-funding agreement with MCH and HNZ – promotion of heritage visitor sites		No	0.130
Grants arising from Treaty of Waitangi Settlements	Payments for conservation work		No	0.710
9(2)(f)(iv)				
Save our Kiwi	For a contestable fund for community kiwi programmes	Yes	No	0.310
Total other funds				1.7
Total package				12

Risks and implications of these savings options

11. We have completed the Budget 2025 submission templates required by the Treasury for each of the grants and funds in the low package (attachment C) and a template summarising the impact of the high and low options (attachment D). Supplementary detail for the high package options is effectively provided in the overview table we previously provided to you (briefing 24-B-0611 refers), but the templates are only required for the low option.
12. The key risks and implications for the high and low options are summarised below. Refer to the attachments for more detailed information.

Impacts of the high savings option (\$24 million per annum)

13. The high savings option would eliminate almost all of the funding arrangements in the scope of the review. This would have significant impacts on conservation outcomes, create legal risks, damage relationships, and could result in the loss of significant co-funding and other in-kind contributions.
14. It would result in impacts on conservation outcomes such as less land being protected through covenants, increased pest and predator numbers leading to decreases in indigenous biodiversity, and less community engagement in conservation work.
15. It would require closing all DOC's contestable funds and breaching contracts with third parties and Treaty partners. This may result in legal challenges, which will create additional costs. This would also damage our relationship with stakeholders and Treaty partners, making it more difficult to work together on future projects.
16. It would put at risk significant philanthropic co-funding. **9(2)(b)(ii)**
17. As well as co-funding, our grants and funds allow us to deliver better conservation outcomes by leveraging skills, volunteer hours and assets of our partners. For example, funding the endangered species breeding programme at Pūkaha Mt Bruce Wildlife Centre is much cheaper than DOC doing the work ourselves because of the established protected habitats at the centre.

18. The closure of the Ngā Whenua Rāhui fund could also be viewed as a contemporary breach of the Treaty of Waitangi by our Treaty partners.

Impacts of the low savings option

19. The low savings option still carries significant impacts and risks. It would require the unilateral termination of the contract with 9(2)(f)(iv). This could be legally challenged. It would also seriously impact the 9(2)(f)(iv).
20. It requires the closure of the Nature Heritage Fund and the Community Conservation Fund. As well as the loss of conservation outcomes from the closure of these funds, there will also be significant negative reaction from stakeholders and community groups. The Community Conservation Fund is highly oversubscribed, the last fund attracted 298 applications seeking \$135 million worth of funding. The latest round of \$9.2 million leveraged an additional \$7.2m of co-funding and 120,000-150,000 expected volunteer hours towards high priority biodiversity outcomes.
21. It also requires significant scaling back of Ngā Whenua Rāhui and closure of the Mātauranga Kura Taiao funds, which support the protection of indigenous biodiversity on Māori owned land and the preservation of traditional knowledge in biodiversity management and practice. As above, this could be viewed as a contemporary breach of the Treaty of Waitangi by our Treaty partners.

Alternative option

22. Given the significant impacts and risks of both the high and low options, we recommend you include in your letter to the Minister of Finance the alternative package of savings you sent to her on 9 December. This package of \$5.8 million of savings would leave material portions of funding (approximately \$2 million per annum) in both the Community Conservation Fund and Ngā Whenua Rāhui, and avoid all breaches of formal arrangements or contracts.
23. We also recommend that the Zero Invasive Predators Project be 'greenlighted' (i.e. ruled out for savings) as soon as possible in the New Year.

Next steps – Ngā tāwhaitanga

24. We intend to submit the information on Thursday 19 December. Your office will send the letter to the Minister of Finance, and we will upload the submission templates to the Treasury.

ENDS

Hon Tama Potaka

Minister of Conservation
Minister for Māori Crown Relations: Te Arawhiti
Minister for Māori Development
Minister for Whānau Ora
Associate Minister of Housing (Social Housing)



BUDGET SENSITIVE

20 December 2024

Hon Nicola Willis
Minister of Finance
Parliament Buildings

Tēnā koe Nicola

Commented [VR1]: This letter needs the Grants and Funds Summary table attached

Thank you for your letter dated 15 November 2024 in which you invited me to submit three initiatives for Budget 2025:

- a review of the tagged contingency for the Conservation Drinking Water Infrastructure Programme;
- a new initiative bid for a Molesworth Great Walk in the Eastern South Island; and
- savings initiatives for ‘Grants and Funds’ in Vote Conservation.

Conservation Drinking Water Infrastructure Programme

As requested, my officials have reviewed the tagged contingency for the Conservation Drinking Water Infrastructure Programme. I am pleased to say we can return \$7.16 million in savings, which is a 9(2)(i), 9(2)(i) in the total cost. The Department of Conservation (DOC) identified these savings by working closely with Taumata Arowai (the regulator) to process exemptions and minimise compliance costs. I will seek your agreement to draw down the remaining funding in the tagged contingency in mid-2025 to ensure DOC meets its legal requirements under the Water Services Act 2021.

My officials have also considered whether this programme could be funded by the International Visitor Conservation and Tourism Levy (IVL). Approximately two-thirds of the sites to be remediated are visited by international tourists and could be considered for IVL funding. However, funding this work from the IVL would limit DOC’s ability to fund other high priority biodiversity and visitor projects. IVL Ministers could consider allocating funding from the tourism portion of the IVL, given there remains unallocated funding. Funding the initiative from the IVL would cost \$23 million rather 9(2)(i), 9(2)(i) because of the need to swap CAPEX to OPEX at a rate of 10:1 to fund ongoing depreciation.

Molesworth Great Walk

As proposed in my letter to you on 9 December 2024, and confirmed in your reply dated 16 December 2024, I have decided not to submit an initiative for a new Great Walk in the Molesworth Reserve. It does not represent good value for money and does not fit with my priorities for the conservation portfolio.

Grants and funds

As set out in my letter to you on 9 December 2024, I am concerned that many of the funding arrangements within scope of the grants and funding review are not funds for discretionary purposes. They are formal arrangements (including some contracts) with third parties to deliver core conservation interventions or contribute to joint ventures. In addition, many of these arrangements leverage significant third-party investment and support.

As requested, I have submitted a high savings option of \$24 million and a low option of \$12 million. Please see the attached Grants and Funds Summary table comparing the impacts and risks of the high and low options.

I note that the high option would eliminate almost all of the funding arrangements in the original scope of the review. This requires the closure of all of DOC's contestable funds, and the breaching of contracts with third parties and Treaty partners. In the time available, a full analysis of the legal risk associated with this option has not been possible, but I am advised that at least some legal challenge is likely. It could also result in the withdrawal of significant amounts of philanthropic co-funding – 9(2)(b)(ii)

Even at the low (\$12 million) option, realising these savings would result in:

- closure of the long-standing Nature Heritage Fund, which supports the protection of rare and threatened ecosystems on private land through land acquisition and covenanting;
- closure of the Community Conservation Fund, which supports community-led conservation projects and attracts significant co-funding and volunteer work, delivering a high return on the Crown's investment;
- a significant scaling back of Ngā Whenua Rāhui and closure of the Mātauranga Kura Taiao funds, which support the protection of indigenous biodiversity on Māori owned land and the preservation of traditional knowledge in biodiversity management and practice; and
- unilateral termination of a contract with 9(2)(f)(iv), which leads community engagement and 9(2)(f)(iv) across New Zealand in relation to 9(2)(f)(iv)

This will impact on our ability to deliver improved outcomes for conservation and there are risks we will need to manage due to the profile and popularity of these funds. The Community Conservation Fund attracted 298 applications in the last round, seeking \$135 million worth of funding. The latest round of \$9.2 million leveraged an additional \$7.2m of co-funding and 120,000-150,000 expected volunteer hours towards high priority biodiversity outcomes. Closing this fund is likely to generate a widespread, negative reaction.

Ultimately, closing these funds will reduce our ability to incentivise high value third-party involvement in conservation, which can contribute to the financial sustainability of the conservation system in the long run. The closure of the Mātauranga Kura Taiao fund and the significant scaling of Ngā Whenua Rāhui without formal engagement could also be viewed as a contemporary breach of the Treaty of Waitangi by our Treaty partners.

Alternative options

As noted in my letter of 9 December, I prefer an alternative maximum package of savings at approximately \$5.8 million that would leave material portions of funding (approximately \$2 million per annum) in both the Community Conservation Fund and Ngā Whenua Rāhui, and avoid all breaches of formal arrangements or contracts. We would still need to close the Nature Heritage Fund, but I consider these risks can be mitigated via the continuation of other funds out of scope of this review, such as that administered by the Queen Elizabeth II National Trust.

Discussion about Zero Invasive Predators Project (ZIP) early in 2025

DOC and the NEXT foundation have a partnership that combines Crown and philanthropic funding to deliver predator eradication programmes via ZIP, that achieves scale, efficiency and additional funding that DOC would be unable to deliver without this arrangement. Under this arrangement, Predator Free South Westland (an initiative to remove predators over 107,000ha) has already attracted external investment of over \$32m. 9(2)(b)(ii)

Similarly, Predator Free Rakiura/Stewart Island is a multi-year programme to remove all predators from the Island, providing significant future benefit to the economy and nature. The proposed DOC contribution for 25/26 is \$3m. 9(2)(b)(ii)

9(2)(b)(ii)

While I appreciate the general point made in your letter that agencies should not commit to expenditure in 2024/25 that would limit our ability to make savings from 2025/26 onwards, this is a particularly significant and high-profile. As such, although I have included the \$6 million DOC contribution in the 'high' savings option, I seek an early discussion with you in January 2025 about this issue, 9(2)(b)(ii)

I look forward to continuing to work with you through the Budget process to deliver our objectives for the conservation portfolio.

Mauriora

Hon Tama Potaka
Minister of Conservation

Annex 3: Budget 2025 Tagged Contingency Template

Section 1: Overview

Section 1A: Basic initiative information										
Initiative title (max 120 characters)		Conservation Drinking Water Infrastructure Programme – Ensuring Compliance – Efficiency Savings								
Lead Minister		Conservation			Agency		Department of Conservation			
Initiative description (max 800 characters)		This initiative returns \$7.16 million of operating and capital funding from the tagged contingency found through efficiencies and a reduction in scope of improvement obligations. This tagged contingency will fund the Conservation Drinking Water Infrastructure Programme Ensuring Compliance programme that will comply with the safe drinking water legislative requirements for drinking water providers.								
Priority Area (PA) Objective		<input type="checkbox"/>	Targeted policy savings			<input type="checkbox"/>	Reprioritisation			
		<input type="checkbox"/>	Grants and funds			<input type="checkbox"/>	Performance Plan Scrutiny			
		<input checked="" type="checkbox"/>	Tagged Contingency							
Is this a cross-Vote initiative?		N		N/A						
Agency contact		Name: Magnus Monahan Phone: 9(2)(a) [REDACTED] Email: mmonahan@doc.govt.nz				Treasury contact (Vote Analyst)		Name: Bronte Creighton-Shaw Phone: 9(2)(a) [REDACTED] Email: Bronte.Creighton-Shaw@treasury.govt.nz		
Section 1B: Summary of savings profile										
Operating funding available for return (\$m)										
2024/25	2025/26	2026/27	2027/28	2028/29	2029/30 & outyears*	Total				
0.461	0.214	0.821	0.533	0.493	0.501	3.023				
*For irregular outyears, add additional rows above to display the full profile of the initiative. Delete "& outyears" for time-limited funding. See Budget 2025 Uploading Initiatives to CFISnet for more information on entering outyears into CFISnet. *expenditure is shown as positives and savings are shown as negatives. Revenue increases are shown as negatives and revenue decreases are shown as positives.										
Capital funding available for return (\$m)										
24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34*	Total
3.110	1.557	(0.244)	(0.307)	-	-	-	-	-	-	4.136
*Extend the profile above if funding is needed beyond 2033/34.										

Section 2: Status Update and Risks

Section 2A: Status Update

The answer to each question must not exceed 1-2 paragraphs

What is the current status of the tagged contingency?

The Cabinet Economic Policy Committee considered and approved the Single Stage Business Case and Cabinet paper on 11 December, including the recommendation to approve an extension to the expiry date to 30 June 2025.

This extension and Cabinet approval of the Single Stage Business Case will allow the Department to complete an Implementation Business case and seek approval for draw down of funding from the tagged contingency by June 2025. Without this extension, the Department will not be able to draw down the funds as the Implementation Business Case cannot be completed by 1 February 2025.

The tagged contingency 9(2)(i), established at Budget 2024 was for the estimated cost of 18 registered sites on the basis that full compliance with the legislation was required (noting that at that point there were still 55 unregistered sites not included in that funding). Since May 2024, DOC has obtained exemptions through the Water Services Authority – Taumata Arowai and is now left only with 24 sites in total, with only 3 of these sites needing to be made compliant with all legislative requirements. This has reduced the estimated costs from 9(2)(i), 9(2)(i).

Section 2B: Risks

The answer to each question must not exceed 1-2 paragraphs

What is the risk of fully or partial returning the tagged contingency to the centre?

Returning more than the \$7.16M already identified would mean that DOC would not have adequate funding to deliver this work and meet its legal obligations.

We have considered if the initiative could be appropriately funded from the International Visitor Tourism and Conservation Levy (IVL). While this is possible, it would significantly impact DOC's ability to deliver much-needed improvements for visitors and biodiversity. IVL Ministers could consider allocating funding to this initiative from the tourism portion of the IVL, given there remains unallocated funding in the tourism portion.

The majority of the sites are visitor related (visitor centres and campsites), but 7 of the 24 sites would not fit with the proposed investment priorities for the conservation portion of the IVL, which focuses on highly visited areas.

Funding the initiative from the IVL would cost \$23m because DOC would have to swap CAPEX to ongoing OPEX at a rate of 10:1.

\$23M of funding could instead be used to deliver priorities from DOC's IVL strategic investment programme, such as:

- Landscape scale predator control in National Parks and popular visitor sites (150,000 ha for \$6m)
- Stopping the spread and removing wilding conifers from iconic landscapes (150,000 ha for \$7m)
- Improving the visitor experience at Piopiotahi/Milford Sound (\$8.5m to deliver core tourism infrastructure recommendations from Milford Opportunities Project)
- Hiring additional rangers at 20 of the busiest sites of the summer season (1.5m p.a. for 20 sites)

If this tagged contingency were to be fully or partially returned to the centre, the risks are:

	<ul style="list-style-type: none"> • The Department would not be able to meet its statutory obligations under the Water Services Act 2021 in ensuring the provision of safe drinking water. • The Department would have to reprioritise capital expenditure committed for the replacement of visitor assets would be necessary. This would result in consequences such as the closure of sites to maintain visitor safety due to lack of essential maintenance. • There is a considerable reputational risk if DOC, as a public service department, does not address its non-compliance with the Act. Taking no action also risks enforcement action or legal proceedings against DOC by the Authority.
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Please note that there are no other dynamic field requirements for tagged contingency initiatives on CFISnet outside of the fields highlighted in purple in this template. Please input “N/A” “No impact” or “0” where relevant. Further guidance on dynamic field requirements can be found in *Budget 2025: Uploading Initiatives to CFISnet*.

Community Conservation Funds – Protection and Restoration of Threatened Species and Ecosystems – Closing Programme

Section 1: Overview

Section 1A: Basic initiative information										
Initiative title (max 120 characters)	Community Conservation Funds – Protection and Restoration of Threatened Species and Ecosystems – Closing Programme									
Lead Minister	Minister of Conservation – Hon Tama Potaka	Agency	Department of Conservation							
Initiative description (max 800 characters)	<p>This initiative is to close the Department of Conservation's annual contestable Community Conservation Fund (also known as the DOC Community Fund), which is for projects that protect and restore critical ecosystems. The Community Conservation Fund (the CCF) is the Government's primary tool to leverage third-party investment and significant volunteer hours for localised conservation projects.</p> <p>Closing the Community Conservation Fund will significantly impact biodiversity outcomes and would leave community conservation groups with limited options to seek funding for new projects or to support the continuation of existing projects.</p>									
Priority Area (PA) Objective	<input type="checkbox"/>	Targeted policy savings	<input type="checkbox"/>	Reprioritisation						
	<input checked="" type="checkbox"/>	Grants and funds	<input type="checkbox"/>	Performance Plan Scrutiny						
	<input type="checkbox"/>	Tagged Contingency								
Is this a cross-Vote initiative?	N									
Is this a revenue initiative?	N	Does this require legislative change?	N							
Agency contact	Name: Magnus Monahan Phone: 9(2)(a) Email: mmonahan@doc.govt.nz		Treasury contact (Vote Analyst)	Name: Bronte Creighton-Shaw Phone: 9(2)(a) Email: Bronte.Creighton-Shaw@treasury.govt.nz						
Section 1B: Summary of savings/reprioritisation profile										
Operating funding available for return (\$m)										
2024/25	2025/26	2026/27	2027/28	2028/29 & outyears*	Total					
-	4.909	4.909	4.909	4.909	19.636					
*For irregular outyears, add additional rows above to display the full profile of the initiative. Delete "& outyears" for time-limited funding. See Budget 2025: Uploading Initiatives to CFISnet for more information on entering outyears into CFISnet. *expenditure is shown as positives and savings are shown as negatives. Revenue increases are shown as negatives and revenue decreases are shown as positives.										
Capital funding available for return (\$m)										
24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34*	Total
-	-	-	-	-	-	-	-	-	-	-
*Extend the profile above if funding is needed beyond 2033/34.										

Section 2: Alignment and options analysis

Section 2A: Alignment				
The answer to each question must not exceed 1-2 paragraphs				
Does this savings/reprioritisation initiative have implications for the delivery of Government priorities? (if there are implications for multiple Priorities, select the most relevant)	<input type="checkbox"/>	Addressing the rising cost of living	<input type="checkbox"/>	Delivering effective and fiscally sustainable public services
	<input type="checkbox"/>	Building for growth and enabling private enterprise	<input checked="" type="checkbox"/>	No consequences
	<p>Savings delivered by closing the Community Conservation Fund (CCF) will impact the Minister of Conservation's conservation priorities which were approved by Cabinet. The CCF supports the delivery of the Minister of Conservation's priorities for the Conservation portfolio by:</p> <ul style="list-style-type: none"> targeting investment into high-value conservation outcomes (i.e. the CCF supports the protection of species and ecosystems on the brink, or at serious risk of extinction); and strengthening relationships with Iwi/hapū who apply to the fund. 			
What is the proposed use for reprioritisation? (for reprioritisation initiatives only)	<input type="checkbox"/>	Cost Pressures / New Spending	<input type="checkbox"/>	Economic Growth (invitation only)
Which initiative(s) is this intended to be reprioritised for?	NA			
Section 2B: Options analysis				
The answer to each question must not exceed 1-2 paragraphs				
What were the range of options considered?	<p>In general, DOC's approach to prioritising between the high (\$24m) and low (\$12m) options for grants and funds has considered and weighed:</p> <ul style="list-style-type: none"> the alignment of arrangements with agreed priorities for the conservation portfolio the value for money we consider the arrangements generate the statutory, contractual, or reputational consequences of discontinuing the arrangements any impact on our ability to meet Treaty of Waitangi obligations or our relationships with Iwi/Hapū. <p>In this context, the low (\$12m) package has prioritised retaining a minimum viable amount in Ngā Whenua Rāhui (in order to avoid breaching existing contractual commitments to Treaty partners), while closing all other contestable funds. The balance of the \$12m would be made up by terminating arrangements which we consider represent the lowest combined risk across the above criteria.</p>			
What was the process used to select the preferred option?	<p>In the above parameters, the only option available is to permanently close the CCF. DOC's first-best advice would be to retain some material portion of this fund as it presents high value for money through the leveraging of co-funding (see impact analysis below).</p>			

Section 3: Costs and benefits analysis

Section 3A: Benefits and non-fiscal costs

The answer to each question must not exceed 1-2 paragraphs. The primary benefit of savings is fiscal. Therefore, the primary purpose of this section is to highlight any risks or impacts of the savings/reprioritisation initiative.

Where do the savings or revenue or reprioritisation arise from?

Savings arise from closing the CCF. Stopping investment means that, following a transition period, no further conservation projects will be funded from 2025/26.

Risks and impacts

Stopping investment in the CCF would:

- Negatively impact DOC's ability to protect New Zealand's most threatened species and ecosystems. The most recent funding round supports the protection of 31 nationally critical species and 7 critically endangered ecosystems. DOC considers the persistence of endangered species and ecosystems to be a high value conservation outcome.
- Incur significant reputational and relationship risk (including impacting relationships with Treaty Partners and key conservation groups). The CCF is the only remaining Government-led discretionary conservation fund. In the most recent funding round, DOC received 298 applications totalling over \$135m – the highest demand in the fund's history.
- Result in reduced value for money and the loss of DOC's primary tool for incentivising third party contributions to conservation, with long run impacts on outcomes and DOC's financial sustainability. DOC currently leverages the CCF to deliver priority conservation work through others (outsourcing conservation work). The Jobs for Nature impact assessment demonstrated that private investment is more likely to occur if Government is also investing. The last CCF funding round leveraged \$7.2m in an additional co-funding and an expected 120,000-150,000 volunteer hours for the \$9.2m in Crown funding invested.

Retaining the fund gives other donors confidence that Crown will continue to support these projects, and it encourages donors to complement or match the funding. DOC has few levers to impact conservation outcomes on private land, and closing the fund foregoes DOC's primary tool for incentivising third party contributions to conservation, with long run impacts on outcomes and financial sustainability for DOC.

There is a dependency with the Jobs for Nature (JFN) transition plan. The CCF is part of the JFN transition plan - providing an avenue to help sustain the gains achieved by the J4N work programme, including extensive pest, predator and weed control.

Impact on frontline services

☐ High ☐ Medium ☒ Low

Climate impact

☐ Yes – emissions impacts (positive or negative) ☒ Yes – climate adaptation or resilience impacts (positive or negative) ☐ No impact

Reducing support for community conservation projects will see a decline in climate resilience and environmental restoration projects.

Section 3B: Status quo

The answer to each question must not exceed 1-2 paragraphs.

Status quo

Funding is allocated through annual contestable funding rounds and is administered by a team of 6 FTE, note these FTE also carry out other work.

Existing operating funding for programme/service (\$m)

2024/25	2025/26	2026/27	2027/28	2028/29 & outyears*	Total
9.200	4.909	4.909	4.909	4.909	28.836

*Extend the profile above to a “steady state” if funding into outyears is irregular. Delete “& outyears” for time-limited funding.

Existing capital funding for programme/service (\$m)

24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34*	Total
-	-	-	-	-	-	-	-	-	-	-

*Extend the profile above if funding is needed beyond 2033/34.

Section 3C: Savings / Revenue / Reprioritisation profile and cost breakdown

The answer to each question must not exceed 1-2 paragraphs.

Formula and assumptions underlying costings

See Section 2B

Provide a breakdown of total initiative expenditure by individual expense category. Total operating and capital expenses in this section must match the totals in [Section 1B: Summary of funding profile](#). Insert additional rows as appropriate for additional expense categories.

Recommended operating savings / reprioritisation (\$m)

Operating expense category	2024/25	2025/26	2026/27	2027/28	2028/29 & outyears*	Total
[Name of Departmental operating expense category] – [Agency / Crown Entity etc.]	-	-	-	-	-	-
<i>Non-Departmental Output Expenses – Community Conservation Funds</i>	-	4.909	4.909	4.909	4.909	19.636
Depreciation and/or capital charge (if relevant) – [Agency / Crown Entity etc.]	-	-	-	-	-	-
Net FTE funding	-	-	-	-	-	-
Net contractor/consultant funding	-	-	-	-	-	-
Net FTE and contractor/consultant overhead funding	-	-	-	-	-	-
[Name/type of contingency] – [Agency / Crown Entity etc.]	-	-	-	-	-	-
Total (\$m)	-	4.909	4.909	4.909	4.909	19.636

*Extend the profile above to a “steady state” if funding into outyears is irregular. Delete “& outyears” for time-limited funding.

Headcount Change	2024/25	2025/26	2026/27	2027/28	2028/29 & outyears*
Total # of net FTEs at [Agency / Crown Entity / etc.] (employees)	-	-	-	-	-
Total # of net FTEs at [Agency / Crown Entity / etc.] (contractors/consultants)	-	-	-	-	-

Total # of net FTEs (employees and contractors/consultants)	-	-	-	-	-	-	-	-	-	-	-
*Extend the profile above to a "steady state" if headcount change into outyears is irregular. Delete "& outyears" for time-limited funding.											
Additional breakdown of FTE changes over the forecast period											
Workforce Management	DOC is reviewing the potential for consolidation of grants and funds across the organisation. Once savings are confirmed, DOC will reconsider the programme and find efficiencies. Any reductions to FTEs could result in redundancies and would need to follow the change management process set out in the PSA Collective Agreement.										
Recommended capital savings (\$m)											
Capital expense category	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34*	Total
[Name of Departmental capital expense category] – [Agency / Crown Entity etc.]	-	-	-	-	-	-	-	-	-	-	-
[Name of Non-Departmental capital expense category] – [Agency / Crown Entity etc.]	-	-	-	-	-	-	-	-	-	-	-
[Name/type of contingency] – [Agency / Crown Entity etc.]	-	-	-	-	-	-	-	-	-	-	-
Total (\$m)	-	-	-	-	-	-	-	-	-	-	-
*Extend the profile above if funding is needed beyond 2033/34.											

Section 4: Delivery

Implementation of savings / reprioritisation					
The answer to each question must not exceed 1-2 paragraphs					
Implementation of savings from / reprioritisation of this programme, activity or investment	<p>If a decision is taken to stop investing in the programme, there will be a transition period to allow for the administration of existing projects until their Deed of Grant is complete (current contracts are for up to three years).</p> <p>A team of 6 FTE currently administers the DOC Community Fund (they also undertake other work). If the DOC Community Fund is closed, then DOC will consider how to manage the administration of existing projects until the transition period ends and DOC will review the FTE workforce.</p>				
Transition costs associated with the savings initiative (\$m)					
2024/25	2025/26	2026/27	2027/28	2028/29 & outyears*	Total
[•]	[•]	[•]	[•]	[•]	[•]

Section 5: Equity

The answer to each question must not exceed 1-2 paragraphs.

Timing of costs and benefits	Impacts will be felt in the short term as the fund closes and as conservation outcomes previously achieved through community projects decrease without investment. Impacts will be increasingly felt in the long term as well as conservation and community-capacity gains from investments by the Fund are lost or are not maintained.			
Treaty of (Te Tiriti o Waitangi) Waitangi implications	Y	Section 4 of the Conservation Act 1987 requires DOC to give effect to the principles of the Treaty of Waitangi when interpreting and administering its legislative responsibilities. This includes DOC's role in administering funds and grants and criteria that require consideration of projects that enable whānau, iwi and hapū to exercise their role as rangatira and kaitiaki. Māori groups made up 24% of funding recipients in the latest round of grants. There are no Treaty Settlement commitments associated with the CCF.		
Human rights implications	N			
Does the initiative have a larger impact on any of the following groups of New Zealanders than on the population as a whole	<i>Māori</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input checked="" type="checkbox"/>	No impact <input type="checkbox"/>
	<i>Pasifika</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Other minority ethnic groups</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Rural Populations</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input checked="" type="checkbox"/>	No impact <input type="checkbox"/>
	<i>Seniors</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Disabled Peoples</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Women and girls</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Low-income individuals / families</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Children and Young People</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Other groups (please specify)</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
Distributional Impacts	<p>Māori groups make up 24% of funding recipients. The Jobs for Nature evaluation shows that investing in Māori Collective Entities to undertake conservation work has enabled Māori to exercise kaitiakitanga and rangatiratanga over their whenua. Reducing funding availability will impact these groups' ability to invest in conservation activities and exercise kaitiakitanga.</p> <p>Given that a higher-than-average portion of the Māori population reside in small urban or rural areas and most of the activity funded in these projects will adjoin such areas, there is also likely to be a larger impact on rural populations</p>			

Tohu Whenua Heritage Visitor Programme – Ending Co-Funding Contribution

Section 1: Overview

Section 1A: Basic initiative information										
Initiative title (max 120 characters)	Tohu Whenua Heritage Visitor Programme – Ending Co-Funding Contribution									
Lead Minister	Minister of Conservation – Hon Tama Potaka	Agency	Department of Conservation							
Initiative description (max 800 characters)	This initiative ends the Department of Conservation's co-funding contribution for the development of high value tourism experiences at heritage sites in New Zealand. Ending co-funding risks the contributions from the Ministry of Culture and Heritage and Heritage New Zealand also ending and potentially reduce further heritage sites from being added to the network. There will likely be FTE reductions at Heritage New Zealand if funding is reduced or stopped.									
Priority Area (PA) Objective	<input type="checkbox"/>	Targeted policy savings	<input type="checkbox"/>	Reprioritisation						
	<input checked="" type="checkbox"/>	Grants and funds	<input type="checkbox"/>	Performance Plan Scrutiny						
	<input type="checkbox"/>	Tagged Contingency								
Is this a cross-Vote initiative?	Y/N	If yes, indicate which other Votes are affected.								
Is this a revenue initiative?	N	Does this require legislative change?	N							
Agency contact	Name: Magnus Monahan Phone: 9(2)(a) Email: mmonahan@doc.govt.nz		Treasury contact (Vote Analyst)	Name: Bronte Creighton-Shaw Phone: 9(2)(a) Email: Bronte.Creighton-Shaw@treasury.govt.nz						
Section 1B: Summary of savings/reprioritisation profile										
Operating funding available for return (\$m)										
2024/25	2025/26	2026/27	2027/28	2028/29 & outyears*	Total					
-	0.130	0.130	0.130	0.130	0.520					
*For irregular outyears, add additional rows above to display the full profile of the initiative. Delete "& outyears" for time-limited funding. See Budget 2025: Uploading Initiatives to CFISnet for more information on entering outyears into CFISnet. *expenditure is shown as positives and savings are shown as negatives. Revenue increases are shown as negatives and revenue decreases are shown as positives.										
Capital funding available for return (\$m)										
24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34*	Total
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
*Extend the profile above if funding is needed beyond 2033/34.										

Section 2: Alignment and options analysis

Section 2A: Alignment

The answer to each question must not exceed 1-2 paragraphs

Does this savings/reprioritisation initiative have implications for the delivery of Government priorities? (if there are implications for multiple Priorities, select the most relevant)	<input type="checkbox"/>	Addressing the rising cost of living	<input type="checkbox"/>	Delivering effective and fiscally sustainable public services
	<input type="checkbox"/>	Building for growth and enabling private enterprise	<input checked="" type="checkbox"/>	No consequences
	Reducing support for heritage visitor sites for tourists may have regional economic impacts.			
What is the proposed use for reprioritisation? (for reprioritisation initiatives only)	<input type="checkbox"/>	Cost Pressures / New Spending	<input type="checkbox"/>	Economic Growth (invitation only)
Which initiative(s) is this intended to be reprioritised for?	NA			

Section 2B: Options analysis

The answer to each question must not exceed 1-2 paragraphs

What were the range of options considered?	<p>In general, DOC's approach to prioritising between the high (\$24m) and low (\$12m) options for grants and funds has considered and weighed:</p> <ul style="list-style-type: none"> the alignment of arrangements with agreed priorities for the conservation portfolio the value for money we consider the arrangements generate the statutory, contractual, or reputational consequences of discontinuing the arrangements any impact on our ability to meet Treaty of Waitangi obligations or our relationships with Iwi/Hapū. <p>In this context, the low (\$12m) package has prioritised retaining a minimum viable amount in Ngā Whenua Rāhui (in order to avoid breaching existing contractual commitments to Treaty partners), while closing all other contestable funds. The balance of the \$12m would be made up by terminating arrangements which we consider represent the lowest combined risk across the above criteria.</p>
What was the process used to select the preferred option?	<p>As this funding agreement is an informal arrangement with other public sector organisations, and access to the sites is not limited by termination, DOC considered that the risks of termination are marginally lower than other items considered in the high value package.</p>

Section 3: Costs and benefits analysis

Section 3A: Benefits and non-fiscal costs

The answer to each question must not exceed 1-2 paragraphs. The primary benefit of savings is fiscal. Therefore, the primary purpose of this section is to highlight any risks or impacts of the savings/reprioritisation initiative.

Where do the savings or revenue or reprioritisation arise from?	<p>The savings of \$0.130m per annum represent DOC's funding contribution to the Tohu Whenua heritage programme. Tohu Whenua is a visitor-focused programme that tells stories and promotes heritage at some of New Zealand's premier heritage sites. It is a three-way partnership led by the Ministry of Culture & Heritage (MCH). Heritage New Zealand is the third partner alongside DOC. MBIE and Te Puni Kokiri also support the programme. Delivery is frequently supported by iwi and others in the community. Many of the sites are managed by trusts and some are privately owned.</p> <p>The funding is to support coordination of visitor destinations and promotion of heritage experiences at these sites.</p>				
Risks and impacts	<p>Co-ordination of the programme within MCH depends upon funding contributions from the three partners. The pooled funding allows coordinated servicing of the programme. We understand that employment of 5.5 FTE in MCH relies upon the pooled funding. We cannot advise whether this may result in redundancies at MCH.</p> <p>Withdrawing funding will likely result in no new heritage site promotion, limited coordination of the sites, and reduced story telling of heritage and Māori cultural values. This may impact relationships with Treaty partners as the programme works with Treaty partners to promote important sites.</p> <p>Existing DOC managed sites will continue to be managed within baselines.</p>				
Impact on frontline services	<div> <input type="checkbox"/> High <input type="checkbox"/> Medium <input checked="" type="checkbox"/> Low </div> <p>There may be impacts on staffing at MCH and at sites that rely on the Tohu Whenua branding to attract visitors. Apart from relationship damage to manage, the impact on DOC frontline staff will be low.</p>				
Climate impact	<div> <input type="checkbox"/> Yes – emissions impacts (positive or negative) <input type="checkbox"/> Yes – climate adaptation or resilience impacts (positive or negative) <input checked="" type="checkbox"/> No impact </div> <p>NA.</p>				

Section 3B: Status quo

The answer to each question must not exceed 1-2 paragraphs.

Status quo *DOC provides funding to a third party to deliver the work programme.*

Existing operating funding for programme/service (\$m)

2024/25	2025/26	2026/27	2026/28	2028/29 & outyears*	Total
[•]	[•]	[•]	[•]	[•]	[•]

*Extend the profile above to a "steady state" if funding into outyears is irregular. Delete "& outyears" for time-limited funding.

Existing capital funding for programme/service (\$m)

24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34*	Total
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[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
*Extend the profile above if funding is needed beyond 2033/34.											
Section 3C: Savings / Revenue / Reprioritisation profile and cost breakdown											
The answer to each question must not exceed 1-2 paragraphs.											
Formula and assumptions underlying costings				See Section 2B.							
Provide a breakdown of total initiative expenditure by individual expense category. <u>Total operating and capital expenses in this section must match the totals in Section 1B: Summary of funding profile.</u> Insert additional rows as appropriate for additional expense categories.											
Recommended operating savings / reprioritisation (\$m)											
Operating expense category	2024/25	2025/26	2026/27	2027/28	2028/29 & outyears*	Total					
Departmental Output Expense – Services for Conservation MCA – Management of Historic Heritage	-	0.130	0.130	0.130	0.130	0.520					
[Name of Non-Departmental operating expense category] – [Agency / Crown Entity etc.]	[•]	[•]	[•]	[•]	[•]	[•]					
Depreciation and/or capital charge (if relevant) – [Agency / Crown Entity etc.]	[•]	[•]	[•]	[•]	[•]	[•]					
Net FTE funding	[•]	[•]	[•]	[•]	[•]	[•]					
Net contractor/consultant funding	[•]	[•]	[•]	[•]	[•]	[•]					
Net FTE and contractor/consultant overhead funding	[•]	[•]	[•]	[•]	[•]	[•]					
[Name/type of contingency] – [Agency / Crown Entity etc.]	[•]	[•]	[•]	[•]	[•]	[•]					
Total (\$m)	-	0.130	0.130	0.130	0.130	0.520					
*Extend the profile above to a “steady state” if funding into outyears is irregular. Delete “& outyears” for time-limited funding.											
Headcount Change	2024/25	2025/26	2026/27	2027/28	2028/29 & outyears*						
Total # of net FTEs at [Agency / Crown Entity / etc.] (employees)	[•]	[•]	[•]	[•]	[•]						
Total # of net FTEs at [Agency / Crown Entity / etc.] (contractors/consultants)	[•]	[•]	[•]	[•]	[•]						
Total # of net FTEs (employees and contractors/consultants)	[•]	[•]	[•]	[•]	[•]						
*Extend the profile above to a “steady state” if headcount change into outyears is irregular. Delete “& outyears” for time-limited funding.											
Additional breakdown of FTE changes over the forecast period	There are no FTE impacts for DOC, but the delivery agency will likely have FTE impacts if DOC and other funding contributions are withdrawn.										
Workforce Management	NA										

Recommended capital savings (\$m)											
Capital expense category	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34*	Total
[Name of Departmental capital expense category] – [Agency / Crown Entity etc.]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
[Name of Non-Departmental capital expense category] – [Agency / Crown Entity etc.]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
[Name/type of contingency] – [Agency / Crown Entity etc.]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
Total (\$m)	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
*Extend the profile above if funding is needed beyond 2033/34.											

Section 4: Delivery

Implementation of savings / reprioritisation					
The answer to each question must not exceed 1-2 paragraphs					
Implementation of savings from / reprioritisation of this programme, activity or investment		As this is an informal funding agreement, no contracts will be terminated or breached in delivering this savings.			
		DOC will need to manage the relational impact of withdrawing co-funding.			
Transition costs associated with the savings initiative (\$m)					
2024/25	2025/26	2026/27	2027/28	2028/29 & outyears*	Total
[•]	[•]	[•]	[•]	[•]	[•]

Section 5: Equity

The answer to each question must not exceed 1-2 paragraphs.

Timing of costs and benefits				
Treaty of (Te Tiriti o Waitangi) Waitangi implications	N	There may be impacts on relationships with Treaty partners that wish to participate in the Tohu Whenua programme or see certain sites enhanced where this is no longer possible.		
Human rights implications	N	NA		
Does the initiative have a larger impact on any of the following groups of New Zealanders than on the population as a whole	<i>Māori</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input checked="" type="checkbox"/>	No impact <input type="checkbox"/>
	<i>Pasifika</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Other minority ethnic groups</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Rural Populations</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Seniors</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Disabled Peoples</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Women and girls</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Low-income individuals / families</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Children and Young People</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Other groups (please specify)</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
Distributional Impacts	Some Tohu Whenua sites are very significant to Māori. Many of the Tohu Whenua sites are located in regional rural New Zealand.			

Save our Kiwi – Ending Community Contestable Funding

Section 1: Overview

Section 1A: Basic initiative information										
Initiative title (max 120 characters)	Save our Kiwi – Ending Community Contestable Funding									
Lead Minister	Minister of Conservation – Hon Tama Potaka	Agency	Department of Conservation							
Initiative description (max 800 characters)	This initiative ends funding for the community contestable fund administered by 'The Kiwi Trust' ('Save the Kiwi', or 'the Trust'). The Trust would reduce or end the contestable fund, reducing the monitoring, translocation, predator control, and kiwi breeding programmes run by community-led groups. Ending Government funding risks the stability of philanthropic funding contributions and creates a reputational risk for the Government.									
Priority Area (PA) Objective	<input type="checkbox"/>	Targeted policy savings	<input type="checkbox"/>	Reprioritisation						
	<input checked="" type="checkbox"/>	Grants and funds	<input type="checkbox"/>	Performance Plan Scrutiny						
	<input type="checkbox"/>	Tagged Contingency								
Is this a cross-Vote initiative?	N									
Is this a revenue initiative?	N	Does this require legislative change?	N							
Agency contact	Name: Magnus Monahan Phone: 9(2)(a) [REDACTED] Email: mmonahan@doc.govt.nz		Treasury contact (Vote Analyst)	Name: Bronte Creighton-Shaw Phone: 9(2)(a) [REDACTED] Email: Bronte.Creighton-Shaw@treasury.govt.nz						
Section 1B: Summary of savings/reprioritisation profile										
Operating funding available for return (\$m)										
2024/25	2025/26	2026/27	2027/28	2028/29 & outyears*	Total					
-	0.310	0.310	0.310	0.310	1.240					
*For irregular outyears, add additional rows above to display the full profile of the initiative. Delete "& outyears" for time-limited funding. See Budget 2025: Uploading Initiatives to CFISnet for more information on entering outyears into CFISnet. *expenditure is shown as positives and savings are shown as negatives. Revenue increases are shown as negatives and revenue decreases are shown as positives.										
Capital funding available for return (\$m)										
24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34*	Total
-	-	-	-	-	-	-	-	-	-	-
*Extend the profile above if funding is needed beyond 2033/34.										

Section 2: Alignment and options analysis

Section 2A: Alignment

The answer to each question must not exceed 1-2 paragraphs

Does this savings/reprioritisation initiative have implications for the delivery of Government priorities? (if there are implications for multiple Priorities, select the most relevant)	<input type="checkbox"/>	Addressing the rising cost of living	<input type="checkbox"/>	Delivering effective and fiscally sustainable public services
	<input type="checkbox"/>	Building for growth and enabling private enterprise	<input checked="" type="checkbox"/>	No consequences
	Savings delivered by ending investment in this initiative impacts the Minister of Conservation's Cabinet-approved Conservation Priorities. The Save our Kiwi funding agreement supports delivery of the Minister of Conservation's priorities for the Conservation portfolio by: <ul style="list-style-type: none"> targeting investment into high-value conservation outcomes (i.e. supports the protection of species and ecosystems on the brink or at serious risk of extinction); and strengthening relationships with Iwi/Hapū for better conservation outcomes. 			
What is the proposed use for reprioritisation? (for reprioritisation initiatives only)	<input type="checkbox"/>	Cost Pressures / New Spending	<input type="checkbox"/>	Economic Growth (invitation only)
Which initiative(s) is this intended to be reprioritised for?				

Section 2B: Options analysis

The answer to each question must not exceed 1-2 paragraphs

What were the range of options considered?	<p>In general, DOC's approach to prioritising between the high (\$24m) and low (\$12m) options for grants and funds has considered and weighed:</p> <ul style="list-style-type: none"> the alignment of arrangements with agreed priorities for the conservation portfolio the value for money we consider the arrangements generate the statutory, contractual, or reputational consequences of discontinuing the arrangements any impact on our ability to meet Treaty of Waitangi obligations or our relationships with Iwi/Hapū. <p>In this context, the low (\$12m) package has prioritised retaining a minimum viable amount in Ngā Whenua Rāhui (in order to avoid breaching existing contractual commitments to Treaty partners), while closing all other contestable funds. The balance of the \$12m would be made up by terminating arrangements which we consider represent the lowest combined risk across the above criteria.</p>
What was the process used to select the preferred option?	<p>This funding has been included in the low package as we consider it to be marginally lower value (though still highly desirable) given that wider biodiversity interventions or breeding programmes focused on PCL can to some extent maintain a base level of species persistence</p>

Section 3: Costs and benefits analysis

Section 3A: Benefits and non-fiscal costs

The answer to each question must not exceed 1-2 paragraphs. The primary benefit of savings is fiscal. Therefore, the primary purpose of this section is to highlight any risks or impacts of the savings/reprioritisation initiative.

Where do the savings or revenue or reprioritisation arise from?	Ending this funding will reduce monitoring, translocation, predator control and kiwi breeding work for kiwi conservation projects through the likely closure of the contestable fund. While the Save the Kiwi Trust may consider using funding from other sources to continue the contestable fund that they manage, we assume that the withdrawal of Government funding will have a significant impact on outcomes for kiwi in Aotearoa.			
Risks and impacts	<p>There is an existing funding agreement between DOC and Save the Kiwi Trust that will need to be terminated and renegotiated. We have not been able to complete a comprehensive legal analysis of the risks associated with terminating the contract, but legal challenge is possible.</p> <p>Stopping funding risks DOC reputation (as the lead for threatened species). There is also a strategic risk, as the Trust runs a successful model securing funding and donations, and species/outcome risks as DOC does not have the capability or resourcing to achieve the Trust's success in predator control and protecting kiwi habitats on non-Crown land.</p>			
Impact on frontline services	<input type="checkbox"/> High	<input type="checkbox"/> Medium	<input checked="" type="checkbox"/> Low	
	Unlikely to directly impact DOC's ability to deliver but will impact co-benefits delivered by partners which support DOC's own work on the ground.			
Climate impact	<input type="checkbox"/> Yes – emissions impacts (positive or negative)	<input type="checkbox"/> Yes – climate adaptation or resilience impacts (positive or negative)	<input checked="" type="checkbox"/> No impact	
	NA			

Section 3B: Status quo

The answer to each question must not exceed 1-2 paragraphs.

Status quo	Funding provided by DOC is used for a contestable community fund administered by the Trust. This year, the fund was set at \$500,000, and next year it will be \$300,000. The Save the Kiwi Trust's annual report provides an overview of the contestable fund programme, outcomes and impacts. Specifically, the fund is focused on supporting predator control programmes, operation nest egg (rearing chicks), project support, and monitoring and translocations.
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Existing operating funding for programme/service (\$m)

2024/25	2025/26	2026/27	2026/28	2028/29 & outyears*	Total
-	0.310	0.310	0.310	0.310	1.240

*Extend the profile above to a "steady state" if funding into outyears is irregular. Delete "& outyears" for time-limited funding.

Existing capital funding for programme/service (\$m)

24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34*	Total
-	-	-	-	-	-	-	-	-	-	-

*Extend the profile above if funding is needed beyond 2033/34.

Section 3C: Savings / Revenue / Reprioritisation profile and cost breakdown

The answer to each question must not exceed 1-2 paragraphs.

Formula and assumptions underlying costings

See Section 2B.

Provide a breakdown of total initiative expenditure by individual expense category. Total operating and capital expenses in this section must match the totals in *Section 1B: Summary of funding profile*. Insert additional rows as appropriate for additional expense categories.

Recommended operating savings / reprioritisation (\$m)

Operating expense category	2024/25	2025/26	2026/27	2027/28	2028/29 & outyears*	Total
/Departmental Output Expenses – Services for Conservation MCA – Management of Natural Heritage	-	0.310	0.310	0.310	0.310	1.240
/Name of Non-Departmental operating expense category] – [Agency / Crown Entity etc.]	-	-	-	-	-	-
Depreciation and/or capital charge (if relevant) – [Agency / Crown Entity etc.]	-	-	-	-	-	-
Net FTE funding	-	-	-	-	-	-
Net contractor/consultant funding	-	-	-	-	-	-
Net FTE and contractor/consultant overhead funding	-	-	-	-	-	-
/Name/type of contingency] – [Agency / Crown Entity etc.]	-	-	-	-	-	-
Total (\$m)	-	0.310	0.310	0.310	0.310	1.240

*Extend the profile above to a “steady state” if funding into outyears is irregular. Delete “& outyears” for time-limited funding.

Headcount Change	2024/25	2025/26	2026/27	2027/28	2028/29 & outyears*
Total # of net FTEs at [Agency / Crown Entity / etc.] (employees)	-	-	-	-	-
Total # of net FTEs at [Agency / Crown Entity / etc.] (contractors/consultants)	-	-	-	-	-
Total # of net FTEs (employees and contractors/consultants)	-	-	-	-	-

*Extend the profile above to a “steady state” if headcount change into outyears is irregular. Delete “& outyears” for time-limited funding.

Additional breakdown of FTE changes over the forecast period

NA

Workforce Management

NA

Recommended capital savings (\$m)

Capital expense category	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34*	Total
[Name of Departmental capital expense category] – [Agency / Crown Entity etc.]	-	-	-	-	-	-	-	-	-	-	-
[Name of Non-Departmental capital expense category] – [Agency / Crown Entity etc.]	-	-	-	-	-	-	-	-	-	-	-
[Name/type of contingency] – [Agency / Crown Entity etc.]	-	-	-	-	-	-	-	-	-	-	-
Total (\$m)	-	-	-	-	-	-	-	-	-	-	-
*Extend the profile above if funding is needed beyond 2033/34.											

Section 4: Delivery

Implementation of savings / reprioritisation					
The answer to each question must not exceed 1-2 paragraphs					
Implementation of savings from / reprioritisation of this programme, activity or investment	An existing funding agreement between 'The Kiwi Trust' and DOC will need to be terminated and then renegotiated. We have not been able to complete a comprehensive legal analysis of the risks associated with terminating the contract, but legal challenge is possible.				
Transition costs associated with the savings initiative (\$m)					
2024/25	2025/26	2026/27	2027/28	2028/29 & outyears*	Total
-	-	-	-	-	-

Section 5: Equity

The answer to each question must not exceed 1-2 paragraphs.

Timing of costs and benefits	If the Trust ends the contestable fund programme, there will be short-term costs to kiwi protection as fewer community programmes receive investment. Costs and impacts will build over time if programmes cannot secure other funding sources to maintain the gains from previous funding investments e.g. predator control.			
Treaty of (Te Tiriti o Waitangi) Waitangi implications	N	While there are no direct settlement implications, the Government reducing support for the protection of the kiwi is likely to impact relationships with Iwi & Hapū because the kiwi is a taonga species.		
Human rights implications	N			
Does the initiative have a larger impact on any of the following groups of New Zealanders than on the population as a whole	<i>Māori</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Pasifika</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Other minority ethnic groups</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Rural Populations</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Seniors</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Disabled Peoples</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Women and girls</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Low-income individuals / families</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Children and Young People</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Other groups (please specify)</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
Distributional Impacts	N/A			

Nature Heritage Fund – Protection of High-Value Ecosystems – Closure of Programme

Section 1: Overview

Section 1A: Basic initiative information										
Initiative title (max 120 characters)	Nature Heritage Fund – Protection of High-Value Ecosystems – Closure of Programme									
Lead Minister	Minister of Conservation – Hon Tama Potaka	Agency	Department of Conservation							
Initiative description (max 800 characters)	This initiative closes a contestable fund that protects biodiversity through direct purchasing of land or legal land protections. This initiative will reduce DOC's ability to purchase land, establish protective legal instruments, and fund land exchanges for the permanent protection of indigenous biodiversity. The closure of this fund supports consolidation by removing duplication of funding for legal protection of land. Closing this fund will also provide administration savings of approximately \$20,000 per annum through the closure of the independent advisory committee.									
Priority Area (PA) Objective	<input type="checkbox"/>	Targeted policy savings	<input type="checkbox"/>	Reprioritisation						
	<input checked="" type="checkbox"/>	Grants and funds	<input type="checkbox"/>	Performance Plan Scrutiny						
	<input type="checkbox"/>	Tagged Contingency								
Is this a cross-Vote initiative?	N									
Is this a revenue initiative?	N	Does this require legislative change?	N							
Agency contact	Name: Magnus Monahan Phone: 9(2)(a) [REDACTED] Email: mmonahan@doc.govt.nz		Treasury contact (Vote Analyst)	Name: Bronte Creighton-Shaw Phone: 9(2)(a) [REDACTED] Email: Bronte.Creighton-Shaw@treasury.govt.nz						
Section 1B: Summary of savings/reprioritisation profile										
Operating funding available for return (\$m)										
2024/25	2025/26	2026/27	2027/28	2028/29 & outyears*	Total					
-	1.303	1.303	1.303	1.303	5.212					
*For irregular outyears, add additional rows above to display the full profile of the initiative. Delete "& outyears" for time-limited funding. See Budget 2025: Uploading Initiatives to CFISnet for more information on entering outyears into CFISnet. *expenditure is shown as positives and savings are shown as negatives. Revenue increases are shown as negatives and revenue decreases are shown as positives.										
Capital funding available for return (\$m)										
24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34*	Total
-	-	-	-	-	-	-	-	-	-	-
*Extend the profile above if funding is needed beyond 2033/34.										

Section 2: Alignment and options analysis

Section 2A: Alignment

The answer to each question must not exceed 1-2 paragraphs

Does this savings/reprioritisation initiative have implications for the delivery of Government priorities? (if there are implications for multiple Priorities, select the most relevant)	<input type="checkbox"/>	Addressing the rising cost of living	<input type="checkbox"/>	Delivering effective and fiscally sustainable public services
	<input type="checkbox"/>	Building for growth and enabling private enterprise	<input checked="" type="checkbox"/>	No consequences
What is the proposed use for reprioritisation? (for reprioritisation initiatives only)	<input type="checkbox"/>	Cost Pressures / New Spending	<input type="checkbox"/>	Economic Growth (invitation only)
Which initiative(s) is this intended to be reprioritised for?	NA			

Section 2B: Options analysis

The answer to each question must not exceed 1-2 paragraphs

What were the range of options considered?	We considered scaling or closing this fund.
What was the process used to select the preferred option?	<p>In general, DOC's approach to prioritising between the high (\$24m) and low (\$12m) options for grants and funds has considered and weighed:</p> <ul style="list-style-type: none"> the alignment of arrangements with agreed priorities for the conservation portfolio the value for money we consider the arrangements generate; and the statutory, contractual, or reputational consequences of discontinuing the arrangements any impact on our ability to meet Treaty of Waitangi obligations or our relationships with Iwi/Hapū <p>In this context, the low (\$12m) package has prioritised retaining a minimum viable amount in Ngā Whenua Rāhui (in order to avoid breaching existing contractual commitments to Treaty partners), while closing all other contestable funds. The balance of the \$12m would be made up by terminating arrangements which we consider represent the lowest combined risk across the above criteria.</p> <p>Given the relatively lower value for money of this fund, and the potential other avenues for similar intervention (see impact analysis below), we have proposed full closure of this fund under both the low and high savings packages.</p>

Section 3: Costs and benefits analysis

Section 3A: Benefits and non-fiscal costs

The answer to each question must not exceed 1-2 paragraphs. The primary benefit of savings is fiscal. Therefore, the primary purpose of this section is to highlight any risks or impacts of the savings/reprioritisation initiative.

Where do the savings or revenue or reprioritisation arise from?

Savings arise from the closure the NHF from 2025/26 onwards.

Risks and impacts

Reduced funding would negatively impact DOC's ability to protect rare and threatened ecosystems on private land via purchasing or legal protection. The fund has protected 1.3% (over 349,000 hectares) of New Zealand land for less than \$200m since 1990.

This risk is mitigated by the fact that other funds are targeted at similar outcomes (DOC supports legal protection on private land through supporting the Queen Elizabeth the second Trust (QEII) and Ngā Whenua Rāhui).

However, this fund is a unique tool for the Crown to receive applications to purchase important conservation areas for protection, which will be lost. There is some reputational risk with reducing/stopping this fund, given its profile with conservation non-Governmental organisations.

A review of the NHF is currently underway including consideration of its impact and financial effectiveness. The report is due in March 2025.

Impact on frontline services

☐ High ☐ Medium ☒ Low

Climate impact

☐ Yes – emissions impacts (positive or negative) ☒ Yes – climate adaptation or resilience impacts (positive or negative) ☒ No impact

These proposed savings would have a flow on impact on the ecosystem services that flow downstream from well managed landscapes providing mitigation outcomes including climate change resilience and flood mitigation

Section 3B: Status quo

The answer to each question must not exceed 1-2 paragraphs.

Status quo

Funding is allocated through annual contestable funding rounds and is administered by a team who also administer the DOC Community Fund.

Existing operating funding for programme/service (\$m)

2024/25	2025/26	2026/27	2026/28	2028/29 & outyears*	Total
6.155	1.303	1.303	1.303	1.303	11.367

*Extend the profile above to a "steady state" if funding into outyears is irregular. Delete "& outyears" for time-limited funding.

Existing capital funding for programme/service (\$m)

24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34*	Total
3.541	-	-	-	-	-	-	-	-	-	3.541

*Extend the profile above if funding is needed beyond 2033/34.

Section 3C: Savings / Revenue / Reprioritisation profile and cost breakdown

The answer to each question must not exceed 1-2 paragraphs.

Formula and assumptions underlying costings	See Section 2B.										
	The savings reflect 100% of the output category in 2025/26 and outyears.										
Provide a breakdown of total initiative expenditure by individual expense category. <u>Total operating and capital expenses in this section must match the totals in Section 1B:Summary of funding profile.</u> Insert additional rows as appropriate for additional expense categories.											
Recommended operating savings / reprioritisation (\$m)											
Operating expense category	2024/25	2025/26	2026/27	2027/28	2028/29 & outyears*	Total					
[Name of Departmental operating expense category] – [Agency / Crown Entity etc.]	-	-	-	-	-	-					
Non-Departmental Output Expenses – Identification and Implementation of Protection for Natural and Historic Places MCA - Nature Heritage Fund	-	1.303	1.303	1.303	1.303	5.212					
Depreciation and/or capital charge (if relevant) – [Agency / Crown Entity etc.]	-	-	-	-	-	-					
Net FTE funding	-	-	-	-	-	-					
Net contractor/consultant funding	-	-	-	-	-	-					
Net FTE and contractor/consultant overhead funding	-	-	-	-	-	-					
[Name/type of contingency] – [Agency / Crown Entity etc.]	-	-	-	-	-	-					
Total (\$m)	-	1.303	1.303	1.303	1.303	5.212					
*Extend the profile above to a “steady state” if funding into outyears is irregular. Delete “& outyears” for time-limited funding.											
Headcount Change	2024/25	2025/26	2026/27	2027/28	2028/29 & outyears*						
Total # of net FTEs at [Agency / Crown Entity / etc.] (employees)	-	-	-	-	-						
Total # of net FTEs at [Agency / Crown Entity / etc.] (contractors/consultants)	-	-	-	-	-						
Total # of net FTEs (employees and contractors/consultants)	-	-	-	-	-						
*Extend the profile above to a “steady state” if headcount change into outyears is irregular. Delete “& outyears” for time-limited funding.											
Additional breakdown of FTE changes over the forecast period	DOC estimates that half an FTE manages the Fund.										
Workforce Management											
Recommended capital savings (\$m)											
Capital expense category	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34*	Total
[Name of Departmental capital expense category]	-	-	-	-	-	-	-	-	-	-	-

– [Agency / Crown Entity etc.]												
[Name of Non-Departmental capital expense category] – [Agency / Crown Entity etc.]	-	-	-	-	-	-	-	-	-	-	-	-
[Name/type of contingency] – [Agency / Crown Entity etc.]	-	-	-	-	-	-	-	-	-	-	-	-
Total (\$m)	-	-	-	-	-	-	-	-	-	-	-	-

*Extend the profile above if funding is needed beyond 2033/34.

Section 4: Delivery

Implementation of savings / reprioritisation

The answer to each question must not exceed 1-2 paragraphs

Implementation of savings from / reprioritisation of this programme, activity or investment	Implementing this initiative would require a policy decision to disestablish the fund or reduce the level of annual funding.				
	If the fund is shut down, the NHF Committee function would also be dis-established, generating a small administrative cost saving of \$20,000 per annum. These savings can be realised immediately as the costs are only incurred when the committee meets.				
	As the Minister of Conservation appoints the independent committee under section 56 of the Conservation 1987, the Minister will need to disestablish the committee.				
Transition costs associated with the savings initiative (\$m)					
2024/25	2025/26	2026/27	2027/28	2028/29 & outyears*	Total
[•]	[•]	[•]	[•]	[•]	[•]

Section 5: Equity

The answer to each question must not exceed 1-2 paragraphs.

Timing of costs and benefits	Savings and risks will be realised immediately.			
Treaty of (Te Tiriti o Waitangi) Waitangi implications	<i>N</i>	NA		
Human rights implications	<i>N</i>	NA		
Does the initiative have a larger impact on any of the following groups of New Zealanders than on the population as a whole	<i>Māori</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Pasifika</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Other minority ethnic groups</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Rural Populations</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input checked="" type="checkbox"/>	No impact <input type="checkbox"/>
	<i>Seniors</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Disabled Peoples</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Women and girls</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Low-income individuals / families</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Children and Young People</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Other groups (please specify)</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
Distributional Impacts	As the majority of land acquisitions occur in rural communities, there is a potential impact on rural economies as DOC withdraws this funding for land acquisition.			

Treaty of Waitangi Grants - Ending Settlement Contributions

Section 1: Overview

Section 1A: Basic initiative information											
Initiative title (max 120 characters)		Treaty of Waitangi Grants - Ending Settlement Contributions									
Lead Minister		Minister of Conservation – Hon Tama Potaka			Agency		Department of Conservation				
Initiative description (max 800 characters)		<p>This initiative provides savings from contributions to Treaty of Waitangi settlement implementation. Previously this funding has supported payments to Treaty Partners for participation in statutory management planning process or payments to undertake conservation activities. DOC does not anticipate negotiating these types of payments in future negotiations. We consider there to be minimal risk or impacts with providing savings from this initiative as it is unlikely that future payments will be required, and if so, will be met within baselines. Note that there is a specific, committed payment for Rangitane o Wairarapa of \$0.050 million that has been excluded from the recommended option.</p>									
Priority Area (PA) Objective		<input type="checkbox"/> Targeted policy savings			<input type="checkbox"/> Reprioritisation						
		<input checked="" type="checkbox"/> Grants and funds			<input type="checkbox"/> Performance Plan Scrutiny						
		<input type="checkbox"/> Tagged Contingency									
Is this a cross-Vote initiative?		N									
Is this a revenue initiative?				Y/N		Does this require legislative change?				Y/N	
Agency contact		Name: Magnus Monahan Phone: 9(2)(a) Email: mmonahan@doc.govt.nz			Treasury contact (Vote Analyst)		Name: Bronte Creighton-Shaw Phone: 9(2)(a) Email: Bronte.Creighton-Shaw@treasury.govt.nz				
Section 1B: Summary of savings/reprioritisation profile											
Operating funding available for return (\$m)											
2024/25	2025/26	2026/27	2027/28	2028/29 & outyears*	Total						
-	0.710	0.710	0.710	0.710	2.840						
<p>*For irregular outyears, add additional rows above to display the full profile of the initiative. Delete "& outyears" for time-limited funding. See Budget 2025: Uploading Initiatives to CFISnet for more information on entering outyears into CFISnet.</p> <p>*expenditure is shown as positives and savings are shown as negatives. Revenue increases are shown as negatives and revenue decreases are shown as positives.</p>											
Capital funding available for return (\$m)											
24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34*	Total	
-	-	-	-	-	-	-	-	-	-	-	
*Extend the profile above if funding is needed beyond 2033/34.											

Section 2: Alignment and options analysis

Section 2A: Alignment

The answer to each question must not exceed 1-2 paragraphs

Does this savings/reprioritisation initiative have implications for the delivery of Government priorities? (if there are implications for multiple Priorities, select the most relevant)	<input type="checkbox"/>	Addressing the rising cost of living	<input type="checkbox"/>	Delivering effective and fiscally sustainable public services
	<input type="checkbox"/>	Building for growth and enabling private enterprise	<input checked="" type="checkbox"/>	No consequences
	There are no direct implications for the wider Government's priorities.			
What is the proposed use for reprioritisation? (for reprioritisation initiatives only)	<input type="checkbox"/>	Cost Pressures / New Spending	<input type="checkbox"/>	Economic Growth (invitation only)
Which initiative(s) is this intended to be reprioritised for?	NA			

Section 2B: Options analysis

The answer to each question must not exceed 1-2 paragraphs

What were the range of options considered?	<p>In general, DOC's approach to prioritising between the high (\$24m) and low (\$12m) options for grants and funds has considered and weighed:</p> <ul style="list-style-type: none"> the alignment of arrangements with agreed priorities for the conservation portfolio the value for money we consider the arrangements generate the statutory, contractual, or reputational consequences of discontinuing the arrangements any impact on our ability to meet Treaty of Waitangi obligations or our relationships with Iwi/Hapū. <p>In this context, the low (\$12m) package has prioritised retaining a minimum viable amount in Ngā Whenua Rāhui (in order to avoid breaching existing contractual commitments to Treaty partners), while closing all other contestable funds. The balance of the \$12m would be made up by terminating arrangements which we consider represent the lowest combined risk across the above criteria.</p>
What was the process used to select the preferred option?	<p>This funding was included in the low package as it is not committed against anything specific in outyears and we do not anticipate negotiating these particular type of payments in the future.</p>

Section 3: Costs and benefits analysis

Section 3A: Benefits and non-fiscal costs

The answer to each question must not exceed 1-2 paragraphs. The primary benefit of savings is fiscal. Therefore, the primary purpose of this section is to highlight any risks or impacts of the savings/reprioritisation initiative.

Where do the savings or revenue or reprioritisation arise from?	The savings arise from no longer committing to make specific payments in settlements to Iwi/Hapū to deliver conservation activities including work on management plans.				
Risks and impacts	<p>Generally speaking, we consider the risks of this option will be mitigated by improvements in DOC's contemporary approach to Treaty relationships. Specifically, the proposed changes to conservation law that are currently being consulted through the Modernising Conservation Land Management discussion document are anticipated to provide a Treaty consistent approach to involving all Iwi and Hapū in statutory planning. If these proposed changes become law, there would be a reduced need for large scale statutory planning redress in future Treaty settlement packages.</p> <p>Some Treaty partners currently in negotiations for settlements may still have an expectation to receive similar funding to implement redress relating to DOC's statutory management planning. We will mitigate this by clearly notifying policy on this at the outset of negotiations, and honouring any specific expectations already raised within baseline.</p> <p>Note: The recommended savings amount excludes a specific, extant commitment to Rangitane o Manawatu of \$0.050 million.</p>				
Impact on frontline services	<input type="checkbox"/> High	<input type="checkbox"/> Medium	<input checked="" type="checkbox"/> Low		
Climate impact	<input type="checkbox"/> Yes – emissions impacts (positive or negative)	<input type="checkbox"/> Yes – climate adaptation or resilience impacts (positive or negative)	<input checked="" type="checkbox"/> No impact		
There are no direct climate implications relating to this funding.					

Section 3B: Status quo

The answer to each question must not exceed 1-2 paragraphs.

Status quo There is no standing arrangement for such payments.

Existing operating funding for programme/service (\$m)

2024/25	2025/26	2026/27	2026/28	2028/29 & outyears*	Total
0.760	0.760	0.760	0.760	0.760	3.040

*Extend the profile above to a "steady state" if funding into outyears is irregular. Delete "& outyears" for time-limited funding.

Existing capital funding for programme/service (\$m)

24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34*	Total
-	-	-	-	-	-	-	-	-	-	-

*Extend the profile above if funding is needed beyond 2033/34.

Section 3C: Savings / Revenue / Reprioritisation profile and cost breakdown

The answer to each question must not exceed 1-2 paragraphs.

**Formula and assumptions
underlying costings**

See Section 2B above

Provide a breakdown of total initiative expenditure by individual expense category. Total operating and capital expenses in this section must match the totals in *Section 1B: Summary of funding profile*. Insert additional rows as appropriate for additional expense categories.

Recommended operating savings / reprioritisation (\$m)

Operating expense category	2024/25	2025/26	2026/27	2027/28	2028/29 & outyears*	Total
<i>Departmental Output Expense – Services for Conservation MCA – Conservation with the Community</i>	-	0.710	0.710	0.710	0.710	2.840
[Name of Non-Departmental operating expense category] – [Agency / Crown Entity etc.]	-	-	-	-	-	-
Depreciation and/or capital charge (if relevant) – [Agency / Crown Entity etc.]	-	-	-	-	-	-
Net FTE funding	-	-	-	-	-	-
Net contractor/consultant funding	-	-	-	-	-	-
Net FTE and contractor/consultant overhead funding	-	-	-	-	-	-
[Name/type of contingency] – [Agency / Crown Entity etc.]	-	-	-	-	-	-
Total (\$m)	-	0.710	0.710	0.710	0.710	2.840

*Extend the profile above to a “steady state” if funding into outyears is irregular. Delete “& outyears” for time-limited funding.

Headcount Change	2024/25	2025/26	2026/27	2027/28	2028/29 & outyears*
Total # of net FTEs at [Agency / Crown Entity / etc.] (employees)	-	-	-	-	-
Total # of net FTEs at [Agency / Crown Entity / etc.] (contractors/consultants)	-	-	-	-	-
Total # of net FTEs (employees and contractors/consultants)	-	-	-	-	-

*Extend the profile above to a “steady state” if headcount change into outyears is irregular. Delete “& outyears” for time-limited funding.

Additional breakdown of FTE changes over the forecast period

There are no FTE changes associated with this initiative.

Workforce Management

N/A

Recommended capital savings (\$m)

Capital expense category	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34*	Total
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[Name of Departmental capital expense category] – [Agency / Crown Entity etc.]	-	-	-	-	-	-	-	-	-	-	-
[Name of Non-Departmental capital expense category] – [Agency / Crown Entity etc.]	-	-	-	-	-	-	-	-	-	-	-
[Name/type of contingency] – [Agency / Crown Entity etc.]	-	-	-	-	-	-	-	-	-	-	-
Total (\$m)	-	-	-	-	-	-	-	-	-	-	-

*Extend the profile above if funding is needed beyond 2033/34.

Section 4: Delivery

Implementation of savings / reprioritisation

The answer to each question must not exceed 1-2 paragraphs

Implementation of savings from / reprioritisation of this programme, activity or investment	Realising the savings in this initiative will mean DOC clarifying its policy in relation to certain commitments under the historical Treaty of Waitangi Negotiations programme. This is already in train in response to savings proposed under DOC's Performance Plan for 2025/26.				
Transition costs associated with the savings initiative (\$m)					
2024/25	2025/26	2026/27	2027/28	2028/29 & outyears*	Total
-	-	-	-	-	-

Section 5: Equity

The answer to each question must not exceed 1-2 paragraphs.

Timing of costs and benefits	NA			
Treaty of (Te Tiriti o Waitangi) Waitangi implications	Y	The grants have been made to settled Iwi to enable them to carry out management planning tasks. DOC will not have the grant funding available for any similar support for future settlements, so if a commitment for support is entered-into by DOC, it will need to be met from our baseline. However, DOC will be less likely to negotiate such commitments at this scale in future, and under the Modernising Conservation Land Management policy process contributing to a proposed Conservation Amendment Bill, the management planning system should be easier to implement in a Treaty-compliant way, reducing the need for such funding support to Iwi/Hapū.		
Human rights implications	N	NA		
Does the initiative have a larger impact on any of the following groups of New Zealanders than on the population as a whole	Māori	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	Pasifika	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	Other minority ethnic groups	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	Rural Populations	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	Seniors	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	Disabled Peoples	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	Women and girls	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	Low-income individuals / families	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	Children and Young People	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	Other groups (please specify)	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
Distributional Impacts				

Ngā Whenua Rāhui – Protection of Indigenous Biodiversity on Māori-owned Land – Scaling Programme

Section 1: Overview

Section 1A: Basic initiative information										
Initiative title (max 120 characters)	Ngā Whenua Rāhui – Protection of Indigenous Biodiversity on Māori-owned Land – Scaling Programme									
Lead Minister	Minister of Conservation – Hon Tama Potaka	Agency	Department of Conservation							
Initiative description (max 800 characters)	This initiative scales the Ngā Whenua Rāhui Fund, a contestable fund for the protection of indigenous biodiversity on Māori-owned land (including Māori freehold and general land title). The recommended savings preserves the contractual commitments of the 302 existing contracts (kawenata) with Māori landowners (\$2.754m p.a.) and retains funding for some support services (\$0.710m p.a.). Ngā Whenua Rāhui is the only programme in New Zealand supporting and funding the protection of high-value conservation areas on Māori-owned land. It protects more than 185,000 hectares of land. Further reductions may impact DOC's ability to meet its Treaty of Waitangi obligations (section 4 of the Conservation Act 1987) and its relationships with Iwi and Hapū.									
Priority Area (PA) Objective	<input type="checkbox"/>	Targeted policy savings	<input type="checkbox"/>	Reprioritisation						
	<input checked="" type="checkbox"/>	Grants and funds	<input type="checkbox"/>	Performance Plan Scrutiny						
	<input type="checkbox"/>	Tagged Contingency								
Is this a cross-Vote initiative?	N									
Is this a revenue initiative?	N		Does this require legislative change?	N						
Agency contact	Name: Magnus Monahan Phone: 9(2)(a) Email: mmonahan@doc.govt.nz		Treasury contact (Vote Analyst)	Name: Bronte Creighton-Shaw Phone: 9(2)(a) Email: Bronte.Creighton-Shaw@treasury.govt.nz						
Section 1B: Summary of savings/reprioritisation profile										
Operating funding available for return (\$m)										
2024/25	2025/26	2026/27	2027/28	2028/29 & outyears*	Total					
-	3.450	3.450	3.450	3.450	13.800					
*For irregular outyears, add additional rows above to display the full profile of the initiative. Delete "& outyears" for time-limited funding. See Budget 2025: Uploading Initiatives to CFISnet for more information on entering outyears into CFISnet. *expenditure is shown as positives and savings are shown as negatives. Revenue increases are shown as negatives and revenue decreases are shown as positives.										
Capital funding available for return (\$m)										
24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34*	Total
-	-	-	-	-	-	-	-	-	-	-
*Extend the profile above if funding is needed beyond 2033/34.										

Section 2: Alignment and options analysis

Section 2A: Alignment

The answer to each question must not exceed 1-2 paragraphs

Does this savings/reprioritisation initiative have implications for the delivery of Government priorities? (if there are implications for multiple Priorities, select the most relevant)	<input type="checkbox"/>	Addressing the rising cost of living	<input checked="" type="checkbox"/>	Delivering effective and fiscally sustainable public services
	<input type="checkbox"/>	Building for growth and enabling private enterprise	<input type="checkbox"/>	No consequences
Ngā Whenua Rāhui is essential to DOC delivering positive biodiversity outcomes on Māori-owned land (including Māori freehold and general land title). This fund is the most cost-effective mechanism for DOC to achieve conservation protection on Māori-owned land through outsourcing management activities and implementation of land protection, in a way that gives effect to DOC's section 4 obligations.				
What is the proposed use for reprioritisation? (for reprioritisation initiatives only)	<input type="checkbox"/>	Cost Pressures / New Spending	<input type="checkbox"/>	Economic Growth (invitation only)
Which initiative(s) is this intended to be reprioritised for?	NA			

Section 2B: Options analysis

The answer to each question must not exceed 1-2 paragraphs

What were the range of options considered?	<p>In general, DOC's approach to prioritising between the high (\$24m) and low (\$12m) options for grants and funds has considered and weighed:</p> <ul style="list-style-type: none"> the alignment of arrangements with agreed priorities for the conservation portfolio the value for money we consider the arrangements generate the statutory, contractual, or reputational consequences of discontinuing the arrangements any impact on our ability to meet Treaty of Waitangi obligations or our relationships with Iwi/Hapū. <p>In this context, the low (\$12m) package has prioritised retaining a minimum viable amount in Ngā Whenua Rāhui (to avoid breaching existing contractual commitments to Treaty partners), while closing all other contestable funds. The balance of the \$12m would be made up by terminating arrangements which we consider represent the lowest combined risk across the above criteria.</p>
What was the process used to select the preferred option?	<p>Ngā Whenua Rāhui has a unique impact on biodiversity on Māori land and plays a significant role in meeting DOC's Treaty of Waitangi obligations. A \$3.45m reduction is the most we consider is possible without failing to deliver on existing contractual commitments, which often involve the provision of support services following an initial grant. This would still involve a temporary closure of the fund while existing contract work is completed, and funding capacity is 'recycled' at the lower ongoing level.</p> <p>The high package reduction for Ngā Whenua Rāhui (\$6.9 million) would require the full programme to permanently close, breaching the 302 contracts, and exacerbating risk of a contemporary breach of the Treaty of Waitangi.</p>

Section 3: Costs and benefits analysis

Section 3A: Benefits and non-fiscal costs

The answer to each question must not exceed 1-2 paragraphs. The primary benefit of savings is fiscal. Therefore, the primary purpose of this section is to highlight any risks or impacts of the savings/reprioritisation initiative.

Where do the savings or revenue or reprioritisation arise from?	<p>The savings arise from scaling the fund to its minimum viable level while maintaining capacity to honour 302 existing contracts and support services for those contracts.</p> <p>The binding contractual nature of grants made under Ngā Whenua Rāhui means that making the savings would require Ngā Whenua Rāhui to pause all grants and operations work outside what is detailed in existing Kawenata (formal agreements). The Fund would close to new applications for 1-2 years while a review is undertaken. There are currently 95 applications in the pipeline for processing, which would be paused. The review would determine essential obligations from the current 302 kawenata agreements, what capacity would be required to maintain those agreements, and what could be put towards future applications. We would also review the current structure and administration of the fund to ensure an efficient level of supporting services and administrative resources at that funding level.</p>			
Risks and impacts	<p>There are significant risks to make the proposed saving (\$3.45m p.a.). The temporary closure and ongoing funding level under this option would severely restrict the potential for gains in biodiversity on Māori-owned land and potentially lead to declines in species persistence outcomes or increases in the prevalence of pests and threats on that land.</p> <p>The Ngā Whenua Rāhui Fund was established under the policy framework for the 'National Policy for Indigenous Forests'; a key principle of that policy was "recognition of the rights and obligations of Māori landowners and the Crown under the Treaty of Waitangi". We understand that Māori leaders consider the fund makes an important contribution to the Crown's Treaty obligations in relation to the protection of Māori-owned land.</p> <p>As such, we consider that this proposed saving will likely have negative impacts on Crown – Māori relations and some Iwi/Hapū may consider a reduction in funding (particularly without formal engagement) to be a breach of the Treaty of Waitangi. No engagement has been possible with Iwi and Hapū within the timeframes of preparing these savings packages.</p> <p>The low option nominated would also result in a reduction of approximately 17 frontline FTE who provide supporting services to kawenata (covenant) agreements (in order to maintain an efficient operating structure). A management of change process would need to be followed in line with PSA obligations. The FTE reduction would provide an ongoing saving of \$1.45m m through personnel expense reductions, however, one-off transition costs and redundancy payouts are estimated at \$0.714m.</p>			
Impact on frontline services	<input type="checkbox"/> High	<input checked="" type="checkbox"/> Medium	<input type="checkbox"/> Low	<p>There are biodiversity, regulatory, and contract monitoring frontline staff involved in this programme.</p>
Climate impact	<input type="checkbox"/> Yes – emissions impacts (positive or negative)	<input checked="" type="checkbox"/> Yes – climate adaptation or resilience impacts (positive or negative)	<input type="checkbox"/> No impact	<p>These proposed savings would have a flow on impact on the ecosystem services that flow downstream from well managed landscapes providing mitigation outcomes including climate change resilience and flood mitigation. As most of the lands were formally protected post-1991, they were not considered viable for credits from the ETS so there would not be a significant impact on emissions.</p>

Section 3B: Status quo

The answer to each question must not exceed 1-2 paragraphs.

Status quo	<p>There are 302 formal protection (kawenata) agreements that are managed with 25 DOC FTE to support landowners in the activities associated with agreements. Operational work is undertaken by a combination of staff and contracts with landowners and other skilled local contractors. The total appropriated value is currently split between approximately \$4.75m p.a in 'grantable' funds, and \$2.164m in services supporting projects, implementation and administration.</p> <p>New agreements are reviewed against criteria set out within the fund policy and approved by the Minister of Conservation at the rate of approximately 8 new agreements per year. There is high demand for the fund, with 95 agreements in the pipeline waiting to be processed.</p>
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Existing operating funding for programme/service (\$m)

2024/25	2025/26	2026/27	2026/28	2028/29 & outyears*	Total
11.414	6.914	6.914	6.914	6.914	39.070

*Extend the profile above to a "steady state" if funding into outyears is irregular. Delete "& outyears" for time-limited funding.

Existing capital funding for programme/service (\$m)

24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34*	Total
-	-	-	-	-	-	-	-	-	-	-

*Extend the profile above if funding is needed beyond 2033/34.

Section 3C: Savings / Revenue / Reprioritisation profile and cost breakdown

The answer to each question must not exceed 1-2 paragraphs.

Formula and assumptions underlying costings	<p>See Section 2B.</p> <p>The recommended saving option for Nga Whenua Rāhui reflects a 50% decrease of available outyear funding, consisting of a \$2m reduction in grantable funds, and a \$1.45m reduction in support services.</p>
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Provide a breakdown of total initiative expenditure by individual expense category. Total operating and capital expenses in this section must match the totals in Section 1B: Summary of funding profile. Insert additional rows as appropriate for additional expense categories.

Recommended operating savings / reprioritisation (\$m)

Operating expense category	2024/25	2025/26	2026/27	2027/28	2028/29 & outyears*	Total
[Name of Departmental operating expense category] – [Agency / Crown Entity etc.]	-	-	-	-	-	-
Non-Departmental Output Expenses – Identification and Implementation of Protection for Natural and Historic Places MCA – Nga Whenua Rahui	-	3.450	3.450	3.450	3.450	13.800
Depreciation and/or capital charge (if relevant) – [Agency / Crown Entity etc.]	-	-	-	-	-	-
Net FTE funding	-	-	-	-	-	-

Net contractor/consultant funding	-	-	-	-	-	-
Net FTE and contractor/consultant overhead funding	-	-	-	-	-	-
[Name/type of contingency] – [Agency / Crown Entity etc.]	-	-	-	-	-	-
Total (\$m)	-	3.450	3.450	3.450	3.450	13.800

*Extend the profile above to a “steady state” if funding into outyears is irregular. Delete “& outyears” for time-limited funding.

Headcount Change	2024/25	2025/26	2026/27	2027/28	2028/29 & outyears*
Total # of net FTEs at [Agency / Crown Entity / etc.] (employees)	-	-	-	-	-
Total # of net FTEs at [Agency / Crown Entity / etc.] (contractors/consultants)	-	-	-	-	-
Total # of net FTEs (employees and contractors/consultants)	-	-	-	-	-

*Extend the profile above to a “steady state” if headcount change into outyears is irregular. Delete “& outyears” for time-limited funding.

Additional breakdown of FTE changes over the forecast period This initiative currently funds 25 FTEs. Reducing the funding by \$3.450m would lead to a reduction of approximately 17 FTE that deliver frontline conservation work.

Workforce Management Under the high package option, approximately 17 FTE will be impacted through a \$3.450 million reduction of the programme (including supporting services and implementation costs). DOC would have to undergo a change management process for any FTE reductions, including assessing any transition costs.

Recommended capital savings (\$m)											
Capital expense category	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34*	Total
[Name of Departmental capital expense category] – [Agency / Crown Entity etc.]	-	-	-	-	-	-	-	-	-	-	-
[Name of Non-Departmental capital expense category] – [Agency / Crown Entity etc.]	-	-	-	-	-	-	-	-	-	-	-
[Name/type of contingency] – [Agency / Crown Entity etc.]	-	-	-	-	-	-	-	-	-	-	-
Total (\$m)	-	-	-	-	-	-	-	-	-	-	-

*Extend the profile above if funding is needed beyond 2033/34.

Section 4: Delivery

Implementation of savings / reprioritisation

The answer to each question must not exceed 1-2 paragraphs

Implementation of savings from / reprioritisation of this programme, activity or investment	The recommended option can be delivered through a reduction of allocated funding from 2025/26 onwards.				
	The fund would need to be temporarily closed. A full review would be undertaken to assess the impacts on delivery and FTE required to deliver the fund on an ongoing basis. A management of change process would follow. This could be completed by the end of the 2025 financial year. Implementation of change could include the withdrawal of work and scaling back of obligations.				
	Agreements between the Crown and landowners cannot be terminated except by agreement with the landowner. This means that DOC would not be able to deliver savings from the existing 302 contractual agreements.				
	If the Ngā Whenua Rāhui fund was reduced by \$3.450m, approximately 17 FTE would need to be made redundant. There would be one-off redundancy costs of approximately \$0.714m.				
Transition costs associated with the savings initiative (\$m)					
2024/25	2025/26	2026/27	2027/28	2028/29 & outyears*	Total
[●]	[●]	[●]	[●]	[●]	[●]

Section 5: Equity

The answer to each question must not exceed 1-2 paragraphs.

Timing of costs and benefits	The risks are likely to manifest in the short to medium term.			
Treaty of (Te Tiriti o Waitangi) Waitangi implications	Y	We consider that the proposed saving of \$3.450 p.a. will likely have negative impacts on DOC's relationship with Iwi and Hapū, with some likely to consider a reduction in funding without formal engagement to be a breach of the Treaty of Waitangi.		
Human rights implications	No			
Does the initiative have a larger impact on any of the following groups of New Zealanders than on the population as a whole	<i>Māori</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input checked="" type="checkbox"/>	No impact <input type="checkbox"/>
	<i>Pasifika</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Other minority ethnic groups</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Rural Populations</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input checked="" type="checkbox"/>	No impact <input type="checkbox"/>
	<i>Seniors</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Disabled Peoples</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Women and girls</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Low-income individuals / families</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Children and Young People</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Other groups (please specify)</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
Distributional Impacts	<p>Ngā Whenua Rāhui is focussed on delivering biodiversity outcomes on Māori-owned land. The limitation or decline in biodiversity outcomes on Māori-owned land and employment opportunities related to Ngā Whenua Rāhui would have a disproportionate impact on Māori wellbeing.</p> <p>Given that a higher-than-average portion of the Māori population reside in small urban or rural areas and most of the activity funded in these projects will adjoin such areas, there is also likely to be a larger impact on rural populations.</p>			

Mātauranga Kura Taiao Fund – Preserving Traditional Knowledge for Biodiversity Management – Closure

Section 1: Overview

Section 1A: Basic initiative information										
Initiative title (max 120 characters)	Mātauranga Kura Taiao Fund – Preserving Traditional Knowledge for Biodiversity Management – Closure									
Lead Minister	Minister of Conservation – Hon Tama Potaka	Agency	Department of Conservation							
Initiative description (max 800 characters)	This initiative closes the Mātauranga Kura Taiao Fund, removing funding available for tangata whenua to preserve their traditional knowledge in indigenous biodiversity management, tikanga, history, stories, and practice. The savings reflect a 100% reduction in the programme.									
Priority Area (PA) Objective	<input type="checkbox"/>	Targeted policy savings	<input type="checkbox"/>	Reprioritisation						
	<input checked="" type="checkbox"/>	Grants and funds	<input type="checkbox"/>	Performance Plan Scrutiny						
	<input type="checkbox"/>	Tagged Contingency								
Is this a cross-Vote initiative?	N									
Is this a revenue initiative?	N		Does this require legislative change?	N						
Agency contact	Name: Magnus Monahan Phone: 9(2)(a) Email: mmonahan@doc.govt.nz		Treasury contact (Vote Analyst)	Name: Bronte Creighton-Shaw Phone: 9(2)(a) Email: Bronte.Creighton-Shaw@treasury.govt.nz						
Section 1B: Summary of savings/reprioritisation profile										
Operating funding available for return (\$m)										
2024/25	2025/26	2026/27	2027/28	2028/29 & outyears*	Total					
-	0.547	0.663	0.663	0.663	2.536					
*For irregular outyears, add additional rows above to display the full profile of the initiative. Delete "& outyears" for time-limited funding. See Budget 2025: Uploading Initiatives to CFISnet for more information on entering outyears into CFISnet. *expenditure is shown as positives and savings are shown as negatives. Revenue increases are shown as negatives and revenue decreases are shown as positives.										
Capital funding available for return (\$m)										
24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34*	Total
-	-	-	-	-	-	-	-	-	-	-
*Extend the profile above if funding is needed beyond 2033/34.										

Section 2: Alignment and options analysis

Section 2A: Alignment				
The answer to each question must not exceed 1-2 paragraphs				
Does this savings/reprioritisation initiative have implications for the delivery of Government priorities? (if there are implications for	<input type="checkbox"/>	Addressing the rising cost of living	<input type="checkbox"/>	Delivering effective and fiscally sustainable public services
	<input type="checkbox"/>	Building for growth and enabling private enterprise	<input checked="" type="checkbox"/>	No consequences
	NA			

multiple Priorities, select the most relevant)				
What is the proposed use for reprioritisation? (for reprioritisation initiatives only)	<input type="checkbox"/>	Cost Pressures / New Spending	<input type="checkbox"/>	Economic Growth (invitation only)
Which initiative(s) is this intended to be reprioritised for?	NA			

Section 2B: Options analysis

The answer to each question must not exceed 1-2 paragraphs

What were the range of options considered?	<p>In general, DOC's approach to prioritising between the high (\$24m) and low (\$12m) options for grants and funds has considered and weighed:</p> <ul style="list-style-type: none"> • the alignment of arrangements with agreed priorities for the conservation portfolio • the value for money we consider the arrangements generate; and • the statutory, contractual, or reputational consequences of discontinuing the arrangements • any impact on our ability to meet Treaty of Waitangi obligations or our relationships with Iwi/Hapū <p>In this context, the low (\$12m) package has prioritised retaining a minimum viable amount in Ngā Whenua Rāhui (to avoid breaching existing contractual commitments to Treaty partners), while closing all other contestable funds. The balance of the \$12m would be made up by terminating arrangements which we consider represent the lowest combined risk across the above criteria</p>
What was the process used to select the preferred option?	<p>The scale of the low option, and the relative value for money derived from MKT means it is not prioritised ahead of Ngā Whenua Rāhui (see impact analysis).</p>

Section 3: Costs and benefits analysis

Section 3A: Benefits and non-fiscal costs

The answer to each question must not exceed 1-2 paragraphs. The primary benefit of savings is fiscal. Therefore, the primary purpose of this section is to highlight any risks or impacts of the savings/reprioritisation initiative.

Where do the savings or revenue or reprioritisation arise from?	Savings are delivered through closing the fund.				
Risks and impacts	<p>Closing this fund would limit the potential to foster the development and retention of mātauranga Māori in a conservation context, limiting the engagement and capacity of tangata whenua to participate in the management of indigenous biodiversity, with a potential flow on impact on biodiversity outcomes on Māori land. Almost 50 percent of the total indigenous vegetation remaining on private land is held in Māori title.</p> <p>These risks are partly mitigated by the low scale of the MKT fund and the recommendation to maintain a minimum viable amount in the Whenua Rāhui Fund, as maintaining a material number of new applications under that fund (over time) will foster the development of mātauranga Māori to some extent.</p> <p>Nevertheless, there are a small number of existing, formal commitments under the fund that DOC would need to either breach or fund from elsewhere in baseline.</p> <p>No engagement was possible with Iwi/Hapū in the time available. Scaling the fund (particularly without prior engagement) may be seen as a decrease in DOC's level of commitment to its contemporary Treaty of Waitangi obligations.</p>				
Impact on frontline services	<input type="checkbox"/> High	<input type="checkbox"/> Medium	<input checked="" type="checkbox"/> Low		
Climate impact	<input type="checkbox"/> Yes – emissions impacts (positive or negative)	<input type="checkbox"/> Yes – climate adaptation or resilience impacts (positive or negative)	<input checked="" type="checkbox"/> No impact		
	NA				

Section 3B: Status quo

The answer to each question must not exceed 1-2 paragraphs.

Status quo The Fund is contestable and administered by the Ngā Whenua Rāhui Komiti. There is 1 FTE that administers the fund. There are 36 small existing funding commitments during the forecast period.

Existing operating funding for programme/service (\$m)

2024/25	2025/26	2026/27	2026/28	2028/29 & outyears*	Total
0.847	0.547	0.663	0.663	0.663	3.383

*Extend the profile above to a "steady state" if funding into outyears is irregular. Delete "& outyears" for time-limited funding.

Existing capital funding for programme/service (\$m)

24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34*	Total
-	-	-	-	-	-	-	-	-	-	-

*Extend the profile above if funding is needed beyond 2033/34.

Section 3C: Savings / Revenue / Reprioritisation profile and cost breakdown

The answer to each question must not exceed 1-2 paragraphs.

Formula and assumptions underlying costings

See Section 2B.

The recommended saving option reflects a 100% decrease of available outyear funding.

Provide a breakdown of total initiative expenditure by individual expense category. Total operating and capital expenses in this section must match the totals in *Section 1B: Summary of funding profile*. Insert additional rows as appropriate for additional expense categories.

Recommended operating savings / reprioritisation (\$m)

Operating expense category	2024/25	2025/26	2026/27	2027/28	2028/29 & outyears*	Total
[Name of Departmental operating expense category] – [Agency / Crown Entity etc.]	-	-	-	-	-	-
[Non-Departmental Other Expense – Mātauranga Māori Fund]	-	0.547	0.663	0.663	0.663	2.536
Depreciation and/or capital charge (if relevant) – [Agency / Crown Entity etc.]	-	-	-	-	-	-
Net FTE funding	-	-	-	-	-	-
Net contractor/consultant funding	-	-	-	-	-	-
Net FTE and contractor/consultant overhead funding	-	-	-	-	-	-
[Name/type of contingency] – [Agency / Crown Entity etc.]	-	-	-	-	-	-
Total (\$m)	-	0.547	0.663	0.663	0.663	2.536

*Extend the profile above to a “steady state” if funding into outyears is irregular. Delete “& outyears” for time-limited funding.

Headcount Change	2024/25	2025/26	2026/27	2027/28	2028/29 & outyears*
Total # of net FTEs at [Agency / Crown Entity / etc.] (employees)	-	-	-	-	-
Total # of net FTEs at [Agency / Crown Entity / etc.] (contractors/consultants)	-	-	-	-	-
Total # of net FTEs (employees and contractors/consultants)	-	-	-	-	-

*Extend the profile above to a “steady state” if headcount change into outyears is irregular. Delete “& outyears” for time-limited funding.

Additional breakdown of FTE changes over the forecast period

No FTE are impacted by this savings proposal.

Workforce Management	N/A										
Recommended capital savings (\$m)											
Capital expense category	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34*	Total
[Name of Departmental capital expense category] – [Agency / Crown Entity etc.]	-	-	-	-	-	-	-	-	-	-	-
[Name of Non-Departmental capital expense category] – [Agency / Crown Entity etc.]	-	-	-	-	-	-	-	-	-	-	-
[Name/type of contingency] – [Agency / Crown Entity etc.]	-	-	-	-	-	-	-	-	-	-	-
Total (\$m)	-	-	-	-	-	-	-	-	-	-	-
*Extend the profile above if funding is needed beyond 2033/34.											

Section 4: Delivery

Implementation of savings / reprioritisation					
The answer to each question must not exceed 1-2 paragraphs					
Implementation of savings from / reprioritisation of this programme, activity or investment		Savings can be delivered through the closure of the fund from 2025/26 ongoing.			
Transition costs associated with the savings initiative (\$m)					
2024/25	2025/26	2026/27	2027/28	2028/29 & outyears*	Total
-	-	-	-	-	-

Section 5: Equity

The answer to each question must not exceed 1-2 paragraphs.

Timing of costs and benefits	The risks are likely to manifest in the short to medium term.			
Treaty of (Te Tiriti o Waitangi) Waitangi implications	Y	Closing this fund (particularly without prior engagement) may be seen as a decrease in DOC's level of commitment to its contemporary Treaty of Waitangi obligations, damaging its relationship with Iwi and Hapū. As noted above, this risk can be mitigated to some extent by maintaining funding for the Whenua Rāhui Fund at the recommended level.		
Human rights implications	N			
Does the initiative have a larger impact on any of the following groups of New Zealanders than on the population as a whole	<i>Māori</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input checked="" type="checkbox"/>	No impact <input type="checkbox"/>
	<i>Pasifika</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Other minority ethnic groups</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Rural Populations</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input checked="" type="checkbox"/>	No impact <input type="checkbox"/>
	<i>Seniors</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Disabled Peoples</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Women and girls</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Low-income individuals / families</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Children and Young People</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
	<i>Other groups (please specify)</i>	Yes - Positive <input type="checkbox"/>	Yes - Negative <input type="checkbox"/>	No impact <input checked="" type="checkbox"/>
Distributional Impacts	Tangata whenua/ Iwi and hapū would be disproportionately impacted. Closure would lead to a reduction in the engagement and capacity of tangata whenua to participate in management of biodiversity, particular on whenua Māori. Given that a higher-than-average portion of the Māori population reside in small urban or rural areas, and most of the activity funded in these projects will adjoin such areas, there is also likely to be a larger impact on rural populations.			

Grants and Funds Submission Summary

	High Amount \$24m	Low Amount \$12m
Details	<p><u>Overview</u></p> <p>DOC submitted all funding arrangements that could possibly be interpreted within scope of the Treasury’s Grants and Funds review process. Many of these arrangements are not discretionary grants or funds but are formal arrangements (including some contracts) with third parties to deliver core conservation interventions or contribute to joint ventures. Of the funding arrangements originally submitted to the Treasury, only approximately \$11.6 million per annum is in the form of contestable grants and funds (the Community Conservation Fund, Ngā Whenua Rāhui, Nature Heritage Fund, and Mātauranga Kura Taiao Fund).</p> <p>The high package (\$24m) will result in eliminating almost all the funding arrangements included in the review, including the closure of DOC’s contestable funds, withdrawing from joint ventures and contractual arrangements with several different third parties.</p> <p>In addition to the funding arrangements discussed in the low package, this affects the following:</p> <p><u>Formal agreements, contracts or joint ventures for delivering specific conservation interventions</u></p> <p>This package includes several partnership-based funding agreements with community/philanthropy groups, local authorities, private landowners and Iwi/Hapū for projects delivering eradication or management activities in relation to wilding pines, other pests or predators. This includes:</p> <ul style="list-style-type: none">- Zero Invasive Predators- Wild Deer Free Northland- Kaimanawa adaptive deer management- Wakatipu Wilding Conifer Control Group- Mid Dome Wilding Pine Charitable Trust- Taranaki Mounga Project- Te Manahuna Aoraki Ltd- Te Apiti Gorge <p>Mobilising third party investment and support for pest and predator control is key for achieving conservation outcomes, and many of these agreements leverage significant co-funding for conservation. For example, 9(2)(b)(ii)</p> <p>In addition, this package includes a funding contribution to an endangered species breeding programme at Pūkaha Mt Bruce Wildlife Centre. It would cost DOC a lot more to fund this work separately, as the centre has established protected habits that DOC can leverage through this funding.</p> <p>This package also includes grant funding for the Southeast Marine Protection Programme, which enables Kāi Tahu to work with DOC to create and manage six marine reserves in the southeast South Island in a Treaty-compliant way. When a statutory decision was made to create the reserves, the Minister of Conservation, endorsed by the Minister of Finance, agreed to fund co-development of the implementation, and then co-management of the reserves. The marine reserves are now the subject of a Judicial Review and Kai Tahu’s continued support is likely to be impacted by the removal of this aspect of the arrangements.</p>	<p><u>Overview</u></p> <p>DOC submitted all funding arrangements that could possibly be interpreted within scope of the Treasury’s Grants and Funds review process. Many of these arrangements are not discretionary grants or funds but are formal arrangements (including some contracts) with third parties to deliver core conservation interventions or contribute to joint ventures. Of the funding arrangements submitted to the Treasury, only approximately \$11.6 million per annum is in the form of contestable grants and funds.</p> <p>DOC assessed these funding arrangements for their alignment with conservation portfolio priorities, value for money, contractual commitments, risks to the Crown from scaling/stopping funding and opportunities to consolidate them and/or reduce administrative costs.</p> <p>DOC has developed a low savings package based primarily on closing or significantly scaling back its contestable funds as they are more discretionary than the other funding arrangements, and therefore involve fewer legal, reputational, and relationship risks to the Crown from stopping funding. This includes closing the Community Conservation Fund, Nature Heritage Fund, and Mātauranga Kura Taiao Fund, and significantly scaling back Ngā Whenua Rāhui to focus on meeting DOC’s contractual commitments and retain a minimum viable amount to keep the fund operational.</p> <p>DOC has included four other funding arrangements in the savings package to make up the \$12m, which have either fewer risks associated with stopping funding or do not represent as high value for money as other funding arrangements within scope of the Treasury’s review. This includes stopping funding for Tohu Whenua, Treaty of Waitangi Settlement grants, 9(2)(f)(iv), and the contestable portion of funding provided to the Save the Kiwi Trust.</p> <p><u>Contestable funds</u></p> <p>DOC’s Community Conservation Fund is the Government’s primary tool for leveraging community support for conservation, including significant co-funding and volunteer hours. DOC does not have sufficient funding to improve conservation outcomes on its own, and this fund is a critical avenue for securing high value for money community support.</p> <p>The Nature Heritage Fund and Ngā Whenua Rāhui Fund are important for securing the protection of threatened and rare species and ecosystems on private land. Public conservation land does not contain a full representation of all of New Zealand’s indigenous biodiversity and therefore these funds are an important avenue for protecting private land with high conservation values.</p> <p>The Mātauranga Kura Taiao Fund aims to reverse the ongoing loss of traditional Māori knowledge and practice related to indigenous biodiversity and increase tangata whenua capacity to manage biodiversity. Traditional Māori knowledge is increasingly recognised for the role it can play in biodiversity management.</p> <p><u>Formal agreements, contracts or joint ventures for delivering specific conservation interventions</u></p> <p>Tohu Whenua is a co-funded programme with the Ministry of Culture and Heritage and Heritage New Zealand to coordinate the development of high value experiences at premier heritage visitor sites across New Zealand. The coordinated branding supports tourism and regional economic development, currently in three regions.</p> <p>In the past, Treaty of Waitangi Settlement grants from DOC’s operational directorate have met or responded to settlement commitments including some payments to Iwi/Hapū to deliver conservation activities including work on management plans. Aside from one small, specific commitment in 2025/26, DOC does not expect to negotiate or service these commitments in future, or where necessary, could absorb the cost into baseline.</p>

	<p><u>Contributions to research/databases</u></p> <p>This package includes several small contributions that DOC makes to research programmes and databases. Building the evidence base on the most effective interventions is important for achieving value for money. Maintaining databases is critical for biodiversity and environmental reporting which is used for standardising reporting in New Zealand and used by other government agencies and regional councils. It would be much more expensive for DOC to establish its own research programmes and databases to cover for these.</p>	<div>9(2)(f)(iv)</div> <div></div> <div></div> <div></div> <p>The contestable portion of funding for the Save the Kiwi Trust funds monitoring, translocation, predator control and kiwi breeding work through Iwi/Hapū and community led kiwi conservation projects. DOC does not have the capability or resourcing to achieve the Trust’s success in predator control and protecting kiwi habitations on non-Crown land.</p> <p><u>Summary</u></p> <p>This low package includes per annum savings of (\$12m):</p> <table><tr><th>Funding arrangement</th><th>Status quo (\$m p.a.)</th><th>Savings (\$m p.a.)</th></tr><tr><td>Community Conservation Fund</td><td>4.91</td><td>4.91</td></tr><tr><td>Ngā Whenua Rāhui</td><td>6.91 (including support services)</td><td>3.45</td></tr><tr><td>Nature Heritage Fund</td><td>1.3</td><td>1.3</td></tr><tr><td>Mātauranga Kura Taiao Fund</td><td>0.63</td><td>0.63</td></tr><tr><td>Tohu Whenua</td><td>0.13</td><td>0.13</td></tr><tr><td>Treaty of Waitangi Settlement grants</td><td>0.76</td><td>0.71</td></tr><tr><td colspan="3">9(2)(f)(iv)</td></tr><tr><td>Save the Kiwi Trust</td><td>0.31</td><td>0.31</td></tr></table> <p><u>Administrative costs and consolidation</u></p> <p>Closure of the funds above would generate a small amount of administrative cost savings from discontinuing independent committee functions.</p>	Funding arrangement	Status quo (\$m p.a.)	Savings (\$m p.a.)	Community Conservation Fund	4.91	4.91	Ngā Whenua Rāhui	6.91 (including support services)	3.45	Nature Heritage Fund	1.3	1.3	Mātauranga Kura Taiao Fund	0.63	0.63	Tohu Whenua	0.13	0.13	Treaty of Waitangi Settlement grants	0.76	0.71	9(2)(f)(iv)			Save the Kiwi Trust	0.31	0.31
Funding arrangement	Status quo (\$m p.a.)	Savings (\$m p.a.)																											
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9(2)(f)(iv)																													
Save the Kiwi Trust	0.31	0.31																											
<p>Risks and mitigations</p>	<p>The high package requires the closure of all DOC’s contestable funds, and the breaching of contracts with third parties and Treaty partners. This will have significant impacts on outcomes, and poses significant legal, reputational and relationship risks for the Crown. DOC has not had time to do a full analysis of the legal risk associated with this package, but at least some legal challenge is possible.</p> <p><u>Contestable Funds</u></p> <p>In addition to the risks set out in the low package, the high package involves the full closure of the Ngā Whenua Rāhui fund, breaching many of the Kawenata (contractual agreements) with Iwi, Hapū or Māori landowning entities. This would have a flow on impact on the preservation of biodiversity on Māori land, risking the loss of gains already achieved. Many Māori leaders consider the fund makes an important contribution to the Crown’s Treaty obligations in relation to the protection of Māori-owned land, and permanent closure without formal engagement is likely to be viewed as a contemporary Treaty breach by many Iwi and Hapū.</p> <p><u>Formal agreements, contracts or joint ventures for delivering specific conservation interventions</u></p> <p>In addition to the risks set out in the low package, the high package involves DOC withdrawing from several other formal agreements, contracts or joint ventures.</p> <p>The impacts vary for the pest and predator control partnerships, but generally withdrawal by DOC will significantly reduce pest and predator control activities in the project area, with flow on impacts on outcomes such as the persistence of endangered or threatened species, or degradation of ecosystems. This may in turn impact other outcomes, such as visitor experiences on public conservation land.</p>	<p>This low package balances the need to make savings with meeting the Crown’s more significant contractual obligations, honouring funding commitments, and continuing to support projects that deliver significant value for money for conservation.</p> <p><u>Contestable funds</u></p> <p>DOC has focused on making savings through stopping its contestable funds, as they are more discretionary than its other funding arrangements, with fewer legal, reputational and relationship risks to the Crown from stopping funding. However, closing or significantly scaling back these funds will still have significant risks and implications for conservation outcomes.</p> <p>The latest round of \$9.2m (approximately two years' worth in 2024/25) from the Community Conservation Fund leveraged an additional \$7.2m of co-funding and 120,000-150,000 expected volunteer hours towards high priority biodiversity outcomes including the protection of 31 nationally critical species and 7 critically endangered ecosystems. This package closes this fund, which will reduce DOC’s ability to leverage and incentivise third-party investment and volunteer hours for high-value conservation projects across New Zealand. The Jobs for Nature impact assessment demonstrated that private investment is more likely to occur if Government is also investing.</p> <p>Given the high profile of the fund (due to the wide range of community projects it supports across New Zealand), stopping its funding is likely to receive widespread negative feedback. The fund is the only remaining Government-led discretionary conservation fund. In the most recent funding round, DOC received 298 applications totalling over \$135m – the highest demand in the fund’s history. The fund is also part of the Jobs for Nature transition plan - providing an avenue to help sustain the gains achieved by the Jobs for Nature work programme, including extensive pest, predator and weed control.</p> <p>By scaling back Ngā Whenua Rāhui and closing the Nature Heritage Fund, this package will limit DOC’s ability to protect indigenous biodiversity on private land. Protecting land in perpetuity which has high conservation values is an important lever for improving conservation outcomes. As around 50 per cent of indigenous biodiversity remaining on private land is held in Māori title, Ngā Whenua Rāhui is a critical mechanism for the Government to protect and conserve non-Crown high value conservation areas on Māori owned land. This is a high demand fund, with 95</p>																											

	<p>It could also result in the withdrawal of significant amounts of philanthropic co-funding – on top of the South Westland example (as above), in the case of the Zero Invasive Predators project in Stewart Island Rakiura, 9(2)(b)(ii).</p> <p>Stopping the Wild Deer Free Northland and Kaimanawa adaptive deer management funding would significantly impact the deer control in these two areas, resulting in both economic and environmental impacts. In both cases the Crown funding supports significant external funding from councils and third parties.</p> <p>Withdrawal of funding for the Wilding Pine and Wilding Conifer programmes will significantly impact co-funding agreements and gains made eradicating the highly invasive species. Wilding pines and conifers are New Zealand's number one pest plant, inducing landscape change and biodiversity loss, with significant economic costs. These programmes are effective at eradicating and maintaining pine free areas and leveraging volunteer and philanthropic contributions, which will be lost or at risk under the high package option.</p> <p>In most cases, withdrawing funding from these projects contravenes a formal agreement signed between the Crown and contributing parties (such as the Tomorrow Accord, signed by the Crown in 2014 with the NEXT Foundation), and/or would damage relationships with Iwi/Hapū. The reputational damage caused by such action is likely to limit DOC's ability to leverage third party contributions to conservation in future.</p> <p>The funding provided to Pūkaha Mt Bruce National Wildlife Centre supports captive breeding programmes to increase the populations of some of the most endangered indigenous bird species in New Zealand. Ceasing this funding will have significant risks for these species' programmes, as DOC's grant covers approximately half its cost.</p> <p>9(2)(h)</p> <p><u>Contributions to research/databases</u></p> <p>Stopping DOC's contribution to the research and databases included in the review will impact DOC's ability to use this data and evidence to inform better policy and decision-making. Withdrawing the Government's contribution to the Intergovernmental Science Policy Platform on Biodiversity and Ecosystem Services (IPBES) could impact New Zealand's reputation.</p>	<p>applications currently due to be processed and considered by the Minister of Conservation. The Queen Elizabeth II Trust (which is out of scope of this review), does provide another avenue for protecting biodiversity on private land. However, this is also declining in capacity following the expiry of the Jobs for Nature package, is oversubscribed, and is not focused on the Crown's obligations to Māori landowners.</p> <p>The Ngā Whenua Rāhui fund is scaled to its minimum viable option that does not break existing contracts. It would see the fund close to new applicants for a few years while existing contracts are maintained. Scaling the fund to this level may be seen as a contemporary Treaty of Waitangi breach by many Iwi and Hapū. Iwi and Hapū have not been consulted on this potential reduction in the time available and are unlikely to receive this positively as many groups view this as an essential tool for kaitiaki of their whenua.</p> <p>The closure of the Mātauranga Kura Taiao fund will reduce support for biodiversity protections and restoration, educational wānanga and conservation training, and the practising of traditional biodiversity management. Stopping this funding will also breach a small number of formal arrangements in 2025/26 causing reputational damage to the Crown.</p> <p>The closure and scaling back of these funds will impact staff. DOC would have to undergo a change management process according to the Collective Agreement with the Public Service Association and incur transition costs.</p> <p><u>Formal agreements, contracts or joint ventures for delivering specific conservation interventions</u></p> <p>Stopping funding for Tohu Whenua could significantly impact the coordination and promotion of quality heritage visitor experiences and therefore impact the number of visitors to the Tohu Whenua sites, with flow on effects for local economies. As delivery of the programme is supported by Iwi and others in the community, there are relationship and reputational impacts from DOC withdrawing its funding.</p> <p>Stopping funding for Treaty of Waitangi Settlement grants will likely not impact any existing agreements as this funding is not committed in outyears, except for one settlement commitment. This brings the savings for this initiative to \$0.710 as \$0.050 is committed to Rangitane. Some Iwi/Hapū currently negotiating settlements may have expectations for similar funding to that provided in the past: DOC will not be able to fund them in the future.</p> <p>9(2)(f)(iv)</p> <p>Stopping the contestable portion of funding for the Save the Kiwi Trust is likely to impact on outcomes for kiwi in New Zealand. The Trust runs a successful model for protecting kiwi habitats on non-Crown land which DOC cannot easily replicate.</p> <p>DOC has a contractual 'Partnership Agreement' with both the 9(2)(f)(iv) and Save the Kiwi Trust that commits funding in 25/26 and outyears. There are no 'break clauses' so DOC would have to terminate the agreements, which the entities could choose to litigate.</p> <p>There are likely to be significant reputational consequences for withdrawing from these agreements, as these are both high profile initiatives which leverage significant community support for conservation.</p>
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BUDGET SENSITIVE

Memo: Meeting with Minister Seymour

To	Minister of Conservation	Date submitted	27 January 2025
Reference	25-B-0012	DocCM	DOC-7865619
Security Level	Budget Sensitive		
From	Ruth Isaac, Deputy Director-General, Policy and Regulatory Services: 9(2)(a) Nick Mayo, Chief Financial Officer: 9(2)(a)		
Subject	Meeting with Minister Seymour on Baseline Savings Programme		
Attachments	Attachment A – Talking points: Potential further savings from Vote Conservation Attachment B – Overview of Budget funding since 2017 Attachment C – Investment A3s Attachment D – DOC's Performance Plan		

Purpose – Te aronga

1. To provide material to support your meeting with Minister Seymour to discuss the Budget 2025 Baseline Savings Programme.

Background and context – Te horopaki

2. On 4 December 2024 Minister Seymour sent you a letter confirming that Vote Conservation is within scope of the Baseline Savings Programme, an exercise to find additional savings at Budget 2025. The exercise is targeted at portfolios where expenditure has grown significantly since 2017.
3. The Department of Conservation (**DOC**) is required to submit a savings package for consideration by 13 February 2025.
4. This is separate to the Budget process to find savings from grants and funds (24-B-0603 refers).
5. You have a meeting with Minister Seymour on Wednesday 29 January 2025 to discuss the Baseline Savings Programme. We have provided talking points to support this meeting (**Attachment A**).
6. We have heard from other agencies that Minister Seymour is seeking a detailed review of options to stop or reduce outputs across appropriations. The Performance Plan (**Attachment D**), investment A3s (**Attachment C**) and summary of investments since 2017 (**Attachment B**) provide visibility of where savings could come from.
7. We recommend information on investments since 2017 be shared with Minister Seymour, along with DOC's Performance Plan and the talking points for the meeting (**Attachments A, B and D**).

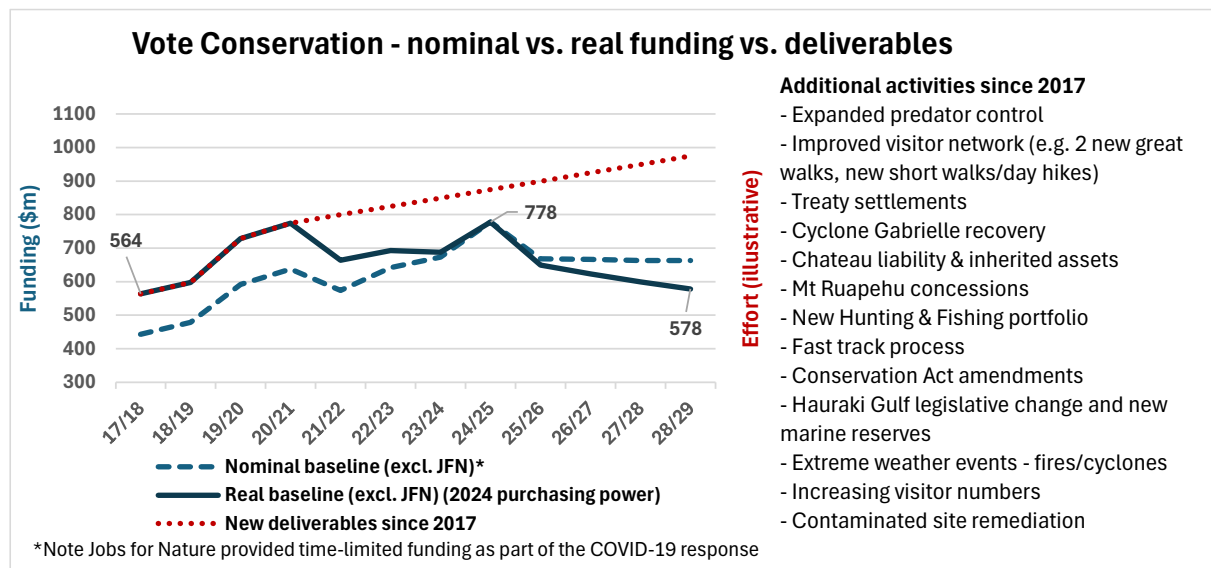
BUDGET SENSITIVE

8. We will need agreement and clear direction from you and Minister Seymour on what should be included in our submission to Treasury to meet the deadline of 13 February 2025.

By 2028/29 DOC's baseline will be 2 per cent higher than 2017 in real terms

9. Vote Conservation has grown since 2017, but a significant portion of this is time limited funding. Accounting for inflation and in 2024 dollars, our baseline was \$564m in 2017/18 and will be \$578m in 2028/29, an increase of 2.4 per cent (see Figure 1 below).

Figure 1



10. Uplifts since 2017 have been for specific pressures or to deliver additional activities and responsibilities. **Attachment B** provides a breakdown of these uplifts.
11. Excluding time-limited funding, the largest increases were in 2018 and 2022. The 2018 increases were for biodiversity work including: predator control, protection of threatened ecosystems, freshwater and marine protection, and predator free islands. The 2022 increases were for delivering Predator Free 2050, addressing inflationary and wage pressures, addressing the backlog in visitor asset maintenance, and remediating contaminated sites.
12. Additional activities since 2017 include: expanded predator control, improving the visitor network, Treaty settlement implementation, responding to extreme weather events, establishing the Hunting and Fishing portfolio, and supporting the Fast-track process. Mostly, these have been delivered within baselines.

We have already made significant savings, any further cuts will impact frontline services and outputs

13. As you are aware, DOC's baseline was reduced by 6.5 per cent (\$31.3 million per annum) at Budget 2024, along with a one-off reduction of \$8.93m in 2024/25. This savings exercise was restricted to non-frontline services and roles, which resulted in significant cuts to support functions.
14. In addition, our Performance Plan (**Attachment D**) identifies savings of \$85 million per annum by 2028/29 (12.8 per cent of our operating baseline) to meet cost pressures over the forecast period. These savings rely on finding efficiencies, absorbing inflationary costs, and increasing cost-recovery for user-pays services. Some reduction in outputs and services is inevitable.

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15. Taken together, this means making further savings will require the Government to reduce outputs and responsibilities, including frontline services. In addition, the ongoing Budget process to make savings from grants and funds will also impact frontline services, given DOC uses these 'grants' to deliver core services.
16. At current funding levels, DOC is only able to manage 150 out of 4370 threatened species, manage 4 per cent of heritage sites and adequately fund 70 per cent of the visitor network. DOC is already stretched thin and further savings will exacerbate the situation.

DOC is improving its financial sustainability, including through the Revenue Action Plan for Conservation

17. As you are aware there are a number of actions underway to improve DOC's financial position and value proposition including: the Revenue Action Plan for Conservation, exploring access charging, modernising conservation land management, and the Future Visitor Network Programme.
18. Changes such as introducing access charging could move conservation funding towards a more user-pays model, reducing the share of funding coming from the Crown.
19. The share of Vote Conservation funded by the International Visitor Conservation and Tourism Levy (IVL) is set to increase since the IVL amount was raised to \$100. The Minister of Finance has decided that \$55 million of IVL revenue will be 'baselined' and must go to new expenditure, while any additional revenue will be 'swapped out' for other Crown funding.
20. This new treatment of IVL funding will be fiscally positive to the Crown: if visitor numbers return to 2019 levels, the fiscal benefit to the Crown would be \$60 million per annum. The share of Vote Conservation funded by the IVL would increase from 4 per cent in 2024/25 to 17 per cent in 2028/29. Further reductions to baselines in Budget 2025 could be offset by IVL funding, if they are in line with the IVL investment objectives. However, this would likely be perceived by stakeholders as not in line with the purpose of the IVL.

If further savings are required, we will need to reduce outputs and activities that have increased since 2017

21. Analysis for the Performance Plan and Budget 2024 identified efficiencies and low value investments where savings could be made. 9(2)(g)(i) [REDACTED]
22. We are planning to undertake further analysis of the relative value of DOC's outputs and responsibilities as part of our broader work to improve DOC's financial sustainability, building off the investment A3s we provided you with previously (**Attachment C**). However, this will take time to complete and has been delayed because of our work to produce the Performance Plan.
23. Given this, we suggest that any further reductions come from initiatives funded since 2017 (**Attachment B**), or by reducing other outputs back to pre-2017 levels e.g.:
 - Reduce maintenance of heritage sites by 75%.
 - Reduce the size of the Visitor Network by 50% (30% currently unfunded plus loss of 20% uplift received since 2017).
 - Stopping the National Predator Control Programme and reducing wilding pine control.

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- Stopping investment in system efficiencies, which will impair DOC's ability to lift productivity, reduce FTE in the back-office, and may impact regulatory change.
 - Stopping delivery of government priorities, e.g. Herds of Special Interest.
24. This is not based on these programmes being low value, but because the increases since 2017 are the driver of the Baseline Savings Programme. This funding delivers core conservation work, and if savings from this funding are required, it will negatively impact our biodiversity, heritage and recreation outcomes.
25. If DOC's baseline was to reduce by 2 per cent (roughly equivalent to the growth since 2017) it would require an additional \$14 million in savings, which would be a significant impact on the outputs listed in **Attachment B**.
26. Depending on the quantum of savings required, we will develop a package based on making savings from these initiatives for your consideration ahead of the 13 February 2025 deadline.

Risk assessment – Aronga tūraru

27. There is a risk that conservation stakeholders, Treaty partners, and members of the public will react negatively to further funding being removed from conservation. This risk will be compounded if reductions are also made to DOC's grants and funds, alongside the decision to swap out IVL revenue for existing crown spending (25-B-0001 refers).
28. It is unclear what the rationale for targeting DOC for further savings is, given that excluding Jobs for Nature, DOC's baseline has not grown significantly in real terms.

Next steps – Ngā tāwhaitanga

29. You have a meeting with Minister Seymour to discuss the Baseline Savings Programme on 29 January 2024.
30. Based on the outcome of the meeting, DOC will prepare a package for submission and provide it to you for approval. The submission is due on 13 February 2024.

We recommend that you ... (Ngā tohutohu)

		Decision
1.	Agree to forward Attachments A, B and D to Minister Seymour	Yes / No



Date: 27/1/25

Ruth Isaac
Deputy Director-General, Policy and
Regulatory Services

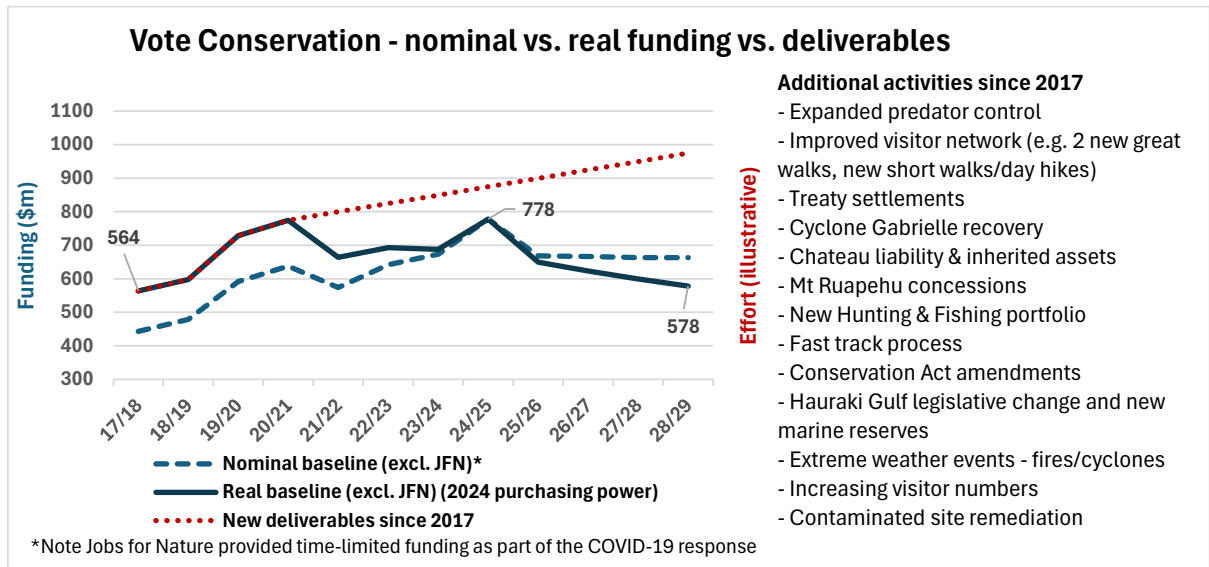
Date: / /

Hon Tama Potaka
Minister of Conservation

ENDS

Talking points: Potential further savings from Vote Conservation

- Nature is core to NZ's society and economy. It underpins our export and tourism industries and provides \$10.9bn in ecosystem services on PCL.
- DOC's role is to protect and restore this natural capital. It already prioritises funding, by:
 - Only managing 150 of 4370 threatened species.
 - Only managing 4% of heritage sites.
 - Reducing the size of the visitor network, as it only has 70% of the OPEX needed to maintain the current network.
- DOC faces cost pressures and increasing responsibilities. By FY2029, DOC's baseline in real terms will only be 2% higher than FY2017:



- DOC is managing significant annual cost pressures while delivering core outcomes (management of inherited assets on public conservation land - \$3m p.a., severe weather events - \$9m p.a., increased visitor numbers - \$3m p.a., new treaty settlements - \$6m p.a., new portfolio for Hunting and Fishing, Herds of Special Interest - \$2m p.a., supporting Fast-track).
- DOC has a plan to be financially sustainable and its increase value proposition by:
 - Modernising conservation legislation.
 - Raising third-party revenue.
 - Implementing a sophisticated biodiversity planning approach to prioritise spend.
 - Driving a performance culture and shrinking our corporate functions.
 - Right-sizing the visitor network.

9(2)(f)(iv)

- Should further baseline reductions be required, we would need to reduce outputs and responsibilities back to pre-FY2017 levels:
 - Reduce maintenance of heritage sites by 75%.
 - Reduce the size of the Visitor Network by 50% (30% currently unfunded plus loss of 20% uplift received since 2017).
 - Stopping the National Predator Control Programme and reducing wilding pine control.

- Stopping investment in system efficiencies, which will impair DOC's ability to lift productivity, reduce FTE in the back-office, and may impact regulatory change.
- Stopping delivery of government priorities, e.g. Herds of Special Interest.

Attachment B – Table 1 – Overview of Budget Initiatives since 2017 with ongoing funding

Budget 2017-2023	Title – Operating funding only. Initiatives with ongoing funding (excluding one off or time limited funded initiatives)	Ongoing funding p.a. (\$m)
Budget 2017	Tourism growth initiative - new walks	14.2
Budget 2018	Enhancing Biodiversity by Controlling and Eradicating Predators: Predator Control	23.08
Budget 2018	Tagged Contingency for Biodiversity: freshwater, marine, terrestrial	31.16
Budget 2018	Strengthening DOC's Organisational Capacity and Capability	4.32
Budget 2018	Managing the Impacts of Increasing Numbers of Visitors to Public Conservation Land	1.5
Budget 2018	Enhancing biodiversity by supporting community conservation in the Mackenzie Basin	0.16
Budget 2019	Improving the Safety and Security of Conservation Workers and Volunteers	2.646
Budget 2019	International Visitor Conservation and Tourism Levy	35.243
Budget 2020	Implementing Remuneration Cost Pressures	3.8
Budget 2020	Implementing Ngāi Tai Supreme Court Decisions	3.624
Budget 2020	Southern South Island Flood Recovery	1.08
Budget 2022	Department of Conservation Wage Pressures – Collective Agreement	25.469
Budget 2022	Cost of Continuing Operations – CPI Pressures	15.829
Budget 2022	Whakapapa Three Waters Infrastructure – Compliance and Asset Management	1.532
Budget 2022	Passenger Vehicle Electrification Project	1.073
Budget 2022	Maintenance of Residential and Commercial Properties	7.19
Budget 2022	Safe Access and Use of Recreational Assets for Visitors (updated for Budget 2024 savings)	4.861
Budget 2022	Fit for Purpose Recreation Assets	10.86
Budget 2022	Protecting Our Cultural Heritage	4.167
Budget 2022	Cyclone Dovi Recovery	0.47
Budget 2022	Implementing the ANZ Biodiversity Strategy: Deer management and goat control (\$1m included in Grants and Funds savings)	7.93
Budget 2022	Collective Delivery of the Predator Free 2050 Strategy (reduced after reprioritisation) (\$7.05m included in Grants and Funds savings)	20.629
Budget 2022	Implementing the Aotearoa New Zealand Biodiversity Strategy: Reducing Extinction Risk for Key Flagship Marine Species	2.95
Budget 2022	Implementing the ANZ Biodiversity Strategy: Maintaining National Predator Control Programme Levels	7.475
Budget 2022	Maximising Carbon Storage: Increasing Natural Sequestration to Achieve New Zealand's Future Carbon Goals (CERF)	0.755
Budget 2023	Public Sector Pay Adjustment – Vote Conservation Remuneration Cost Pressure	3.49

Budget 2023	Molesworth Recreation Reserve - Purchase of Farming Assets and Ongoing Management of Reserve: Fulfilment of Contractual Obligations	0.076
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Attachment B: Table 2 - Overview of Budget funding since 2017

Budget	Initiative title and funding per annum	Ongoing funding from 2025/26 p.a. (\$m)	Initiative description	Intervention logic, value and outputs	Risks and impacts of reducing funding
2017 (Total \$71.9m)	Tourism Growth Initiative - new walks Funding: \$14.2m per annum (ongoing) Capital: \$41.040m (2017-2021 only)	14.200	This funding will allow DOC to actively support tourism and regional economic development and strategically align with the country's tourism industry network including Tourism NZ, Tourism Industry Aotearoa, Māori tourism and the Ministry of Business, Innovation and Employment (MBIE). The outcomes of the five-year work programme will be to grow tourism, sustain high quality experiences at New Zealand's most popular locations, and meet New Zealanders' outdoor expectations to ensure ongoing support for tourism.	This funding has supported the maintenance of short walks / day hikes, the creation of Hump Ridge Great Walk, delivery of Rākau Rangatira, implementation of booking technology, and the expansion of the Great Walks programme.	This funding totals about 15% of total direct expenditure on asset maintenance and depreciation. DOC only has 70% of the OPEX needed to maintain the current visitor network. Reducing this funding will exacerbate this issue further.
	Battle for our Birds 2017 Funding: \$21.3m one off (2016/17)	0	This funding provided additional pest control in regions throughout New Zealand where the populations of possums, rats and stoats were expected to spike due to an abnormally heavy seeding events (beech masts).	Beech mast events are a natural phenomenon that lead to extreme predation risk for some of New Zealand's most highly threatened species populations. Initially, this risk was managed through one off funding allocations on an ad hoc basis. In 2018, the decision was made to allocate ongoing funding, so that the capability required to manage beech mast events could be maintained. Since 2018, two further large-scale beech mast events have occurred, and have been successfully managed (2019 and 2023).	N/A
	Marine Protection: Advancing Regional Processes joint initiative Funding: \$0.750m one off (2017/18)	0	This joint initiative with the Ministry of Primary Industries and the Ministry for the Environment established an engagement process to consider establishing two recreational fishing parks in Hauraki and Marlborough.	Recreational fishing parks were proposed as part of the Marine Protected Areas Act Reform in 2016. These parks were designed to improve the recreational fishing experience by providing a preference for non-commercial fishing for some species. Following public consultation, focus shifted to supporting regional processes in Hauraki and Marlborough. The Recreational Fishing parks were never established due to interdependencies with the wider Marine Protected Area Bill.	N/A

Budget	Initiative title and funding per annum	Ongoing funding from 2025/26 p.a. (\$m)	Initiative description	Intervention logic, value and outputs	Risks and impacts of reducing funding
	Response to the Port Hills Fires Funding: \$4.750m (one off 2016/17 only)	0	DOC contributed to the response to the Port Hills Fires in Canterbury in February 2017.	DOC supplied 130 fully trained rural fire fighters, fire experts and air attack managers.	N/A
2018 (Total \$181.6m)	Enhancing Biodiversity by Controlling and Eradicating Predators: Predator Control Funding: \$23.080m per annum (ongoing)	23.080	This funding is suppressing predators in priority ecosystems and is improving the threat classification of many threatened species. It has also protected and increased biodiversity on offshore islands and developed more effective and efficient predator control methods.	New Zealand's biodiversity is under significant pressure – nearly 4000 native species are either at risk or threatened with extinction. Controlling introduced predators protects vulnerable wildlife and forests and helps wildlife populations to grow. This initiative, when combined with the 2022 cost pressure increase of \$7.45m, is funding 600,000 hectares of predator control on average every year, which allows more than 1.8 million hectares of public conservation land to be protected from predators overall.	<p>This funding drives DOC's National Predator Control Programme, which is successfully controlling predators across more than 1.8 million hectares, or roughly 20% of New Zealand's public conservation lands.</p> <p>Excellent outcomes are being achieved through this work. It has delivered measurable gains in nationally significant populations of more than 15 of our most threatened bird, bat, frog and invertebrate species. It has also improved the condition of some of New Zealand's most iconic and popular forest landscapes and National Parks. This work is critical for delivering the Aotearoa New Zealand Biodiversity Strategy, and the Predator Free 2050 vision.</p> <p>If funding was reduced, the gains made to date would be lost. Predator numbers would increase unchecked, causing avoidable decline in some of New Zealand's highest profile natural areas. We would also lose capability within the New Zealand predator control industry (i.e. pest control contractors, suppliers, and helicopter operators). This would lead to increased costs to remove predators in the future.</p>
	Tagged Contingency for Biodiversity: freshwater, marine, terrestrial Funding: \$31.160m per annum (ongoing)	31.160	This funding provides a tagged contingency to increase the amount of funding to address biodiversity issues. This contingency will be used to fund a mix of biodiversity initiatives that could include predator and pest control, protecting marine ecosystems, and protecting and restoring freshwater ecosystems.	Protection and restoration of key ecosystems is vital to maintaining both the health of those ecosystems as well as the communities and industries they support directly and indirectly.	Total direct Biodiversity budget is \$207m in 2025. This initiative provides ~15% of current direct Biodiversity budget. DOC is already only managing 150 of 4370 threatened species. Reducing this funding will further limit

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				Key areas of investment were ‘to restore a range of ecosystems to a healthy functioning state’ and ‘nationally threatened species are conserved to ensure persistence.’ This included programmes to preserve river catchments and ecosystem resilience, establishing new marine reserves, investing in pest free islands, and the management of deer ecosystem damage.	the number of species and places that we can manage. NOTE – This includes \$1m per year of funding for the Himalayan tahr programme. This funding enables tahr control and monitoring the health of the environment to be undertaken. All stakeholders support the reduction of tahr that has occurred since 2019 and any reduction would see tahr numbers increase rapidly and have significant impacts on the environment.
	Strengthening DOC’s Organisational Capacity and Capability Funding: \$4.320m per annum (ongoing)	4.320	This funding will ensure DOC is at the centre of New Zealand’s conservation system, by investing in its core capability and capacity. It will do this by increasing capability in organisational development, human resources and policy, and by ensuring that assets are safe and fit for purpose.	Prior to 2017, DOC did not have an internal recruitment team, effective management of HR and wellbeing issues, or resources for an organisation of its size. This initiative supported the increase in organisational support and FTE to cater for the increase in demand and increased expected outputs in policy, asset management, human resources, accounting and organisational development.	DOC made savings of \$11.3m from consultants, contractors and back-office functions at Budget 2024. 9(2)(f)(iv) 9(2)(f)(iv) Further savings would require changes and a reduction in the Government’s policy work programme. Looking for more savings from organisational capability would harm the functioning of the organisation, causing inefficiency and reduction in capability and capacity.
	Managing the Impacts of Increasing Numbers of Visitors to Public Conservation Land Funding: \$1.500m per annum	1.500	This funding will enable DOC to implement strategies and operational systems to manage the effects of increasing numbers of visitors to public conservation land while protecting biodiversity. It will do this by increasing DOC’s capacity in research and evaluation, in regulatory, policy and economic analysis, in strategic planning and performance, and in regional collaboration.	This funding underpins DOC’s visitor management work. It has contributed to regional visitor planning and experience design at key tourist locations around New Zealand (Cathedral Cove, Milford, Aoraki, Franz Josef). It also funds DOC’s commercial and pricing work which has overseen a 40% increase in visitor revenue since 2019.	This funding provides for maintenance of around 100 assets per year, and totals about 1.5% of total direct expenditure on asset maintenance and depreciation.
	Enhancing Biodiversity Protection in the Mackenzie Basin	0.160	This funding will enable the protection of the unique landscapes and biodiversity values of the Mackenzie Basin. This will be achieved by working with key	The project highlighted the importance of the Mackenzie Basin’s dryland ecosystems, which are ecologically significant for their unique semi-arid	The Mackenzie Basin faces pressures from invasive pests and weeds, especially wilding conifers.

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	Funding: \$0.160m per annum (ongoing)		stakeholder groups to develop a strategy to implement the Mackenzie Basin Vision.	landscape and diverse endemic species. It celebrated the addition of 11,800 hectares of threatened ecosystems, enhancing protection for wetlands, glacial moraines, alluvial fans, and braided river habitats.	<p>The overall state of biodiversity in the Mackenzie Basin is currently declining.</p> <p>This funding helps mitigate biodiversity threats in the Mackenzie Basin by collaborating with other agencies' strategies and activities. We have substantial partnerships with Ngāi Tahu rūnanga, and other agencies in working together to achieve this.</p> <p>It also enables us to better understand the most appropriate management techniques and methods to protect the drylands.</p>
2019 (Total \$7.830m)	Improving the Safety and Security of Conservation Workers and Volunteers Funding: \$2.646m per annum (ongoing)	2.646	This initiative aims to ensure DOC employees and volunteers are safe and secure while at work. This will be done through providing funding for three FTEs for a Chief Security Officer support team and increasing DOC's health and safety presence in the regions with additional FTE.	<p>This funding has supported the development of the Health & Safety Team's presence in the regions with a focus on critical risks to staff, contractors and DOC volunteers. This ensures that DOC staff, contractors, volunteers and their families are better protected from critical risks.</p> <p>This funding established and funds the Security team, which is essential for developing risk assessments, implementing preventive measures, liaising with the police, and managing security risks such as threats to staff in response to DOC's use of 1080.</p> <p>The security investment strengthens DOC's ability to deliver the mandated Protective Security Requirements (PSR) and will enable DOC to minimise potential harm to staff and contractors through effective security practices.</p>	Reduction of funding risks exposing staff to a greater risk of harm from operational critical risk, workplace violence and wellbeing issues.
	Reprioritisation of Funding: Historic Property Maintenance Reprioritisation and savings: \$-0.250m (ongoing)	-0.250	Historical property maintenance funding for the Department of Conservation is no longer required as historic properties were transferred to Heritage New Zealand Pouhere Taonga through the historic properties review. This funding is therefore being returned to the Crown to be reprioritised to other priority areas in	N/A	N/A

Budget	Initiative title and funding per annum	Ongoing funding from 2025/26 p.a. (\$m)	Initiative description	Intervention logic, value and outputs	Risks and impacts of reducing funding
			Budget 2019 that will improve wellbeing for New Zealanders.		
	Reprioritisation of Funding: South Island Landless Natives Act 1906 Reprioritisation and savings: \$-1.869m (one off 2019/20)	-1.869	Funding provided under the South Island Landless Natives Act 1906 is no longer required because committed obligations with iwi partners can be met within reduced funding levels. This funding is therefore being returned to the Crown to be reprioritised to other priority areas in the Budget that will improve wellbeing for New Zealanders.	N/A	N/A
	International Visitor Levy Funding: \$35.2 million (ongoing)	35.243	This initiative 'baselines' the projected International Visitor Levy revenue from the newly introduced levy of \$35 per person on international visitors.	Investments from the IVL have delivered benefits such as: - supported kākāpō numbers to increase from 147 in 2019 to 244 in 2024 - funded the reopening of Cathedral Cove - expanded predator control and wilding conifer control Full list of investments and annual reports available here - Projects funded by the IVL Ministry of Business, Innovation & Employment	The Minister of Finance has decided to increase new IVL conservation investments to \$55m p.a. from Budget 2025 onwards.
2020 (Total (\$528.9m))	Jobs for Nature: Kaimahi for nature, Restoring nature and Protecting nature Funding total over the forecast period: \$485.0m (time limited, ending 2025/26).	0	Jobs for Nature was given three core objectives: create employment opportunities in response to economic uncertainty from COVID-19, establish enduring environmental benefits, and support sustainable land use.	Jobs for Nature has financed nature-based work, including planting vegetation to support land stabilisation and restore freshwater and biodiversity, fencing waterways, pest control (including wilding conifers and animal pests), remediating fish passages, and skills training for career development. This funding was passed on to third parties for delivery with a focus on creating employment opportunities.	N/A - Unallocated Jobs for Nature funding was returned in Budget 2024.
	Implementing Ngāi Tai Supreme Court Decisions Funding: \$3.624m per annum (ongoing)	3.624	This initiative provides funding to implement the decisions of the Supreme Court in the Ngāi Tai Ki Tāmaki Tribal Trust v Minister of Conservation case. These decisions create additional costs on the policy, operations and regulatory arms of DOC.	This funded the Options Development Group and the work programme to review the Conservation General Policy and General Policy for National Parks. It also provides funding for ensuring DOC's regulatory functions are meeting our Treaty	DOC's current analysis indicates we can return a portion of funding available in 2024/25 that is no longer required. We are working to confirm the correct figures based on work programmes that have been revised in light of conservation legislative reform and

Budget	Initiative title and funding per annum	Ongoing funding from 2025/26 p.a. (\$m)	Initiative description	Intervention logic, value and outputs	Risks and impacts of reducing funding
				obligations, in line with the High Court's decision. There have been underspends in this Budget, which have been transferred across years.	other changes to the management planning system. Fully cutting this funding would create legal and Treaty risks as the purpose of the funding was to ensure we are acting in line with the High Court's decision.
	Implementing Remuneration Cost Pressures Funding: \$3.800m per annum (ongoing)	3.800	This initiative provides funding to cover pressures that have arisen from the result of pay bargaining negotiations and annual performance reviews.	Taken together, the three Budget increases for wage inflation since 2017 cover 52% of the wage uplift from 2017/18 to 2024/25 (excluding FTE growth). DOC has absorbed the rest of the increase and will continue to absorb future wage increased unless further funding is agreed.	Implementing wage uplifts are non-discretionary for DOC as part of the Collective Agreement, which means any reduction in funding will require reprioritising baseline funding. DOC's Performance Plan includes absorbing further price inflation (amongst other costs) over the next four years, which will result in a decline in outcomes and services.
	Southern South Island Flood Recovery Funding: \$1.080m per annum (ongoing) Capital: \$9.526 m total (one off)	1.080	This initiative provides funding to rebuild Southern South Island infrastructure that was damaged following an extreme weather event in February 2020.	Funding continues to be spent on repairing assets destroyed in the Southern South Islands Floods. Ongoing funding includes depreciation and capital charge costs.	Making savings from this funding would require not completing some of the repairs including Milford Road sites such as the Chasm and Lake Marian, and the Hollyford track. It could also require closing and/or decommissioning infrastructure as the funding is for ongoing maintenance and depreciation or reprioritising baseline funding. This infrastructure is in key tourist areas e.g. the Milford Corridor, Glenorchy/Routeburn, and the Milford Track.
2021 (total \$10m in 2021/22)	Preservation of Baseline Funding: Concession Revenue Loss Funding: \$10m (one off 2021/22 only)	0	As a result of the border closures, DOC lost significant concession revenue from a drop in activities on Public Conservation Land. \$10 million was provided for departmental operating expenditure for the six months ending December 2021 to preserve baseline funding. This money offsets a reduction in concession funding that would have been received from tourism operator concessions. This funding was secured by MBIE at Budget 2021 and has been transferred to DOC.	This offset funding which was lost from concession revenue due to COVID-19. It did not fund new activities.	N/A
2022 (Total \$304.9m - Multiyear)	Implementing the Aotearoa New Zealand Biodiversity	20.629	This initiative provides funding to protect native bird and invertebrate populations from the urgent threat of possums, stoats and rats. It implements the Predator	New Zealand's biodiversity is under significant pressure – nearly 4000 native species are either at risk or threatened with	This funding drives New Zealand's ambitious Predator Free 2050 goal to eradicate rats, possums and

Budget	Initiative title and funding per annum	Ongoing funding from 2025/26 p.a. (\$m)	Initiative description	Intervention logic, value and outputs	Risks and impacts of reducing funding
Natural Resources Cluster Budget) This budget was intended to cover three years' worth of budget funding - 2022/23, 2023/24 and 2024/25.	Strategy 2020: Collective delivery of the Predator Free 2050 Strategy Funding: \$25.080m After reprioritisation to fund other initiatives: \$20.629m per annum (ongoing) Capital total: \$2.020m Funding reduced and reprioritised to fund shortfalls in the B22 Marine protection initiatives including Hauraki Gulf and the Southeast Marine Protection programme. \$7.05m funding included in Grants and Funds review (\$6.5m for Zero Invasive Predators and 0.55m for Predator Free Trust)		Free 2050 strategy through a mix of operational projects, such as offshore island eradications, as well as support programmes to ensure capacity for long-term success and community support.	<p>extinction. Controlling introduced predators protects vulnerable wildlife and forests and helps wildlife populations to grow.</p> <p>The multi-agency, DOC-coordinated programme is outlined in the Predator Free 2050 Implementation Plan. Work is focussed through to 2030 on tools and techniques to eradicate across a diverse range of landscapes, establishing a clear plan to achieve the predator free goal, support of Treaty Partners and broader New Zealanders, and showing the benefits of achieving predator free status.</p> <p>Outputs include delivering landscape-scale predator control eradication projects (nearly all have philanthropic or other investment partners) such as Predator Free South Westland and Predator Free Rakiura, island eradication tool development to locate and remove predators, development of new tools and techniques (e.g. traps and toxin approaches), building and maintaining support from New Zealanders for predator work (this is the highest profile conservation programme in New Zealand).</p>	<p>mustelids. Achieving a predator free nation has captured the public imagination and driven communities to take action in ways no other conservation programme has in New Zealand.</p> <p>If funding was reduced, it would significantly impact implementation of the Government's strategy for achieving Predator Free 2050. Public support would be lost and would be difficult to reclaim. New Zealand's reputation to innovate and lead the world in eradication technology would be set back.</p> <p>It would also risk co-funding from philanthropists, including the NEXT Foundation and the Island Ocean Connection Challenge, which are critical to enable predator free projects to be delivered. The level of recent (last decade) and likely future funding from philanthropy is significant (e.g. Island Ocean Connection Challenge is seeking to raise \$60-80M from international donors for three predator free initiatives).</p> <p>Gains made to date in specific areas would be lost. Predator numbers would increase unchecked, causing avoidable decline in native plants and animals. The gains in technology and learning how to achieve and maintain eradication in a variety of habitats would be compromised and there may be carbon storage implications due to increased browsing pressure from possums.</p>

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	Department of Conservation Wage Pressures – Collective Agreement Funding: \$25.469m per annum (ongoing)	25.469	This initiative provides funding for the costs of collective agreements recently agreed between the Public Service Association and DOC. Some funding for this initiative is held in contingency.	Taken together, the three Budget increases for wage inflation since 2017 cover 52% of the wage uplift from 2017/18 to 2024/25 (excluding FTE growth). DOC has absorbed the rest of the increase and will continue to absorb future wage increases unless further funding is agreed.	Implementing wage uplifts are non-discretionary for DOC as part of the Collective Agreement, which means any reduction in funding will require reprioritising baseline funding. DOC's Performance Plan includes absorbing further price inflation (amongst other costs) over the next four years, which will result in a decline in outcomes and services.
	Department of Conservation Operations Cost Pressures Funding: \$15.829m per annum (ongoing)	15.829	This initiative provides funding to enable DOC to continue to deliver front line conservation activities, maintain recreational assets to standard, fund biodiversity research and provide adequate corporate support that enables these activities.	CPI increased by 27.3% between 2017/18 and 2024/25. This uplift covers 41% of the CPI increase against DOC's 2017/18 operating expenditure.	DOC is already absorbing inflationary costs. Reducing this funding would require a reduction in frontline operating budgets.
	Fit for Purpose Recreation Assets Funding: \$10.860m per annum (ongoing)	10.860	This initiative provides funding for cost pressures driven by an increasing volume of high priority maintenance work, work related to high-risk structures and the renewal of recreation assets to ensure a continuing safe experience is provided for local and international visitors.	This funding allows DOC to repair an additional 500 assets a year and includes an uplift in depreciation costs.	Total funding equates to 11% of direct Visitor Asset expenditure. DOC only has 70% of the OPEX needed to maintain the current visitor network. Reducing this funding will exacerbate this issue further.
	Implementing the Aotearoa New Zealand Biodiversity Strategy: Deer management and goat control Funding: \$7.930m per annum (ongoing) \$1m of this funding is included in Grants and Funds savings	7.930	This initiative provides funding to reduce damage to vegetation and indigenous flora from deer and goats by scaling up direct management in the field. It will include regional and site-based planning and management designed to balance the ecological impacts with the cultural, recreational and economic values that these animals may provide.	Deer and goats are increasing in their distribution and abundance throughout public conservation land and private land. Significant concerns are being strongly raised on the impacts of deer and goats on public conservation land and private land by a diverse range of stakeholders – including Federated Farmers, conservation NGOs and the hunting sector. Coordinated management across stakeholders is critical to successful management. This initiative enables (when combined with prior funding) DOC to deliver over 1.2 million hectares of goat control and over 150,000 hectares of deer control. Funding has enabled enhanced coordination and	This funding drives DOC's National Wild Animals Programme, which is successfully controlling goats across more than 1.2 million hectares, and deer over 150,000 hectares. Strong outcomes are being achieved through this work, reducing wild animals impacts at specific places, and importantly, reducing their spread to new places. This work is critical for delivering the Aotearoa New Zealand Biodiversity Strategy, which has specific goals around reducing browsing pressure. If funding was reduced, the gains made to date would be lost. Deer and goat numbers would increase in places where control was stopped, causing

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				<p>collaboration to occur across landowners and with stakeholders – which is critical given deer and goats move across land tenures.</p> <p>Specific delivery has included eradication of goats from Banks Peninsula, additional deer management at priority sites including Northland, Fiordland National Park and Kaimanawa Forest Park, and provided funding for the statutory functions of the Game Animal Council (GAC).</p>	<p>avoidable decline in some of New Zealand's highest profile natural areas.</p> <p>Part of this funding is used to deliver work in partnership, e.g. with Northland Regional Council and iwi and hapū in Northland. Cutting this funding would damage those partnerships and risk the loss of co-funding.</p> <p>Cutting funding would damage relationships with stakeholders including the Sika Foundation, the Game Animal Council (over 80% of GAC's budget is from this funding) and the wider hunting sector, and reduce DOC's ability to meet the Minister for Hunting & Fishing's portfolio goals.</p>
	<p>Safe Access and Use of Recreational Assets for Visitors</p> <p>Funding: \$6.861m per annum (ongoing)</p> <p>After Budget 2024 savings: \$4.861m per annum (ongoing)</p> <p>Funding was returned for the management of Contaminated Sites at Budget 2024 (\$2m per annum)</p>	4.861	This initiative provides funding to ensure visitors continue to have safe access and use of recreational assets. It will help meet costs for DOC's water infrastructure, asbestos removal, dam safety, remediation of contaminated sites, and help ensure visitor huts and structures meet the building code and compliance.	<p>The Natural Resource Cluster report from December 2023 demonstrated successful investment and outcomes from funding. For example:</p> <p>Contaminated sites - there were 4 rapid responses to contamination events, detailed investigations at 4 high-risk sites, protection works for an exposed landfill in Aoraki / Mt Cook, and planning for 2 further sites (Ocean Beach Landfill, Bluff and Little Tahiti Landfill, Milford Sound) which are now being physically delivered in 2024/25.</p> <p>Dam Safety – 21 classifiable dams have had risk (PIC) assessments completed and met the first stage of compliance of the Building (Dam Safety) Amendment Regulations 2023. Work is progressing to now take action on Medium/High risks dams to achieve remaining compliance activities.</p> <p>Improving our compliance system will result in better management of biodiversity</p>	<p>This funding was reduced at Budget 2024, which has slowed delivery of DOC's Contaminated Sites Programme. A further reduction would mean DOC is unable to address significant health and safety and compliance risks posed by failing and vulnerable landfills, historic mines, gasworks, and other industrial sites. These sites will continue to pose ecological and public health risks, i.e. (contamination of drinking water supplies).</p> <p>Outside of contamination, further budget reductions would leave DOC having to find significant funding within baselines to achieve compliance for dam safety to mitigate critical public safety risks from failing structures.</p>

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				risks, cultural heritage and impacts at place.	
	Implementing the Aotearoa New Zealand Biodiversity Strategy: Maintaining National Predator Control Programme Levels Funding: \$7.475m per annum (ongoing)	7.475	This initiative provides funding to maintain DOC's current Tiakina Ngā Manu predator control outputs. The programme currently aims to deliver 600,000 hectares of predator control every year, but due to significant cost increases only 450,000 hectares of annual predator control have been achieved. This funding reinstated the target and increased the ability to respond to significant mast events.	<p>New Zealand's biodiversity is under significant pressure – nearly 4000 native species are either at risk or threatened with extinction. Controlling introduced predators protects vulnerable wildlife and forests and helps populations to grow.</p> <p>This initiative, which addresses cost increases since the original Budget 2018 allocation of \$23.08m, is helping to fund 600,000 hectares of predator control on average every year, which allows more than 1.8 million hectares of public conservation land to be protected from predators overall.</p>	<p>This funding drives DOC's National Predator Control Programme, which is successfully controlling predators across more than 1.8 million hectares, or roughly 20% of New Zealand's public conservation lands.</p> <p>Excellent outcomes are being achieved through this work. It has delivered measurable gains in nationally significant populations of more than 15 of our most threatened bird, bat, frog and invertebrate species. It has also improved the condition of some of New Zealand's most iconic and popular forest landscapes and National Parks. This work is critical for delivering the Aotearoa New Zealand Biodiversity Strategy, and the Predator Free 2050 vision.</p> <p>If funding was reduced, the gains made to date would be lost. Predator numbers would increase unchecked, causing avoidable decline in some of New Zealand's highest profile natural areas. We would also lose capability within the New Zealand predator control industry (i.e. pest control contractors, suppliers, and helicopter operators). This would lead to increased costs to remove predators in the future.</p>
	Maintenance of Residential and Commercial Properties Funding: \$7.190m per annum (ongoing)	7.190	This initiative provides funding to remediate and maintain DOC's corporate property portfolio, including residential and commercial properties and associated primary infrastructure, to meet statutory compliance requirements and remedy critical health and safety risks.	Funds the maintenance of DOC's 300 commercial properties and 240 residential houses. This funding provides an increased annual maintenance and operating budget from ~\$11k per property to \$25k per property per year.	If this funding is reduced, we will continue to have contingent liabilities with not meeting Residential Tenancies Act - specifically Healthy Homes standards. Any reduction in the funding spent on compliance for residential properties will also impact our ability to

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				<p>This has allowed us to bring 120 residences up to Healthy Home standards and our current planned programme will have all our residences compliant with Healthy Homes legislation by FY27.</p> <p>Commercial deferred maintenance and compliance activities continues to bring our commercial properties in line with legislation.</p>	<p>meet our obligations as landlords under the Act.</p> <p>Any change to our planned programme of deferred maintenance and compliance at our commercial sites will impact on our ability to ensure we are compliant with the Health and Safety at Work Act, and the Building Act.</p>
	Protecting our Cultural Heritage Funding: \$4.167m per annum (ongoing)	4.167	This initiative provides funding to help protect New Zealand's cultural heritage by better understanding the current state and implementing site plans in collaboration with Treaty partners and the community.	<p>This funding contributes to the maintenance of 700 heritage sites, many of which are high-profile visitor locations. For example, in the last 12 months we have completed 65 projects to stabilise and enhance heritage places, including Cape Brett Hutt, Godley Head, Kororipo Heritage Park, Waikino Railway station, Remutaka Inclines and the Rangitoto Swimming Pool.</p> <p>In 2021/22, around 75% of New Zealanders visited a heritage site on public conservation land. Visiting heritage sites helps people gain an understanding of New Zealand's past and how it shapes and defines New Zealand's cultural identity.</p>	<p>Only 4% of heritage sites are managed, meaning 96% of sites are either in an unknown or a deteriorating state. Reducing this funding will further limit what sites DOC can manage and could lead to permanent loss of heritage values.</p> <p>Many heritage sites on PCL hold special significance to Māori and allowing them to deteriorate could be seen as a breach of DOC's section 4 responsibilities.</p>
	Implementation of Marine Protection and Localised Management Actions Funding: \$2.647m per annum (ongoing). Capital total: \$2.523m There is no funding left from this initiative as funding was returned at Budget 2024 and the Huaraki Gulf and SEMP initiatives have been funded through reprioritisation.	0	<p>This initiative provides funding to support the implementation of critical marine management protection and processes.</p> <p>This initiative is to implement novel arrangements in the exclusive economic zone (EEZ) for the Rangitāhua / Kermadec Ocean Sanctuary, the Southeast Marine Protection (SEMP) and revitalising the Hauraki Gulf initiatives.</p>	<p>Funding for the Kermadec Ocean Sanctuary was returned in Budget 2024 savings. The Kermadec Sanctuary is on hold.</p> <p>Funding for the Southeast Marine Protection Programme was captured in the Grants and Funds saving process.</p> <p>Ministers decided to reprioritise funding from the Predator Free 2050 initiative to fund the Hauraki Gulf programme and the Southeast Marine Protection Programme.</p> <p>The Hauraki Gulf programme will deliver these benefits through 2 new marine reserves, 12 high protection areas, and 5</p>	NA

Budget	Initiative title and funding per annum	Ongoing funding from 2025/26 p.a. (\$m)	Initiative description	Intervention logic, value and outputs	Risks and impacts of reducing funding
				seafloor protection areas. This programme will triple protection in the Gulf to 18% to support the recovery of some of its most biodiverse regions and species.	
	Implementing the Aotearoa New Zealand Biodiversity Strategy: Reducing Extinction Risk for Key Flagship Marine Species Funding: \$2.950m per annum (ongoing)	2.950	This initiative provides funding for the delivery of dedicated measures to address threats that pose extinction risk to key marine taonga species. Key elements include research to inform actions to reduce the fatal disease risk to Māui dolphin from toxoplasmosis, and actions to protect Aotearoa's southern flagship species from extinction.	<p>So far this has allowed us to manage known human-caused threats, research dolphin populations, maintain a database and other critical projects to inform management and minimise risks to dolphin populations. We work in collaboration with many different groups and organisations.</p> <p>A recent population estimate showed that there are only about 54 māui dolphins over the age of 1 year remaining. Māui dolphin has a conservation status of nationally critical.</p> <p>Many of our flagship species such as albatross spend significant amounts of the year outside of our EEZ where they are killed as fishery bycatch by foreign nations. Without understanding where this occurs and being able engage and influence these nations the extinction cannot be arrested.</p>	<p>Increased risk of extinction. As DOC's role is critical to understanding and minimising the risks and hazards to māui dolphins and other key marine species.</p> <p>This funding also provides for engagement and influence on other nations who are significant impactors of our migratory species while outside on the New Zealand EEZ.</p>
	Vehicle Electrification Project Funding: \$1.073m per annum (ongoing) Capital total: \$5.127m	1.073	This initiative funds the purchase of 148 electric vehicles, the associated charging infrastructure and ongoing operational fleet costs.	<p>Vehicles have been deployed and capital spent.</p> <p>Ongoing funding for depreciation and capital charge of assets.</p>	The expenditure will be incurred even if funding is cut – depreciation and capital charge are non-discretionary expenses. The funding will need to be reprioritised from elsewhere in the baseline.
	Cyclone Dovi Recovery Funding: \$0.470m per annum (ongoing) Capital total: \$5.000m	0.470	This initiative provides funding, held in contingency, to repair the extensive damage to infrastructure in the Buller and South Westland Districts by ex-tropical Cyclone Dovi in February 2022.	Funding has been spent on repairing assets damaged by ex-tropical Cyclone Dovi in February 2022 and the Northern South Island Weather Event in August 2022. Ongoing funding includes depreciation and capital charge costs.	Making savings from this funding would require closing and/or decommissioning infrastructure as the funding is for ongoing maintenance and depreciation or reprioritising baseline funding. This infrastructure is in key tourist areas across two regions e.g. Heaphy, Paparoa, and Abel Tasman

Budget	Initiative title and funding per annum	Ongoing funding from 2025/26 p.a. (\$m)	Initiative description	Intervention logic, value and outputs	Risks and impacts of reducing funding
					Great Walks and other important visitor sites.
	Whakapapa Three Waters Infrastructure – Compliance and Asset Management Funding: \$1.532m per annum (ongoing) Capital total: \$11.385m	1.532	This initiative provides funding, held in contingency, for upgrades and renewals of existing three waters (drinking water, stormwater and wastewater) which are at or nearing end of life at Whakapapa in the Tongariro National Park.	DOC is responsible for the provision of Local Body Services, including management of sewage and drinking water.	As this initiative is non-discretionary, reduction in funding would require DOC to reprioritise its baseline.
2023 (Total \$23.1m)	Public Sector Pay Adjustment – Vote Conservation Remuneration Cost Pressure Funding: \$3.490m per annum (ongoing)	3.490	This initiative provides funding for wage increases associated with the Public Sector Pay Adjustment.	Taken together, the three Budget increases for wage inflation since 2017 cover 52% of the wage uplift from 2017/18 to 2024/25 (excluding FTE growth). DOC has absorbed the rest of the increase and will continue to absorb future wage increased unless further funding is agreed.	Implementing wage uplifts are non-discretionary for DOC as part of the Collective Agreement, which means any reduction in funding will require reprioritising baseline funding. DOC's Performance Plan includes absorbing further price inflation (amongst other costs) over the next four years, which will result in a decline in outcomes and services.
	Addressing damage to Conservation sites and assets caused by the 2023 North Island Weather Events Funding: \$9.1m (one off funding in 2022/23 and 2023/24 only)	0	This initiative provides funding to plan and rebuild biodiversity, heritage, visitor and other conservation sites and assets that were damaged or destroyed in the North Island weather events. Funding will support critical response and recovery work across the North Island Conservation Districts that sustained damage. This initiative is outside the Budget 2022 Natural Resources Cluster multi-year funding package.	Funding provided was considerably lower than the estimated impacts of the event. All funding has been spent. Approximately 90% of sites and assets that were damaged and closed have been reopened, many with a reduced service level or reduced standard. Due to funding constraints and a funding shortfall of the total asset damage, DOC decided to partially or not at all restore some visitor sites. The shortfall in funding means that some biodiversity affected by the events may not recover.	NA
	Return of Jobs for Nature funding Funding: -\$3.170m (one off in 2022/23 only)	0	This initiative returns unallocated funding to the Crown from Jobs for Nature initiatives.	N/A	N/A

Budget	Initiative title and funding per annum	Ongoing funding from 2025/26 p.a. (\$m)	Initiative description	Intervention logic, value and outputs	Risks and impacts of reducing funding
	Molesworth Recreation Reserve - Purchase of Farming Assets and Ongoing Management of Reserve: Fulfilment of Contractual Obligations Funding: \$0.076m (ongoing – Crown depreciation) Capital: \$7.931 over 10 years 2022/23-2031/32 \$16.5m in 2022/23 (payment to Pāmu)	0.076	This initiative provides funding for the purchase and ongoing management of farming assets on the Molesworth Recreation Reserve from Pāmu Landcorp, in accordance with the existing lease agreement.	There is \$7.931m of capital funding over 10 years for the purchase and replacement of assets DOC is now responsible for.	The ongoing funding is only for Crown depreciation.
2024 (Total - \$134.2m)	Reduction in Contractors, Consultants and Back Office Functions (- \$45.0m over forecast period) Funding: -\$11.257m per annum (ongoing reduction)	-11.257	This savings initiative returns funding for contractors, consultants and back-office functions at DOC. This initiative contributes to the baseline savings target for DOC.	N/A	N/A
	Reduction in Legal, Regulatory Services and Strategic Partnerships functions (-\$6.5m over the forecast period) Funding: -\$1.635m per annum (ongoing reduction)	-1.635	This savings initiative reduces operating funding for Legal, Regulatory Services and Strategic Partnerships functions at DOC. This initiative contributes to the baseline savings target for DOC.	N/A	N/A
	Return of funding – Contaminated Sites Programme (-\$8.0m over the forecast period) Funding: -\$2.000m per annum (ongoing reduction)	-2.000	This savings initiative returns funding for the Contaminated Sites Programme, which has been scaled to manage and remediate contaminated sites more gradually. Approximately \$2 million operating per annum of funding for the Contaminated Sites Programme remains. This initiative contributes to the baseline savings target for DOC.	N/A	N/A

Budget	Initiative title and funding per annum	Ongoing funding from 2025/26 p.a. (\$m)	Initiative description	Intervention logic, value and outputs	Risks and impacts of reducing funding
	Return of funding for the Kermadec Ocean Sanctuary (-\$19.3m over the forecast period) Funding: -\$3.089m per annum (ongoing reduction)	-3.089	This savings initiative returns funding for the Kermadec Ocean Sanctuary as it is no longer Government policy to progress this initiative. This initiative contributes to the baseline savings target for DOC.	N/A	N/A
	Return of funding for the Jobs for Nature Programme (-\$55.4m over the forecast period) Funding: -\$13.360m per annum (ongoing reduction)	-13.360	This savings initiative returns uncommitted funding for the Jobs for Nature Programme, which is due to be completed in 2026. This initiative contributes to the baseline savings target for DOC.	N/A	N/A

Our visitor functions

Public conservation land and waters (PCLW) are central to recreation and tourism in New Zealand. Under the Conservation Act 1987 DOC has an obligation to foster recreation and allow for tourism; where this is consistent with the conservation of natural heritage.

DOC aims to connect as many people as possible with nature and cultural heritage, while protecting it for future generations.

To achieve this, DOC provides a network of visitor experiences on PCLW, including walking, tramping, biking, hunting and fishing, camping and sightseeing. DOC provides visitor experiences through:

- maintaining a large network of tracks, huts and campgrounds
- providing information on visiting PCLW, including via our visitor centres and website
- managing visitor demand, including bookings, compliance and enforcement
- managing visitor concessions for activities such as guiding through the permissions system.

We monitor our success at delivering recreational opportunities through several outcome measures, including visitation and satisfaction (see Graphs One and Two).

DOC is focused on ensuring that there is a sustainable and affordable number of experiences on PCLW for visitors to enjoy, including experiences provided by DOC and by others.

Challenges & opportunities

Unaffordability of the visitor network

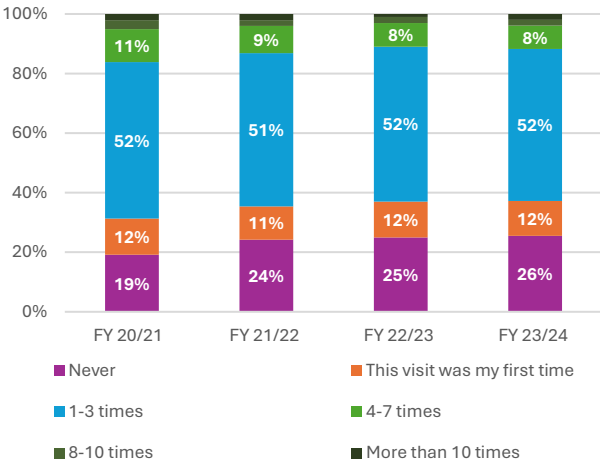
DOC has accumulated more responsibilities than it has funding for and the cost of the asset base has grown beyond a point we can afford. In 2021 Treasury estimated that 43% of huts, structures and amenity blocks will have no remaining useful economic life after 11 to 20 years. This is a material financial risk that will likely result in cost pressures in the future.

Changing user preferences

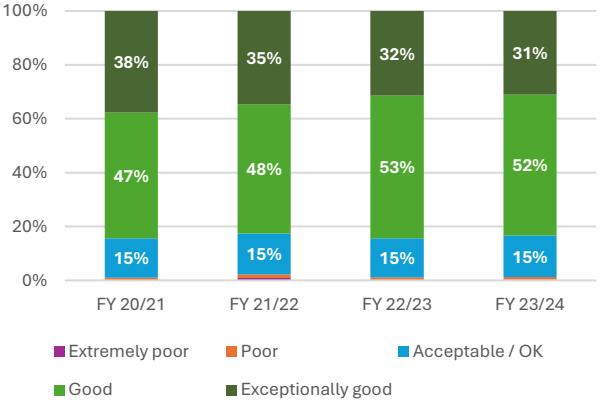
Trends suggest a shift in preference towards shorter walks closer to home from multi-day tramping. DOC has not significantly changed the visitor network in response to these trends. This is due to several factors, including upfront capital costs, a lack of clear internal process to divest assets and pressure from communities to retain assets.

Key outcomes

GRAPH ONE: VISITS TO PROTECTED AREAS IN 12 MONTHS



GRAPH TWO: VISITOR SATISFACTION WITH PROTECTED NATURAL AREAS



Key achievements

- Introduced a Te Araroa Trail pass for the 2024/25 summer season. The pass aims to fund a volunteer warden programme, trail education and track/facility maintenance.
- Began trialing an innovative booking approach to ease congestion on the Tongariro Alpine Crossing.
- Since 2019 we have upgraded nearly all of the Hump Ridge Track to Great Walk standard, making it ready to become our 11th Great Walk by October 2024.
- In 2023/24 we opened the 11km Pike29 Memorial Track, connecting the Paparoa Great Walk with the Pike River Mine site.

Size of the funding gap

VISITOR DELIVERY

CAPEX: There has been systematic underinvestment in DOC's visitor assets for over a decade. The medium-term impact of continued underinvestment would likely be a significant deterioration in service levels, outcomes, and risk to the health and safety of visitors. Underinvestment is due to several factors, including:

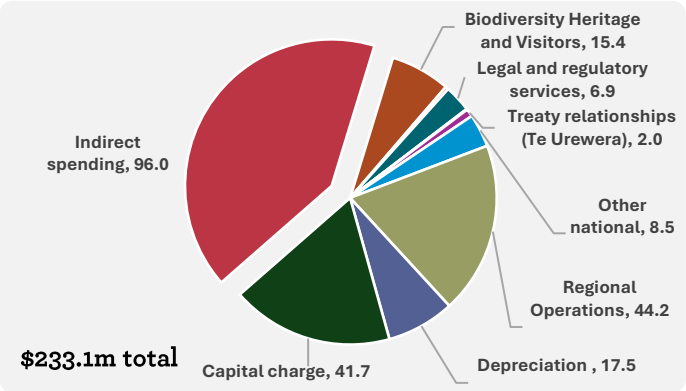
- insufficient OPEX to spend the money on asset renewals (and as a result, the funding has been spent elsewhere)
- replacement costs not accounting for inflation (e.g. increased costs related to new regulatory requirements, rising labour and material costs)
- low book value of assets compared to replacement costs, which means we are unable to fund the replacement cost of assets at a sustainable rate.

We estimate that an additional **\$45.5m in CAPEX is required per year for 10 years** to mitigate the impact of underinvestment on our assets. A capital injection and/or a rebalancing of visitor assets would be required to bridge this gap.

OPEX: We estimate (based on 2022 data adjusted for inflation) that **there is an OPEX shortfall of \$38.1m per year** for maintaining the visitor network to current standards.

Budget breakdown

GRAPH THREE: FUNDING BY BUSINESS UNIT/GROUP UNDER RECREATIONAL OPPORTUNITIES APPROPRIATION (OPEX)

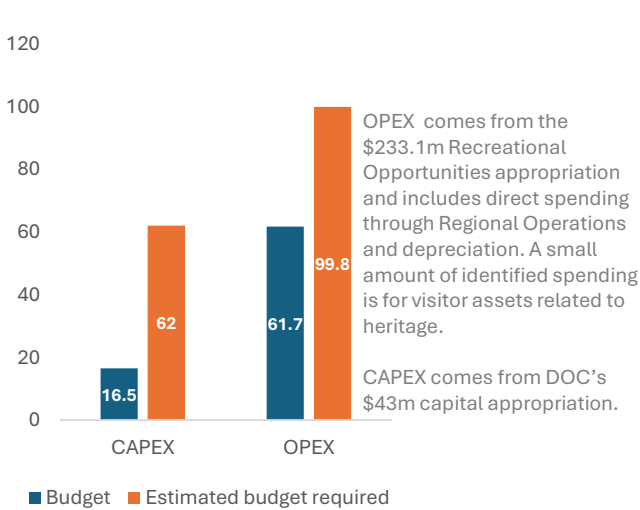


ACTIONS UNDERWAY TO IMPROVE THE SYSTEM

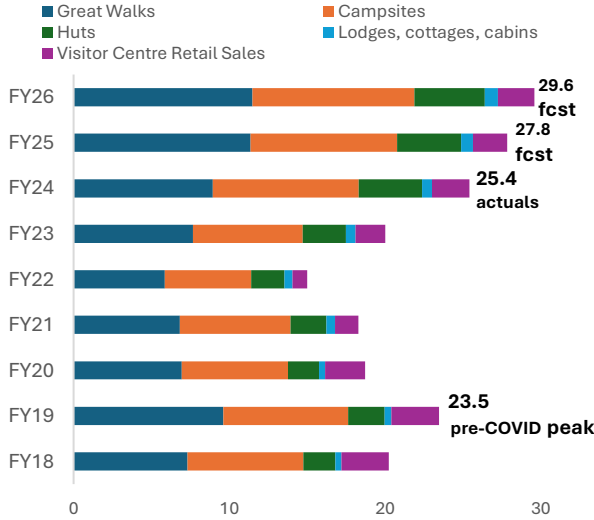
We are already working to address the challenges the network is facing, including through the Future Visitor Network programme (FVN):

- Planning a rebalancing of the visitor network to address visitor pressure and changes in preferences (i.e. Visitor Network Strategy).
- Developing internal policies to support third-party delivery and divestment.
- Reviewing our pricing policy and providing advice on new options for raising revenue (e.g. car park charging, access charging).
- Analysing the spread of direct and indirect costs within the appropriation.
- Finalising cost models for the visitor network.
- Prioritising capital investment towards repair over upgrades.

GRAPH FOUR: ESTIMATED CAPEX & OPEX GAPS (\$m)



GRAPH FIVE: ACTUAL & FORECAST VISITOR FACILITY REVENUE (\$m)



Our biodiversity functions

New Zealand has the highest proportion of threatened native species in the world. Nearly 4,000 native species are at risk or threatened with extinction.

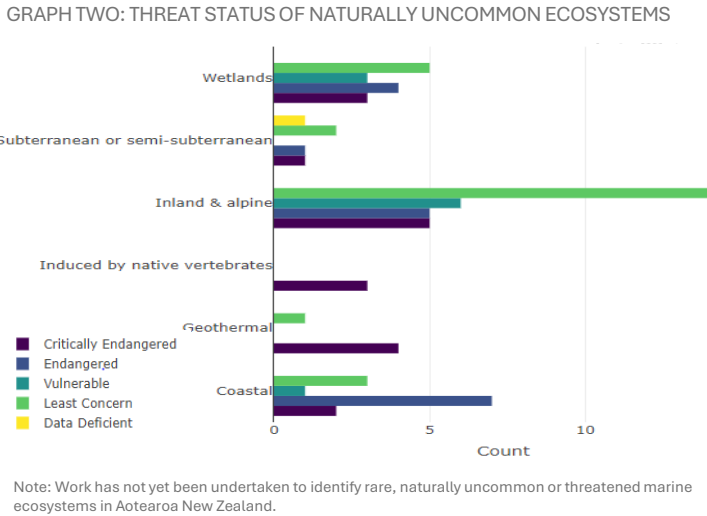
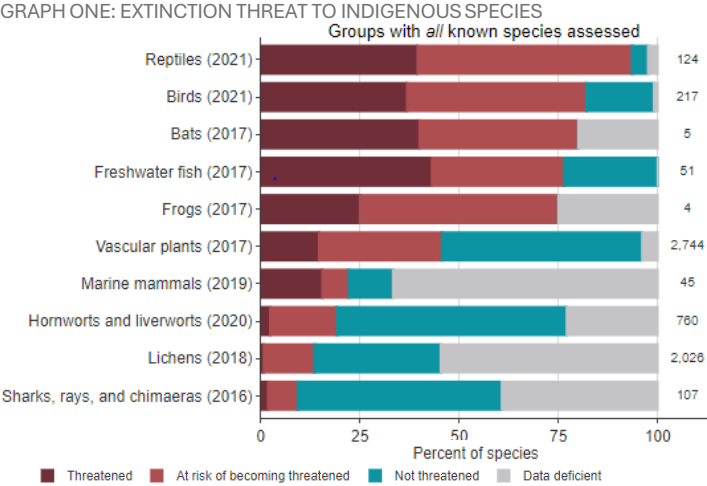
DOC has a key role to maintain, restore and protect New Zealand’s biodiversity. This includes:

- leading Te Mana o Te Taiao – the Aotearoa New Zealand Biodiversity Strategy (ANZBS)
- conservation management on the ground
- developing the evidence base to inform decision-making
- working with others to deliver conservation
- developing conservation policy and legislation.

DOC can’t address New Zealand’s biodiversity challenges alone. Other government agencies, local government, conservation statutory bodies, iwi/hapū, NGOs, businesses, and communities also play an important role.

DOC is focused on turning the tide of biodiversity loss by targeting effort toward reducing pressures on New Zealand’s most threatened species and restoring ecosystems.

Key outcomes



Key achievements

- We delivered, or supported, 28 aerial 1080 control operations across 800,000 hectares. This led to undetectable rat presence at almost every site.
- Alongside recreational and commercial hunters, we have removed more than 30,000 tahr since 2019.
- We have carried out nearly a quarter of the world’s island pest eradications.

Size of the funding gap

We estimate that **\$2.3 billion dollars per annum** is required to maintain or recover all threatened species, maintain healthy ecosystems, manage key threats, fill critical knowledge gaps and meet our obligations as a land manager (informed by Biodiversity Planning Approach).

BIODIVERSITY DELIVERY

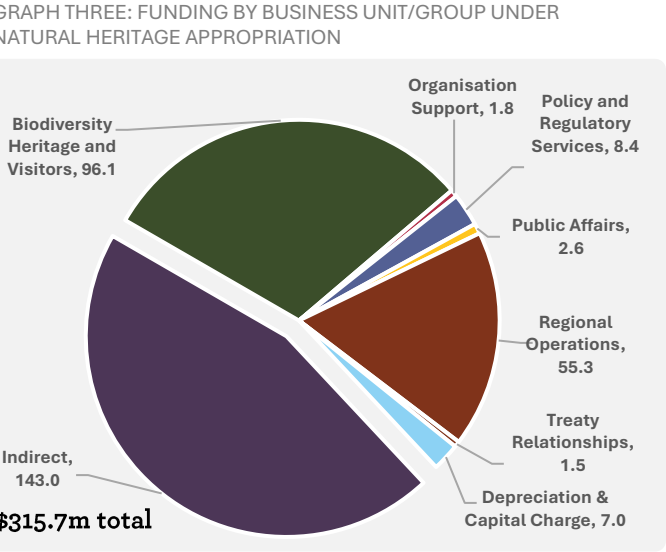
Our direct spending* is invested in the following areas:

- \$43m** - Ecosystems (important representative ecosystems)
- \$39m** - Species (157 threatened species fully managed)
- \$49m** - Threats (predators, wild animals and weeds)
- \$33m** - obligations (captured as hours of work embedded in other programmes)
- \$9m** – Support (non-specific)

Research spend is currently embedded within other programmes.

*We are doing further analysis to better understand our indirect spending.

Budget breakdown



ACTIONS UNDERWAY TO IMPROVE THE SYSTEM

We are already working to address the challenges facing biodiversity and to increase funding for nature. A key part of this is identifying priority work to get the maximum benefit for biodiversity

ANZBS implementation plan: The next ANZBS implementation plan will help us be clear on biodiversity priorities and drive investment and action for biodiversity (Cabinet process and public consultation over 24/25)

Biodiversity Planning Approach: A new investment approach and budgeting tool to support decision making for investment to achieve the maximum benefit for biodiversity (first phase Oct 24)

Nature Prospectus An online investment tool to help increase investment in biodiversity conservation (Sept 24)

Improving the conservation legislative system: Considering options to develop a fit-for-purpose system

Monitoring and insights refresh: Improving how we collect and use information to support decision making and describe the impact our work is having

Challenges & Opportunities

Underinvestment in nature

The economic value of ecosystem services is not well recognised (e.g. 70% of New Zealand’s export earnings are from sectors that rely on natural capital). If we don’t protect nature, the economy will suffer. Maintaining/restoring nature requires significantly more funding.

Climate change

Climate change is exacerbating the pressure on nature and making our job harder. At the same time, restoring native forests and wetlands can help to address biodiversity loss and climate change.

Competing priorities

The priorities of our partners and stakeholders, as well as public expectations, do not always align with evidence-based priorities (e.g. which species or ecosystems are in most need of protection).

Protecting nature outside of PCLW

Some broader government policy settings (such as land use, resource management and biosecurity settings) make it harder to protect nature, particularly outside of PCLW.

Outdated legislation

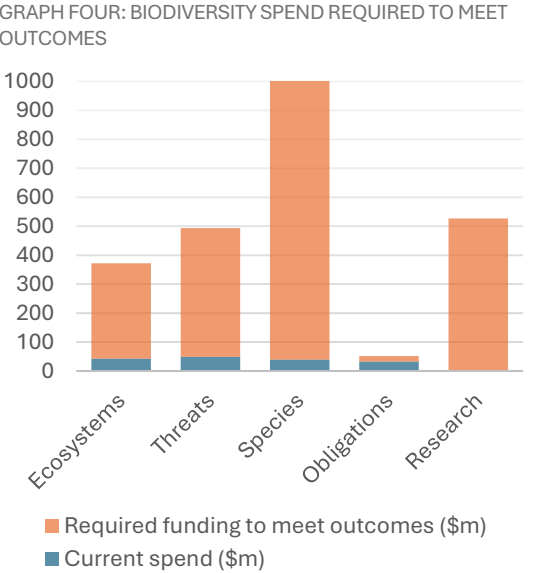
Our current legislative system is not fit for purpose – making it harder to protect threatened species and ecosystems (e.g. some threatened or at risk native species are not adequately protected by legislation).

New tools and technologies

Technological breakthroughs could make it easier for us to protect nature in a more efficient and cost-effective way.

TABLE ONE: CURRENT BIODIVERSITY MANAGEMENT

	Currently managed	Number of plans required to meet all outcomes	Average cost p/a per site, species, programme or unit
Ecosystems	642	1336	\$250k
Threats	49	959	\$470k
Species	157	4554	\$200k
Obligations	(captured as hours of work embedded in other programmes)	247	\$53k
Research	(embedded in work areas)	10215	\$55k



Our cultural heritage functions

DOC is responsible for protecting and managing cultural heritage under the Conservation Act 1987, and for protecting specific archaeological sites under the Heritage New Zealand Pouhere Taonga Act.

DOC manages the largest heritage portfolio in the country. There are approximately **~15,000 known cultural heritage sites** across PCLW. This includes archaeological sites, historic structures and buildings, wāhi tapu and cultural landscapes.

DOC’s role is to enable visitors to connect with and support this heritage on PCLW. This includes:

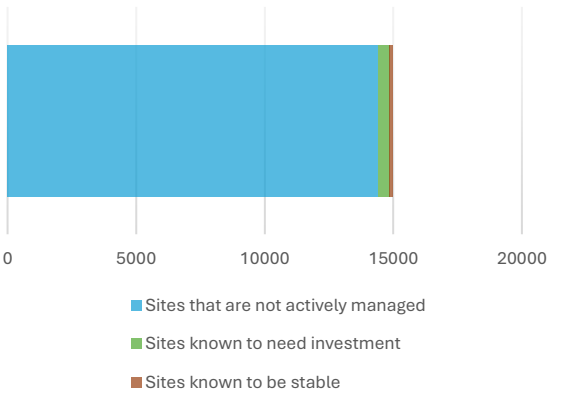
- maintaining and developing heritage sites
- maintaining and restoring of historical material
- providing signage and storytelling
- research, monitoring and reporting.

DOC is focused on protecting a priority range of cultural and historic heritage sites, as well as working with others to manage sites.

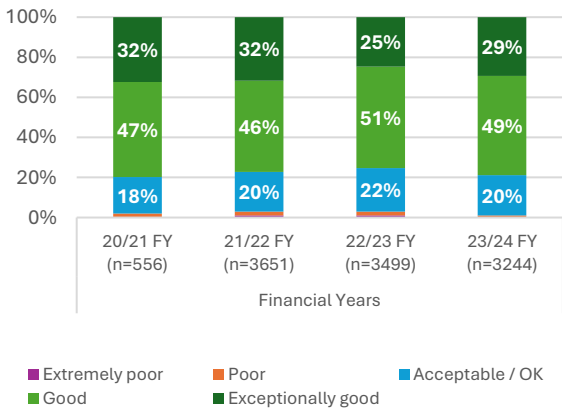
Key outcomes

GRAPH ONE: STABILITY OF HERITAGE SITES

Site stability refers to historical material being protected from deterioration as much as is reasonably possible



GRAPH TWO: OVERALL EXPERIENCE OF PROTECTED HERITAGE PLACES



Challenges & opportunities

Underinvestment in cultural heritage

Only 1% of our heritage portfolio (150 sites) is known to be in stable or good condition, while 99% is either unknown or deteriorating. Of the 600 sites (4%) we actively manage, 75% require work to stabilise their condition. Under-investment in these sites risks irreversible loss of tangible heritage and limits DOC’s ability to meet statutory obligations.

Increased expectations from Māori

Most heritage sites are significant to Māori. Time and investment are required to build relationships and facilitate their involvement. Additionally, large areas of PCLW have never been systematically surveyed in partnership with tangata whenua meaning there are gaps in DOC’s understanding about what it is looking after, affecting its ability to prioritise.

Increasing visitor demand for genuine cultural experiences

There is growing interest from the public in significant people and events that helped shape the nation and many of the places connected to these are on PCLW. Visitors are expecting a higher quality story, particularly in relation to the historical connection of iwi and hapū.

Protecting heritage sites from climate change

420 heritage sites have been identified as at risk from sea level rise. Protecting these sites would require more regular monitoring, consultation, and options for retreat.

Key achievements

- Over the last two years, we have delivered more than 80 individual projects across the country that have protected and improved heritage places. Work ranged from geotechnical assessments, to physical work that stabilised archaeological sites and heritage structures, to engagement with iwi, and improved visitor interpretation. An example is supporting the hapū at Pukerangiora to help them connect visitors to that site.
- In June 2024 we completed geospatial analysis of the scope of our archaeological knowledge across PCL. The data shows where we have gaps and enables us to prioritise survey and protection work.
- We have work underway to catalogue a unique aerial photo collection that will make records of archaeology from the 1980s and 1990s available for planning, monitoring and interpretation.

Size of the funding gap

We cannot provide an estimate of the full funding gap required to maintain all heritage sites on PCLW. However, an indication of the kind of investment needed to make significant progress against heritage outcomes is shown below, compared with our current investment, including Budget 22 funding for DOC’s Cultural Heritage Reset Programme.

Noting that a portion of activity funded under the recreational opportunities appropriation also impacts heritage outcomes.

Funding level		Management visibility*	Site stability	Icon sites
Current (reset programme)	\$5m per annum (direct costs)	100% of sites (up from 10% currently)	10% of sites on PCL are stable by 2029/30	Remedial maintenance, limited development.
Options	Increase direct costs from \$5m to \$18m per annum	100% of sites (up from 10% currently)	70% of sites on PCL are stable by 2029/30	The stories of 50 historic icon sites told and protected by 2031/32
	Increase from \$5m to \$20m per annum	100% of sites (up from 10% currently)	80% of sites on PCL are stable by 2027/28	The stories of 50 historic icon sites are told and protected by 2031/32

Data limitations: Funding level shows specific direct costs only, not indirect costs. Estimates for achieving site stability are based on the existing known sites, and therefore can only be considered a ballpark. Estimates for developing heritage icon sites are based on 2021 costings prior to engagement with iwi partners. The Cultural Heritage Reset Programme is working towards more accurate costings and scenarios. *Management visibility does not refer to active management, but a level of understanding where we can make more informed choices about whether/how to invest in site stability.

Actions underway to address this challenge

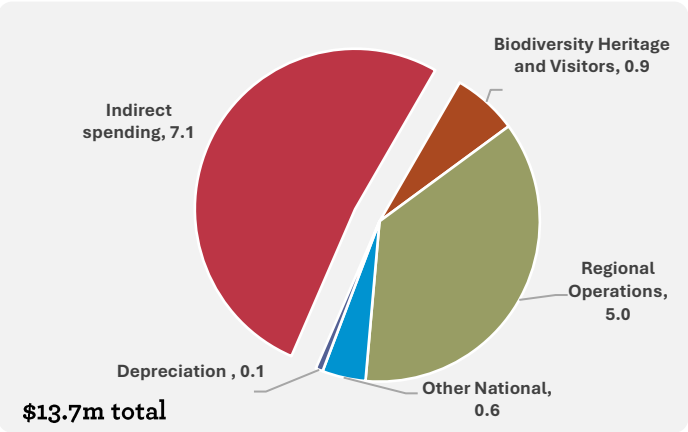
DOC’s Cultural Heritage Reset Programme is addressing some of these challenges by:

- building a more systematic understanding and documentation of the size and costs of our heritage portfolio
- uplifting the quantity of remedial work at heritage sites
- developing and improving systems for management, risk and prioritisation.

The Programme will increase good management of heritage sites from 1% to 10%. The remaining 90% of our heritage portfolio is likely to experience loss of heritage.

Budget breakdown

GRAPH THREE: FUNDING BY BUSINESS UNIT/GROUP UNDER HISTORIC HERITAGE APPROPRIATION



Our Treaty functions

Under the Conservation Act 1987, the Government, including DOC, has an obligation to give effect to the principles of the Treaty of Waitangi as we deliver conservation work.

Treaty partnerships have become central to the delivery of conservation. DOC’s organisational strategy affirms our commitment to be an honourable Treaty partner.

The work DOC undertakes in the Treaty portfolio includes:

- Building and maintaining strong relationships with Treaty partners
- Delivering conservation projects with whānau, hapū and Iwi (i.e. Raukūmara Pae Maunga, Taranaki Mouna Project)
- Negotiating Treaty settlements and implementing Treaty settlement commitments
- Engaging with Treaty partners on conservation delivery and proposed changes to conservation policy
- Providing legal and technical support, undertaking case work and participating in Waitangi Tribunal proceedings
- Building staff capability to better understand and meet the conservation aspirations of Iwi and hapū

DOC’s operating model provides for technical Treaty capability being distributed across the organisation.

Key outcomes

You have indicated that one of your key priorities is to strengthen relationships with Iwi/hapū for better conservation outcomes.

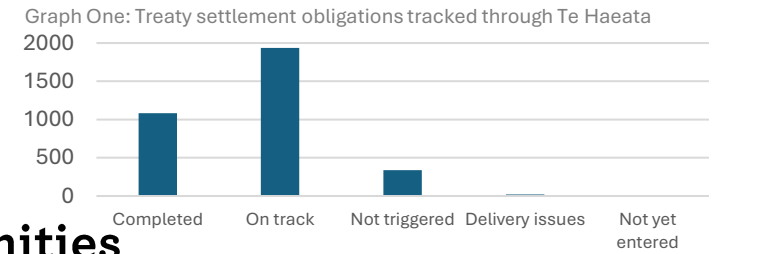
The Aotearoa New Zealand Biodiversity Strategy (ANZBS) identifies the following outcomes that are relevant to Treaty functions:

- Treaty partners, whānau, hapū and Iwi are exercising their role as rangatira and kaitiaki
- Resilient biodiversity enables cultural practices and mahinga kai, contributing to the regeneration of mātauranga Māori
- Restored nature uplifts mana
- Treaty partners, whānau, hapū, Iwi and Māori organisations are central to the biodiversity system and recognised as leaders

Iwi and hapū have enduring connections with public conservation lands and have aspirations relating to places and species they are connected with. The DOC organisational strategy identifies intermediate outcomes to help us meet our commitment to be an honourable Treaty partner, focused on protection of Māori rights and interests and active participation of Treaty partners, increasing DOC’s capability and capacity and strengthening partnerships and relationships. These intermediate outcomes can be pursued across the whole conservation portfolio (e.g. biodiversity, heritage and visitors).

Iwi and hapū will have specific aspirations relevant to the lands over which they have mana whenua and achieving outcomes will look different across the country. We are looking at how we can measure the outcomes and aspirations for different iwi better through the following indicators:

- **Meeting settlement commitments:** See Graph One
- **Quality of relationships between DOC and Iwi/hapū**
- **Participation in conservation delivery** and the extent to which DOC and Treaty partners are both achieving desired conservation outcomes
- **DOC staff meeting Whaingā Amorangi (Māori Crown relations) capability levels**



Challenges & Opportunities

Significant expectations on the Crown as a Treaty partner

Limited funding, some capability gaps within DOC, and differing views on some aspects of conservation legislation make it difficult for DOC to meet Iwi and hapū expectations for being an honourable Treaty partner. We also have a limited understanding of the cumulative effects of our commitments and the scope for streamlining the work they generate.

Legislative uncertainty and barriers

What the law requires in respect of Section 4 is a matter of debate, and subject to legal challenge, with different views across and between Iwi/hapū and the Crown. The Crown’s policy position on a number of these matters is unclear. There are aspects of current conservation legislation that are a barrier to what Iwi/hapū see as necessary to protect their rights and interests (e.g. lack of enablement of delegated and joint decision-making, Crown ownership of protected species).

Lack of outcome and financial data

We currently do not measure the impact of work undertaken in partnership with Māori on wider conservation outcomes (as opposed to work not undertaken in partnership). We also do not accurately capture the costs to implement Treaty settlements.

Increase in additional, unfunded commitments

Additional cost drivers are being generated through the Iwi accords process, cross-government agency agreements (e.g. Whanganui River Te Pākurukuru Agreement) and where Iwi and hapū wish to manage PCL outside of the settlement process (e.g. Te Ruapekapeka).

Supporting Māori economic development

Public conservation lands and waters can support the growth of the Māori economy, including delivering conservation and kaitiakitanga opportunities.

Incorporating mātauranga Māori

Mātauranga Māori could change the delivery of conservation work and improve conservation outcomes by applying an additional knowledge source to conservation challenges (e.g. using traditional monitoring methods to inform progress/success in the Raukūmara Pae Maunga project)

Key achievements

- In July 2024, a Te Hiku Conservation Management Strategy was publicly notified. Co-authored by DOC and Māori. It sets a new pathway for conservation management with policies that reflect tikanga and it identifies circumstances where a reasonable degree of preference should be given to Iwi when allocating opportunities or making decisions on concession applications.
- Ngā Whenua Rāhui Kawenata continue to deliver direct conservation benefits such as sustained aerial pest control over 10,000ha at Ngāpukeariki this spring. This land is adjacent to Raukūmara Pae Maunga which supports combined outcomes from these projects at a landscape scale.
- 50 staff received Mātauranga training enabling them to work with this important additional source of knowledge and gain insights that support innovation and our ability to work with others to deliver conservation outcomes.
- We are implementing over 80 Treaty Settlements and are supporting Crown negotiations with a further 22 mandated entities.

Size of the funding gap

The Departmental costs associated with being an honourable Treaty partner are increasing as we get more Treaty settlement commitments and expectations to deliver conservation in partnership grow. This has been driven in part by recent court rulings clarifying our section 4 obligations.

We are undertaking work to further clarify what it takes to meet our section 4 requirements, and the full costs associated with being an honourable Treaty partner.

In addition, there is an opportunity to improve efficiency across the range of our Treaty commitments. For example, we could get more efficient at managing across co-governance commitments.

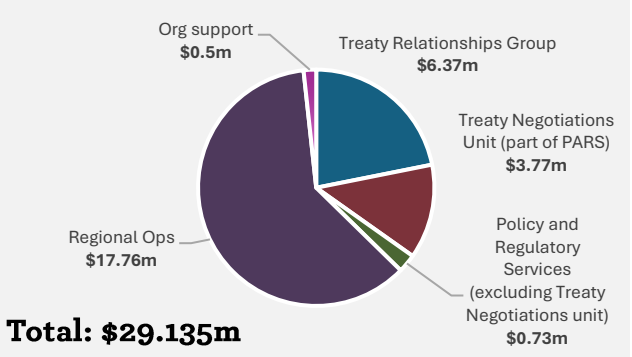
We have also advised you of the funding gap to implement three conservation redress packages and the need for a new policy/funding mechanism to enable the settlement of current and future negotiations.

We will also undertake analysis to better understand funding targeted towards Treaty partnership and mātauranga Māori embedded in other programmes (e.g. PF2050) and the regional operations investment into Treaty partner aspirations outside of targeted roles (e.g supporting partnership projects like Taranaki Mouna Project).

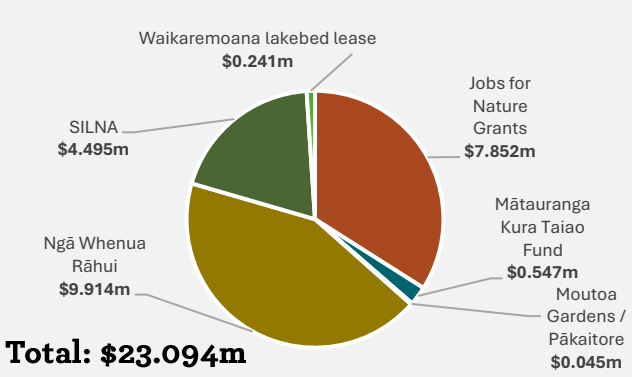
Budget breakdown

The below graphs provide a high-level estimate of the total resource allocation DOC spends on fulfilling its Treaty obligations. The figures are likely an underestimate. It includes funding to undertake Treaty negotiations, implement settlements and Treaty relationships and capability building work. It does not include work undertaken in other portfolios including biodiversity, legal and regulatory work. We will provide updated figures as part of the Financial Sustainability Review.

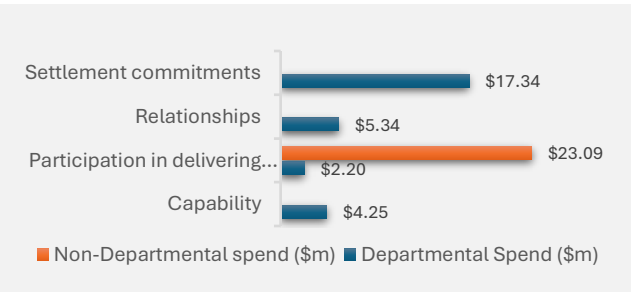
Graph Two: Funding by business unit/group captured in Treaty portfolio (Departmental funding only) (see overleaf for detail)



Graph Three: Non-departmental funding captured in Treaty portfolio (see overleaf for detail)



Graph Four: Funding captured in treaty portfolio by outcome area



ACTIONS UNDERWAY

The following pieces of work will help us understand the costs associated with this portfolio. This will put us in a better position to consider where we can have the biggest impact and value for money:

- **Reviewing DOC’s Treaty operating model and Honourable Treaty partner guidance:** To better support DOC to be an honourable Treaty partner and support capability development.
- **End-to-end review of Treaty settlements:** To ensure that DOC’s Treaty Settlement System is well-connected, effective and efficient across DOC (delivery will continue into 2025).
- **Review of 2010 Treaty Settlement Implementation Fund policy:** To develop a robust framework for funding future Treaty settlement implementation costs and progressing out of cycle funding requests to fund existing Treaty settlement commitments.
- **Clarifying section 4 requirements:** To increase clarity for DOC and Treaty partners and decrease legal risk through changes to operational policy and scoping legislative improvements. The Treaty clauses review of legislation is a separate process coordinated by the Ministry of Justice that will be looking at Treaty principles clauses more widely. DOC will work closely with the Ministry of Justice and Te Arawhiti on the wider review and refine our understanding of section 4 requirements as needed.

Honourable Treaty partnership portfolio (\$52.229m per annum)

The tables below provide a high-level estimate of the funding DOC spends on fulfilling its Treaty obligations. The figures are likely an underestimate. It includes funding to undertake Treaty negotiations, implement settlements and Treaty relationships and capability building work. It does not include work undertaken in other portfolios including biodiversity, legal and regulatory work. We will provide updated figures as part of the Financial Sustainability Review.

Further details on Departmental funding		
Group/Unit	Function in relation to Treaty portfolio	Funding allocation
Treaty Relationships Group	<ul style="list-style-type: none">Provides internal leadership and guidance to support DOC to be an honourable ongoing Treaty partnerMonitoring DOC’s long-term Treaty settlement obligations to ensure the best outcomes for our Treaty partnersEnsuring DOC meets obligations under the Public Service and Te Ture mō te Reo Māori Act and support staff capability development to enable effective delivery of outcomesProviding strategic and administrative support to Ngā Whenua Rāhui Kōmiti and Fund	\$6.37m
Regional Ops	<ul style="list-style-type: none">Implementing long-term Treaty settlement commitments and reporting outcomes within the region,Dedicated staff to support regional Treaty partner relationships and internal capability to delivery agreed outcomes	\$17.76m
Treaty Negotiations Group (part of Policy and Regulatory Services)	<ul style="list-style-type: none">Leads the Department’s Treaty of Waitangi Negotiations work to ensure agreed outcomes can be implemented	\$3.77m
Policy and Regulatory Services (excluding Treaty Negotiations Unit)	<ul style="list-style-type: none">Policy development and advice on a range of Treaty issuesSupporting DOC to make changes necessary following the <i>Ngāi Tai ki Tāmaki</i> Supreme Court decision	\$0.73m
Organisation Support	<ul style="list-style-type: none">Supporting DOC to make business support processes improvements following the <i>Ngāi Tai ki Tāmaki</i> Supreme Court decision	\$0.5m

Further details on non-Departmental funding		
Ngā Whenua Rāhui	Protection of indigenous ecosystems on Māori land to preserve and grow nature	\$9.914m
Jobs for Nature grants	Includes Raukūmara ranges and Kaimai-Mamaku Ranges to grow nature-based employment opportunities	\$7.852m
South Island Landless Natives Act (SILNA)	Identification and implementation of protection of indigenous ecosystems in Māori ownership on SILNA land	\$4.495m
Mātauranga Kura Taiao Fund	Grants to support initiatives to protect traditional Māori knowledge relating to New Zealand’s indigenous biodiversity	\$0.547m
Waikaremoana Lakebed lease	Payments made under the Lake Waikaremoana Act 1971 for the lease of the lakebed and foreshore for conservation purposes	\$0.241m
Moutoa Gardens / Pākaitore	Ongoing management and maintenance of the Moutoa Gardens Reserve	\$0.045m

Our obligations

When DOC was formed in 1987 it became responsible for the administration and management of substantial amounts of land from the Department of Lands and Survey, the Forest Service and the Wildlife Service. Tenure review and some significant purchases (including St James and Molesworth Stations) have added to this.

We administer 8.7 m hectares of land for conservation purposes, and 2.2 million hectares of marine reserves.

Management of this land in particular carries substantial obligations that are additional to the priorities in our biodiversity visitor and heritage portfolios. Some of these obligations are legal requirements whilst others are required to deliver on ‘good neighbour’ expectations or even to maintain social license in the communities we operate in.

Significant staff time can be spent in relationship discussions with neighbours when they raise concerns about us meeting our obligations.

Some of our land management obligations are listed on this A3, with summaries of the costs: nationally where this data is available; or regionally to illustrate costs in those regions specified when national data is difficult to aggregate.

Key achievements

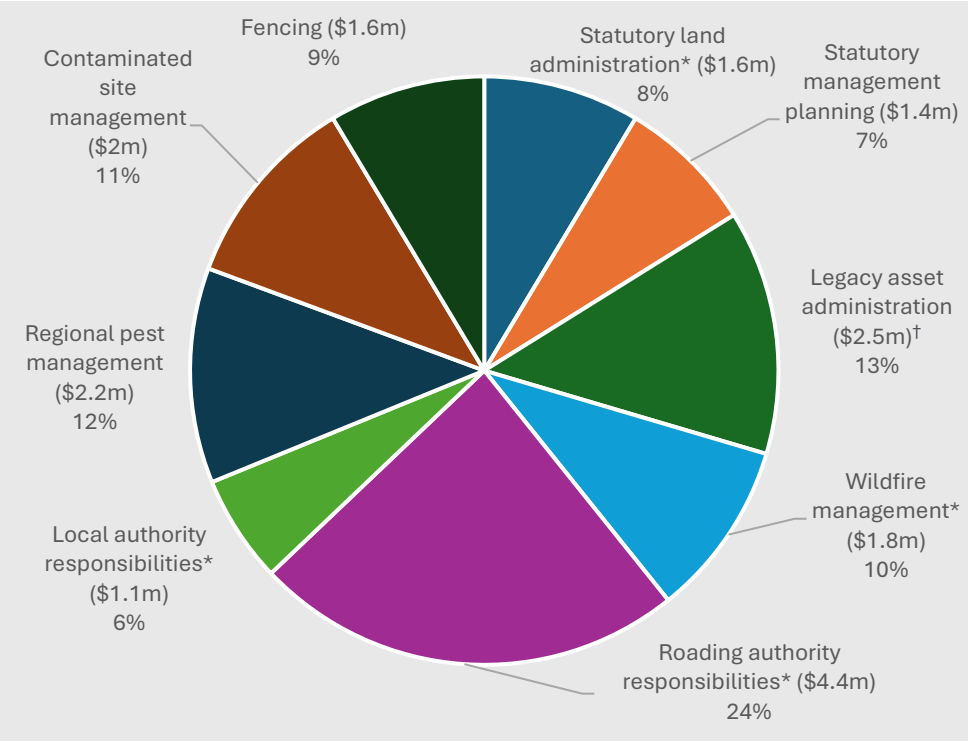
- Development of an inventory of potentially contaminated sites and securing external funding support for Godley Head and partial remediation of several significantly contaminated gold processing sites in Waiuta, near Reefton
- Safe management of the Pike River mine site and the former mining assets
- Development of a local body funding plan for Mount Cook Village local body services
- Regional pest management responsibilities in regional pest management plans are broadly being met in 16 regions
- Regional operations pivoted staff time and was a first-responder and a major contributor to assisting regional recovery after recent severe weather events, and has reopened many sites DOC manages that were adversely affected
- A regional operations activity survey has helped “size” the demand of the land management functions for their teams and increased our understanding of the policy and operational procedure changes necessary to improve efficiency.

Size of the gap

We can provide an estimate of the full funding gap required to maintain meet statutory obligations or to meet neighbouring landowner expectations for just a few obligations. There are potential costs arising from new drinking water standards, final costs to be determined following an exemption process.

	Fencing	Contaminated sites	Pest management expectations from neighbours
Optimal per annum budget (estimated)	\$10m CAPEX \$2m OPEX	\$10m CAPEX/OPEX	more than \$20m OPEX
Current per annum budget	\$1.6m CAPEX/ OPEX	\$2m OPEX	\$2.2m OPEX

Budget breakdown



Data limitation: Note that costs are best estimates and do not necessarily include regional operations time

* Figures are net, taking into account cost recovery and reimbursements

† Underestimate based on only two current largest legacy assets

Challenges & opportunities

Underinvestment in contaminated sites, pest management, abandoned assets and in fences

We have insufficient budget allocated to investigation and remediation of contaminated sites, placing staff at risk of prosecution.

We also under-invest in pest management to meet neighbouring landowner expectations, for removal of abandoned assets and for fence maintenance and replacement.

Our regional staff put considerable time into land management activities

This is because they hold relationships at place, and because site-specific information must inform land management decision-making.

While we cost-recover some time, we do not have a good activity-breakdown to understand trends and whether we cost recover to the fullest extent for functions such as statutory land administration.

Our statutory planning system is under pressure

There is a growing requirement for involvement of iwi and hapū in statutory planning, and we are required to prepare additional plans as a requirement of Treaty Settlements. We have a backlog of plans, and the Conservation Act has inefficient processes – the Conservation Amendment Bill should help address the process issues.

Investment in better water services

DOC has received funding and negotiated some exemptions for water services provision.

Focused mostly on high-use visitor sites, such as campgrounds, the additional funding will enable us to become and remain compliant with regard to drinking water and sewage disposal. This will help at Mount Cook and Tongariro/Whakapapa villages.

Actions underway to address the challenges

Regional operations teams are:

- preparing integrated regional plans to help phase the delivery of prioritised outcomes at place
- actively seeking to develop partnerships to assist with the delivery of land management obligations

DOC’s Better by Nature Programme, Regulatory Services reset, and Policy work programme can also address some of these challenges by:

- building a more systematic understanding and documentation of the size and costs of our land management portfolio, revealing more insights to allow decisions to improve efficiency and/or funding levels
- recommending changes to policy to enable more efficient and agile statutory processes/pathways for our statutory and regulatory functions
- developing and improving systems for management of risk, enabling better work tasking and prioritisation, better sizing the resources allocated to these functions and increased cost recovery from other parties

The statutory drivers for costs for land management mostly arise from the:

- Fencing Act
- Biosecurity Act “good neighbour” obligations
- Fire and Emergency Management legislation
- Resource Management Act 1991
- Local Government Act
- Transport Act
- Treaty Settlement Acts
- Conservation Act
- Reserves Act

Local authority functions

DOC has territorial authority responsibilities for Mount Cook, Milford Sound and Whakapapa /Top of the Bruce villages, and for outlying Islands. DOC must provide planning services, compliant water supplies, sewerage, stormwater, and rubbish disposal services.

The local authority obligations for the outlying islands, which include preparing and implementing a regional coastal plan to protect the marine environment, and delivering safe ship harbour-master functions, has cost approximately \$0.8m since 2014 with \$0.08m of revenue from consent applicants.

In the Eastern South Island region in 2022 -2024 local authority services cost an average of \$1.1m pa to deliver, based on a Long -term Community Plan. 85% of this cost was recovered from village occupants.

In the Central North Island for the 2024/25-year, local authority services are expected to cost \$1.26m to deliver (minus roading costs), with recovery of \$0.38m. There are CAPEX programmes for wastewater and drinking water underway totaling \$21m.

Roading authority responsibilities

DOC is a roading authority responsible for 1100 km of formed public roads.

This carries obligations to maintain safe roads and structures. DOC has budgeted \$8.9m (as a mix of CAPEX and OPEX) for road maintenance and renewals in 2024/25, for which we anticipate receiving revenue of \$4.54m from the NZ Transport agency (NZTA) as a subsidy.

The Eastern South Island region has 121kms of public roads. In 2023/24 ESI spent c.\$0.1m on routine maintenance of these roads. Over 2024/25 to 2026/27 DOC plans to spend \$2.2m on the maintenance and renewal of these roads.

In Central North Island, in Tongariro National Park village and to Top of the Bruce, DOC expects to spend \$0.2m on road maintenance, and receive \$0.1m in NZTA subsidy.

The Northern North Island region has 28 km of road and spent \$0.05m on routine maintenance in 2023/24.

Legacy asset administration

Reserves and land that had been leased that is returned to our control can return with assets that carry a liability. DOC is also sometimes required to administer land that other Crown agencies do not wish to administer any longer. Some of these sites have contamination, old buildings and other liabilities associated with them.

Regional pest management (RMP)

We have obligations to comply with good neighbour and pathway plan obligations in biosecurity management plans

In 2023/24 DOC completed Crown exacerbator weed and pest programmes for 16 regional pest management strategies at a cost of \$2.2m.

The Eastern South Island region had a budget for RMP obligations in 2023/24 of \$0.445m

The expenditure was:

- Rabbits - \$229k made up of a \$136k aerial operation for notice of direction for Ahuriri Valley - and \$93k ground-hunting of other Mackenzie Basin blocks. The rabbit activity varies between years; Twizel District has needed at least \$200k annually to stay slightly ahead of the rabbits.
- Wallabies – \$10k Geraldine.
- Weeds – \$216k - region wide

Fencing

Fencing Act obligations require us to share costs of appropriate fences on the boundaries of PCL. DOC has 57,000 km of boundary with neighbours.

- DOC has spent \$1.6m annually on fencing replacements over the past five years, about half of which is reactive for urgent replacements.
- Of our 57,000 km of boundaries, 17,000km of fences are in our asset information system.
- If fences have a 25-year life, the half share for optimal annual replacement costs would be over \$10m per annum.
- Optimal annual maintenance is estimated at about \$2m per annum.

Wildfire management

Fire is a threat to natural and built assets and human life. DOC supports Fire and Emergency NZ in their role as the fire authority for public conservation land by providing resources (including trained fire crew), providing advice, and by supporting the fire management incident control teams. DOC incurred OPEX costs of \$0.22m for training and PPE equipment in 2023/24. DOC contributes \$1m to FENZ annually to help meet their costs.

DOC staff deployed to incidents are not available for their usual delivery work.

The annual budget for maintaining fire readiness in Eastern South Island (training and PPE) was \$15k in 2023/24. The cost of staff time and additional equipment for reactive wildfire management in 23/24 was \$87k, of which \$72k was recovered from Fire and Emergency NZ. Reactive fire management in Northern North Island was \$435k and for Southern South Island was \$579k.

DOC staff also deploy to overseas fires, particularly in Canada. The United States and Australia, as a means of improving our capability.

An activity survey in 2023/24 conducted in several regional operations districts indicated that approximately 0.2% of ranger time was spent on meeting good neighbour obligations. For each dollar of ranger time, approximately \$0.02 was incurred as an OPEX cost.

The earthquake prone Metrological Service Kelburn site and the Chateau Tongariro are examples, for which the annual cost of management is \$2.5m. The Pike River mine costs the Department around \$0.5m per annum to manage at present. The former Kohitere Boys Home in Levin is on our asset register with old buildings and asbestos contamination on the site.

Emergency management and rescue

Having staff and resources located regionally means DOC frequently contributes to local government emergency management responses. The expenditure for search and rescue in 2023/24 was \$0.53m.

DOC contributes to and we provide a search and rescue responses as well and provides alpine search and rescue services (through a MOU with the NZ Police) at Aoraki Mount Cook.

The DOC budget for Search and Rescue at Aoraki is \$320k with additional external sponsorship of \$125k. This budget funds a dedicated team to provide technical alpine rescue capability focused on Aoraki/Mount Cook National Park and surrounding landscapes.

Statutory management planning

DOC has a statutory obligation to prepare and maintain conservation management strategies, national park management plans and plans for some wild animal herds.

Delivering this function incurred costs in the Office of Regulatory Services of \$1.4m in 2023/24 and an unknown amount of regional operations and legal time.

Statutory land administration

DOC has a responsibility to appropriately classify land, and to engage with initiatives that wish to use or affect public conservation land. We are also in the process of reclassifying stewardship land.

Delivering this function incurred costs in the Office of Regulatory Services of \$2.17m in 2023/24 and an unknown amount of regional operations and legal time.

Reserves Act administration

The Minister of Conservation has statutory decision responsibilities for many reserves that are under control and management or are vested. Land administration costs also include servicing statutory decision-making for portfolio changes; acquisition, disposal, exchanges, reclassification, boundary adjustments (including advice on Treaty negotiation relating to land administration).

The cost of advice or taking decisions under delegation is not easily recovered from our finance data.

An activity survey in 2023/24 conducted in several regional operations districts indicated that approximately 0.8% of ranger time was spent on resource management, concessions, statutory management planning and land administration functions. For each dollar of ranger time, approximately \$0.08 was incurred as an OPEX cost.

Contaminated site remediation

We have identified 1700 contaminated sites on land administered by DOC. We have an annual budget of \$2m to enable us to investigate and quantify risks for some sites, and to undertake reactive works at some sites requiring immediate attention. The programme has received financial assistance from a contestable fund administered by MfE for some remediation costs.

The estimated total liability for contaminated sites on DOC land is approximately \$300m. Remediation costs require both OPEX and CAPEX. We anticipated a 30 year-long programme will be required to remediate those sites requiring remediation. Through the current level of baseline funding, we would have \$60m of OPEX available, leaving a remaining \$240m required for remediation, split between OPEX and CAPEX, which does not have an identified funding source.

1. Department overview: Department of Conservation

KEY ISSUES

Nature is core to New Zealand's economy and society. More than 50% of international visitors and 80% of New Zealanders visit protected natural areas every year. Conservation is a significant contributor to the Government's double exports target, with estimates placing the value of conservation-related tourism at \$3.4 - \$4.3bn p.a., with international visitors forecast to grow 55% by 2035. Exporters rely on images of New Zealand's natural landscapes and wildlife, and landscape & scenery is the second most significant factor in people deciding to visit New Zealand.

Ecosystems on conservation land provide wider benefits to the economy, including erosion control, waste treatment, nutrient recycling, and carbon sequestration. Draft research (NZIER) values the benefits from these ecosystem services on public conservation land (PCL) at \$10.9bn p.a.

DOC's role is to protect and restore this natural capital. Its extensive visitor network connects locals and visitors to nature. Its regulatory functions enable commercial and other activities on PCL, creating jobs and wider economic benefits. There are opportunities to increase the economic use of PCL to generate greater returns, but preserving natural landscapes and biodiversity is critical to the economy as well.

DOC prioritises its limited funding:

- It manages only 150 of 4370 threatened species (those most at-risk). Without management many will decline to the point of extinction;
- Only 4% of heritage sites are managed, meaning 96% of sites are either in an unknown or a deteriorating state;
- DOC estimates it has only 70% of the OPEX needed to maintain the current visitor network and has initiated work to reduce its size;

In addition to conventional cost pressures (e.g. wages, inflation), DOC faces rising cost pressures from increasing threats to biodiversity, significant damage to assets from weather events, and managing inherited assets (e.g. Chateau Tongariro), while continuing to absorb additional responsibilities (e.g. Fast Track, Hunting and Fishing portfolio).

The savings identified in this plan to fund cost pressures will likely result in a decline in outcomes (see section 7). Further decline of natural and cultural heritage will be difficult to prevent. Huts and tracks key to tourist experiences may have to close for safety reasons. DOC's statutory obligations in relation to neighbouring properties (e.g. fencing) will be squeezed. Future costs will rise, invasive weeds and pests will spread if not dealt with, exacerbating future cost pressures.

DOC is actively driving stronger fiscal discipline and value for money by:

- modernising conservation legislation & raising third party revenue by implementing a Revenue Action Plan - supported by a commercial strategy in place by the end of 2024;
- implementing a sophisticated biodiversity planning approach to guide investment decisions, in place by July 2025,
- driving a stronger performance culture and downsizing its corporate functions over the next four years;
- reducing the size of its visitor network and focusing on key experiences most aligned with changing user preferences.

1.1

SPEND BY PORTFOLIO

Vote Conservation – 100%

TARGETS AND PRIORITIES

Government targets

DOC does not lead any of the Government targets.

DOC will support achievement of the Reduced Greenhouse Gas net emissions target.

Strategic priorities

- In 2024, DOC is focusing on:
- Landing biodiversity priorities and aligning investment,
 - Ensuring DOC is financially sustainable and set up for long-term success,
 - Improving the performance of conservation regulatory functions, and
 - Creating and embedding DOC's desired culture, values, and behaviours.

These will give effect to DOC's strategic outcomes: ecosystems and species are thriving from mountains to sea; public conservation lands and waters are maintained and improved for future generations; honourable treaty partnership; connecting with nature and culture heritage enriches people's lives; and ensuring DOC is a great organisation.

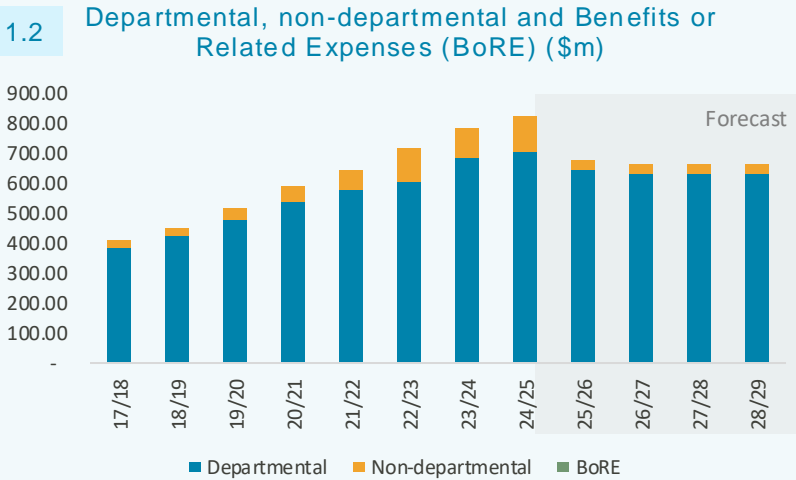
Portfolio priorities

The **Minister of Conservation** will deliver a reform programme that fixes concession processes, targets investment in high-value conservation outcomes, generates new revenue and recalibrates costs, supports the Fast Track process, and strengthens relationships with Iwi/Hapū for better conservation outcomes.

Phase two of the Minister of Conservation's reform programme will focus on modernising and simplifying the conservation system and enabling public-private partnerships.

The **Minister for Hunting and Fishing** is focused on four priorities: managing game animals as valued introduced species to ensure numbers are best managed for each region's individual interests; supporting Fish and Game and the Game Animal Council; introducing Herds of Special Interest (HOSI) to balance hunting and conservation objectives; and increasing hunting access to Public Conservation Land.

EXPENDITURE BY TYPE



Recent changes in expenditure

- DOC's annual departmental operating expenditure increased by 32% in real terms since 2017/18 to 2023/24 (excluding capital charge, depreciation, Jobs for Nature and the International Visitor Levy). The additional \$100m in 2023/24 was spent on previously unfunded work:
- \$50m of biodiversity initiatives which delivered over 750,000 hectares of predator control on PCL to help restore NZ's forests and wildlife.
 - \$30m to remediate visitor, cultural and other physical infrastructure to improve visitor safety and experiences.
 - \$20m for DOC's digital systems, including procurement, asset management and finance, to improve data and decision making.

Since 2020, DOC's baseline has reduced by \$87m, including a \$47m revenue reduction from FYs 20–23, a \$40m reduction in FY25, and an ongoing reduction of \$31m p.a. A full plotting of nominal and real baseline change is included in Section 7.

Expected changes in expenditure

- **In real terms, DOC's expenditure will reduce to 2017/18 levels by 2028/29 (see Section 7).**
- Personnel expenditure will remain stable as the workforce reduces.
- Drivers including treaty settlements, increased weather events and regulatory system requirements may change expenditure composition.
- Some upfront spend will be required to unlock savings and increase long run organisational efficiency (e.g improvements to IT systems).

Monitoring and funding of Crown companies or entities

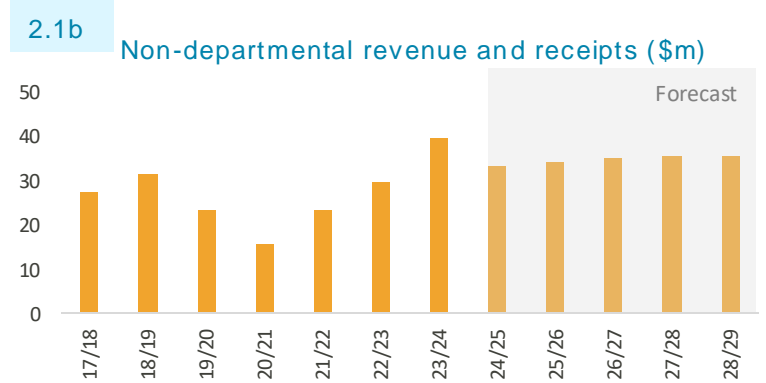
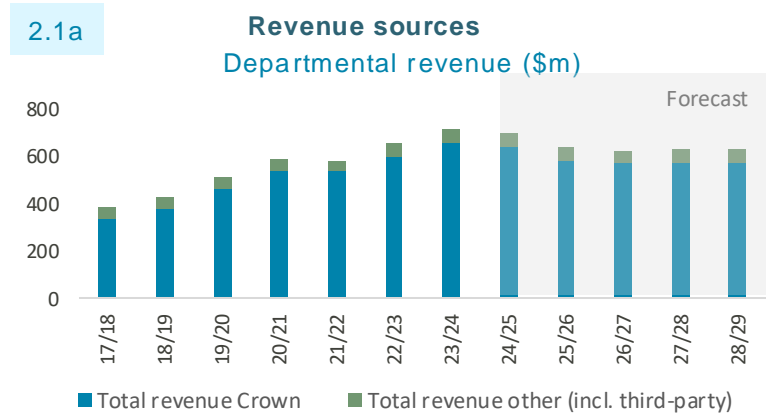
DOC monitors three entities: Predator Free 2050 Ltd, a Crown company; Game Animal Council, a statutory entity; and Queen Elizabeth II National Trust, a statutory trust. An overview of entity performance is presented in Section 6.

2. Department overview: Current specific fiscal risks, workforce, and third-party revenue

9(2)(b)(ii), 9(2)(f)(iv)

9(2)(f)(iv)

DEPARTMENTS WITH THIRD PARTY REVENUE (INCLUDING TAX, FEES, LEVIES, EXCISE, DUTIES AND CHARGES)



Scenarios that could impact third-party revenue

Scenarios	Incidence in last 10 years	Likely in next 10 years?
Specific Fiscal Risks (list any current risks related to third party revenue as outlined in latest EFU)		
Adverse weather events	Yes	Yes
Capital cost pressures (if unaddressed, capital cost pressures from the ageing visitor network could result in reduced revenue from visitor network facilities)	Yes	Yes
Other potential shocks (e.g. those that might not have reached materiality/probability threshold for a SFR)		
Global pandemic (i.e. Covid-19 impacting international visitor numbers, and visitor revenue)	Yes	Unknown
High pathogenicity avian influenza (impacting wildlife-based experiences provided by DOC or concessionaires)	No	Yes

Activities funded by 3rd party revenue and when they were last reviewed

Activity name	% User funded	Date last reviewed	Date next reviewed	Material under or over recovery	Key performance measure and 2023/24 performance
Regulatory Services (including processing permissions)	Unknown (~20% of permissions costs recovered).	Ongoing – DOC's Regulatory Services Modernisation Programme is underway.		Amount potentially cost recoverable is unknown, but we are under recovering.	In FY24, DOC recovered approx. \$1.9m of costs against a budget target of \$2.7m for regulatory services including processing permissions (\$800K).
Maintaining the visitor network	Not cost recovery. \$24.8 m in revenue (FY24).	Ongoing – DOC's Future Visitor Network Programme is underway and there are regular pricing reviews (e.g., for the Great Walks)		N/A – not cost recovery.	Visitor network facility revenue has grown in 'real terms' by 27%. However, we estimate there is an annual OPEX shortfall of ~\$38.1m, and a CAPEX shortfall of ~\$45.5 over three years
Concessions royalties (activity fees)	Not cost recovery. \$26.9m in revenue (FY24).	Individual contracts reviewed every 3 years, based on regular sector reviews e.g. ski fields.		N/A – not cost recovery. Evidence to suggest undercharging	Upcoming discussion document proposes regulated royalty rates, based on Crown Minerals Act.
Specific biodiversity and visitor projects funded by the IVL	Not cost recovery. \$42.96m was allocated to conservation in 2023/24.	Amount reviewed and increased in 2024 from \$35 to \$100 per visitor. Must be reviewed again within 5 years.		N/A – not cost recovery.	IVL funds a range of projects like pest eradications, Cathedral Cove re-development, short walks and day hikes, and managing and maintaining Huts of Recreational Importance.

3. Value and Performance: Key impact areas

THRIVING ECOSYSTEMS AND SPECIES

Current state

- Thriving species and ecosystems provide direct flow-on benefits to the wider economy, such as through eco-system services, and contribute to the wellbeing and identity of New Zealanders.
- NZIER recently estimated:
 - the net value of ecosystem services on PCL (including the direct provision of goods and services such as food or tourism and indirect services that support life and habitat) at \$10.9 billion p.a.
 - the value of natural capital linked to PCL (such as the ability to store carbon) at \$133 billion; and
 - the existence (non-use) value of national parks is \$12.6 billion.
- At present, NZ has the highest proportion of threatened native species in the world. Of 15,308 assessed, 1,115 (7%) are threatened with extinction, and a further 3,255 (21%) are at risk – see Graph One.
- Without DOC intervention, a far higher number of species would be at risk or extinct.
- While DOC is actively managing ~150 of these species, it only has sufficient management in place to be confident of the ongoing survival of fewer than 70 threatened species.
- In addition, 45 (62%) of NZ’s 71 rare or naturally uncommon ecosystems are threatened – see Graph Two.
- Many of the indicators for specific species and ecosystem persistence have been declining.

Desired state

- DOC estimates that it would cost \$2.3bn p.a. to reach an ideal state where no ecosystems or species are at risk (while meeting its obligations as a land manager). This would be a mix of public and private funding. There is growing appetite in the private sector to contribute more to support nature. DOC is implementing a Revenue Action Plan to grow third party funding for conservation.
- Tough choices are required to target efforts/funding towards NZ’s most threatened species and ecosystems. DOC needs to further develop the data maturity and analytical capability to support these decisions, which is actively underway [see below ‘Biodiversity Planning Approach’]; DOC also needs to improve its ability to demonstrate the wider social, economic, and wellbeing impacts of its investments.

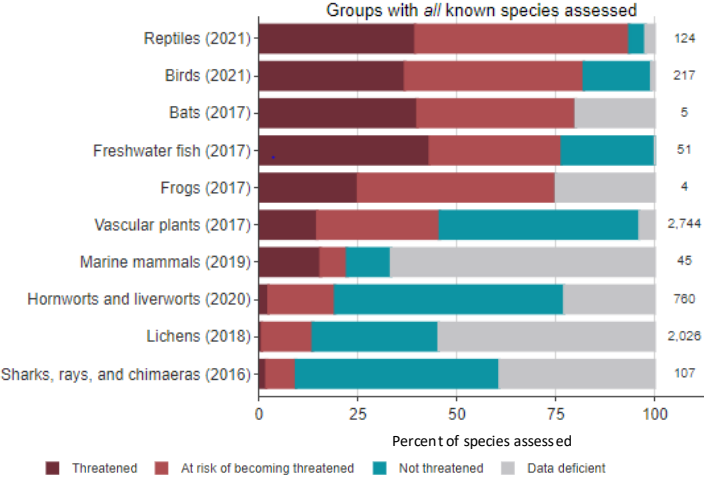
Constraints and opportunities

- Conservation outcomes are subject to large scale extrinsic factors (e.g., climate change, or human activity in general).
- Many of our threatened ecosystems are not on conservation land, and stakeholder and partner priorities do not always align with evidence-based priorities.
- New international research provides strong evidence that conservation interventions do have a positive impact, even where this is relative and is outweighed by counter-veiling factors (i.e they are slowing the decline, even though the absolute level may not be improving). This suggests that positive gains in some outcomes could be achieved with more focused and prioritised investment.¹
- DOC’s Biodiversity Planning Approach (currently under development) identifies what it would cost to manage individual species and ecosystems to persistence. This will enable us to understand the trade-offs, identify a prioritised package of programmes, and more effectively plan, deliver, and evaluate biodiversity work.
- This is a significant improvement and will drive greater targeting of investment and improve value for money.

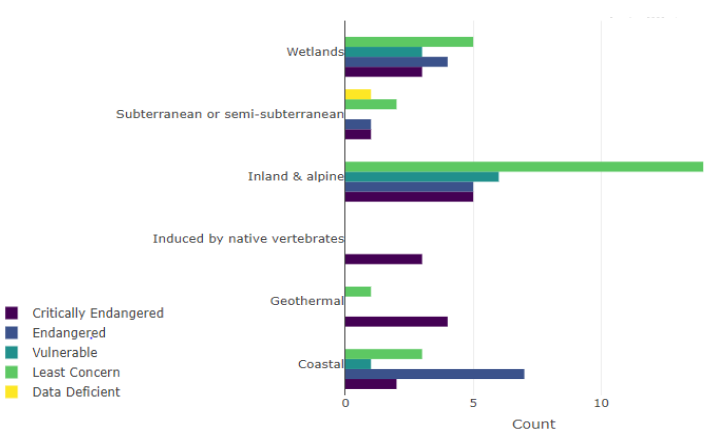
Improvement and learning

- In addition to the above, DOC will refresh its broader monitoring and insights products and overall performance framework.
- We will also keep investing in science and research: for example, to understand why species are declining, or to develop better tools to control specific pests or diseases.
- We will continue to pursue opportunities to partner with/empower others to deliver more for conservation.

GRAPH ONE: EXTINCTION THREAT TO INDIGENOUS SPECIES



GRAPH TWO: THREAT STATUS OF NATURALLY UNCOMMON ECOSYSTEMS



Note: Work has not yet been undertaken to identify rare, naturally uncommon or threatened marine ecosystems in Aotearoa New Zealand.

¹[The positive impact of conservation action | Science](#)

3. Value and Performance: Key impact areas

CULTURAL AND HISTORIC HERITAGE

Current state

- DOC manages the largest heritage portfolio in New Zealand. This includes approximately 15,000 cultural heritage sites across public conservation land.
- Many of these sites are iconic heritage attractions, including historic bridges, lighthouses, coastal defense forts, railways, tramways, Pā, early pioneer settlements and government buildings.
- In 2021/22, around 75% of New Zealanders visited a heritage site on public conservation land.
- Visiting heritage sites helps people gain an understanding of New Zealand's past and how it shapes and defines New Zealand's cultural identity.
- Only 4% of DOC's heritage portfolio is actively managed, and only 1% (150 sites) is known to be in stable or good condition, while 99% is either unknown or deteriorating. Of those that are intensively managed, only 24% are meeting standards (12 out of 50).
- DOC is focused on protecting a priority range of cultural and historic heritage sites, as well as working with others to manage sites. DOC is working to increase the proportion of heritage sites in stable or good condition from 1% to 10%.
- The tangible heritage of the remaining 90% of the portfolio will likely be lost without further investment.

Desired state

- DOC aims to connect as many people as possible with cultural heritage, while protecting it for future generations. It has estimated that an additional \$20m per annum would be required to fund good management of up to 80% of heritage sites by 2029/30.

Constraints and opportunities

- Heritage sites can be a popular attraction for visitors to public conservation land. There is growing interest from the public in significant people and events that helped shape the nation and many of these places are on public conservation land.
- As noted above, DOC's ability to provide these opportunities to visitors is limited by the funding it has available. There could be opportunities to attract more third-party investment and support for cultural heritage sites.

Improvement and learning

- DOC's Cultural Heritage Reset Programme is resetting DOC's heritage management systems, processes, training and internal funding models to ensure better delivery of DOC's stewardship responsibilities for heritage.

VISITOR EXPERIENCES

Current state

- Public conservation land plays a central role in recreation and tourism in New Zealand.
- DOC is New Zealand's largest provider of visitor activities, including walking, tramping, biking, hunting and fishing, camping and sightseeing.
- In 2022/23, around 81% of New Zealanders visited public conservation land at least once, and around half of New Zealanders visited once a month. 50% of international visitors visit a national park while in New Zealand.
- Connecting people with nature and cultural heritage has benefits for conservation (e.g. people who spend time in nature are more likely to care about conservation), the economy (e.g. through visitor spending in nearby areas and by supporting businesses), and people's health and wellbeing (e.g. from physical activity).
- The economic value of tourism on public conservation land is around \$3.4 billion p.a. and growing as we return to pre-COVID levels of tourism.
- DOC cannot afford to maintain its current network of tracks, huts and campgrounds due to historic underinvestment in its assets, rising costs to maintain and replace them, and increased costs from extreme weather events. DOC estimates it only has 70% of the operating expenditure required to maintain it to the current standard, and a capital expenditure funding gap of approximately \$45m over the next three years.

Desired state

- DOC aims to connect as many people as possible with nature and cultural heritage, while protecting it for future generations.
- As part of its visitor network strategy, DOC wants to ensure that there is a sustainable and affordable number of experiences on PCL for visitors to enjoy, including experiences provided by DOC and by others.
- To achieve this, DOC is looking to reduce the cost of the network by reducing its size and focusing on a smaller number of experiences more aligned with changing user preferences, increasing revenue and making the network more resilient.
- DOC does not intend to develop any new visitor experiences until the network is being sustainably managed.

Constraints and opportunities

- DOC works with a range of third parties to deliver and maintain the visitor network. There are opportunities for more visitor experiences to be delivered by third parties.
- DOC and the Government will face challenges implementing the visitor network strategy. Some of the assets that DOC will ultimately look to divest will have significant meaning to some groups and communities, and there may be significant lobbying and pressure to continue to maintain them.
- There are opportunities to grow revenue from the visitor network. DOC will shortly be trialling the use of carpark charges and donation machines at key trail heads. DOC will also consult on a proposal to introduce access charges to some parts of public conservation land.

Improvement and learning

- DOC is refreshing its monitoring and insights products and overall performance framework. DOC is also improving its asset management practices, including developing clear frameworks for decommissioning of assets and the use of third party providers.

3. Value and Performance: Key impact areas

MANAGING LANDS AND WATERS

Current state

- DOC is responsible for managing 8.7m hectares of land (nearly a third of Aotearoa's land area and nearly half of the South Island), and 2.2m hectares of marine reserves. We have over 57,000km of boundaries with other landowners.
- Separate from biodiversity and recreation work, managing lands and waters comes with significant obligations under acts that govern fencing, biosecurity, fire and emergency management, resource management, local government, transport, contaminated site management, Treaty settlements, and reserves.
- Meeting these obligations supports outcomes such as preventing the spread of pests onto private land, limiting damage to the environment and property from fires, saving lives through search and rescue and providing access by maintaining 1,100km of public roads.
- DOC has local authority responsibilities for Aoraki/Mt Cook, Milford Sound, and Whakapapa. This includes providing planning services, compliant water supplies, sewerage, stormwater, snow clearance, and rubbish disposal services.
- As well as legal good neighbour obligations. Acting as a good neighbour maintains DOC's social license in the communities we operate in and partner with. DOC has a limited ability to revise these legislative obligations, as they apply equally to private landowners.

Desired state

- DOC delivers its good neighbour obligations as efficiently as possible, freeing up resource to be directed to other priorities.
- DOC is an integrated part of the local community, working alongside other agencies such as fire and emergency management.
- DOC has a well-functioning regulatory system which maximises concession value from PCL.
- DOC limits its exposure to risks such as abandoned assets on PCL.

Constraints and opportunities

- There is an opportunity to unlock economic potential by supporting greater use of PCL for business and critical infrastructure.
- There is a growing requirement for involvement of Iwi and Hapū in statutory planning, and DOC is required to prepare additional plans as part of Treaty of Waitangi settlements.
- There is a backlog of plans requiring updating, and the Conservation Act process is inefficient. The legislative proposals to modernise land management in the conservation system aim to address this issue.
- Underinvestment in contaminated sites, pest management, abandoned assets and fencing continues, which means DOC is not always meeting neighbouring landowner expectations.

Improvement and learning

- DOC is seeking to improve cost recovery for regulatory services that enable commercial and other activities on PCL.
- DOC is preparing integrated regional plans to help phase the delivery of prioritised outcomes at place. It is also actively seeking to develop partnerships to assist with the delivery of land management obligations e.g. with MPI and private landowners in the South Island to control and manage wilding conifers.
- Other DOC programmes, including the Financial Sustainability Review, are also working to build a deeper understanding of the size and cost of the land management portfolio, recommending policy changes to enable more efficient statutory processes, and developing and improving systems for risk management, prioritisation and undertaking statutory work.

HONOURABLE TREATY RELATIONSHIPS

Current state

- Section 4 of the Conservation Act 1987 requires DOC to give effect to the principles of Te Tiriti o Waitangi/Treaty of Waitangi in its day-to-day work. One aspect of this is delivering on 3,380 Treaty Settlement commitments – more than any other agency.
- 32% of these are complete and a further 57% are currently on track. DOC's Treaty Relationships group and Treaty Negotiations and Land directorate provide dedicated oversight and support of these outcomes, and many frontline roles also contribute to maintaining and developing these relationships.

Desired state

- To deliver as an honourable Treaty partner and meet Section 4 responsibilities, DOC needs to actively protect Māori rights and interests, meaningfully involve iwi-Māori in conservation management, and increase its capability and capacity.
- DOC is clearer on how it engages with Māori throughout the concessions process and carries out engagement consistently.
- DOC seeks to implement treaty settlements efficiently and effectively.

Constraints and opportunities

- Limited funding, some capability gaps within DOC, and differing views on statutory obligations make it difficult for DOC to meet iwi-Māori expectations for being an honourable Treaty partner.
- At present, aspects of current legislation are a barrier for Iwi and Hapū to exercise rangatiratanga and kaitiakitanga, and there is a lack of consensus between the Crown and Māori on what is required by Treaty principles in specific contexts - DOC faces ambiguity in applying Section 4 responsibilities, particularly to concessions.
- Furthermore, there is an increase in additional, unfunded commitments (such as through the Iwi accords process, cross-government agency agreements, and where Iwi and Hapū wish to manage PCL outside of the settlement process).
- Treaty partners are not always ready to proceed with settlements immediately. This can constrain DOC's ability to fulfill obligations in a timely way.
- There are opportunities for devolving the management of some important heritage sites on PCL to iwi-Māori, and to partner with Iwi/Hapu to deliver more for conservation.

Improvement and learning

- The proposals for a Conservation Amendment Bill aim to clarify processes for involving Iwi and Hapū in statutory planning, and how the Crown can actively protect Māori interests in concession processes.
- To address the gap in understanding performance in this area, the Department is developing Treaty partnership measures to be incorporated into the department-wide Integrated Performance Framework.
- DOC is also working to better understand and track efforts on settlement implementation to identify how we can be more efficient and will respond to the Office of the Auditor General's findings regarding DOC's work in this area.

4. Managing within baselines: Current and future drivers

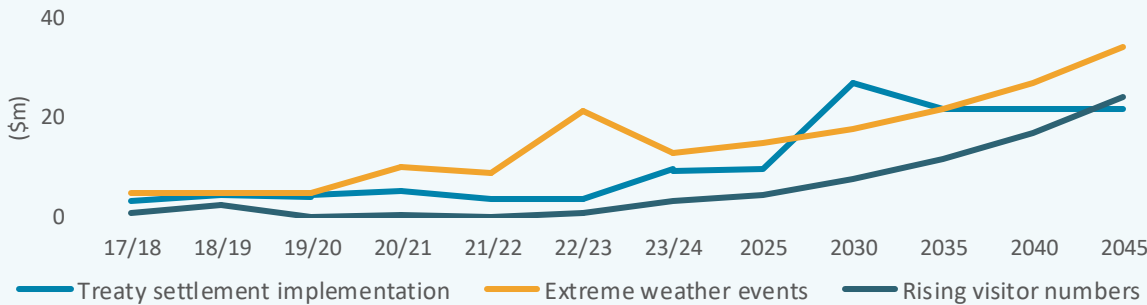
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FUTURE DRIVERS

Climate change is driving additional costs through increasingly frequent and severe weather events which damage visitor and biodiversity assets and programmes. We estimate the damage from Cyclone Gabrielle will require approximately \$87 million over five years to address. Climate change and wider land use changes also drive costs by exacerbating pressures on biodiversity, with New Zealand having the highest proportion of threatened native species in the world. DOC also periodically inherits assets on public conservation land (e.g. as concessionaires become insolvent) - the Specific Fiscal Risk section highlights the potential decommissioning cost associated with Whakapapa Ski Field.

The forecast fiscal costs of future drivers over the next 20 years

Long forecast in cost drivers



Choices to mitigate/manage long term pressures *These estimates carry a high degree of uncertainty

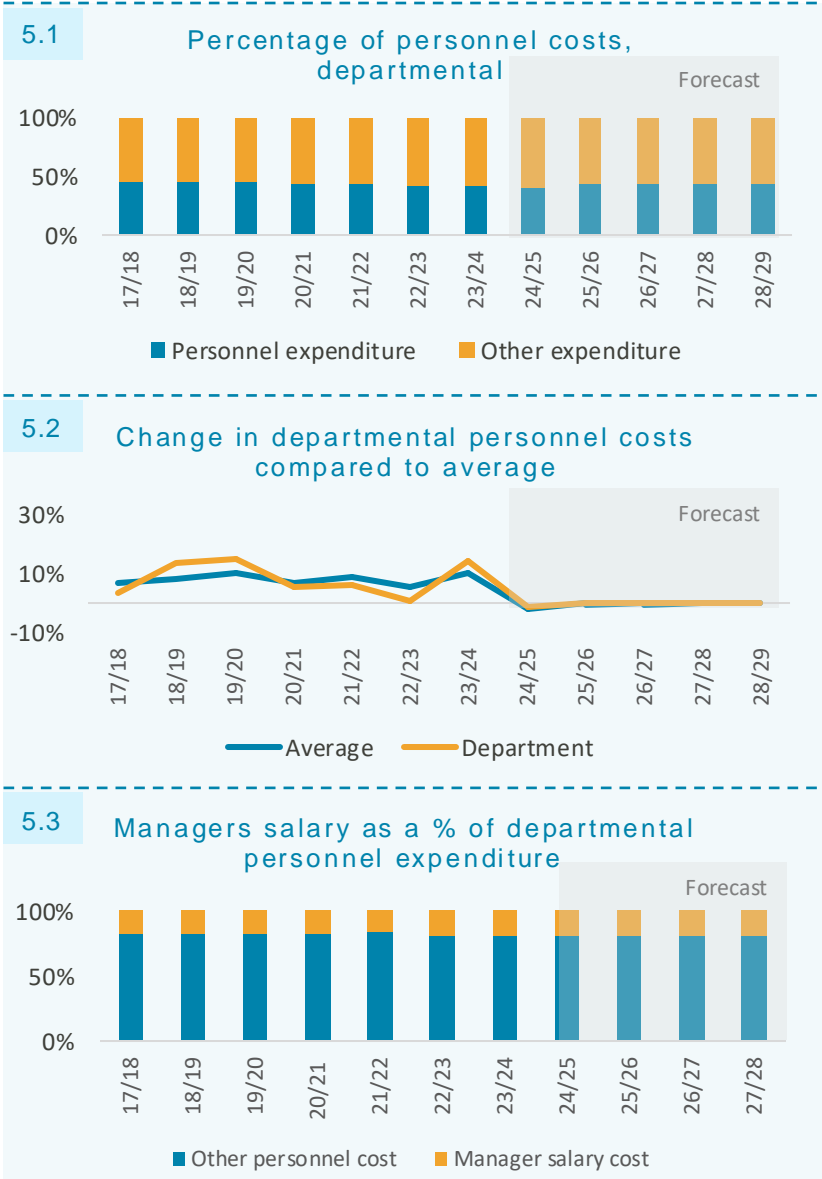
	Policy that causes demand or demand driver	Options to manage this?	Lead time?
Quantified	Treaty settlement implementation	Limited options available	N/A
	Extreme weather events damaging assets and programmes	DOC's Future Visitor Network Programme, e.g. resizing the network	2-3 years
	Increasing visitor numbers creating additional costs for the visitor network (e.g. track work)	Raising revenue to offset costs from increasing visitor numbers	Ongoing (exploring access charging)
Unquantified	Drinking water infrastructure legislative compliance/site remediation	Exemptions to Water Services Act	<1 year
	Inherited assets & liabilities on PCL	Strengthening Crown's protections against financial exposure to liabilities	~2 years (currently exploring options)
	Assessing and remediating contaminated land	Limited options available	N/A
	Rising litigation costs driven by outdated/unclear legislation and uncertainty following law reform	Reduce uncertainty of DOC's legal obligations through legislative reform	Ongoing
	Essential services on Ruapehu (\$2.5m p.a)	Non-discretionary once triggered	1-2 years

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5. Managing within baselines: Workforce and capability

SUMMARY OF WORKFORCE



Impact of workforce (proxy based on planned hours*)						
	Cultural & Historic Heritage	Honourable Treaty Partnership	Managing Lands & Waters	Thriving Ecosystems & Species	Visitor Experiences	Total
Total FTE	84	236	224	1443	735	2722**
FTE equivalent effort by role group and impact area						
Frontline	45	130	119	699	426	1419
Technical	2	14	32	248	7	303
Corporate	29	37	53	306	209	634
Management	6	44	19	129	70	268
Other	3	2	8	60	14	87

Explanation of workforce breakdown

DOC's frontline workforce includes nearly 1200 ranger FTE, operational planning staff, and staff in public-facing functions that enable commercial and other activities on PCL. DOC's technical workforce includes scientists, logistics staff, and analysts who provide advice on scientific and policy matters. The corporate workforce includes finance, HR, IT, and communications, as well as asset management and maintenance staff (some of whom are field-based).

*This breakdown by impact area is based on planned hours and allocated costs, and these FTE numbers do not represent exact roles dedicated to each area. This should be interpreted as FTE equivalent effort (i.e. 236 FTE worth of hours working on Treaty matters, as opposed to 236 specific whole roles doing this work).

**This is based on funded FTEs, not actual FTEs (and so the total number is higher than that in section 2, which shows actual FTE).

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Capability – non-workforce (e.g. organisational systems, processes, governance, technology and data)

Improving regulatory performance is a Ministerial priority and a key area for capability uplift in the department. Processing of concessions for business activities enables economic development and needs to become more predictable and efficient. A two-phase regulatory modernisation programme will deliver this capability uplift.

DOC is also seeking to address complex legacy business planning processes and other process inefficiencies through a transformation programme. The programme will stand up a new 'portfolio' based planning process aligned to the Department's strategy for 2025/26.

This programme will also deliver an integrated performance measurement framework that captures outcome delivery, service performance, and management hygiene. Along with this, DOC is investigating the viability of a Human Resources Information System to enable better workforce management and improve efficiency.

The Department is also exploring how to deepen its commercial capability to derive the most value from its resources, capability, and assets. A commercial strategy will be in place before the new year.

Contractor and consultant spend

- Consultants and contractors provide specialised expertise that directly supports conservation outcomes through high-priority projects. Recent work has supported the Milford Opportunities Project, Predator Free initiatives, drinking water infrastructure, and work to improve the quality and efficiency of DOC's systems and infrastructure.
- The majority of expenditure is allocated to contractor resources who provide specialist advice—such as engineering and technical consultancy—rather than general management consultancy services.
- DOC is forecasting a reduction of approximately \$7 million in spending on contractors and consultants for the 2024/25 year.

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6. Managing within baselines: Investment and monitoring

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MONITORING STATEMENT (IF APPLICABLE)

DOC monitors the following three entities:

- Game Animal Council – schedule 4 PFA entity (\$1-\$1.2m p.a. Crown funding) – reports quarterly. Performing.
- Queen Elizabeth II National Trust – (\$4.274m p.a. Crown funding) – reports twice yearly. High performing.
- Predator Free 2050 Limited (PF2050 Ltd) – schedule 4A Company – reports quarterly. Presents fiscal risks to the Crown, and an opportunity for reprioritisation to increase value for money (see discussion below).

Predator Free 2050 Ltd

Predator Free 2050 (PF2050Ltd) Limited is a Crown-owned company set up to distribute Crown investment, attract philanthropic funding, and facilitate scientific breakthroughs for cost-effective, national scale solutions in predator elimination. It was established by Cabinet in 2016. It has a mandate to raise funding at a rate of 2:1 with funds set aside for scientific research.

The company has co-invested in large projects towards the Predator Free 2050 goal but has not attracted sufficient philanthropic funding as Cabinet intended. As the project partners’ funding reduces, fiscal risk increases. For the next three years, the company will receive \$10.9m p.a. of Crown funding (plus the remainder of the Jobs for Nature funding) but indicates needing \$30m p.a. to maintain momentum.

While expensive, a Crown owned company was justified to enable the company to attract philanthropic funding. PF2050Ltd’s operating expenditure continues to rise to \$3.6m for 2023/24, at 18% of total funding, or \$0.22 in company costs for every dollar invested in projects. As a comparison, the Provincial Growth Fund allows 5% for administrative costs.

PF2050Ltd has not invested in breakthrough science at a rate envisaged by Cabinet, partly due to lack of co-funding raised. Further work is needed to develop cost-effective and scalable approaches to predator eradication in rural and urban environments.

The role of PF2050Ltd is currently being considered to help it maintain strategic focus and alignment with the PF2050 programme, with advice for Cabinet consideration in February 2025. The company had been subject to two previous independent performance reviews (Deloitte and MartinJenkins, 2021/22), and DOC’s review of its form and function in 2023.

Options for Cabinet to address these challenges could include:

- clarifying the company’s roles and responsibilities aligned with the evolving Predator Free strategy with a sharp focus for responsible spending and value-for-money,
- recalibrate costs and funding to align with Government aspirations in this area, or
- consider disestablishing PF2050Ltd and re-prioritise the funding within the Predator Free programme, presenting a cost saving.

7. Additional information

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RISKS FROM FUNDING UNCERTAINTY

The following areas are creating significant funding uncertainty for DOC:

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International Visitor Conservation and Tourism Levy (IVL)

Ministers are yet to make decisions on whether the additional revenue from increasing the IVL to \$100 per person will be used for additional spending or ‘swapped out’ for existing Crown spending in line with hypothecation.

If Ministers decide that the additional revenue is used for additional conservation spending, it has the potential to offset some of the impacts of managing within baselines previously described.

The increase is forecast to generate an additional \$116m a year based on 2023/24 visitor numbers. This could rise to \$149m if visitor numbers return to 2019 levels. A portion of this could be used to meet more of the costs imposed by international tourists on DOC such as maintenance of the visitor network. It could also support investment in popular visitor areas, in both the visitor network and biodiversity, to maintain the attractiveness of New Zealand as a visitor destination and support the Government’s objective to boost tourism.

Access charging

DOC is unable to charge for access to some parts of PCL within current legislation. Cabinet has agreed to undertake public consultation to change this. Depending on the outcome of consultation and Government deciding to progress the necessary legislative changes, this could generate significant revenue for the conservation portfolio, but access charging will not be possible until at least 2026.

Initial estimates indicate this could generate approximately \$70-80m p.a.in gross revenue, based on charging a \$30 rate to 2.6 million visitors at six popular sites. This is an indicative figure, noting that sites, rates and who would pay are all subject to consultation and further policy development. It also does not account for implementation and compliance costs.