



Proactive Release

The following documents have been proactively released by the Department of the Prime Minister and Cabinet (DPMC), on behalf of the Deputy Prime Minister, Hon Grant Robertson:

Progress report on Implementation Unit Assignments

The following documents have been included in this release:

Title of paper: Progress report on Implementation Unit Assignments
(CAB-21-SUB-0519 refers)

- Implementation Unit Work programme update
- Progress Update on Actions from the Mid-Term Review of the Budget 2019 Mental Health and Addiction Package
- New Zealand Upgrade Programme Transport Assessment
- Report: Emergency and Transitional Housing
- Jobs for Nature Stocktake of Progress
- Infrastructure Reference Group Programme Status Update

Title of minute: Progress report on Implementation Unit Assignments (CPC-21-MIN-0034 refers)

Title of minute: Report of the Cabinet Priorities Committee: Period Ended 10 December 2021
(CAB-21-MIN-0519 refers)

Title of paper: Stocktake of Progress Report – Carbon Neutral Government Programme
(CAB-22-SUB-0006 refers)

- Carbon Neutral Government Programme Stocktake of Progress

Title of minute: Stocktake of Progress Report – Carbon Neutral Government Programme
(CBC-22-MIN-0006 refers)

Title of minute: Report of the Cabinet Business Committee: Period Ended 25 February 2022
(CAB-22-MIN-0045 refers)

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act). Where this is the case, the relevant section of the Act that would apply has been identified. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.



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- 9(2)(g)(i) to maintain the effective conduct of public affairs through the free and frank expression of opinion;
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- 9(2)(j) to enable negotiations to be carried on without prejudice or disadvantage.

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In Confidence

Office of the Minister Hon Grant Robertson

Deputy Prime Minister

Chair, Cabinet Business Committee

Stocktake of Progress Report – Carbon Neutral Government Programme

Proposal

- 1 This paper is an update on the Stocktake of Progress Report (the Report) on the Carbon Neutral Government Programme (CNGP), which is the last of the six reports from the Implementation Unit (the Unit) in 2021. The Report was delivered to me on 10 December 2021. It includes recommendations to me by the Unit, which I discussed with CNGP Ministers on 10 February 2022.

Relation to government priorities

- 2 The Unit's operations are critical to enabling the successful delivery of Government priorities, particularly *accelerating economic recovery and laying foundations for the future*.

Background

- 3 The Unit has now completed the six initial priority assignments agreed by Cabinet in August 2021 [CBC-21-MIN-0071]. Completed briefs are: a stocktake of progress against the Unit's Mid-Term Review of the Budget 2021 Mental Health and Addiction Package; a stocktake of progress on the Jobs for Nature programme; a status update on the Infrastructure Reference Group programme; an assessment of agencies working arrangements for the transport component of the New Zealand Upgrade Programme; an assessment of agencies working arrangements for emergency and transitional housing; and the stocktake of progress against the CNGP.
- 4 The Unit has identified further areas for follow-on work. These are across the Mental Health and Addiction package, Infrastructure Reference Group, New Zealand Upgrade, and Housing programmes, and the CNGP. Where directed, the Unit will report back to me on these programmes over the course of 2022-23.
- 5 There are system-wide learnings from this work that can be applied to future programmes, including ensuring that agencies undertake deliberate discussions about the degree of coordination required when commencing a complex, multi-agency programme of work.
- 6 On 7 December 2021, the Cabinet Priorities Committee:
 - 6.1 **noted** that the Implementation Unit had delivered five briefings on a diverse set of programmes, attached to the submission under CPC-21-SUB-0034

- 6.2 **noted** that the Deputy Prime Minister will provide the Cabinet Priorities Committee with a quarterly report on the work undertaken by the Implementation Unit
- 6.3 **noted** that the Deputy Prime Minister will bring a proposed work programme for 2022 for the Implementation Unit to CPC and Cabinet in February 2022 [CBC-21-MIN-0034].
- 7 I have had initial advice regarding the Unit's 2022 work programme; I will bring a paper on the Unit's work programme to CPC in early March 2022.

Stocktake of Progress – Carbon Neutral Government Programme

- 8 The CNGP is designed to make state sector organisations carbon neutral from 2025 and help them accelerate emissions reductions [CAB-20-MIN-0491]. The aim of the programme is also for the Government to show leadership in reducing its own emissions to demonstrate what is possible to other sectors of the economy.
- 9 The focus of the Unit's assignment was to provide a stocktake to identify the status of delivery across government agencies and identify priority projects where additional support or visibility may be useful, and ensure the right governance is in place to provide any required support towards ensuring the programme delivers its anticipated impacts and outcomes.
- 10 The Unit reported its findings to me on 10 December 2022. A copy of the Briefing is in Appendix A.
- 11 The Unit found that MfE, MBIE and EECA made good progress to establish the Programme in its first year. Delivery of policy and planning initiatives in the first year included:
- 11.1 Establishment of governance and programme management structures including a Secretariat within MfE working alongside MBIE and EECA.
 - 11.2 Advice on Programme-wide policy, including transitioning the government fleet, energy efficiency ratings for government offices, reducing emissions from new construction, and the scope of emissions reporting.
 - 11.3 Guidance to CNGP organisations on Programme requirements, with tranche one organisations expected to start measuring emissions from July 2021.
- 12 Policy development by MfE and MBIE has proceeded mostly on schedule, with delays in some more complex policy areas such as offsetting.
- 13 CNGP organisations are largely positive about the support and guidance they receive from MfE and MBIE, but some organisations, often with more complex emissions profiles, indicated that Programme-wide guidance has not always met their needs.
- 14 The Unit's advice is that MBIE and MfE should undertake targeted engagement to ensure that these organisations understand how they can meet Programme requirements. As the first Programme deadline approaches, interim progress reporting needs to be strengthened to provide a more detailed view of organisations' progress so

that interventions can be made ahead of time for organisations who are at risk of not meeting the deadline.

- 15 The CNGP is supported by the State Sector Decarbonisation Fund (SSDF) managed by MBIE and EECA. It is a tagged contingency targeted at low emissions heating, vehicles, lighting and other projects. \$219.5m of capital has been allocated to the SSDF to provide co-funding to organisations to invest in specific emission reduction projects. EECA administers the fund effectively and organisations report positive experiences with EECA's support.
- 16 The end to end process for the SSDF can take up to 20 weeks from application to a project being contracted, with the approval process taking up to three months in some cases. This means that organisations seeking to urgently replace equipment with low-emission alternatives are unable to access SSDF funding quickly. The Treasury, MBIE and EECA should provide Ministers with options for streamlining approvals and for creating an urgent approval mechanism.
- 17 As CNGP organisations begin to implement their organisational emissions reduction plans in 2023, programme management agencies have agreed that governance and programme management arrangements should evolve. The role of the Secretariat should evolve to support delivery of the Programme and validate organisations' progress towards meeting Programme requirements and implementing their ERPs. Changes should be in place by December 2022.
- 18 There is a report back on the Programme's governance arrangements due to CNGP Ministers in March 2022. I have discussed with CNGP Ministers the Unit's recommendation that this report back should be expanded to also include options for programme management arrangements and be delivered in May 2022. CNGP Ministers agreed to extend the scope of the report back on governance and to extend the timeframe to the end of May 2022.
- 19 I discussed the Unit's full suite of recommendations in the Report with CNGP Ministers on 10 February 2022. This included whether the Unit should be directed to support MfE, MBIE and EECA as a 'critical friend' as they consider changes to governance and programme management arrangements and assist to strengthen Programme level reporting. CNGP Ministers have agreed with this approach.

Financial Implications

- 20 There are no financial implications arising from this paper.

Legislative Implications

- 21 There are no legislative implications arising from this paper.

Impact Analysis

- 22 An Impact Statement is not necessary for this paper.

Human Rights

- 23 There are no Human Rights implications arising from this paper.

Gender Implications

24 There are no gender implications arising from this paper.

Disability Perspective

25 There are no matters arising from this paper that require a disability perspective paper.

Gender Implications

26 There are no gender implications arising from this paper.

Publicity

27 No publicity is planned as a result of this paper.

Consultation

28 The IU Report on the CNGP drew on discussions with the following agencies: MfE, MBIE, EECA, the Department of Corrections, the Treasury, the Department of Conservation, Kāinga Ora, the Ministry of Education, the Ministry of Health, the Health Transition Unit, Waikato and Taranaki District Health Boards, Waka Kotahi, the NZ Police, the Ministry of Primary Industries, the New Zealand Defence Force, the Tertiary Education Commission, and the Ministry of Defence.

29 MfE, MBIE, EECA and the Treasury were also consulted on this paper.

30 MfE have noted that the DPMC stocktake excludes resourcing considerations for the additional work required for the additional work required from the recommendations. MfE note that Cabinet agreed that MfE would focus on policy development and “limited coordination” support for CNGP organisations as a result of Budget 2021 decisions [CAB-21-MIN-0225.01 refers]. MfE recommends considering resourcing, additional work programme commitments and further support requested by CNGP organisations as part of the expanded governance review. MfE recommends the expanded governance review timeframe be extended to August 2022 to allow for appropriate cross-agency consultation and work programme review and prioritisation.

Proactive Release

31 I intend to proactively release this paper and its associated minute within the 30 business days from the decision being made by Cabinet.

Recommendations

32 I recommend that the Committee:

1 **note** that the Unit delivered its final Report to me on 10 December 2021 regarding the CNGP.

2 **note** that CNGP Ministers agreed to the recommendations in the Unit’s Report when I met with them on 10 February 2022.

- 3 **Note** that progress against the follow up work agreed to by CNGP Ministers on 10 February will be included in the quarterly reports I provide to CPC on the work undertaken by the Unit.

Authorised for lodgement

Hon Grant Robertson

Deputy Prime Minister

Proactively Released



Cabinet Business Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Stocktake of Progress Report: Carbon Neutral Government Programme

Portfolio Deputy Prime Minister

On 21 February 2022, the Cabinet Business Committee:

- 1 **noted** that the Implementation Unit (the Unit) delivered its final Report to the Deputy Prime Minister on 10 December 2021 regarding the Carbon Neutral Government Programme (CNGP);
- 2 **noted** that CNGP Ministers agreed to the recommendations in the Unit's Report when the Deputy Prime Minister met with them on 10 February 2022;
- 3 **noted** that progress against the follow up work agreed to by CNGP Ministers in February will be included in the quarterly reports that the Deputy Prime Minister provides to the Cabinet Priorities Committee on the work undertaken by the Unit.

Jenny Vickers
Committee Secretary

Present:

Rt Hon Jacinda Ardern (Chair)
Hon Grant Robertson
Hon Kelvin Davis
Hon Dr Megan Woods
Hon Chris Hipkins
Hon Carmel Sepuloni
Hon Andrew Little
Hon David Parker
Hon Nanaia Mahuta
Hon Poto Williams
Hon Damien O'Connor
Hon Stuart Nash
Hon Kris Faafoi
Hon Michael Wood
Hon Dr David Clark

Officials present from:

Office of the Prime Minister
Department of the Prime Minister and Cabinet



Cabinet

Minute of Decision

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Report of the Cabinet Business Committee: Period Ended 25 February 2022

On 28 February 2022, Cabinet made the following decisions on the work of the Cabinet Business Committee for the period ended 25 February 2022:

CBC-22-MIN-0006 **Stocktake of Progress Report: Carbon Neutral Government Programme** CONFIRMED
Portfolio: Deputy Prime Minister

[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	CONFIRMED

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Michael Webster
Secretary of the Cabinet

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