

**Context**

- DOC has been given a Baseline Reduction Target of \$33.8m, which needs to be in effect from 2024/25.
- In addition, DOC has cost pressures of \$15.824m in 2024/5 and an additional s.9(2)(i) 2025/26.

**Upcoming advice**

- We will be submitting Budget 2024 templates to the Treasury on 16 February.
- We will send you formal advice on 9 February will seek your agreement to our proposed Budget 2024 initiatives.
- Ahead of that advice, we would like to use this document to seek your steer on proposed programme savings.

**Recommendations**

- **agree** in principle to the programme savings options identified as part of the Baseline Reduction Target package in Table 1:
  - \$13.36m p.a. from unallocated Jobs for nature outyear funding (savings option 1), and
  - \$3.089m p.a. from Kermadec Ocean Sanctuary (savings option 2).
- **agree** in principle to the programme savings options identified as part of the cost pressures package in Table 2:
  - s.9(2)(f)(iv)
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- **note** that the s.9(2)(f)(iv) of indicative enabling functions savings and s.9(2)(f)(iv) of indicative external services savings that are being proposed to meet DOC's \$33.8m BRT and cost pressures to 2025/26 (savings options 3, 4, 7, 8 and 9).

- s.9(2)(f)(iv)

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**BUDGET SENSITIVE / STAFF SENSITIVE**

Table 1: Indicative package of savings for \$33.8 million Baseline Reduction Target (BRT) – Total \$33.997 million			
Savings initiative	Description	Service level impact	FTE impact1.
<b>Recommended programme savings – Total \$16.449 million</b>			
1. Jobs for Nature outyears funding \$13.36 million – note that this is distinct from Jobs for Nature Multi-Year Appropriation funding which is committed to funding projects to 2025/26	Jobs for Nature is a \$1.219 billion programme, of which \$485 million has been agreed for DOC to use to help 225 projects across New Zealand. All of this funding is time limited and existing contracts are also time limited. Jobs for Nature produces key outputs such as pest control which are important to biodiversity.	This funding is not currently in our baseline and is therefore not allocated to any projects so the effective impact is nil. Based on existing J4N programme spending, you could expect this level of funding to potentially achieve: rat, possum and mustelid control over 40,000ha and goat and deer control over 50,000ha per annum.	None Future similar projects, or extensions to existing projects, could potentially be funded from the IVL depending on the link to IVL investment objectives and criteria.
2. Kermadec Ocean Sanctuary \$3.089m	Funding for the implementation of the Kermadecs Ocean Sanctuary. The Government has decided not to support this Bill further.	The funding is not required as no Sanctuary is currently under consideration.	None
<b>Indicative enabling functions savings – Total \$16.223 million</b>			
3. \$16.223 million savings from enabling functions	FTE across Biodiversity Heritage and Visitors, Organisation Support, and Operations planning. Efficiencies including swap out of third-party <span style="background-color: black; color: red;">s.9(2)(f)(iv)</span> , IT improvements and contractor reductions.	Reduced service delivery to frontline staff from biodiversity advice team, and across corporate services including finance, Property and Government Services. Some teams will need to stop work or existing projects, some work will have to be absorbed into operations teams.	68FTE
<b>Indicative external services savings – Total \$1.325 million</b>			
4. \$1.325 million savings from external services	Reduction in FTE and contractors across Office of Regulatory Services and Strategic Partnerships.	Reduction in RMA advocacy with some corresponding impact on conservation outcomes regulated by RM system. Unable to deliver Partnerships strategy.	7.5FTE

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Table 2: Indicative package of savings for cost pressures 2024/25 – Total \$21.149 million +

Savings initiative	Description	Service level impact	FTE impact
<b>Recommended programme savings – Total \$5 million +</b>			
s.9(2)(f)(iv)			
6. Cost recovery increases (tbd – we will provide further advice on 9 February)	Cross functional work is being undertaken to understand levers to increase cost recovery for concessions and recreation users for 24/25. Longer term options to be considered as part of policy work on Financial Sustainability.	Some reprioritisation of work will be required on priority projects in regulatory services and BHV to deliver fast cost recovery options. Likely negative public perception due to increased costs.	None
<b>Indicative enabling functions savings – Total \$8.521 million</b>			
7. \$8.521 million savings from enabling functions	Further FTE and opex reductions across BHV, Organisation Support, Treaty Relationships and s.9(2)(f)(iv) [redacted]	Reduction in biodiversity training, finance, IT and planning support across the department s.9(2)(f)(iv) [redacted]	s.9(2)(f) [redacted]
<b>Indicative external services savings – Total \$7.628 million</b>			
8. \$7.628 million savings from external services	FTE reductions in Office of Regulatory Services and Communications and Engagement. Reduction in public service levels across Visitor Centers and recreation assets. s.9(2)(f)(iv) [redacted]	50% reduction in RMA advocacy across the department – with some corresponding impact on conservation outcomes regulated by RM system (DOC has high impact on plans and consents at present in terms of influencing proposals, approvals and conditions that protect species). Reduction in statutory land management and s.9(2)(f)(iv) [redacted]	s.9(2)(f) [redacted]

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Table 3: Indicative package of savings for additional cost pressures 2025/26 s.9(2)(f)(iv)

Savings initiative	Description	Service level impact	FTE impact
s.9(2)(f)(iv)			

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s.9(2)(f)(iv)

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