

**Office of the Minister for the Environment**  
**Office of the Minister of Local Government**  
**Office of the Minister of Conservation**  
**Office of the Minister of Agriculture, Minister for Biosecurity and Minister for Land Information**  
**Office of the Minister of Forestry and Minister for Economic and Regional Development**  
**Office of the Minister of Climate Change**

**Chair, Cabinet Environment Committee**

## **Jobs for Nature progress update**

### **Proposal**

- 1 This paper:
  - 1.1 provides an update on the multi-year Jobs for Nature Programme (Jobs for Nature), including delivery progress across agencies
  - 1.2 seeks Cabinet direction to enable agencies to manage funding within an individual initiative or programme, including to support recovery from extreme weather events, should funding become available (for example, due to early project closure), to maximise benefits of Jobs for Nature
  - 1.3 notes a Transition Strategy developed to support ongoing social and environmental benefits and promote a long-term legacy for the investment once Jobs for Nature is completed.
- 2 An operational protocol for use across Jobs for Nature will be finalised to give effect to Cabinet's decision on point 1.2 above, including appropriate controls.
- 3 An evaluation is underway, comprising an interim evaluation due to report mid-2023, and a final report in 2025 after the majority of projects are completed. A further report-back is recommended in 2025, to share lessons following this evaluation.

### **Relation to government priorities**

- 4 In April 2020, Treasury economic scenarios suggested that unemployment would peak between 13% and 26% due to the COVID-19 pandemic.<sup>1</sup> As part of the Government's COVID-19 response and recovery plan, Jobs for Nature was initiated with a focus on nature-based employment.

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<sup>1</sup> Treasury Report T2020/973: Economic scenarios

- 5 The 2020 Labour Election Manifesto included the following commitment: "Labour will continue to roll out Jobs for Nature that invests in community projects to address long-term environmental issues like wilding pines and cleaning up our waterways".
- 6 Decision-making within Jobs for Nature has supported the Crown to act reasonably, honourably and in good faith as a partner with Māori groups and iwi to meet the needs of Māori and honour Te Tiriti o Waitangi obligations.

## Executive Summary

- 7 The \$1.2 billion multi-agency investment in Jobs for Nature is now in its third year, with 459 projects funded across Aotearoa New Zealand delivering nature-based employment opportunities, environmental benefits and supporting implementation of new regulatory requirements.
- 8 Jobs for Nature was set up in mid-2020, to provide coordination across a number of time-bound appropriations and programmes that are delivering environmental restoration activity.
- 9 This paper follows a stocktake completed by the Department of Prime Minister and Cabinet's Implementation Unit in late 2021. This paper provides a report-back on Jobs for Nature's achievements to date, including a decision made by Sustainable Land Use Ministers in light of labour market conditions to refocus allocation decisions towards the programme's environmental objectives (including for example, helping fill known skills gaps to support implementation of Essential Freshwater and RMA reforms). The Implementation Unit had endorsed the continuation of Jobs for Nature, noting decisions made around this shift in emphasis for remaining funding.
- 10 The vast majority of funding has been approved to projects which are contracted to continue delivery over the next few years. Some projects have already completed, and some more recently approved projects are in the final stages of contracting.
- 11 In response to the previous Deputy Prime Minister's invitation following the Implementation Unit stocktake, this paper provides options regarding management of certain funds. It seeks agreement:
  - 11.1 to enable agencies to manage existing funding (should this become available) within the relevant initiative or funding programme during the life of the appropriation, subject to appropriate controls
  - 11.2 that agencies' funding criteria for such reallocations include support to recovery from extreme weather events such as Cyclone Gabrielle as a factor for consideration.

- 12 Any Jobs for Nature funding from COVID-19 Response and Recovery Fund (CRRF) remaining available at the end of the relevant appropriation period will be returned to the centre.<sup>2</sup>
- 13 The paper also presents a Transition Strategy to promote the long-term legacy of this investment for noting. This is in the context that no further Crown funding is available for Jobs for Nature, but that supporting projects to plan ahead will help sustain future benefits and outcomes from the current investment.
- 14 A multi-year evaluation of Jobs for Nature has begun, involving a mid-programme report in mid-2023, and final report in 2025 when the majority of projects will be completed. We recommend a further report-back to Cabinet to share lessons learnt from this in 2025.

## Background

- 15 In May 2020, following Budget 2020 decisions, Cabinet noted Sustainable Land Use Ministers (“SLU Ministers”) established Jobs for Nature as a shared approach to delivering environmentally focused funding across multiple appropriations [CAB-20-MIN-0329 refers].
- 16 Jobs for Nature comprises \$1.2 billion<sup>3</sup> Crown funding across a suite of initiatives, largely from the Budget 2020 COVID-19 Response and Recovery Fund (CRRF) and some other budget sources. These funds are managed by five Sustainable Land Use agencies (“SLU agencies”) (the Ministry for the Environment, Department of Conservation, Ministry for Primary Industries, Kānoa (Regional Economic Development and Investment Unit, within the Ministry of Business, Innovation and Employment) and Toitū Te Whenua Land Information New Zealand).
- 17 Jobs for Nature was given three overarching objectives in respect to (a) employment opportunities, (b) enduring environmental benefits, and (c) supporting sustainable land use and the implementation of new regulatory requirements. While originally set up in the context of high unemployment forecasts, this investment also allowed the Government to strengthen delivery partnerships with iwi/Māori, landowners and local government, to deliver nationwide action in response to freshwater, biodiversity and climate challenges.
- 18 A governance structure was established early, including joint decision making by SLU Ministers to fund projects above \$1 million, a Reference Group (which included members with perspectives and experience in environmental

<sup>2</sup> Note this proposal does not apply to non-CRRF Jobs for Nature funding (such as the One Billion Trees Fund, Provincial Growth Fund, the Ministry for the Environment’s At Risk Catchments and Freshwater Improvement Funds), or to MPI (Biosecurity New Zealand) funding for the National Wilding Conifer Control Programme and National Wallaby Eradication Programme which have further baseline funding secured beyond Jobs for Nature.

<sup>3</sup> The initial total allocated to the Programme was \$1.246 billion. In May 2021, \$26.6m was redistributed out of the programme to support the rollout of cameras on inshore commercial fishing vessels [CAB-21-MIN-0181 refers]. In March 2023, \$11.55m was redistributed out of the programme to the Environmental Monitoring and Reporting System initiative [CAB-23-MIN-0089 refers].

management, te ao Māori, primary sector, environmental NGOs and crisis recovery), and a Secretariat to facilitate cross-agency coordination.

- 19 To help guide investment decisions an Investment Framework was designed by the Reference Group. Alongside environment and employment priorities, the framework aimed to create jobs to address existing employment disparities for rangatahi/youth and Māori, fund projects to increase partnerships with Māori and provide leadership opportunities for Māori.
- 20 Initial funding decisions focused on delivering jobs at pace in light of economic projections made at the start of the COVID-19 pandemic. This was achieved by upscaling existing contractual arrangements, reallocating displaced forestry workers into wilding conifer control projects, and funding projects able to be established quickly to employ people. Early success stories proved this approach was effective in supporting people through the initial economic impacts of COVID-19.
- 21 It became clear the initial labour market forecasts made early in the pandemic would not eventuate. There was also a clear need emerging for nature-based restoration activities to address environmental challenges regionally, as contestable Jobs for Nature funding streams were heavily oversubscribed. In light of this, in May 2021 SLU Ministers directed agencies to continue Jobs for Nature funding decisions with greater emphasis on environmental outcomes relative to employment objectives. This included capability and capacity building to help address skills shortages in environmental restoration, as is needed to implement actions for freshwater improvement, biodiversity, climate change adaptation and mitigation, and resource management system reform.
- 22 Later in 2021, the Department of Prime Minister and Cabinet's Implementation Unit undertook a stocktake of Jobs for Nature (the DPMC stocktake).<sup>4</sup> Considering the findings of the DPMC stocktake, SLU Ministers agreed that Jobs for Nature should continue, recognising the shift in emphasis had been made in light of the stronger-than-expected labour market.
- 23 In response to the DPMC stocktake, the then Deputy Prime Minister invited SLU Ministers to “report back to Cabinet on the transition plan for sustainability of benefits beyond the [Jobs for Nature] programme, including options for how any unused funding should be addressed.”

### **Jobs for Nature update**

#### *High level progress*

- 24 Jobs for Nature is now into its third fiscal year, with projects well underway delivering actions to restore waterways, control pests and enhance biodiversity across our regions. A variety of delivery approaches have been applied, including:

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<sup>4</sup> Jobs for Nature Stocktake of Progress DPMC-2021/22-607 - Implementation Unit Proactive Release - March 2022 - Department of the Prime Minister and Cabinet

- 24.1 directly contracting fencing providers to deliver small scale riparian projects
- 24.2 partnering with regional councils to deliver priority freshwater restoration and biosecurity projects
- 24.3 funding iwi, hapū and marae groups to build capacity and capability for tangata whenua to act as kaitiaki and deliver environmental mahi in line with their aspirations, reflecting a practical outplaying of partnership under the Treaty of Waitangi/Te Tiriti o Waitangi
- 24.4 funding catchment groups to deliver collective action to improve freshwater across rural communities
- 24.5 partnering with existing businesses to redeploy staff and maintain employees and supporting communities who have relied heavily on international tourism (such as South Westland and Waitomo) through the pandemic.

25 Regular reporting by projects to agencies across Jobs for Nature feeds into a quarterly dashboard, which is presented to SLU Ministers and the Cabinet Priorities Committee. The latest data is for 31 December 2022.

26 In total, 459 projects have been approved for Jobs for Nature funding. Of those, 48 are already completed. The majority are expected to conclude on or before 30 June 2025 - 426 projects valued at \$994 million (or 81% of approved Jobs for Nature funding). A small number of projects will continue delivery beyond this time period, for example the \$100 million investment towards the Kaipara Moana Remediation Programme which is spread across six years.

27 Projects receiving Jobs for Nature funding range significantly in scale. Many projects involve small to medium scale planting and fencing work, wetland restoration and development, and localised animal pest control. Jobs for Nature also includes larger investments into a smaller number of large-scale restoration and biosecurity projects across landscapes, catchments and regions (such as the Raukūmara Pae Maunga project in the East Coast of the North Island, Pelorus -Te Hoiere Catchment in Marlborough, and National Wilding Conifer Control programme).

28 Jobs for Nature is also funding wider actions, where needed, to support on the ground activity. This includes expanding nurseries to meet new demand for seedlings from local Jobs for Nature projects, and putting in place QEII Trust mechanisms and Ngā Whenua Rāhui kawenata<sup>5</sup> to provide long term protection for project outputs.

<sup>5</sup> A Nga Whenua Rahui kawenata is an agreement operating as a covenant (legal protection) that can be registered on certain types of land for a renewable period of 25 years, entered into under section 77A of the Reserves Act 1977.

29 On the ground delivery has ramped up, as demonstrated in the second Annual Report which was released in November 2022<sup>6</sup>. Now into its third year, Jobs for Nature has achieved, among other things:

- 29.1 over 7.5 million plants planted in freshwater and terrestrial areas out of 15.5 million planned<sup>7</sup>
- 29.2 over 3.4 million hectares of animal pest control<sup>8</sup> (including 950 thousand hectares of wallaby control) out of 3.8 million planned
- 29.3 over 2 million hectares of plant pest control (including over 1.5 million hectares of wilding conifer control) out of 2.4 million planned
- 29.4 3,975 kilometres of tracks maintained
- 29.5 6,570 kilometres of fencing constructed out of 9,711 planned
- 29.6 other activities such as freshwater and terrestrial ecosystem monitoring, site maintenance (including weeding and releasing new plants), remediating fish passages, maintaining backcountry huts, developing catchment or sediment management plans, training, and community engagement to deliver action over years to come.

30 Similar to most sectors, Jobs for Nature projects have faced some challenges, such as rising material costs, supply chain disruptions, worker availability (including due to COVID-related illness and restrictions) and responding to extreme natural events such as flooding.

*Employment outcomes and funding status*

31 As at 31 December 2022 close to 11,000 employment starts have been reported, with over 6 million hours worked. Tracking to date against the Jobs for Nature objective is shown below using employment metrics:

Objective	Employment starts <sup>9</sup>	Hours worked <sup>10</sup>
<b>Creation of 11,000 additional employment opportunities</b>	10,938	6,257,253

32 Approximately \$1.171 billion of Jobs for Nature funding is reported as approved to projects (as at 31 December 2022). The majority of projects have some level of additional co-funding contribution leveraging this investment, with \$288.4 million of funding for projects approved coming from non-Jobs for

<sup>6</sup> <https://environment.govt.nz/publications/jobs-for-nature-annual-review-2/>

<sup>7</sup> Not all projects provide planned metrics to track progress.

<sup>8</sup> Note the same area can be reported multiple times due to repeat pest control treatments required.

<sup>9</sup> This is the number of employees who are, or have been working in a Jobs for Nature funded project. This includes all employment types; full time, part time, fixed term and contractors.

<sup>10</sup> An FTE is calculated using the hours reported across the programme and dividing this by 1560, this provides a robust and comparative figure across other Government job creation initiatives. An FTE is 30 hours per week for 52 weeks a year, based on NZ Stats definition of full-term work being 30 hours or more per week.

Nature sources (this includes 4.9% in-kind funding). The table below presents the most recent reported status of funding (as at 31 December 2022):

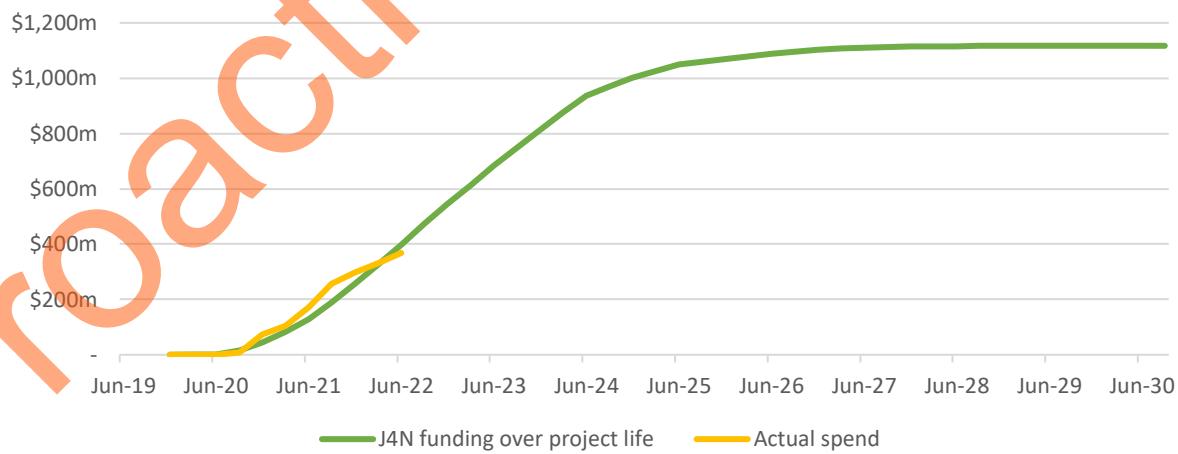
Funding approved	Funding contracted	Funding paid
<b>\$1.171 billion</b>	\$1.052 billion	\$513.2 million

33 More recent funding decisions mean there is only small amount of funding that remains to be approved as at 15 March 2023, which primarily sits with:

- 33.1 the Ministry of Primary Industries' Agriculture Investment Services<sup>11</sup>, with multiple approvals expected shortly and contracting to follow
- 33.2 the Department of Conservation's Māori Land fund (\$1.77 million million), and Kaimahi for Nature (\$1.4 million)
- 33.3 the Ministry for the Environment's Freshwater Improvement Fund (\$1.39 million).

34 All funding within the Ministry for the Environment's (MfE's) Essential Freshwater Fund has been approved by SLU Ministers to either individual projects or to an envelope of funding targeting specific outcomes through multiple smaller projects. A portion of this funding from scalable projects (where impacts on fund outcomes could be easily managed) was considered for reprioritisation towards other initiatives. Cabinet has approved a reprioritisation of \$11.5 million for the Environmental Monitoring and Reporting System initiative, outside of Jobs for Nature on 20 March 2023 (CAB-23-MIN-0089 refers).

35 Actual spend across Jobs for Nature to date is tracking well against the spend planned for the life of funded projects (the final funded projects are scheduled to be completed in 2030).



<sup>11</sup> \$20 million was agreed to be transferred to the Agriculture Investment Services Fund from the Essential Freshwater Fund November 2021. The transfer has recently happened however less than \$9 million of that funding is yet to be approved to projects.

36 Some projects are already completed, but the majority have completion milestones over coming years, as outlined below.

Time period	Projects completing	Total Jobs for Nature funding approved to projects completing <sup>12</sup>
<b>Start of Jobs for Nature – 30 June 2021</b>	12	\$2.7 million
<b>1 July 2021 – 30 June 2022</b>	26	\$19.7 million
<b>1 July 2022 – 30 June 2023</b>	74	\$ 103.8 million
<b>1 July 2023 – 30 June 2024</b>	127	\$ 488.4 million
<b>1 July 2024 – 30 June 2025</b>	187	\$ 379.4 million
<b>1 July 2025 – 30 June 2026</b>	30	\$ 64 million
<b>1 July 2026 – End of programme</b>	8	\$ 113.1 million
<b>Total</b>	<b>464</b>	<b>\$ 1.171 billion</b>

*Overall risk profile of Jobs for Nature*

37 Agencies are maintaining oversight of project delivery through their internal contract and risk management practices, and actively manage delivery risk with projects. The Secretariat facilitates an interagency risk assessment committee, which meets quarterly to provide insights, understanding, and recommended management options on the overall level of risk.

38 The interagency risk assessment committee is supported in managing risk through delivery confidence reporting. Agencies are required to provide a delivery confidence rating (red, amber, green) on five criteria and an overall rating for any projects over \$1 million. The most recent delivery confidence ratings as at 31 December 2022 are as follows.<sup>13</sup>

Green	Amber-Green	Amber	Amber-Red	Red
62.9%	23.7%	9.8%	2.6%	1%

39 Based on the overall ratings provided by agencies, Jobs for Nature is tracking well as a whole. The 26 projects tracking as amber to red are being actively managed by the respective agencies. Management approaches vary on the type of issues a project is facing and the interventions required. This can

<sup>12</sup> Note the third column represents the respective total Jobs for Nature funding for the multi-year projects forecasting completion in each time period, not the expected cumulative total programme spend by that particular time. Note data in the table is from the most recent reported from agencies (2022-2023 Quarter 1), and figures are subject to change in future reporting.

<sup>13</sup> Note these most current ratings are as at 31 December 2022, so do not factor impacts of more recent extreme weather events, such as Cyclone Gabrielle. Impacts of those events will be included in the next reporting round for quarter 3.

include agreements between projects and agencies being varied to manage delivery expectations and account for delays and impacts from external factors.

*Extreme weather impacts*

- 40 Following recent severe weather events, including Cyclone Gabrielle, delivery agencies have been working with funding recipients to determine how projects have been affected. Initial assessments show impacts vary between projects, with some experiencing little to no impact, and others facing to more significant challenges due to flooding, land slips, and broader community focus on response and recovery.
- 41 Some projects are still unable to undertake assessments as remote sites remain inaccessible, with impacts to become clearer over time as access is restored. Some workers have been redeployed to assist with community clean-up efforts in conjunction with civil defence authorities, or support delivery of other Jobs for Nature projects, where they have been unable to access their project sites for the time being.
- 42 Funding agencies are continuing to work with individual projects affected, to determine any change processes that may be required. This may include contract variations to outputs or project sites, timeframe extensions, or in some cases withdrawal if delivery is no longer **viable**.

*Wider benefits and outcomes emerging*

- 43 The Secretariat has prepared an initial report to demonstrate the wellbeing, environmental and economic benefits and outcomes being delivered through the Jobs for Nature, and make recommendations for future reporting.<sup>14</sup> Early results show:
  - 43.1 direct job **creation** through increased employment opportunities
  - 43.2 improved mental health and wellbeing by employing people in some instances to directly work in nature
  - 43.3 support to vulnerable communities and whānau who were at high risk of unemployment, or previously unable to enter the labour market
  - 43.4 helping people maintain income security throughout the economic recovery period
  - 43.5 increased skills and capability of individuals to undertake environmental management activities
  - 43.6 increased interest in and knowledge of nature and desire for a continued career in this area.

<sup>14</sup> <https://environment.govt.nz/publications/jobs-for-nature-programme-benefits-report-2022/>

44 In addition, Jobs for Nature has reinforced the importance of Māori participation in achieving environmental outcomes to be elevated, and improved recognition of Treaty of Waitangi / Te Tiriti o Waitangi commitments. Acknowledging Māori, iwi, hapū groups have a unique offering when it comes to protecting our environment for future generations has always been seen as critical to the success of Jobs for Nature.

45 Jobs for Nature is an investment in people, providing opportunities to connect with nature and communities, often on their own land/rohe, and build capability (including qualifications), while providing meaningful work. This investment is growing people's understanding and motivation to deliver nature-based solutions which will enhance capacity in Aotearoa New Zealand to deliver wider actions needed in response to climate change, freshwater and biodiversity challenges.

46 We have several examples where Jobs for Nature intersects with, and supports successful delivery of, wider Government policy and strategy:

- 46.1 Freshwater focused funding (such as the Essential Freshwater Fund, DOC's Nga Awa strategic waterways projects, and Te Mana o Te Wai Fund) is building capacity and delivering action on the ground to help implement the Government's Freshwater reforms.
- 46.2 Jobs for Nature has ramped up pest control efforts to manage biosecurity threats and help protect our native birds and other species, supporting implementation of the Predator Free 2050 Strategy, DOC's Landscape Predator Control Programme 'Tiakina Ngā Manu', National Wilding Conifer Control Programme and National Wallaby Eradication Programme.
- 46.3 Jobs for Nature is a mechanism to deliver nature-based solutions to biodiversity and climate change challenges, which aligns with a number of Government strategies including Te Mana o te Taiao – Aotearoa New Zealand Biodiversity Strategy Implementation Plan, the National Adaptation Plan and Emissions Reduction Plan.
- 46.4 Specific Jobs for Nature funding to support communities and industries through the impacts of COVID-19 has been highlighted in sector and regional strategies, for example the Tourism Industry Transformation Plan<sup>15</sup>, and particular regional insights reports and workforce plans prepared by Regional Skills Leadership Groups.
- 46.5 CRRF initiatives within Jobs for Nature also collectively provide updates to Employment, Education and Training Ministers.

47 Finally, Jobs for Nature has demonstrated the value of delivering environmental restoration activities through at-place partnerships, including with local government and tangata whenua, to achieve long term success. Partnership arrangements often come with contributory funding (either actual

<sup>15</sup> He Mahere Tiaki Kaimahi - Better Work Action Plan

funds, or in-kind support such as the use of facilities and volunteer hours). This results in a much more efficient use of Crown funding than could otherwise be achieved if Crown funding were the only source.

### Options for reallocating CRRF funding within Jobs for Nature

48 Jobs for Nature includes seven separate initiatives from the COVID-19 Response and Recovery Fund (CRRF), alongside three other non-CRRF appropriations. Most of these *initiatives* are broken down further into *programmes* which comprise groups of *projects* that carry similar outcomes, as shown in Appendix 1.

49 In approving CRRF initiatives, Cabinet previously agreed that “any and all underspends related to the CRRF initiatives be returned to the CRRF, until it ceases to exist, at which point they be returned to the centre” [CAB-20-MIN-0328.10 refers]. To date there has not been clear direction on whether this agreement applies at the CRRF initiative, programme or project level.

50 Decisions on allocating funding to projects are now winding down. The vast majority of the total Jobs for Nature is approved and contracted to projects. Some recently approved projects are in late stages of contract negotiation. As at 15 March 2023, a small amount of funding remains unallocated (including \$1.77 million from DOC’s Māori Land Grant fund, \$1.4 million from DOC’s Kaimahi for Nature, and \$1.39 million from MfE’s Freshwater Improvement Fund).

51 As noted earlier, over 450 individual projects have approved funding across Jobs for Nature as a whole. Each individual project has its own contracted deliverables, milestones and timeframes. Despite rising costs, it is possible that some projects may not spend all of their approved funding, or end early and under budget. In such cases, funds may become available for reallocation while other Jobs for Nature projects are still in delivery. For example:

- 51.1 Environmental restoration projects often have seasonal constraints (for example, tree planting and pest control work requiring suitable weather). A small two week delay in a project (for example, due to staff illness) may mean that the window to start or complete a particular task within a project is missed, and activities cannot be undertaken until months later.
- 51.2 Inflation or labour shortages may mean that delivering a particular task or output that was planned earlier within a project is no longer feasible.

52 Although project teams have been adaptable to these changing circumstances, allowing flexibility in managing project level funding is valuable for agencies and funders. There is significant opportunity in enabling funding to be reallocated between Jobs for Nature projects, for example where:

- 52.1 Reallocation can enable projects to deliver nature-based action in support of recovery from extreme weather events.

52.2 Other Jobs for Nature projects are that are not encountering delivery challenges have greater scoped opportunity than is currently budgeted for.

52.3 Reallocating funding can leverage further non-Crown investment, by further promoting successful partnership arrangements.

53 Providing flexibility for agencies to manage funding by reallocation between projects will allow funding to be maximised to continue delivery against the Government's overall objectives for Jobs for Nature. On the other hand, requiring all unused Jobs for Nature funding from COVID-19 Response and Recovery Fund initiatives at the individual project level to be returned to the centre would be administratively cumbersome, and reduce flexibility for funding to deliver against Jobs for Nature's overall objectives in response to changing contexts.

54 We seek direction from Cabinet on whether agencies should be able to manage funding by allowing for reallocation between projects either at the initiative or programme level, where doing so would further promote delivery against Jobs for Nature objectives.

55 At the end of each relevant appropriation period, any CRRF funding which has not been allocated to projects, or reallocated within the initiative or programme, would then be returned to the centre as underspend.

56 Advantages and disadvantages of each option are set out as follows:

Agency fund management option	Advantages	Disadvantages
<b>Initiative level</b>	<ul style="list-style-type: none"> <li>Focuses funding on key outcomes for employment and the environment</li> <li>Allows agencies to plan and deepen investment in 'sure things'</li> </ul>	<ul style="list-style-type: none"> <li>Would likely return the least amount of funding to the centre as underspend can be reprioritised for outcomes within a particular initiative</li> </ul>
<b>Programme level</b>	<ul style="list-style-type: none"> <li>Focuses funding on key outcomes for employment and the environment</li> <li>Allows agencies to plan and deepen investment in 'sure things'</li> <li>Allows for timely responses to underspend</li> <li>Mitigates the risk of overspend from project level management</li> </ul>	<ul style="list-style-type: none"> <li>Some sunk costs from funding returned before outcomes are fully delivered</li> <li>Creates some additional administrative overhead for funded agencies to bundle projects in to 'programmes' (if not already completed)</li> </ul>

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	<ul style="list-style-type: none"> <li>Will provide agencies additional flexibility in starting and stopping projects to ensure outcomes are achieved</li> </ul>
<b>Project level</b>	<ul style="list-style-type: none"> <li>Allows for fast responses to unused funding by making decisions at the level where funding is monitored</li> <li>Would likely return the most amount of funding to the centre (noting this may or may not be perceived as a positive)</li> </ul>
	<ul style="list-style-type: none"> <li>Significant sunk costs from funding returned before outcomes are fully delivered</li> <li>Most onerous – there are over 450 projects</li> <li>May have knock on effects for projects which also have other Crown and non-Crown funding</li> <li>Particularly with iwi and landowners, risks a breakdown in relationships with the Crown for those projects which have started late due to engagement or agreement requirements</li> <li>Provides the least amount of flexibility to agencies and partners in responding to changes in context</li> <li>Risks overspend from projects which are currently being cross subsidised</li> </ul>
57	Either the initiative or programme level management option would enable the Government to maximise delivery of Jobs for Nature's objectives, while still returning genuine underspend to the centre. <sup>16</sup> This would provide agencies with sufficient flexibility to apply agile responses to unused project funding, and support agencies to plan and deepen investment in quality outputs.
58	<p>Management of available funds would be subject to the following controls.</p> <p>58.1 SLU Ministers continue to jointly decide on proposals to reallocate programme CRRF funding amounts over \$1 million, in accordance with existing delegations.</p> <p>58.2 Unused project funding would not automatically be used to extend projects or be used to create new projects, and a strong case would need to be made to SLU Ministers (or to agencies for proposals under \$1 million) to justify reallocating funding to a different project, proportionate to the scale of funding reallocation sought.</p>

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<sup>16</sup> Genuine underspend is funding that is no longer able to be spent within the programme or initiative time period. Genuine underspend does not include unspent funding that remains on track to be spent over the course of a programme or initiative (but may have been delayed from original forecasts, for example due to temporary impacts of seasonality, weather events or employee illness).

- 58.3 Any proposals to reallocate funding would be assessed by agencies subject to existing fund criteria and decision-making protocols. Cabinet agreement is sought that these funding criteria include support to recovery from extreme weather events (such as Cyclone Gabrielle).
- 58.4 SLU Ministers would retain oversight of progress and delivery confidence across Jobs for Nature through ongoing regular reporting including through the Secretariat.
- 59 There are significant reputational, relationship and legal risks in unwinding existing contracts underway with delivery partners, or projects that are in final contract negotiations. Doing so risks breakdown in relationships with the Crown (particularly with iwi and landowners) for those projects which have started late due to engagement or agreement requirements. Building and maintaining strong relationships at place is critical for agencies to deliver environmental reforms.

### **Protocol for managing unused funding**

- 60 The Secretariat, with input across agencies (including the Treasury), has been developing a protocol for management of CRRF funding within Jobs for Nature in the event unused funding comes available. This agency level operational protocol would give effect to Cabinet's overarching decision on the above, and would be finalised for application across Jobs for Nature agencies following consideration of this paper.
- 61 The protocol would provide a mechanism, in addition to existing Public Finance Act 1989 rules, to help provide assurance that CRRF funding within Jobs for Nature is allocated in accordance with Cabinet mandates, any genuine programme underspends are identified early and returned to the centre, allocated funding is maximised to support Jobs for Nature objectives, and the programme continues to deliver against its intended outcomes.
- 62 This protocol would:
  - 62.1 provide a set of operating principles to guide Jobs for Nature funding agencies' potential reallocation of unused CRRF funding, including identifying genuine underspends
  - 62.2 minimise the risk of initiative or Jobs for Nature under-delivery
  - 62.3 effectively manage issues relating to project closure as timely and efficiently as possible.
- 63 The operating principles for allocating unused CRRF funding and managing underperforming projects would be:
  - 63.1 identify if any unused funding is a genuine underspend
  - 63.2 utilise funding on existing projects and programmes, and support recovery from extreme weather events, where possible

- 63.3 utilise project closure as a “last resort” option
- 63.4 apply a joint management approach where funding from two or more agencies is approved for a single project (co-funding).

### Jobs for Nature transition strategy (Appendix 2)

- 64 Crown funding allocated across agencies through Jobs for Nature is time limited. The majority of projects are expected to reach their completion milestones and end their Jobs for Nature funding over the next two financial years.<sup>17</sup> As projects move through their delivery phases, focus is shifting towards planning for transition, in the context that there is no further funding available for Jobs for Nature.
- 65 The Jobs for Nature Reference Group’s Investment Framework included enduring outcomes as a consideration for initial funding decisions. Many projects have built this into their project planning, with iwi, council, community or other groups committing to undertake maintenance work in future years, or active plans in place to secure future funding.
- 66 The Secretariat has drawn from experience across Jobs for Nature to develop a Transition Strategy, to promote the long-term legacy of investment by supporting project participants to deliver ongoing benefits beyond the life of current funding.
- 67 Due to the variety of project approaches, scales, and types of delivery entities, there is no “one-size-fits-all” approach to supporting transition beyond Jobs for Nature funding across all projects and participants. However, a strategy that sits across Jobs for Nature investments provides a means to share expertise among delivery partners facing similar challenges and reduce risk of duplication.
- 68 The strategy aims to identify and sharing opportunities to be taken up by participants across three interrelated themes:
  - 68.1 **People/Tangata:** opportunities are visible and accessible for people employed and upskilled to continue nature-based employment
  - 68.2 **Environment/Taiao:** plans are in place to ensure ongoing maintenance of project environmental outputs to deliver outcomes
  - 68.3 **Resourcing/Rawa:** potential wider resourcing sources and pathways beyond Jobs for Nature are visible and accessible.
- 69 Different participants have roles in implementing the strategy.

<sup>17</sup> Some Jobs for Nature projects have longer timeframes, and some initiatives (Wilding Conifer Control and National Wallaby Eradication programmes) have baseline funding beyond the Jobs for Nature programme.

- 69.1 Delivery agencies are engaging directly with funding recipients to understand project needs and provide tailored support to develop and implement their specific transition plans.
- 69.2 The Secretariat, with support from across Jobs for Nature, is scoping a national platform for projects to connect and collaborate with others (for example, regional councils), share best practice in partnerships, and understand opportunities which exist across the country.
- 69.3 At the local level, regional councils and landowners are encouraged to continue partnering with Jobs for Nature project entities to provide opportunities for participants and entities who have upskilled through Jobs for Nature to deliver wider benefits.
- 69.4 Regional collaboration across agencies and with iwi is encouraged, and NGOs, businesses and philanthropy are connecting in regions to maintain gains made through Jobs for Nature.

- 70 Partnerships between the Crown, iwi and hapū groups, local government and communities are highlighted and encouraged as a strong mechanism to promote long term commitment to delivery of outcomes at place, and promote wider buy-in.
- 71 Delivery agencies are providing regular progress updates to the Secretariat on their work supporting funding recipients with transition planning. This ensures better cross agency visibility and coordination of progress. Additionally, it will inform the development of the national platform, being created as part of the Transition Strategy, which will promote wider collaboration and enable sharing of lessons, challenges and successful arrangements between funding recipients.

### **Evaluation plan**

- 72 The Jobs for Nature Secretariat, informed by the Advisory Group, prepared an evaluation plan for Jobs for Nature as a whole. This evaluation plan covers efficiency and effectiveness to understand what works, and key enablers and barriers, to inform future projects and programmes.
- 73 The evaluation is taking a multi-year approach for Government to learn from Jobs for Nature's setup, implementation and results of multi-year projects, and to consider long term outcomes for people and the environment after projects are completed.
  - 73.1 An interim review of efficiency and emerging outcomes will be carried out by the Secretariat, due in mid-2023.
  - 73.2 A wider external evaluation has been commissioned, focusing on outcomes and future sustainability will report at the end of Jobs for Nature funding in 2025. The evaluation underway is taking the He Awa Whiria / Braided Rivers approach with a separate by Māori for

Māori evaluation stream which will look at outcomes from a Māori perspective, beyond just the funding to Māori organisations.

- 74 The evaluation will work closely with the monitoring and benefits reporting work to provide a holistic view of outcomes.
- 75 We recommend a further report back to Cabinet in the 2025/2026 financial year, following completion of the final evaluation. A future Cabinet report back would provide a ‘line of sight’ to continue cross-agency collaboration through the bulk of project delivery, transition strategy implementation, and evaluation. This would also present an opportunity for lessons learnt through the final evaluation to inform potential future initiatives across government.

### **Financial Implications**

- 76 Reallocation of unused funds may be required throughout the life of Jobs for Nature projects, in instances where projects close early because they have consistently underperformed or were able to complete agreed milestones ahead of schedule or underspent for other reasons. Agreement is sought on an approach to this as outlined earlier in this paper, which will inform the finalisation of an operational protocol.
- 77 The Transition Strategy has been developed in the context that no additional Crown funding is being sought for Jobs for Nature. Actions by agencies to support implementation of the Transition Strategy will be undertaken within existing funding. As part of supporting funding recipients with transition, agencies and partners may need to reprioritise and/or attract additional funding outside of Jobs for Nature to support securing environmental outputs and opportunities for people employed.
- 78 While there is only a nominal amount of funding remaining to be approved agencies are working with funding recipients on finalising approvals by the end of October and several proposals are expected to be progressed before December 2022. The DPMC Implementation Unit’s report highlighted significant risks if funds committed to projects are withdrawn or repurposed. Approval decisions are the final stage of an extensive process. Withdrawal or repurposing of this committed funding is likely to cause significant harm to agencies’ relationships with partners. Agencies rely on partners to build the social infrastructure necessary to achieve long-term outcomes.

### **Legislative Implications**

- 79 There are no legislative implications.

### **Impact Analysis**

- 80 The Regulatory Impact Analysis and Climate Implications of Policy Assessment requirements do not apply to this paper.

## Population Implications

- 81 30% of funding approved to date is funding recipients who have self-identified as Māori. There have been further approvals to deliver Jobs for Nature through Māori organisations.<sup>18</sup>
- 82 In other cases, funding has been specifically targeted at people and regions hit hard by COVID-19 economic impacts (such as South Westland which had a heavy reliance on international tourism pre-COVID-19).

## Human Rights

- 83 This paper has no human rights implications.

## Consultation

- 84 This paper has been prepared by the Jobs for Nature Secretariat jointly with SLU agencies: Ministry for the Environment, Ministry for Primary Industries, Department of Conservation, Toitū Te Whenua Land Information New Zealand, and Ministry of Business Innovation and Employment (Kānoa – Regional Economic Development Unit). The Treasury, Te Arawhiti, Te Puni Kōkiri, DPMC (Policy Advisory Group, and Implementation Unit), Ministry of Social Development, Ministry of Education, Ministry of Business, Innovation and Employment (Regional Skills Leadership Groups Secretariat) were consulted.
- 85 Advice from the Jobs for Nature Advisory Group, other Jobs for Nature participants, and regional councils supported development of the Transition Strategy. Engagement including with regional councils is ongoing to support development of the national platform.

## Communications

- 86 The community of practice national platform is expected to be launched in mid-2023, with communication to respective Jobs for Nature funding recipients to occur through agencies.

## Proactive Release

- 87 This paper will be proactively released within 30 business days of decisions being confirmed by Cabinet.

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<sup>18</sup> Note, this figure is based on self-identification as "Māori recipients" by project funding recipients. The real number will be higher as some iwi, hapū, marae groupings, Māori landowners and businesses delivering Jobs for Nature projects have not self-identified as "Māori recipients" for the purpose of programme reporting.

## Recommendations

The Ministers for Environment, Local Government, Conservation, Agriculture, Biosecurity, Land Information, Forestry, Regional Economic Development and Climate Change recommend the Committee:

- 1 note in November 2021 the then Deputy Prime Minister invited Sustainable Land Use Ministers to report to Cabinet on Jobs for Nature
- 2 note the update on progress into to the third year of delivery
- 3 either agree that, in order to maximise Jobs for Nature outcomes, agencies are able to manage funding that may become available from projects, through reallocating within the relevant:
  - 3.1 initiative Yes / No
  - or
  - 3.2 programme Yes / No
- 4 agree that support to recovery from extreme weather events, including Cyclone Gabrielle, be included in assessment criteria for considering proposals for reallocation of funding, subject to the above Yes / No
- 5 note that the Jobs for Nature Secretariat will finalise an operational protocol for management of CRRF funding within Jobs for Nature to give effect to the above
- 6 note any remaining CRRF funding within Jobs for Nature that is not allocated to projects at the end of the relevant appropriation period will be returned to the centre
- 7 note the transition strategy to promote the long-term legacy of Jobs for Nature investment beyond the life of current funding
- 8 invite Sustainable Land Use Ministers to provide a further report back to Cabinet in 2025, following the completion of a multi-year evaluation of Jobs for Nature that has been commissioned

Authorised for lodgement on behalf of the Minister for the Environment, the Minister for Regional Development, the Minister of Forestry, the Minister of Agriculture, the Minister for Biosecurity, the Minister for Land Information, the Minister of Local Government, the Minister of Conservation, and the Minister of Climate Change

Hon David Parker

**Minister for the Environment**