



COVERSHEET

Minister	Hon Stuart Nash	Portfolio	Minister for Economic and Regional Development
Minister	Hon James Shaw	Portfolio	Minister for Climate Change
Title of Cabinet paper	Carbon Neutral Government Programme: Report Back on Transitioning the Government Fleet	Date to be published	27 September 2021

List of documents that have been proactively released

Date	Title	Author
August 2021	Carbon Neutral Government Programme: Report Back on Transitioning the Government Fleet	Offices of the Minister for Economic and Regional Development and Minister of Climate Change
12 August 2021	Carbon Neutral Government Programme: Report Back on Transitioning the Government Fleet ENV-21-MIN-0043	Cabinet Office

Information redacted

YES

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

Some information has been withheld for the reason of Confidentiality of advice to Government.



Cabinet Environment, Energy and Climate Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Carbon Neutral Government Programme: Transitioning the Government Fleet

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

On 12 August 2021, the Cabinet Environment, Energy and Climate Committee:

- 1 **noted** that on 29 March 2021, the Cabinet Business Committee invited the Minister for Economic and Regional Development and the Minister of Climate Change to report back by 30 June 2021 on:
 - 1.1 progress towards transitioning the government fleet to low-emissions vehicles;
 - 1.2 the development of a transition timeline;
 - 1.3 any remaining barriers to the transition and options to address them;
 - 1.4 advice on mechanisms to support agencies to accelerate the transition, including on different financing options;

[CBC-21-MIN-0030]
- 2 **noted** that in November 2020, Cabinet agreed that mandated agencies should optimise their fleets with the aim of reducing the number of vehicles in the government fleet, and to an “electric vehicles first” policy (where they must purchase electric vehicles unless there are operational requirements that cannot be met) [CAB-20-MIN-0491];
- 3 **noted** that the electric-first policy for vehicle fleets is part of the Cabinet-agreed Carbon Neutral Government Programme that aims to make a number of government organisations carbon neutral from 2025, and was announced on 2 December 2020;
- 4 **noted** that this replaced the 2018 Cabinet expectation that when purchasing replacement vehicles, agencies must purchase vehicles with emission profiles significantly below their agency’s current fleet average [CAB-18-MIN-0516.01] as progress to transition the fleet had been slow under this expectation;
- 5 **noted** that monitoring of progress towards transitioning the government fleet to low-emissions vehicles is being revised to reflect this ‘electric vehicles first’ policy and provide more transparency;

- 6 **noted** that agencies are in various stages of transition and optimisation planning and implementation, and that a Ministry of Business, Innovation and Employment (MBIE) survey indicated that:
- 6.1 49 percent of the current fleet is able to transition to electric vehicles by the end of 2025, given the technology and vehicle options currently available;
 - 6.2 26 agencies plan on reducing their total fleet size leading up to the end of 2025, compared to seven agencies planning to increase total fleet size;
- 7 **noted** that lessons and experience from early adopters will be used to accelerate the optimisation of the vehicle fleet and transition to electric vehicles;
- 8 **noted** that based the MBIE survey forecasts, the transition is estimated to:
- 8.1 cost approximately Confidential advice to Government with the recently announced Clean Car Discount, over the next four years;
 - 8.2 result in a 163,221 tonne reduction in CO₂e emissions over the lifespan of the vehicles;
- 9 **noted** that the following actions are underway to support optimisation and transition:
- 9.1 establishment of an expert panel to provide support for fleet optimisation and transition plans;
 - 9.2 end-to-end guide on fleet optimisation and transition;
 - 9.3 issuing guidance on the parameters of the exemption to procure a petrol or diesel vehicle due to ‘operational requirements’;
 - 9.4 promoting EVs on the All of Government vehicles catalogue and actively engaging with agencies on demonstrating value for money;
 - 9.5 financial support for fleet transition, including through the State Sector Decarbonisation Fund and Clean Car Discount Scheme;
- 10 **noted** that the following actions are planned to accelerate fleet optimisation and transition:
- 10.1 directing all procurement mandated agencies to have a fleet optimisation and transition plan by 1 December 2021;
 - 10.2 increased engagement by MBIE with fleet managers to accelerate development of transition plans;
 - 10.3 support for co-ordinating transition, to ensure efficient infrastructure management and interoperability;
 - 10.4 promoting functionality and opportunities for fleet optimisation and transition;
 - 10.5 advice that operating leases are an option for agencies, but it is likely that ownership will be the better option for many;
 - 10.6 monitoring the supply market;

- 11 **noted** that initiatives to support transitioning the government vehicle fleet should complement and/or align with economy-wide transition and support least-cost abatement;
- 12 **agreed** that MBIE and Energy Efficiency and Conservation Authority will continue to report to Carbon Neutral Government Programme Ministers on optimisation and transition of the government vehicle fleet.

Vivien Meek
Committee Secretary

Present:

Hon Kelvin Davis
Hon Dr Megan Woods
Hon David Parker (Chair)
Hon Damien O'Connor
Hon Phil Twyford
Hon James Shaw
Rino Tirikatene, MP

Officials present from:

Office of the Prime Minister
Officials Committee for ENV