


OC230543

11 July 2023



Tēnā koe 

I refer to your email dated 15 June 2023, requesting the following under the Official Information Act 1982 (the Act):

“a copy of briefing OC220805”

The following document falls within the scope of your request and is attached:

- OC220805: Further information on the Emissions Programme Office and the monitoring and reporting approach for the emissions reduction plan

Personal information is withheld under the following sections of the Act:

9(2)(a) to protect the privacy of natural persons

With regard to the information withheld under Section 9 of the Act, I am satisfied that the reasons for withholding the information at this time are not outweighed by any public interest considerations that would make it desirable to make the information available.

You have the right to seek an investigation and review of this response by the Ombudsman, in accordance with section 28(3) of the Act. The relevant details can be found on the Ombudsman’s website www.ombudsman.parliament.nz

The Ministry publishes our Official Information Act responses and the information contained in our reply to you may be published on the Ministry website. Before publishing we will remove any personal or identifiable information.

Nāku noa, nā



Genevieve Woodall
Manager, Emissions Programme Office



29 September 2022

OC220805

Hon Michael Wood

Action required by:

Minister of Transport

Friday, 7 October 2022

cc Hon James Shaw

Minister for Climate Change

FURTHER INFORMATION ON THE EMISSIONS PROGRAMME OFFICE AND THE MONITORING AND REPORTING APPROACH FOR THE EMISSIONS REDUCTION PLAN

Purpose

To update you on the steps we are taking to improve our Governance and oversight of the Transport Chapter of the Emissions Reductions Plan (ERP) and seek your agreement to a new monthly reporting approach which will include reporting against priority ERP initiatives.

Key points

- The Ministry is currently in the process of organising itself to deliver on the ERP. We have established a new Emissions Programme Office, and a new internal Portfolio Governance Group to ensure that risks are being actively managed across the Emissions Portfolio. We have strengthened our internal accountabilities for the ERP and are beginning to develop the systems and processes we will need to provide you and other stakeholders with a 'single source of the truth' on our progress across the transport emissions portfolio.
- We are taking an iterative approach to developing our monitoring and reporting systems. Our priority is to put in place monthly reporting to you on the most critical and significant ERP initiatives. We are seeking your agreement to an initial list of priority projects, and a sample reporting dashboard. Subject to your feedback, we intend to start reporting on these projects every month, starting from October 2022. We also propose reporting to you once a quarter on successes, risks, and opportunities across the whole of the transport chapter. The initial focus will be reporting on delivery, rather than impacts and outcomes.
- We will be available to discuss this briefing with you at the officials meeting on 3 October 2022.

Recommendations

We recommend you:

- 1 **Agree** to the proposed list of ERP initiatives in paragraph that will be subject to monthly reporting in table 2 Yes / No
- 2 **Advise** if you have any feedback on the sample reporting dashboard Yes / No



Richard Cross
**Establishment Manager, Emissions
 Programme Office**
 / /

Hon Michael Wood
Minister of Transport
 / /

- Minister's office to complete:**
- Approved Declined
 - Seen by Minister Not seen by Minister
 - Overtaken by events

Comments

Contacts

Name	Telephone	First contact
Richard Cross, Establishment Manager, Emissions Programme Office	s 9(2)(a)	✓

RELEASED UNDER THE OFFICIAL INFORMATION ACT 1982

FURTHER INFORMATION ON THE EMISSIONS PROGRAMME OFFICE AND THE MONITORING AND REPORTING APPROACH FOR THE EMISSIONS REDUCTION PLAN

The Emissions Reduction Plan is an ambitious and challenging programme of work, which will require new ways of working

- 1 In May 2022 the Government released its first Emissions Reduction Plan (the ERP). The ERP is an extremely ambitious programme of work, comprising more than 300 initiatives across many different sectors. The Transport Chapter of the ERP contains around 80 initiatives, most of which have been assigned to either Te Manatū Waka (the Ministry) or Waka Kotahi. All these initiatives will need to be delivered between now and 2025.
- 2 The Transport Chapter is generally seen by stakeholders as one of the most comprehensive and ambitious Chapters within the ERP. We know that more work will be needed in subsequent ERPs to achieve our longer-term targets for transport and set us on a pathway towards Net Zero emissions by 2050, but if we can deliver on the initiatives in the first ERP, we will be well positioned for longer-term success.
- 3 However, delivering everything in the first ERP as intended on time and to a high standard will be extremely difficult. Taken as a whole, the ERP is arguably the largest single programme of work the transport system has ever had to deliver. It includes several complex policy initiatives and a large programme of investments, which will need to be delivered by agencies which are already stretched to capacity.
- 4 Delivering on the ERP will require us to coordinate within agencies, between agencies, and across sectors. Specifically:
 - 4.1 Within the Ministry we are in the process of transitioning from a strategy phase, in which the development of the plan was primarily resourced within our Environment, Emissions and Adaptation team, to an implementation phase where the ERP initiatives have been assigned to eleven different teams. Almost every part of the Ministry will need to support the ERP in some way.
 - 4.2 Across the transport sector, we will need to coordinate closely with delivery agencies. The relationship with Waka Kotahi will be particularly important, as they will be expected to deliver most of the ERP actions either now or in the future once initiatives move from policy design to the implementation phase.
 - 4.3 Across government, we will need to support the mechanisms that have been put in place to coordinate across different chapters of the ERP. This includes providing regular information to the Interagency Executive Board to enable it to provide good advice to Ministers on progress, opportunities, and risks across at the economy-wide level.

The Ministry has made a number of changes to help us deliver and coordinate across the Transport Chapter of the ERP

- 5 In July, the Ministry established a new Emissions Programme Office (EPO). The EPO will support the Emissions Reduction Governance Group (the ERG), which is a new Portfolio Governance Group we have established to ensure we are managing risks effectively across the Emissions Portfolio. The ERG is chaired by the Acting Deputy Chief Executive, System Strategy and Investment (Brent Johnston) who will be the Ministry's Senior Responsible Owner (SRO) for the transport emissions portfolio.
- 6 The EPO is a small unit which will be tasked with monitoring and reporting against the ERP and providing intelligence and advice to the ERG to ensure that we deliver on the Government's commitments to reduce domestic transport emissions. The EPO will act as a point of connection for Waka Kotahi and other agencies such as the Ministry for the Environment and will coordinate and leverage Ministry teams and functions to ensure that we are making the best use of the resources available to us.
- 7 We are still in the process of building the EPO. We have an establishment manager in place and are in the process of filling the remaining roles. In the establishment phase we have focussed on organising ourselves to deliver and improving our internal governance. All ERP initiatives have now been assigned to one of the Ministry's policy teams, and our action plan sets clear next steps for each of these initiatives. The ERG is currently meeting on a weekly basis to make key decisions and manage risk across the portfolio.
- 8 We have recently taken the decision to split our existing Environment, Emissions and Adaptation team into two separate teams: an Emissions Reduction Strategy team, and an Emissions Reduction Policy Design team. This will further enhance our ability to deliver on the ERP, by ensuring we have resources dedicated to both managing the delivery of existing priorities and developing robust advice to inform future priorities in ERP2 and beyond.
- 9 These changes will help us make the best use of the resources currently available to us, but resourcing constraints will continue to be a major risk to the delivery of the ERP. In particular, with current resourcing we are unlikely to have the capacity we need to provide assurance and oversight of initiatives that receive additional funding through the Climate Emergency Response Fund through Budget 23. The Ministry has put forward a cost pressure bid which will be essential to enable us to continue to provide effective management of an increasing number of delivery projects.

We are beginning to develop our monitoring and reporting systems and processes

- 10 As we shift the focus towards implementation, we will need to develop new monitoring and reporting systems. This is a complex task, as we will need to provide regular information to several different stakeholders and groups who all have their own specific information requirements, and in many cases, the specific reporting requirements are still being established. The table below summarises our current understanding of the reporting needs of different groups/stakeholders.

Table 1: summary of reporting requirements for the ERP

Stakeholder	Interest
Prime Minister	The Prime Minister has identified nine key priority focus areas across the ERP. This includes two priority areas for the transport sector: Transport mode-shift and Freight and Supply Chain Resilience (both of which include numerous specific ERP initiatives). We will be reporting high-level information on these priority areas every quarter to the Climate Change Chief Executives Board (CCIEB) which was established as an Interagency Executive Board (IEB) in July 2022.
Climate Response Ministerial Group (CRMG) and the Interagency Executive Board (IEB)	The CCIEB is developing the reporting requirements for the Prime Minister (whom the board reports to) which can be shared with CRMG. This is likely to include a high-level progress summary by chapters in the ERP every six-months and will include more detailed reporting for high impact/high profile actions (to be identified). This will provide implementation status updates as well as emissions impact reporting (where possible).
Public	<p>The CCIEB will publish a public monitoring report for the ERP. This is likely to be an annual report, and while the scope and detail of its content is yet to be determined, we are expecting it will provide information on the status of actions and emissions impacts, including progress against the transport sector targets.</p> <p>We are anticipating regular information requests from members of the public and various interest groups to both the Ministry and Waka Kotahi – including OIA requests and Parliamentary Questions. We will need to consider what information we report proactively through our website to improve transparency and reduce the compliance costs of responding to these requests.</p>
Treasury/Minister of Finance	The Treasury will be seeking quarterly information on actual and projected expenditure for initiatives funded through the Climate Emergency Response Fund (CERF). They will also seek non-financial information on these initiatives where this is available.
Minister of Transport	As Minister of Transport, you are accountable for overseeing the delivering of the actions in the transport chapter of the ERP. As such, you will need information over and above what is provided through all-of-government processes to assure you initiatives are progressing as expected and support early identification and mitigation of delivery risks.
Ministry of Transport	Within the Ministry we will need to collect additional information to support our ERG and enable us to undertake our assurance role in respect of CERF initiatives. We have work underway to develop a CERF monitoring and assurance framework, and individual monitoring plans for each initiative.
Waka Kotahi Executive and Board	Waka Kotahi and its Board will also need information to assure them that the ERP initiatives they are responsible for, and other climate-related commitments, are on track.

- 11 We are taking an iterative approach to developing our monitoring and reporting, as some of the specific reporting requirements are still being defined.

Our priority is to provide you with regular reporting on high-risk initiatives

- 12 One of the challenges with governing the ERP is its size. The sheer number of initiatives makes it extremely difficult and resource intensive to actively monitor or provide appropriate governance oversight of each of the individual initiatives. Further, the initiatives are not all equally important – some of them are more integral to achieving our targets than others. We want to ensure that our reporting systems are enabling the Ministry, and you as the Minister responsible for the transport chapter, to focus attention on the most urgent and critical initiatives at a point in time, without losing track of the initiatives that will lay the foundations for more transformational change in the future.

- 13 We are therefore proposing the following approach to monitoring the progress of ERP initiatives:

13.1 *Monthly* reporting on a small list of priority ERP initiatives. This list would be agreed with you in writing. It should be limited to a manageable number of initiatives which are either critical from an emissions reduction perspective, or present significant delivery risks. To ensure they get the appropriate focus and attention we recommend including a maximum of 10 initiatives or related work areas on this list. The list of priority initiatives could be reviewed periodically (e.g., on a six-monthly basis) to ensure it is still focussing on the most important things across the portfolio.

13.2 *Quarterly* reporting on all other ERP initiatives. This will be high-level information to confirm that the initiatives are progressing as expected, with some exceptions-based reporting on initiatives that may be at risk of going off-track.

- 14 Both the monthly and quarterly reports would be approved by the Ministry's ERG before being provided to your office. We also recommend providing them to the Minister for Climate Change for information.

- 15 These reports would be in addition to any reporting requirements which may be introduced through the all-of-Government process, although we will look for opportunities to align the timeframes and reporting requirements to avoid unnecessary duplication. Our reports to you would initially focus on delivery – i.e., whether the initiative is on track, rather than impacts or outcomes, as reporting on impacts or outcomes takes more time to develop and data is not always available, particularly policy initiatives that are still at an early stage. Reporting at the outcome level will be informed by our monitoring and evaluation framework, which will be included in the Decarbonising Transport Action Plan.

We would like to confirm the list of priority work programmes with you

- 16 We would like your agreement on the list of priority work programmes, which will be subject to monthly reporting.
- 17 We have developed an initial list of priority areas based on their emissions impact, delivery timeframes and complexity, and strategic importance. This includes a mixture

of policy initiatives and delivery initiatives, some of which have been funded through the Climate Emergency Response Fund. Some of these work programmes are focussed on a single ERP initiative, while others would capture a group of interrelated initiatives. Collectively, the 10 priority areas account for roughly one-third of the initiatives in the transport chapter and most of the transport related expenditure.

Table 2: proposed list of initiatives subject to monthly reporting

Priority area	Rationale
Transport Choices package (partially addresses several ERP actions)	This is an important and time-sensitive investment package. Delivering it on time will be essential to demonstrate the investment case for additional mode-shift funding through CERF.
Clean Car Standard	This implementation date for this initiative has been established in primary legislation. It has significant delivery risks.
VKT Reduction Planning (includes developing sub-national VKT targets, a national VKT reduction plan, and urban VKT reduction programmes)	This programme of work will have an important role in setting the strategic approach and future investment for delivering the VKT reduction target. It requires partnership between government agencies involved in urban development and transport planning. It is time sensitive and will be of high interest to stakeholders (especially local government).
Sustainable biofuels obligation	This initiative is critical from an emissions reduction perspective. It can no longer be delivered within the timeframes set out in the ERP and will need to be managed closely to avoid further delays. Joint ownership between MOT and MBIE increases the need for ministerial oversight.
EV charging strategy & budget bid	The EV charging strategy will be an important enabler in keeping us on track to achieve our goals for decarbonising the vehicle fleet. EV charging infrastructure has been signalled by the Prime Minister as a high priority for Budget 23.
Congestion charging	Implementing legislation to enable congestion charging, and subsequent work with Councils to implement congestion charging will be critical for achieving our long-term targets.
Ensuring the next GPS is consistent with the ERP	The next GPS will play a critical role in ensuring that land transport investments are consistent with emissions reduction objectives. It will attract a large amount of scrutiny from stakeholders.
Clean Truck Discount & Standard	These initiatives will be important for delivering emissions reductions in the freight sector and the discount has been identified as a priority for Budget 23. They are complex, high-risk and time sensitive policies.
Public transport work programme (includes work to improve bus driver terms and conditions, implement the sustainable public transport framework, decarbonise the bus fleet, and reduce public transport fares)	Public transport will play a vital role in enabling us to achieve the mode-shift that will be required to achieve our emissions budgets. The public transport work programme has several inter-related parts, most of which have tight delivery timeframes.

Vehicle transitions (clean car upgrade and social leasing)	These are complex initiatives which will need to be delivered in short-time frames, making them high-risk from a delivery perspective.
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- 18 We considered several other initiatives for inclusion in this list, including the National Cycling Plan, Reshaping Streets, the Public Transport Strategy, setting targets to reduce domestic aviation emissions, and developing an action plan to reduce maritime emissions. All of these are important initiatives with some risk associated with them. However, in relative terms we consider that they are less urgent, less risky, and/or will have less immediate impact on our ability to achieve our emissions targets. We would continue to monitor these initiatives internally and raise issues with you as required and through the more comprehensive quarterly report covering all ERP initiatives.

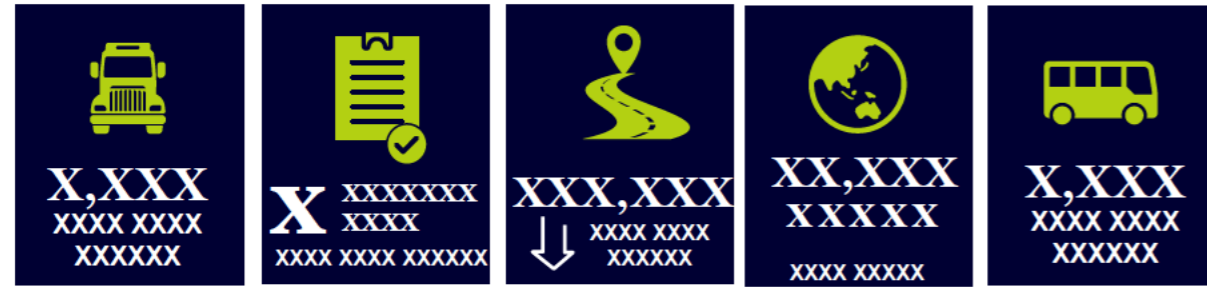
We are seeking your feedback on a draft reporting dashboard

- 19 We have commissioned KPMG to work with us to develop a reporting template and dashboard. The dashboard is primarily intended to give you the assurance you need that the initiatives are on track, and that risks are being proactively managed and raised with you, so we want to ensure that it meets your needs. The draft monthly reporting dashboard provides a high-level overview of issues, risks and upcoming decisions across the portfolio, and more detailed information on the status of the priority projects. A draft of the reporting dashboard is provided as Annex I (note that this is a sample only, and it has not yet been populated with data). Subject to your feedback, we intend to provide you with the first monthly report at the beginning of November 2022.
- 20 We will provide you with a more comprehensive briefing on progress against the Transport Chapter in December 2022, and on a quarterly basis thereafter. This will include commentary on successes, risks, issues to be resolved, and where information is available, progress against the transport sector targets and/or key headline indicators.

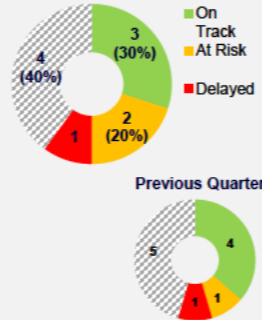
A Portfolio overview of the 10 priority areas within the Transport Chapter of the Emissions Reduction Plan (ERP).

Key: ● On Track ● At Risk ● Delayed

Key Successes from this Period



Overall Portfolio Delivery Schedule Status



Upcoming Ministerial Decisions (ERP Transport Chapter Portfolio)

Decision	Baseline Date for Approval	Funding/Status
Funding Package (Portfolio)	30 October 2022	● Decision on track
Branding (VKT)	30 October 2022	● At risk due to design challenges
Public Relations (TCP)	15 November 2022	● PR strategy delayed due to conflicts
Initiative prioritisation (Portfolio)	15 November 2022	● Decision on track

Delivery Progress (For 10 Priority Areas)

Overall Delivery Status ●

(See the following page for a more detailed timeline)

Key: ■ Policy ■ Implementation --- Indicative re-baseline date

Priority Areas	2022			2023				2024	2025	Commentary						
	Q1	Q2	Q3	Q1	Q2	Q3	Q4									
	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
Vehicle transition programme (clean car upgrade & social leasing)																● [Commentary]
EV Charging Infrastructure & Budget Bid																● [Commentary]
Freight decarbonisation (FD) work programme																● [Commentary]
Public transport improvement initiatives																● [Commentary]
Reflecting ERP commitments in the next GPS																● [Commentary]
Congestion charging																● [Commentary]
Transport Choices Package																● [Commentary]
VKT reduction plan and programmes																● [Commentary]
Clean Car Standard																● [Commentary]
Biofuels mandate																● [Commentary]

Portfolio Risks and Issues (ERP Transport Chapter Portfolio)

Risks and Issues Status ●

Risks & Issues	Detail and Impact	Go-To-Green/Mitigation Plan	Pre-Mitigation
[Type of Risk title]	- [Description] - [Impact]	- [Mitigation Plan]	■
[Type of Risk title]	- [Description] - [Impact]	- [Mitigation Plan]	■
[Type of Risk title]	- [Description] - [Impact]	- [Mitigation Plan]	■
[Type of Risk title]	- [Description] - [Impact]	- [Mitigation Plan]	■
[Type of Risk title]	- [Description] - [Impact]	- [Mitigation Plan]	■

Financial Update (ERP Transport Chapter Portfolio)

Financial Status ●

Below is a summary of the current financial status of key priority areas:

