



Proactive Release

The following documents have been proactively released by the Department of the Prime Minister and Cabinet (DPMC), on behalf of the Prime Minister, Rt Hon Jacinda Ardern:

The Government's Priorities

The following documents have been included in this release:

Title of paper: The Government's Priorities (CAB-20-SUB-0525 refers)

Title of minute: The Government's Priorities (CAB-20-MIN-0525 refers)

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Office of the Prime Minister

Chair, Cabinet

THE GOVERNMENT'S PRIORITIES

Proposal

- 1 The paper proposes Cabinet confirms the overarching priorities for this term to help progress a cohesive Government work programme; assist Ministers and departments prioritising their portfolio initiatives and resourcing; and communicate the Government's agenda.

Government Priorities

- 2 The task of the Government is clear: safely guide New Zealand through the pandemic and build a better future through New Zealand's recovery. This task can be broken down into three key objectives for the Government: continue to keep New Zealanders safe from COVID; accelerate our economic recovery; and lay the foundations for the future. These are set out in more detail below.
- 3 Key to achieving these objectives will be our commitment to honour Te Tiriti o Waitangi. We will strengthen the Māori-Crown relationship, and work in true partnership with Māori as we deliver on these priorities.
- 4 COVID-19 has reinforced the importance of our work to date to reshape the economy to be more productive, more sustainable, and more equitable. It has highlighted why we must continue to focus on wellbeing as our indicator for success, and tackle the long-term challenges that hold back our economy and affect our communities.
- 5 COVID-19 has made clear just how interconnected health, economic, and social issues are in our society. The Government's response to COVID has recognised this. It represents a good example of the Government's wellbeing approach in action. But the pandemic has also revealed how important it is to deal with long-term issues and plan and prepare for the future. Many of the issues this Government is dealing with are the result of past neglect, or from an inability to look past the distractions of the day.
- 6 Getting traction on the Government's priorities requires a clear and unwavering focus on priorities, and a resolute drive for the delivery and implementation of our programmes as planned.
- 7 My office and my department will be monitoring progress on our priorities and work programme. I have asked the Deputy Prime Minister to focus on the delivery of our programme. Together with the Cabinet Priorities Committee (CPC), the Deputy Prime Minister will play an active role in ensuring our programmes are being implemented in a timely fashion, and are achieving the outcomes they are designed to create.
- 8 One of the strengths of the Government's response to both the health and economic challenge has been the ability to evolve and incorporate emerging insight and adapt to changing circumstances. Regular monitoring will support this by checking to see if programmes still represent value for money and still contribute to achieving the priorities. Where programmes are no longer required, resources will be redirected to our other priorities. The global health and economic context remain fluid. Already the outlook for the next 6-12 months is different to what we had expected and had been forecast. We will remain nimble, to change as circumstances change.

Objective 1: Keep New Zealanders Safe from COVID-19

- 9 Keeping New Zealanders safe from COVID-19 means constantly improving our lines of defence.
- 10 From the border through to public health measures and the pursuit of an effective vaccine, we are looking for ways to strengthen our defences. One of the hallmarks of COVID-19 has been the constantly evolving nature of the pandemic. We must continue to adapt to meet the challenge, while striving to keep the economy moving. We remain committed to a strategy of elimination and constant innovation to achieve that.
- 11 According to some studies, New Zealand has had the lowest COVID-19 death rate in the OECD.¹ But we know we cannot be complacent. That is why the Government will continue to strengthen border protections. We have expanded the surveillance testing programme to provide extra protection against pathways for infection. This term we will look for opportunities to take advantage of developments in technology to expand the reach of our early warning system.
- 12 The Government will continue to enhance the next layer of defence, our contact tracing and testing systems, to ensure in the event of cases entering the community it can quickly circle the virus and stamp it out. This will involve investment in ongoing technical enhancements to the COVID Tracer App and looking for ways to increase the use of technology. And the Government will continue working to deliver effective and free vaccines to New Zealanders as soon as they are available and safe to administer.

Objective 2: Accelerating the Recovery

- 13 Accelerating the recovery means continuing to invest in people, jobs, small businesses, infrastructure, and global trade, to set New Zealand up for a strong recovery. We must retain a relentless focus on the economic recovery. Our priorities recognise that a strong health response creates the opportunity for a strong economic recovery.
- 14 We have set out a five-point economic plan focused on:
 - I. The delivery of \$42 billion of infrastructure investment to future proof the economy
 - II. Job retention and creation, and training opportunities to support workers and businesses
 - III. Supporting small business to grow and thrive
 - IV. Delivering an export-led recovery, and
 - V. Preparing for the future by making the most of our competitive advantage in renewable energy and waste reduction, for example.
- 15 Delivery of our plan is already underway. We have extended the Small Business Cashflow Loan Scheme and the Debt Hibernation Scheme. We have recently signed the Regional Comprehensive Economic Partnership (RCEP), which will facilitate New Zealand's economic recovery from COVID-19 by strengthening trade links in the Asia-Pacific region and keeping the flow of goods and services moving. We are moving quickly to investigate how we can store renewable energy for those dry hydrological years, and achieve our goal of 100% renewable electricity.

¹ <https://blogs.otago.ac.nz/pubhealthexpert/2020/07/22/nzs-team-of-5-million-has-achieved-the-lowest-covid-19-death-rate-in-the-oecd-but-there-are-still-gaps-in-our-pandemic-response/> (accessed 27 November 2020)

Objective 3: Laying the Foundations for the Future

- 16 Laying the foundations for the future means reshaping the economy to be more productive, more sustainable, and more equitable. The Government has marked out the need and importance of taking a broader view of success. Wellbeing will continue to guide our policy development.
- 17 The sacrifices New Zealand has made in responding to COVID would be a lost opportunity if we were to simply return to the way we were before the virus. We have marked out the need to take a broader, long term view of success in New Zealand. The Government remains committed to addressing some of the country's long-standing difficult issues this term, with a particular focus child poverty, climate change and housing. We will advance wellbeing this term, continuing to look beyond GDP as our measure of success.
- 18 The Government has a resolute focus on reducing inequality and addressing child poverty. We have already made good progress, but we know there remains much to do. The Government will continue the overhaul of the welfare system, building on the changes already made, including the indexing of benefits to increases in the average wage. Our plan includes extending the Free and Healthy Lunch programme and adding more mobile dental clinics to improve access for children and young people to free oral health care.
- 19 We are taking further actions on climate change. We have established the Government Investment in Decarbonising Industry (GIDI) Fund. This \$70 million fund will allow business and industries to access financial support to switch away from boilers run on coal and gas, to cleaner electricity and biomass options. It's already seeking applications, with the first tranche of announcements due in January 2021.
- 20 We know Government needs to show leadership by reducing emissions in its own activities, in order to demonstrate what is possible to other sectors in the New Zealand economy. Cabinet has recently set out how the Public Service can play its part through the Carbon Neutral Government Programme. We anticipate a significant agenda will be required on climate in this term of office to meet our obligations to reduce our emissions in line with the Zero Carbon Act.
- 21 Housing affordability remains a problem. We have already stated that we will review policy settings to improve access to the market for first home buyers. As part of our plan, the Government will continue to focus on homelessness and implementing the Homelessness Action Plan, and we will monitor compliance with the Healthy Homes Standards. We have already made changes to tenancy law to limit rent increases tenants might to once every 12 months. Further changes to protect tenants and landlords will come into effect next year.

Giving effect to the Priorities

- 22 Our approach will be underpinned by careful and responsible fiscal management. To ensure that our Government delivers on the commitments it has made, work on the Government's priorities will come first if there are resource constraints to be managed. Cabinet recently agreed that the focus for Budget 2021 will be on the Government's priorities and wellbeing objectives. As a result, I expect that Ministers and their agencies will direct resourcing, policy development and operational focus, to achieving these priority objectives.
- 23 Cabinet also agreed that Ministers need to focus on all the levers available and not just the new spending allocated in the annual Budget. In part, this will require Ministers to look for reprioritisation opportunities and remain focused on meeting our priorities.

- 24 I expect Ministers will discuss with the Minister of Finance the application, retention or return of any savings that are identified as a result of discontinuing elements of previous governments' agendas within their portfolio, or from identifying better and more efficient ways of delivery.
- 25 The Minister of Finance has written to Ministers setting out how the Budget 2021 process will meet these priorities, and the expectations on Ministers.
- 26 I will also be writing to Ministers setting out my expectations, reinforcing the focus areas and highlighting specific portfolio areas to progress.
- 27 Specific policies to give effect to the priorities are contained in the Speech from the Throne; the Labour 2020 Manifesto and are reflected in the Cooperation Agreement between the New Zealand Labour Party and the Green Party of Aotearoa New Zealand. Ministers should be planning to advance these policies over the term of the Government and working with my office on planning and sequencing. A Cabinet Office Circular (CO (20) 8: Labour Government, with Support from the Green Party: Consultation and Operating Arrangements) sets out practical guidance for Ministers and departments on implementing the cooperation agreement between the Labour Party and the Green Party. This includes Budget arrangements and consultation processes.
- 28 We want to ensure we remain focused on implementing the pledges we've made and delivering the programmes we've funded. All New Zealanders rightly expect us to fulfil our commitments. It is my expectation that all Ministers will do their part – individually and collectively – in delivering on our promises to our communities.

Other challenges will arise. We will address these when they occur

- 29 Global economic conditions will be volatile this term. This will require us to look for new opportunities to grow the economy and create jobs. The Government may also be required to respond to unforeseen events, such as local natural disasters. As a result, we will need to adapt our agenda when appropriate.

Financial Implications

- 30 There are no direct financial implications from these proposals.

Consultation

- 31 The Prime Minister confirms that all Ministers and the Green Party have been consulted on the proposals in this paper.

Human Rights

- 32 There are no implications for the New Zealand Bill of Rights Act 1990 or the Human Rights Act 1993.

Legislative Implications

- 33 There are no legislative implications.

Regulatory impact analysis

- 34 A regulatory impact statement (RIS) has not been provided, as this paper deals with the internal administrative and governance arrangements of the government, and has no or only minor impacts on parties outside government.

Gender implications

- 35 A gender analysis has not been undertaken as the proposals in this paper do not seek to distinguish between genders.

Disability perspective

36 The proposals in this paper do not have any negative implications for people with disabilities.

Publicity

37 I propose to proactively release this paper. I also propose that the Minister for the Public Service ensures that all Public Service chief executives are aware of the contents of this paper and of Cabinet's decisions.

Recommendations

The Prime Minister recommends that the Cabinet:

1. **note** the Government has three key objectives: continue to keep New Zealanders safe from COVID; accelerate our economic recovery; and lay the foundations for the future
2. **confirm** that initiatives and investments that directly contribute to these objectives, and to the underlying five-point economic plan outlined in paragraph 14 of this paper, will be the priorities in each portfolio
3. **agree** that resource allocation, including through reprioritisation of current funding, will be directed to initiatives and investments that directly contribute to these objectives, in line with the expectations set out by the Minister of Finance in his letters to Ministers
4. **note** that the Deputy Prime Minister, together with the Cabinet Priorities Committee (CPC), will monitor the progress of the Government's work programme, ensuring our programmes are being implemented in a timely fashion, and are achieving the outcomes they are designed to create
5. **agree** that the Minister for the Public Service ensures that all Public Service chief executives are aware of the contents of this paper and of Cabinet's decisions, through a process of the Minister's choosing
6. **note** that other priorities may be added to the Government's programme as circumstances dictate.

Authorised for lodgement.

Rt Hon Jacinda Ardern
Prime Minister
Date:



Cabinet

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.

The Government's Priorities

Portfolio **Prime Minister**

On 14 December 2020, Cabinet:

- 1 **noted** that the government has three key objectives: continue to keep New Zealanders safe from COVID, accelerate our economic recovery, and lay the foundations for the future;
- 2 **confirmed** that initiatives and investments that directly contribute to the three key objectives, and to the underlying five-point economic plan outlined in paragraph 14 of the paper under CAB-20-SUB-0525, will be the priorities in each portfolio;
- 3 **agreed** that resource allocation, including through reprioritisation of current funding, will be directed to initiatives and investments that directly contribute to the three key objectives, in line with the expectations set out by the Minister of Finance in his letters to Ministers;
- 4 **noted** that the Deputy Prime Minister, together with the Cabinet Priorities Committee, will monitor the progress of the government's work programme, ensuring our programmes are being implemented in a timely fashion, and are achieving the outcomes they are designed to create;
- 5 **invited** the Minister for the Public Service to ensure that all Public Service chief executives are aware of the contents of the paper under CAB-20-SUB-0525 and of Cabinet's decisions, through a process of the Minister's choosing;
- 6 **noted** that other priorities may be added to the government's programme as circumstances dictate.

Michael Webster
Secretary of the Cabinet