



## COVERSHEET

<b>Minister</b>	Hon Stuart Nash	<b>Portfolio</b>	Economic and Regional Development
<b>Title of Cabinet paper</b>	Leading the way: Establishing a Carbon Neutral Government Programme	<b>Date to be published</b>	5 March 2021

### List of documents that have been proactively released

<b>Date</b>	<b>Title</b>	<b>Author</b>
30 November 2020	Leading the way: Establishing a Carbon Neutral Government Programme (including Appendices)	Offices of the Minister of Climate Change and the Minister for Economic and Regional Development
30 November 2020	CAB-20-MIN-0491	Cabinet Office
6 November 2020	Advice on a carbon neutral public service	MfE and MBIE

### Information redacted

**YES**

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Some information has been withheld for the following reasons:

- Confidential advice to Government
- Commercial information
- Free and frank opinions
- Negotiations
- Privacy of natural persons



# Cabinet

## Minute of Decision

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*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.*

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### Leading the Way: Establishing a Carbon Neutral Government Programme

**Portfolios**                      **Economic and Regional Development / Climate Change**

On 30 November 2020, following reference from the Cabinet Business Committee, Cabinet:

#### Carbon Neutral Government Programme

- 1        **noted** that the government needs to show leadership to reduce its own emissions in order to demonstrate what is possible to other sectors in the New Zealand economy;
- 2        **agreed** to establish the Carbon Neutral Government Programme (CNGP) that aims to make the government carbon neutral by 2025;
- 3        **noted** that there will be costs associated with broadening out this programme, including operating costs, which will be reported back to Cabinet in March 2021 by the Minister for Economic and Regional Development and/or the Minister of Climate Change;

#### Measure, report and verify

- 4        **agreed** to the proposed approach to staging CNGP reporting, starting with departments, departmental agencies and non-Public Service departments in the 2021/22 financial year;
- 5        **noted** that CNGP organisations are intended to individually report, so they are accountable to Parliament for their emissions and their progress on reductions;
- 6        **noted** that some exemptions or a different approach to individual reporting may need to be made for entities such as the 2,416 School Boards of Trustees;

#### Emissions reductions targets and plans

- 7        **agreed** to CNGP organisations setting credible gross emissions reduction targets and plans for 2025 and 2030;
- 8        **invited** the Minister of Climate Change and/or the Minister for Economic and Regional Development to report back to Cabinet in March 2021 on how the proposed CNGP organisations will measure emissions, manage and report on them, and to have set gross emissions reduction targets and credible reduction plans in place by December 2023;

**Coal-fired boilers**

- 9 **noted** that there are more than 200 coal-fired boilers used to heat water and buildings in the State sector, and replacing them with low-emissions alternatives will reduce emissions;
- 10 **agreed** to phase out the largest and most active coal boilers in the State sector by the end of 2025;

**Transitioning the government fleet**

- 11 **noted** that less than one percent of the government fleet is electric, even though there are suitable options and co-funding available from the State Sector Decarbonisation Fund;
- 12 **agreed** to require agencies mandated to apply the Procurement Rules to optimise their fleets, with the aim of reducing the number of vehicles;
- 13 **agreed** to require agencies mandated to apply the Procurement Rules to choose a battery electric vehicle, or a plug-in hybrid electric vehicle if a battery electric vehicle is not appropriate for the proposed use, when replacing vehicles, unless there are operational requirements or other circumstances that prevent them from doing so;
- 14 **invited** the Minister for Economic and Regional Development and/or the Minister of Climate Change to report back to Cabinet in March 2021 on implementing the requirement referred to in paragraph 13 above (including on an approval process for this requirement) while maintaining existing contractual arrangements with vehicle suppliers and ensuring it is least cost;
- 15 **noted** that the March 2021 report will include Confidential advice to Government

**Energy efficiency ratings for government offices and reducing emissions from new government buildings**

- 16 **noted** that an energy efficiency rating tool is being implemented from 1 January 2021:
- 16.1 the National Australasian Built Environment Rating System New Zealand (NABERSNZ) energy rating assessment will be required for all mandated property agencies who occupy at least 2000m<sup>2</sup> single tenanted, co-tenanted, or co-located government office accommodation;
  - 16.2 the minimum standard for all mandated property agencies to achieve under the NABERSNZ energy rating assessment for agencies entering a new lease, or renewing an existing lease, will be a target rating of above five stars and a minimum rating of four stars;
  - 16.3 mandated agencies planning a new build project will need to achieve a NABERSNZ energy rating assessment of five stars;
- 17 **noted** that strengthened government procurement directions for the construction of new government buildings direct:
- 17.1 agencies, mandated to apply the Government Procurement Rules, to prioritise low carbon designs, building materials (such as wood) and construction processes;

Confidential advice to Government

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### Further work on future emissions

- 20 **noted** the need for further work by officials to investigate current constraints and barriers around measuring, reporting, reducing and offsetting for CNGP organisations;

### Offsetting

- 21 **noted** that, in future, it is intended that CNGP organisations will offset their emissions by December 2025.
- 22 **invited** the Minister for Economic and Regional Development and/or the Minister of Climate Change to report back to Cabinet in June 2021 on how carbon neutrality could be achieved following further work by officials on opportunities, risks and constraints (including confirming the feasibility of CNGP organisations to offset);

- 23 Commercial Information

### Governance

- 24 **agreed** that an interim CNGP Ministerial group be established, chaired by the Minister for Economic and Regional Development, and including the Minister of Finance, the Minister of Energy and Resources, the Minister of Climate Change and the Minister for the Public Service;
- 25 **agreed** that a lead agency/agencies be appointed to coordinate the CNGP through to June 2021;
- 26 **invited** the Minister for Economic and Regional Development and/or the Minister of Climate Change to report back to Cabinet in March 2021 on detailed proposals for the ongoing coordination and governance arrangements to support the implementation of the CNGP;

### Fiscal implications

- 27 Confidential advice to Government

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Confidential advice to Government

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Michael Webster  
Secretary of the Cabinet