

Immediate savings exercise – Summary of initiatives

28 August 2023¹

Agriculture, Biosecurity, Fisheries and Food Safety

Accelerating Development of Greenhouse Gas Mitigations for Agriculture – Return of Funding

This savings initiative returns a portion of funding provided at Budget 2022 for the development and uptake of high impact agricultural mitigation across the Research and Development, Māori-led innovation and Global Research Alliance portions of the Agricultural Emissions Reduction programme. There is currently no call on the funding, meaning it can be returned to the centre for higher priorities. This initiative was originally funded from the Climate Emergency Response Fund.

Vote	2023/24	2024/25	2025/26	2026/27	Operating Total	Capital Total
Agriculture, Biosecurity, Fisheries and Food Safety	(6.000)	(14.000)	(5.000)	(5.000)	(30.000)	-

Reduction of 'Food and Beverage Industry Transformation Plan' Tagged Contingency

This savings initiative returns a portion of funding held in tagged contingency for the implementation of the Food and Beverage Industry Transformation Plan. The objectives of the Food and Beverage Industry Transformation Plan are aligned with the Sustainable Food and Fibre Fund program (SFFF), which has seen an uplift of co-investment from business. The SFFF has progressed substantially, drawing investment from private partnerships and allowing for this saving within the contingency to be made. The funding is transferred into the Ministry for Primary Industries (Natural Resources Cluster) Tagged Operating Contingency.

Vote	2023/24	2024/25	2025/26	2026/27	Operating Total	Capital Total
Tagged Contingency	-	(1.000)	(2.000)	-	(3.000)	-

Agriculture Emissions Reduction – Supporting the Transition to a Low Emissions Future – Return of Funding

This funding is not needed as progress and investments have been made in low emissions future through other projects. There is no call on the funding, meaning it can be returned to the centre for higher priorities. This initiative was originally funded from the Climate Emergency Response Fund.

Vote	2023/24	2024/25	2025/26	2026/27	Operating Total	Capital Total
Agriculture, Biosecurity, Fisheries and Food Safety	(5.203)	(5.166)	(5.249)	(5.249)	(20.867)	-

Business, Science and Innovation

Co-funding for Public Charging Hubs and Rural Community Destination Chargers for Electric Vehicles - Return of Funding

This savings initiative returns \$15.000 million funded from Budget 2023. This results from changes in how the initiative will be delivered in 2023/24, with an increased focus on ensuring funding is best directed at gaps in the charging system. There are no changes to the funding of the programme from 2024/25 onwards. This initiative was originally funded from the Climate Emergency Response Fund.

Vote	2023/24	2024/25	2025/26	2026/27	Operating Total	Capital Total
Business, Science and Innovation	(15.000)	-	-	-	(15.000)	-

¹ Note that details concerning one initiative delivering \$28.000 million in capital savings has been withheld due to commercial sensitivity.

Cost Savings Measures from the Tourism Portfolio - Return of Funding

This savings initiative returns funding from programmes within the Tourism portfolio. Specifically, it includes scaling back funding available from the Innovation Programme for Tourism Recovery and focusing on the highest priority applications, adjusting the funding model for the Ngā Haerenga New Zealand Cycle Trails Great Rides to include an annual investment from the International Visitor Conservation and Tourism Levy, and adjusting baseline funding for Tourism New Zealand in outyears as the Government focuses on value-based Tourism.

Vote	2023/24	2024/25	2025/26	2026/27	Operating Total	Capital Total
Business, Science and Innovation	(10.000)	(25.000)	(5.000)	(20.000)	(60.000)	-

Crown Mineral Estate - Return of Funding

This savings initiative returns \$1.000 million initially provided for the Crown Mineral Estate, funded through Budget 2022 but which is not expected to be allocated in 2023/24.

Vote	2023/24	2024/25	2025/26	2026/27	Operating Total	Capital Total
Business, Science and Innovation	(1.000)	-	-	-	(1.000)	-

Energy Strategy - Return of Funding

This savings initiative returns funding of \$0.300 million for funding allocated to the Energy Strategy, funded through Budget 2022 but which is not expected to be allocated in 2023/24. This initiative was originally funded from the Climate Emergency Response Fund.

Vote	2023/24	2024/25	2025/26	2026/27	Operating Total	Capital Total
Business, Science and Innovation	(0.300)	-	-	-	(0.300)	-

Funding Further Decarbonisation of Process Heat and Implementation of Supporting Policies - Return of Funding

This savings initiative returns funding of \$0.200 million for funding allocated to the further decarbonisation of process heat and implementation of supporting policies, funded through Budget 2022 but which is not expected to be allocated in 2023/24. This initiative was originally funded from the Climate Emergency Response Fund.

Vote	2023/24	2024/25	2025/26	2026/27	Operating Total	Capital Total
Business, Science and Innovation	(0.200)	-	-	-	(0.200)	-

Reduction in Baseline Funding for Research and Development-Related Grant Schemes - Return of Funding

This savings initiative returns underspends from Callaghan Innovation Ārohia Innovation Trailblazer, New to R&D, Project and Student Grants. It discontinues funding for small programmes that do not contribute directly to core research outputs. None of these savings affect existing contracts or commitments. They maintain critical research funding instruments at current levels.

Vote	2023/24	2024/25	2025/26	2026/27	Operating Total	Capital Total
Business, Science and Innovation	(73.380)	(10.300)	(14.600)	(17.000)	(115.280)	-

Return of 'Investment in a New Zealand Business Growth Fund' Tagged Contingency

This savings initiative closes the tagged capital contingency relating to exploration of a Business Growth Fund. The tagged contingency was established in Budget 2022. Negotiations are ongoing with banks and further information about a similar scheme in Australia indicates further work would be required to stand this up in New Zealand.

Vote	2023/24	2024/25	2025/26	2026/27	Operating Total	Capital Total
Tagged Contingency	-	-	-	-	-	(100.000)

Supporting Decommissioning of Oil Fields - Return of Funding

This savings initiative returns an underspend of \$2.000 million from funding to support the decommissioning of oil fields, including decommissioning of the Tui Oil field.

Vote	2023/24	2024/25	2025/26	2026/27	Operating Total	Capital Total
Business, Science and Innovation	(2.000)	-	-	-	(2.000)	-

Conservation

Return of 'Whakapapa Three Waters Compliance and Infrastructure' Tagged Contingency

This savings initiative returns residual funding in the 'Whakapapa Three Waters Compliance and Infrastructure' tagged contingency, as this funding is no longer needed.

Vote	2023/24	2024/25	2025/26	2026/27	Operating Total	Capital Total
Tagged Contingency	-	-	-	(0.252)	(0.252)	-

Corrections

Waikeria Prison Development - Return of Funding

This savings initiative returns funding related to the operational costs of the new Waikeria Corrections and Treatment facility, as this facility is not expected to be operational until 2025.

Vote	2023/24	2024/25	2025/26	2026/27	Operating Total	Capital Total
Corrections	(5.000)	(5.000)	-	-	(10.000)	-

Environment

Reducing Emissions from Waste – Return of Funding

This savings initiative reduces funding for resource-recovery related investment funding, behaviour change programme, and data. This saving can be mitigated by existing funding sources. This initiative was originally funded from the Climate Emergency Response Fund.

Vote	2023/24	2024/25	2025/26	2026/27	Operating Total	Capital Total
Environment	(9.030)	(0.700)	(0.400)	-	(10.130)	-

Finance

COVID-19 Related Loans to Air New Zealand – Return of Funding

This savings initiative returns funding set aside to provide loans to Air New Zealand as part of the national COVID-19 response. Such loans are no longer required due to Air New Zealand obtaining the requisite funding through a capital raise.

Vote	2023/24	2024/25	2025/26	2026/27	Operating Total	Capital Total
Finance	-	-	-	-	-	(150.000)

COVID-19 Related Capital Injections to Airways New Zealand – Return of Funding

This savings initiative returns funding set aside to provide equity injections to Airways New Zealand as part of the national COVID-19 response. Such injections are no longer needed given the bounce-back of air traffic.

Vote	2023/24	2024/25	2025/26	2026/27	Operating Total	Capital Total
Finance	-	-	-	-	-	(5.000)

Infrastructure Project Grants – Return of Funding

This savings initiative returns funding set aside for the East Cape Marine Project and the Oruku Landing Conference Centre Project under the Infrastructure Reference Group Shovel Ready programme.

Vote	2023/24	2024/25	2025/26	2026/27	Operating Total	Capital Total
Finance	(101.000)	-	-	-	(101.000)	-

Forestry

Closure of 'Increasing Woody Biomass Supply to Replace Coal and Other Carbon Intensive Fuels and Materials' Tagged Contingency

This savings initiative returns the remaining funding held in the tagged contingency to complete a second planting phase of short rotation forests. Phase one (planting of 5,000 hectares) will achieve the broader aspect of the programme, delivering insights and research, and increasing supply of woody biomass to create alternative fuel source to replace coal and other fossil fuels. This initiative was originally funded from the Climate Emergency Response Fund.

Vote	2023/24	2024/25	2025/26	2026/27	Operating Total	Capital Total
Tagged Contingency	(0.725)	(3.363)	(4.671)	(4.053)	(12.812)	(30.798)

Reduction in 'Establishing Native Forests at Scale to Develop Long-term Carbon Sinks and Improve Biodiversity' Tagged Contingency

This savings initiative reduces funding held in a tagged contingency established to increase native afforestation. Instead of a dedicated national nursery centre, the programme is achieving its aim with initiatives that support the existing nursery sector to build their capacity and capability to increase supply, lower costs and improve establishment of native afforestation. This initiative was originally funded from the Climate Emergency Response Fund.

Vote	2023/24	2024/25	2025/26	2026/27	Operating Total	Capital Total
Tagged Contingency	(3.000)	(3.000)	(3.000)	(3.000)	(12.000)	(78.850)

Health

Closure of 'COVID-19 Response' Tagged Contingency

This savings initiative returns what remained in the tagged contingency established to fund the COVID-19 health response, and which is no longer needed now that the emergency response has ended.

Vote	2023/24	2024/25	2025/26	2026/27	Operating Total	Capital Total
Tagged Contingency	(58.396)	-	-	-	(58.396)	-

Health Baseline Funding for DHB Sustainability – Return of Funding

This savings initiative returns Budget 2019 funding for the Ministry of Health to introduce measures to improve the financial sustainability and performance of the previous district health boards (DHBs), as well as drive performance accountability. As part of the health reforms, Te Whatu Ora received funding for financial capability in Budget 2021 and 2022, so the DHB funding is no longer required.

Vote	2023/24	2024/25	2025/26	2026/27	Operating Total	Capital Total
Health	(18.077)	(19.221)	(17.912)	(16.028)	(71.238)	-

Reduction in 'Health Data and Digital – Foundations and Innovation' Tagged Contingency

This savings initiative returns part of the funding held in the Budget 2022 'Health Data and Digital – Foundations and Innovation' tagged contingency. Te Whatu Ora is taking a portfolio approach to their data and digital investment and it is expected that remaining contingency funds will be sufficient to deliver the programmes. The transformation of this work has taken longer than anticipated and savings can be afforded at this time due to phasing and reprogramming.

Vote	2023/24	2024/25	2025/26	2026/27	Operating Total	Capital Total
Tagged Contingency	-	-	(28.015)	(28.015)	(56.030)	(50.000)

Reduction in 'Strengthening the Ministry of Health in its Role as Chief Steward of the Health and Disability System' Tagged Contingency

This savings initiative returns part of the contingency funding set aside to ensure the Ministry of Health has the capability and capacity needed for its enhanced stewardship and monitoring role in the new health system, as the Ministry of Health expects to realise outyear savings through this investment.

Vote	2023/24	2024/25	2025/26	2026/27	Operating Total	Capital Total
Tagged Contingency	(2.294)	(5.830)	(8.010)	(8.010)	(24.144)	-

Housing and Urban Development

Affordable Housing Fund – Return of Funding

This savings initiative returns an underspend of \$44.7 million total operating funding for Transitional Housing - planned to be used in the Affordable Housing Fund - Affordable Rental Pathway.

Vote	2023/24	2024/25	2025/26	2026/27	Operating Total	Capital Total
Housing and Urban Development	(44.700)	-	-	-	(44.700)	-

Housing Acceleration Fund – Return of Funding

This savings initiative returns the remaining portion from the Infrastructure Acceleration Fund - one of the components of the Housing Acceleration Fund. The funding was initially required to be held on to by the Ministry of Housing and Urban Development in the event of unexpected cost escalations in the Infrastructure Acceleration Fund portion of the Housing Acceleration Fund. Now that the Fund has all been contracted, councils are responsible for cost escalations meaning this unspent funding can be returned.

Vote	2023/24	2024/25	2025/26	2026/27	Operating Total	Capital Total
Housing and Urban Development	(19.000)	(25.000)	(50.000)	-	(94.000)	-

Kāinga Ora – Homes and Communities - Return of Funding

This savings initiative returns funding granted through Budget 2023 based on historical underspends and forecasted spend.

Vote	2023/24	2024/25	2025/26	2026/27	Operating Total	Capital Total
Housing and Urban Development	(20.000)	-	-	-	(20.000)	-

Sale of Land and Dwellings – Return of Funding

This savings initiative returns technical funding within the Housing Programme Fair Value Impairment Loss and Inventory Disposal MCA - Sale of Land and Dwellings – Costs appropriation. The return of this funding recognises slower land sales than initially anticipated, along with other timing differences across technical appropriations associated with Progressive Home Ownership, the Affordable Housing Fund, and Land for Housing.

Vote	2023/24	2024/25	2025/26	2026/27	Operating Total	Capital Total
Housing and Urban Development	(10.000)	(10.000)	(10.000)	-	(30.000)	-

Internal Affairs

Reduction in 'Transforming Three Waters Service Delivery for New Zealanders: Transition and Implementation' Tagged Contingency

This savings initiative partially returns funding held in the 'Transforming Three Waters Service Delivery for New Zealanders: Transition and Implementation' tagged contingency established in Budget 2021, which provides funding for the establishment of water services entities and the transfer of assets, liabilities, staff, and services from local authorities to new entities. Returning this funding does not impact on the ability to deliver the water services reforms in the short term and will allow the government to allocate it to other priorities ahead of wider funding needs for the refocused programme being addressed at a future budget.

Vote	2023/24	2024/25	2025/26	2026/27	Operating Total	Capital Total
Tagged Contingency	(20.600)	(28.031)	-	-	(48.631)	-

Social Development

Closure of 'Reducing Risk in Critical Systems' Tagged Contingency

This savings initiative closes a tagged contingency established to fund investments that would reduce the risk of failure in critical systems administered by the Ministry of Social Development and Oranga Tamariki. The need for this funding is expected to reduce as the Ministry of Social Development works through its Te Pae Tawhiti transformation programme and any ongoing costs of maintaining critical systems can likely be managed through baseline funding.

Vote	2023/24	2024/25	2025/26	2026/27	Operating Total	Capital Total
Tagged Contingency	(3.050)	(1.334)	(1.334)	(1.334)	(7.052)	(7.624)

Closure of 'Social Sector Recovery Plan' Tagged Contingency

More than \$20 million has been drawn down from the Social Sector Recovery Plan tagged contingency to fund initiatives that ensure greater coordination, provision of and access to social sector supports in regions affected by the North Island extreme weather events. This savings initiative returns the remainder of the contingency. The Government will continue to fund initiatives that support the social sector response through Regional Recovery Plans in conjunction with other initiatives funded through Budget 2023 – such as Community Connectors in affected regions - and ongoing work by the Ministry of Social Development's regional offices.

Vote	2023/24	2024/25	2025/26	2026/27	Operating Total	Capital Total
Tagged Contingency	(9.350)	-	-	-	-	-

COVID-19 Leave Support Scheme – Return of Funding

This savings initiative returns funding from the COVID-19 Leave Support Scheme. This is no longer required as eligibility for the scheme ended when the requirement to self-isolate due to COVID-19 was removed. Employers have until early October to submit applications.

Vote	2023/24	2024/25	2025/26	2026/27	Operating Total	Capital Total
Social Development	(30.000)	-	-	-	(30.000)	-

Improved Employment and Social Outcomes Support MCA - Return of Funding

This savings initiative returns funding from the Improved Employment and Social Outcomes Support MCA. Savings will be achieved through changes to the Ministry of Social Development's employment programmes, for example \$5K to Work, to ensure these programmes are not duplicative, eligibility requirements are further targeted at people in need and the level of support provided is fit for purpose.

Vote	2023/24	2024/25	2025/26	2026/27	Operating Total	Capital Total
Social Development	-	(9.146)	(9.147)	(9.147)	(27.440)	-

Reduction in 'Enabling Good Lives' Tagged Contingency

This savings initiative returns some of the funding held in the Enabling Good Lives (EGL) tagged contingency established in Budget 2022 due to a rephrasing of the roll out which has meant the initial focus is likely to be on building community capability and leadership, and investing in Whaikaha's systems to support system transformation. There is no change to funding in outyears.

Vote	2023/24	2024/25	2025/26	2026/27	Operating Total	Capital Total
Tagged Contingency	(6.900)	(11.800)	(19.900)	(13.600)	(52.200)	-

Reduction in 'Children and Young People's Commission' Tagged Contingency

In Budget 2023 the Government set aside \$32.585 million over five years to establish and operate the Children and Young People's Commission, with funding from 2024/25 and outyears held in a tagged contingency that would be drawn down to the extent it was required. As set-up work progresses, this initiative returns a very small portion of the funding held in the tagged contingency.

Vote	2023/24	2024/25	2025/26	2026/27	Operating Total	Capital Total
Tagged Contingency	-	(0.388)	(0.388)	(0.388)	(1.164)	-

Transport

Transport Choices package (mode-shift planning, infrastructure, services, and activities) - Return of Funding

This savings initiative returns approximately 20 percent of funding in the Transport Choices package by prioritising projects within the package and projects being phased over a longer period. This initiative was originally funded from the Climate Emergency Response Fund.

Vote	2023/24	2024/25	2025/26	2026/27	Operating Total	Capital Total
Transport	(50.000)	-	-	-	(50.000)	-