

Out of scope

From: Ella Bambrough-Copeland <Ella.Bambrough-Copeland@mfe.govt.nz>
Sent: Friday, December 22, 2023 2:06 PM
To: Jo Hendy
Subject: FW: Fiscal objectives across the term and budget 2024

Apologies Jo, your email was incorrect with a typo the first time around – take 2!

From: Ella Bambrough-Copeland
Sent: Friday, December 22, 2023 1:59 PM
To: 'roderick.carr@climatecommission.govt.nz' <roderick.carr@climatecommission.govt.nz>
Cc: 'jo.hendy@climatecommisison.govt.nz' <jo.hendy@climatecommisison.govt.nz>
Subject: Fiscal objectives across the term and budget 2024

Kia ora Roderick

Please see attached letter from James Palmer.

Ngā mihi

Ella Bambrough-Copeland
EA to James Palmer, Secretary for the Environment
Ministry for the Environment – Manatū Mō Te Taiao
Tel: 9(2)(a) Email: Ella.Bambrough-Copeland@mfe.govt.nz Website: www.mfe.govt.nz
8 Willis Street, Wellington Central, 6011



Ministry for the
Environment
Manatū Mō Te Taiao



**A flourishing environment
for every generation.**
He taiao tōnui mō ngā
reanga katoa.



22 December 2023

Dr Rod Carr
Board Chair
Climate Change Commission
By email: roderick.carr@climatecommission.govt.nz

Tēnā koe Rod

FISCAL OBJECTIVES ACROSS THE TERM AND BUDGET 2024

The Crown has been in operating deficit since 2019/20 and there is an ongoing challenging fiscal environment. High inflation and interest rates are creating significant cost of living pressures for New Zealanders and putting pressure on Government finances. Our economy relies on a fiscal strategy that sees a steady path to return to surplus, supporting monetary policy to bring inflation down. Strict fiscal management will be necessary to get the government books back in order and ensure limited funds are directed towards the highest value investments. The Government expects all public sector organisations to play their part in this, including Crown entities.

As part the Government's immediate actions, it will be making decisions to reduce public expenditure, including consultant and contractor expenditure. Meeting the Government's fiscal objectives while also delivering better public services requires looking at all public expenditure, not just that of departments. A target level of savings for Budget 2024 has been established for all agencies. For Vote Environment, this is 7.5% and your entity will need to identify options for contributing to this level of savings. We will be required to quickly identify the full quantum of these savings early next year.

Government agencies and other public organisations should expect enhanced scrutiny of Crown funding. Crown entities are expected to operate efficiently, effectively and in a financially responsible manner, ensuring that they act as a successful going concern. You should be able to demonstrate that activities funded from Crown revenue are:

- as efficient as possible
- making a difference for New Zealanders.

I would be grateful if your management team could work proactively with MfE's Finance and Crown entity performance teams to:

- identify material savings and efficiency improvements for your entity, including trade-offs and impacts on your ability to carry out core statutory functions
- identify how cost pressures can be managed within existing funding envelopes
- provide information so that the Government can be assured that expectations are being met while continuing to deliver for New Zealand.

MfE officials will be in touch with your management team in the week of 8 January 2024 to discuss next steps.

For the duration of this term, it is expected that there will be a greater focus on reprioritisation and managing cost drivers, while delivering improved performance. This applies to both departmental and non-departmental appropriations.

Ngā mihi



James Palmer
Secretary for the Environment
Ministry for the Environment | Manatū Mō Te Taiao

cc Jo Hendy, Chief Executive, Climate Change Commission,
jo.hendy@climatecommisison.govt.nz

Document 2

Out of scope



From: Tiffany Vail <Tiffany.Vail@mfe.govt.nz>
Sent: Tuesday, January 9, 2024 3:41 PM
To: Astrid Nunns <Astrid.Nunns@climatecommission.govt.nz>; Shell, Dylan <dshell@kpmg.co.nz>
Cc: Ngaire Best <Ngaire.Best@mfe.govt.nz>; Damian Ryan <Damian.Ryan@climatecommission.govt.nz>
Subject: [IN-CONFIDENCE]Budget 2024 and Initial Baseline Savings Exercise

Kia ora Astrid and Dylan

Firstly, wishing you a happy New Year. I hope you both had a good break.

As you likely know, Budget 2024 guidance was issued late last year following the mini-Budget on 20 December (copy and FAQs attached).

Due to the challenging fiscal environment, Budget 2024 will be a targeted invitation only process to bid for cost pressures and new spending. The Commission has not been invited to bid at this stage. Agencies not invited to bid for cost pressures will be expected to fund pressures through reprioritisation or stopping or scaling programmes.

An Initial Baseline Exercise forms the basis of the Budget 2024 process. Given the focus on fiscal sustainability, the exercise requires agencies, including Crown entities, to set out operating savings options and associated risks, implications and trade-offs. Capital funding is out of scope unless you are specifically selected to support a separate Capital Pipeline review.

I understand our Chief Executive, James Palmer, spoke to your Chief Executive about this exercise on 22 December and a letter was then sent to your Board Chair (copy attached).

The baseline reduction target for Vote Environment is 7.5% and the Commission needs to identify options to contribute to this level of savings. We suggest you use your operating funding for 2023/24, as outlined in the Vote Environment Estimates, as a baseline for identifying savings options to meet the 7.5% target. The final savings quantum from each agency will be confirmed through the decision-making phase of the Budget 2024 process.

Can you and your teams please complete the attached *Budget 2024 Initial Baseline Exercise Summary Template* as well as a *Budget 2024 Savings Template* for each savings initiative and return them to me by **COB Wednesday 17 January**. I appreciate that this is quite a lot of work with a short turnaround, please let me know if the deadline will cause any issues.

The Budget 2024 guidance refers to the Assurance Panel process that has been established. Please note that no information is required from you to inform the first Assurance Panel meeting.

We acknowledge that that the timelines and savings focus for this Budget will place pressure on your entity. Thank you in advance for your support as we work through the Budget 2024 process and implications of the wider Fiscal Sustainability Programme.

If you have any questions, concerns or need any further information, please get in touch. We'd be happy to meet to discuss this with you.

Ngā mihi

Tiffany Vail

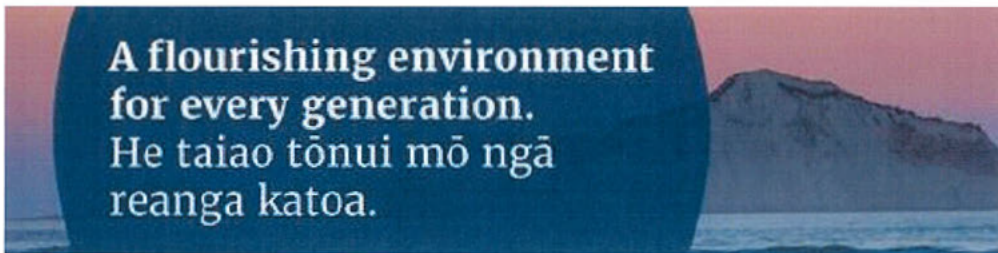
Senior Advisor

Crown Entity Performance

Phone: 9(2)(a)



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Document 4

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From: Erina Jamieson <Erina.Jamieson@publicservice.govt.nz> **On Behalf Of** Paula Davis

Sent: Friday, December 8, 2023 4:40 PM

To:

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Subject: Heads of HR (Wider) - notes from 7 December

Kia ora koutou

Please find attached the minutes from yesterday's Heads of HR hui (the last for 2023), as well as an attachment for the Public Service Core Learning Hub.

Ngā mihi o te wā o Hine Raumati,

Paula Davis ([ia/she/her](#))

Director HR Capability and Head of Profession

Te Ohu Mahi | Workforce Group

waea pūkoro: [9\(2\)\(a\)](#) | **īmēra:** paula.davis@publicservice.govt.nz

Te Kawa Mataaho Public Service Commission

www.publicservice.govt.nz | www.govt.nz



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Confidentiality notice: This email may be confidential or legally privileged. If you have received it by mistake, please tell the sender immediately by reply, remove this email and the reply from your system, and don't act on it in any other way. Ngā mihi.



Wider Public Service Heads of HR

Thursday 7 December 2023

Actions and Key Points

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3. Employment Relations update

In the last couple of months we've spoken about fiscal sustainability, particularly engaging with your people and their representatives on ways for meeting the expected fiscal challenges. As we see changes being implemented across the sector, it's timely to highlight the issue of re-employing someone that had recently received a redundancy payment.

A high-level overview of restrictions on redundancy payments - [Section 88 of the Public Service Act](#) notes the restrictions:

1. *A public service employee who has received a notice of termination by reason of redundancy is not entitled to a redundancy payment if, before the employee's employment has ended, the employee—*
 - a) *is offered and accepts another position as an employee in the State services (either in the employee's current department or interdepartmental venture or elsewhere in the State services) that—*
 - i) *begins before, on, or immediately after the date on which the employee's current position ends; and*
 - ii) *is on terms and conditions of employment (including redundancy and superannuation conditions) that are no less favourable; and*
 - iii) *is on terms that treat service within the State services as if it were continuous service; or*
 - b) *is offered an alternative position as an employee in the State services (either in the employee's current department or interdepartmental venture or elsewhere in the State services) that—*
 - i) *begins before, on, or immediately after the date on which the employee's current position ends; and*
 - ii) *is a position with comparable duties and responsibilities to those of the employee's current position; and*
 - iii) *is in substantially the same general locality or a locality within reasonable commuting distance; and*
 - iv) *is on terms and conditions of employment (including redundancy and superannuation conditions) that are no less favourable; and*
 - v) *is on terms that treat service within the State services as if it were continuous service.*

There are some simple actions that can be taken:

- **The current employer** – during the change management process, educate staff about the provisions in the Act. If an employee is at risk of redundancy, they can be advised that if they receive an offer from another employer from the State services prior to their last day, they must advise the HR team. HR staff can meet with the employee and discuss the offer in relation to the Act.
- **The prospective employer** – during recruitment, likely at preferred candidate stage, can ask any applicant who is currently employed in the public sector, if they have received notice of redundancy, or left employment with a redundancy payment. During reference checks, they should also ask if under notice of redundancy.
- **The employee** - be transparent about job offers, the timing and conditions of employment offers.

We have seen that the Public Service Association (PSA) has produced material for their members that refers to these restrictions, so it likely that your staff are already aware of this legislation. As always, where agencies have concerns about any particular issues they are facing, they may wish to seek their own legal advice.

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