

In Confidence

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

Chair, Cabinet Economic Development Committee

Shared approach to \$1.3 billion in “Jobs for Nature” funding

Proposal

1. Sustainable Land Use Ministers (“SLU Ministers”¹) have established a shared approach to \$1.3 billion of environmentally-focused COVID-19 recovery funding under the name “Jobs for Nature”. This paper sets out details of that approach and updates Cabinet on progress within the programme to date.
2. This paper also seeks Cabinet’s agreement to a minor change to the criteria for the Freshwater Improvement Fund within Vote Environment and part of the Jobs for Nature programme, to ensure that the projects funded from that Fund support COVID-19 recovery objectives.

Executive Summary

3. SLU Ministers have established the Jobs for Nature programme (structure diagram at Appendix 1), covering \$1.3 billion in environmentally-focused jobs funding, being:
 - \$1.1 billion for environment related activity funded in Budget 2020, as part of the Government’s COVID-19 recovery package, and
 - \$202 million for similar work.
4. \$486 million of this \$1.3 billion has already been allocated to quick-start projects or is tagged to existing programmes with established governance and decision-making structures. \$818 million is available for projects that are still developing, with more choices over decision-making, governance, and delivery.
5. SLU Ministers have strategic oversight of the whole Jobs for Nature programme, supported by a Reference Group comprising a mix of central

¹ The Minister for the Environment, the Minister of Local Government, the Minister of Agriculture, the Minister for Biosecurity, the Minister of Regional Economic Development, the Minister of Forestry, the Minister for Climate Change, the Minister of Conservation, and the Minister of Land Information.

government and non-central government members, plus an independent chair. The Reference Group has oversight and assurance of the whole programme, including programme-level monitoring, reporting and coordination.

6. A cross-agency secretariat (including some regional council secondees) supports the Reference Group. The Secretariat is connecting to the all of government “shop front”, led by Employment, Education, and Training Ministers, that is being established for employment and training initiatives.
7. For the funding available for developing projects, SLU Ministers as a group will set principles, priorities, and overall phasing. Until these matters are confirmed, they will jointly approve individual projects of more than \$1 million, with approval for projects under \$1 million delegated to accountable agencies. The threshold of this delegation will be reviewed after Ministers have set principles, priorities, and overall phasing.
8. The Freshwater Investment Fund within Vote Environment comprises \$55 million of the programme. A new funding round will open in the second half of 2020, complementing other funding sources. The Minister for the Environment seeks Cabinet’s agreement to some minor changes to the Fund’s eligibility and assessment criteria to ensure that projects funded from it support COVID-19 recovery objectives.
9. Announcements relating to individual projects will be made by the responsible Minister or Ministers, unless agreed otherwise.

Background

Components of the \$1.3 billion Jobs for Nature programme

10. In Budget 2020, the Government announced an environmentally-focused investment package of \$1.1 billion for COVID-19 recovery. This funding is in addition to \$202 million in other funding available to support similar purposes. In total, the Government has made \$1.3 billion of environmentally-focused funding available.
11. Within the \$1.3 billion, \$486 million has already been allocated to quick-start projects (described further below) or is tagged to existing programmes with established governance and decision-making structures. Examples of funding that has been tagged to existing programmes and decision-making structures are:
 - \$100 million for the National Wilding Conifer Control Programme.
 - The reallocation of \$100 million of Provincial Development Unit (PDU) funding to riparian fencing, reticulated stock water systems, and riparian planting.
 - \$35 million for environmental projects such as on highly erodible land or riparian areas under the One Billion Trees programme, including \$10 million in catchment group funding

12. \$818 million remains available for projects that are still developing, with more choices over decision-making, governance, and delivery. Some of this funding is intended for quick-start projects and is expected to be approved imminently, and some is intended to be allocated over Phases 2 (July to December 2020) and 3 (2021 and beyond) of the programme.

13. The table below sets out a breakdown of the overall \$1.3 billion.

		Already allocated	Available for developing projects		
Funding purpose	4 year total	Already allocated in Phase 1 and/or part of an existing programme structure	Intended for quick-start/Phase 1 projects but not yet approved	Intended for Phases 2 and 3	Agency
\$1.102bn allocated through B20 in "Economic recovery through environment-related activity" package					
New jobs in regional environmental projects targeted at freshwater improvement	\$433m (contingency)	\$36m	\$172m	\$225m	MfE
Biosecurity, including weed and pest control	\$315m (including \$100 million contingency for Wilding Conifers)	\$315m	\$0	\$0	MPI, LINZ and DOC
Alliance funding	\$200m	\$0	\$10m	\$190m	DOC
New jobs enhancing biodiversity on public and private land	\$154m, including \$73m for identified freshwater initiatives (contingency)	\$0	\$32m	\$122m	DOC
\$202m in other funding available for similar purposes					
Freshwater Improvement Fund and At-Risk-Catchments	\$67m	\$0	\$0	\$67m	MfE
Fencing waterways, water reticulation and riparian management	Up to \$100m	\$100m	\$0	\$0	PDU
One Billion Trees – some funding available for water quality related action	\$35m, including approximately \$10 million for catchment groups	\$35m	\$0	\$0	TUR
	Total: \$1.304bn	Total already allocated: \$486m	Total available for projects still being developed: \$818m		

14. As at lodgement date, the \$433 million for Vote Environment is currently still in contingency, as is a \$154 million component of Vote Conservation and \$100 million for Vote Agriculture, Biosecurity, Fisheries and Food Safety. Drawdown is subject to approval of the Minister of Finance and the Ministers for the Environment, Conservation, and Biosecurity respectively – approvals are currently in train.
15. In respect of the Vote Environment contingency, the Minister for the Environment intends to seek draw down of \$288 million, being:

- s 9(2)(j)
- s 9(2)(j)
- s 9(2)(j)

16. In respect of the Vote Conservation contingency, the Minister for Conservation will seek to draw down:

- The \$32 million in Phase 1 funding referred to in the table above, being wetland restoration jobs and biodiversity projects, and catchment or waterways biodiversity restoration projects identified as priority through the DOC Nga Awa River Restoration programme
- The \$122 million for Phase 2, with indicative allocations of:
 - \$8 million over 4 years to protect Government COVID-19 funded projects on private land via QEII National Trust covenanting.
 - \$16 million over 4 years into landowner and community projects via DOC Community Fund.
 - \$18 million over 4 years into land owner/community-led projects via QEII National Trust, Landcare Trust, Regional Councils and locally based partnerships.
 - \$31 million over 4 years into Māori trust-owned land restoration projects via Iwi investment mechanisms such as Ngā Whenua Rau.
 - \$3 million over 4 years – additional funds staff and organisational overhead charges.

17. In respect of the Vote Agriculture, Biosecurity, Fisheries and Food Safety, the Minister for Biosecurity will seek to draw down the full \$100 million to implement the National Wilding Conifer Control Programme over the next four years.

Progress on quick-start projects so far

18. Phase 1 is well underway with projects already approved, for example:

- Provincial Development Unit work to allocate the \$100 million for fencing waterways is progressing at pace, with six projects totalling approximately \$10 million and employing 70 people recently approved, and the full \$100 million potentially allocated in early August.

- 340 people have so far been employed on conservation projects delivered by DOC with pre-budget funding of \$3.9 million from MPI for redeployment of Forestry workers.
19. There is also a large pipeline of projects expected to be submitted for approval imminently, in some cases subject to successful drawdown of contingency funding (in train as at lodgement date). Appendix 2 sets out a full list of the project pipeline. Some examples are:

- s 9(2)(j)
- Greater Wellington Regional Council – Wairarapa Moana Wetlands Project - \$3.5 million from Vote Environment funding.
- Bay of Plenty Regional Council – Bay Conservation Cadets - \$3.5 million from Vote Environment funding.
- Five catchment group projects worth \$10 million with a common focus on wetland restoration, erosion control, habitat protection, riparian planting/fencing and weed/pest management, spread across New Zealand, from Vote Environment funding but administered by the Ministry for Primary Industries.
- Rotorua Sustainable employment - Te Arawa Lakes Trust and others, \$2.5 million from DOC funding.
- Ngati Awa/Predator Free NZ - Whakatane Ecological Restoration, \$2.5 million from DOC funding.
- Approximately \$18 million of projects from the \$35 million One Billion Trees funding, including \$10 million for six catchment groups, approximately \$5.5 million in joint funding of riparian projects with the PDU, and a large scale indigenous vegetation planting proposal at the head of the Pomahaka River.

Analysis

Rationale for a shared approach

20. To support coordinated delivery, SLU Ministers have agreed a shared structure for the programme under the name “Jobs for Nature”.
21. The components comprising the \$1.3 billion total share some core objectives:
- creation of additional employment opportunities for 11,000 to 13,000 people, at pace and with regional spread
 - enduring benefits for freshwater ecosystems and water quality, biodiversity, climate change and cultural values

- supporting sustainable land use and the implementation of new regulatory requirements, including for freshwater, biodiversity, and climate change
22. Similarly, many of the actual activities to be funded from this overall funding are of the same nature or have overlaps from different projects or funding sources – in particular tree planting, fencing, wetland remediation.
 23. The programme distinguishes between funding already allocated or tagged to programmes with established governance and decision-making structures and funding available for projects still being developed.
 24. Only funding available for projects still being developed is subject to joint decision making by SLU Ministers. Already allocated or tagged funding will remain subject to existing decision making structures.
 25. All funding is subject to shared monitoring and oversight by SLU Ministers.

Jobs for Nature programme structure

26. The attached diagram (Appendix 1) sets out the Jobs for Nature shared oversight model. Core elements of the model are set out below.

Overall strategic direction from SLU Ministers

27. SLU Ministers will have strategic oversight of the whole Programme. For the developing projects, SLU Ministers as a group will set principles, priorities, and overall phasing.
28. For the developing projects:
 - SLU Ministers jointly have authority to approve projects over \$1 million, and
 - Chief Executives of the accountable departments have delegated authority to approve projects under \$1 million.
29. This approach is consistent with the Provincial Development Unit's delegated decision-making approach. As the programme matures, and more detailed criteria are agreed, SLU Ministers expect to increase this threshold, to allow Ministers to focus on the strategic direction rather than on detailed project level approvals. This will be particularly helpful as we enter the election period, in order to maintain progress and momentum within the programme.

Strategic advice – Reference Group comprising an independent chair, regional and sector perspectives, and senior agency operational representatives

30. A Reference Group will support SLU Ministers in having oversight and assurance of the whole \$1.3 billion programme. The core functions of the Reference Group are to:
 - in respect of the funding available for projects still being developed, give advice to SLU Ministers on principles, priorities, and overall phasing,

- coordinate across agencies and have oversight/assurance of the overall programme and spending under it, reporting to SLU Ministers,
 - escalate any significant issues to SLU Ministers,
 - advise on how best to engage regionally, in particular with Māori, regional councils, and the primary sector,
 - advise on an inter-agency joined-up communications plan under name “Jobs for Nature” to ensure target audiences are aware and understand what funding is available to them, when it is available how to apply for it, and how the different components are part of a \$1.3 billion overall investment.
31. The Reference Group comprises a mix of central government and non-central government members, with an independent chair. From the central government side, the Lead Official is Vicky Robertson of MfE, with operational delivery leads from MfE, DOC, and MPI.²
 32. There is no supplemental Chief Executives Group sitting across the programme. The Reference Group approach prioritises input from external actors with insight into what is needed to deliver a diverse, regionally spread programme. However Chief Executives will retain their existing accountabilities for spending and administration of appropriations within their departments.
 33. The non-central government members of the Reference Group were selected to encompass a broad range of perspectives (including from Māori landowners, regional councils, recovery experience, and NGOs) and are:
 - Doug Leeder (Independent Chair)
 - Mahina-a-rangi Baker
 - Kevin Hague
 - Dean Moana
 - Rachel Brown
 - James Palmer
 - Dave Brash
 - Alison Dewes
 - Ewen Mathieson
 34. Biographies of these members are attached as Appendix 3.

² In order to keep the size of the Reference Group manageable we do not propose that LINZ and the PDU be represented on the Reference Group. Almost all funding administered by those agencies is already in-flight or already tagged to existing programmes. However maintaining working-level contacts and sharing lessons will be crucial.

35. The Reference Group is not a decision-making body and does not change existing Ministerial and agency accountabilities for funding and delivery.

Supporting the Reference Group - Secretariat

36. To support the Reference Group, a Secretariat provides coordination, monitoring, and reporting across the programme.
37. A cross-agency secretariat (including some regional council secondees) supports the Reference Group, and will also function as a shared point of contact for programme-level engagement. The Secretariat is connecting to the all of government “shop front”, led by Employment, Education, and Training Ministers, that is being established for employment and training initiatives.

Delivery - Project Delivery Partners (regional focus)

38. In the short term, project delivery will be through existing delivery agencies and partners (for example Te Uru Rakau, MPI, DOC, QEII Trust, Predator Free 2050 Limited, Kiwis for kiwi, Landcare Trust, regional councils, catchment groups).
39. For Phases 2 and 3 (from July), for funding available for projects still being developed, the preference will be to use existing delivery structures and approaches where these meet projects’ needs. However, the Reference Group will advise SLU Ministers about whether a shared procurement and project delivery function across all or some projects would be desirable. At a minimum, a regional interagency coordination process will be necessary.
40. This work will be supported at the regional level by partners to refine, coordinate and help prioritise delivery quickly and effectively at the right scale and to ensure work is where jobs are needed. Many projects deliver on multiple sustainable land use objectives, such as improving freshwater quality, biodiversity and achieving more resilient climate and land use outcomes, which is best integrated with support of local communities. Getting all interests to work together at place will best implement the Government’s broader policy objectives.
41. As an early example, co-design of Regional Conservation/Environment Alliances is underway as part of the set up for delivering \$200 million in nature-based jobs funding administered by DOC through regional alliances. The design team is led by DOC and includes MPI, MfE, LINZ, local government, Treaty partners, and business. The design of the end to end fund disbursement system is advancing well. It is envisaged that Regional Conservation/Environment Alliances will complement the social sector regional hubs which could work together to match people with projects. An initial four Alliances are intended to be operational by 10 July.

Relationship with whole of government response

42. Many of the issues that drive the need for coordination across this programme also point to a need for coordination with the whole-of-government COVID-19 response. In particular, issues relating to workforce capability and training,

mobility, and availability are not restricted to just environmentally-focused jobs funding.

43. The Secretariat will be the primary point of coordination for the Jobs for Nature programme into the whole of government response (e.g. into the Caring for Communities Programme in the COVID-19 AOG Response Group). The programme will also have a close working relationship with the cross-government COVID-19 work led by Employment, Education, and Training Ministers.

Investment Statement and overall phasing of funding

44. Ministers have adopted the attached (Appendix 4) Investment Statement for the Programme. For the funding available for projects still being developed, the Investment Statement will be used to guide advice and decisions on principles, priorities, and overall phasing. It will also frame the cross-programme monitoring and reporting approach for the whole \$1.3 billion, as well as a coordinated public communication approach.
45. Core principles and judgments the attached Investment Statement draws out are:
- Potential trade-offs between meeting objectives (job creation, environmental objectives) at pace and being able to take evolving context into account – eg where in New Zealand the greatest need is, relative complexity of retraining labour.
 - A preference for using existing structures where possible, and only designing new processes/models where there is a clear advantage.
 - A balance between coordinated programme management but distributed project management.
 - A preference for projects that deliver long-term environmental benefits, including in some cases making funding conditional on efforts to prevent future degradation.
46. While detailed principles, priorities, and phasing decisions for the programme are still to come, some high-level indications of how funding available from Vote Environment is to be allocated beyond the initial quick-start phase (Phase 1) of the programme are:
- **Te Mana o Te Wai:** s 9(2)(j) of the funding will be tagged for a Te Mana o Te Wai fund in Phase 2 of the overall programme (July to December 2020). This fund would allow Māori to access a dedicated pool of funding to ensure that Māori cultural values associated with freshwater can be addressed, s 9(2)(i)
s 9(2)(i)
 - s 9(2)(j)
s 9(2) sitting alongside a new public contestable funding round of \$55 million

for the Freshwater Improvement Fund, plus \$12 million allocated towards at-risk catchments.

- s 9(2)(j)



47. In relation to the Freshwater Improvement Fund, the Minister for the Environment seeks Cabinet's agreement to some minor changes to the Fund's eligibility and assessment criteria to ensure that projects funded from it support COVID-19 recovery objectives. The existing criteria were agreed by Cabinet in February 2017 [CAB-17-MIN-0017 refers]. Specifically, the Minister proposes:
- Including assessment criteria to prioritise projects that contribute to recovery from COVID-19 through such things as, but not limited to, generating new employment and maintaining existing workforce capacity.
 - Removing the eligibility criteria requiring a 50 per cent funding contribution and add a requirement that when funding projects with a government contribution greater than 50 per cent, officials must be satisfied that the higher funding contribution is justified by COVID-19 recovery outcomes likely to be achieved.
48. The current Freshwater Investment Fund assessment criteria already prioritise projects based on funding contributions.

Financial Implications

49. The \$1.3 billion in funding within the Jobs for Nature programme has already been agreed by Cabinet, primarily although not solely through Budget 2020. As described in more detail earlier, some of this funding has not yet been appropriated as it is in a contingency, subject to drawdown by the Minister of Finance and the Ministers for the Environment and Conservation respectively.

Legislative Implications

50. There are no legislative implications.

Impact Analysis

51. The Regulatory Impact Analysis and Climate Implications of Policy Assessment requirements do not apply to this proposal.

Population Implications

52. The job creation elements of the Jobs for Nature programme are not specifically targeted to any particular population group, and the programme is intended to have broad regional spread, albeit with a focus on those regions hardest hit by unemployment related to COVID-19.

53. While yet to be confirmed, the Te Mana o Te Wai Fund planned for Phase 2 (July to December 2020) of the programme will allow Māori to access a dedicated pool of funding to ensure that Māori cultural values associated with freshwater can be addressed, and would also implement the strategy recommended by Kahui Wai Māori for in respect of the Essential Freshwater package.

Human Rights

54. This paper has no human rights implications.

Consultation

55. This paper has been prepared jointly by the Ministry for the Environment, the Ministry of Primary Industries, the Department of Conservation, Land Information New Zealand, and the Provincial Development Unit within the Ministry of Business, Innovation, and Employment.
56. The Treasury, the Department of Internal Affairs, Te Arawhiti, DPMC, and the Ministry of Social Development were consulted.

Communications

57. A joined-up communications plan is being developed for the Jobs for Nature programme to ensure different audiences are aware of and understand what funding is available to them, when it is available how to apply for it, and how the different components are part of a \$1.3 billion investment in jobs for environmentally focused initiatives.
58. Announcements relating to individual projects will be made by the responsible Minister or Ministers, unless agreed otherwise. The Secretariat will ensure that announcements are coordinated across departments and messages are aligned where necessary.

Proactive Release

59. This paper will be proactively released within 30 business days of decisions being confirmed by Cabinet, withholding any project-level information that has not been made public as at that date.

Recommendations

60. The Ministers for Environment, Local Government, Agriculture, Biosecurity, Regional Development, Forestry, Climate Change, Conservation, and Land Information recommend that the Committee:
- 1 **Note** that \$1.1 billion for environment related activity was funded in Budget 20, as part of the Government's COVID-19 recovery package, in addition to \$202 million also available for similar work- \$1.3 billion in total.
 - 2 **Note** that Sustainable Land Use Ministers, being the Ministers for Environment, Local Government, Agriculture, Biosecurity, Regional Development, Forestry, Climate Change, Conservation, and Land Information,

have established a shared oversight approach for the \$1.3 billion available for environmentally-focused COVID-19 recovery purposes, under the name “Jobs for Nature”, as set out in Appendix 1.

- 3 **Note** that \$486 million of this funding has already been allocated to or tagged to existing programmes with established governance and decision-making structures, leaving \$818 million available for developing projects.
- 4 **Note** that \$687 of the \$1.3 billion is currently still in contingency (\$433 million for Vote Environment, \$154 million for Vote Conservation, and \$100 million Vote Agriculture, Biosecurity, Fisheries and Food Safety), but is expected to be drawn down imminently, following the approval of Action Plans by the Minister of Finance and Ministers for the Environment, Conservation, and Agriculture and Biosecurity respectively.

Reference Group and Secretariat to support SLU Ministers in having oversight of the programme

- 5 **Note** that a Reference Group comprising a mix of central government and non-central government members, plus an independent chair, supports SLU Ministers in having oversight and assurance of the whole programme.
- 6 **Note** that the Reference Group’s role is to support SLU Ministers with strategic advice on the programme as a whole, including programme-level monitoring, reporting, and coordination, and it is not a decision-making body.
- 7 **Note** that the non-central government members of the Reference Group were selected to encompass a broad range of perspectives (including from Māori landowners, regional councils, recovery experience, and NGOs), and are:
 - Doug Leeder (Independent Chair)
 - Mahina-a-rangi Baker
 - Kevin Hague
 - Dean Moana
 - Rachel Brown
 - James Palmer
 - Dave Brash
 - Alison Dewes
 - Ewen Mathieson
- 8 **Note** that a cross-agency secretariat (including some regional council secondees) supports the Reference Group, connecting to the all of government “shop front”, led by Employment, Education, and Training Ministers, that is being established for employment and training initiatives.

Shared approval process for funding available for projects that are still developing

- 9 **Note** that in respect of the funding available for projects that are still developing, SLU Ministers (supported by the Reference Group):
- will agree principles, priorities, and overall phasing, framed by the attached Investment Statement (Appendix 4), and
 - until these matters are confirmed, will jointly approve individual projects of more than \$1 million, with approval for projects under \$1 million delegated to accountable agencies.
- 10 **Note** that the quantum of the delegation above will be reviewed after Ministers have set principles, priorities, and overall phasing.
- 11 **Note** that \$486 million of already allocated or tagged funding will remain subject to existing decision making structures.
- 12 **Note** that some high-level indications of how funding available from Vote Environment is to be allocated beyond the initial quick-start phase (Phase 1) of the programme are:
- **Te Mana o Te Wai:** s 9(2)(j) of the funding will be tagged for a Te Mana o Te Wai fund in Phase 2 of the overall programme (July to December 2020). This fund would allow Māori to access a dedicated pool of funding to ensure that Māori cultural values associated with freshwater can be addressed, s 9(2)(j)
s 9(2)(j)
 - s 9(2)(j)
s 9(2)(i) sitting alongside a new public contestable funding round of \$55 million for the Freshwater Improvement Fund, plus \$12 million allocated towards at-risk catchments.
 - s 9(2)(j)
- 13 **Agree** the following changes to the eligibility and assessment criteria for the Freshwater Improvement Fund:
- **Include** assessment criteria to prioritise projects that contribute to recovery from COVID-19 through such things as, but not limited to, generating new employment and maintaining existing workforce capacity.
 - **Remove** the eligibility criteria requiring a 50 per cent funding contribution and add a requirement that when funding projects with a government contribution greater than 50 per cent, officials must be satisfied that the

higher funding contribution is justified by COVID-19 recovery outcomes likely to be achieved.

- 14 **Note** that existing Freshwater Investment Fund assessment criteria already prioritise projects based on funding contributions.

Joined-up communications approach

- 15 **Note** that a joined-up communications approach is being developed for the Jobs for Nature programme to ensure different audiences are aware of and understand what funding is available to them, when it is available how to apply for it, and how the different components are part of a \$1.3 billion investment in jobs for environmentally focused initiatives.
- 16 **Note** that announcements relating to individual projects will be made by the responsible Minister or Ministers, unless agreed otherwise.

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

Hon David Parker

Minister for the Environment