

# Update for CNGP Minister's Meeting

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## Purpose

1. This paper provides an update on work across the public health sector to support the Carbon Neutral Government Programme (CNGP), to be discussed at an upcoming meeting of CNGP Ministers – date to be confirmed.

## Executive summary

2. At the CNGP Ministerial Group meeting on 9 November 2022, CNGP Ministers requested to do a deep dive into the health sector at the next meeting.
3. Manatū Hauora and Te Whatu Ora, alongside other agencies in the health sector, must meet CNGP reporting directions, with Tranche 1 agencies required to report annually from 1 December 2022, and Tranche 2 organisations to report from 1 December 2023. Te Whatu Ora has been given a 12-month extension as it is a new organisation and therefore is not required to report until 1 December 2024.
4. Manatū Hauora, the Ministry of Health, reported its emissions, reduction targets and initiatives to the CNGP as a Tranche 1 organisation on 1 December 2022.
5. Manatū Hauora will meet its 2023 CNGP requirements as a Tranche 1 organisation and is on track to meeting the 2025 CNGP reduction target.
6. Te Whatu Ora – Health New Zealand will report as a Tranche 2 organisation on 1 December 2024 at the latest, with the intention of using the 2022/2023 financial year as its baseline if practicable.

7. Te Whatu Ora is on track to meet CNGP requirements and to set and meet targets in line with a 1.5-degree pathway (setting targets to limit the global average temperature increase to 1.5 °C above pre-industrial levels).
8. Te Whatu Ora is making significant progress on enabling and embedding reporting on behalf of the public health sector, as a Tranche 2 organisation. Work towards significant emission reductions, particularly relating to energy transition, are already underway.
9. A summary of the health sector's CNGP progress, actions, and next steps is provided in Annex 1.

## Background

1. CNGP Ministers requested a deep dive on the approach to reducing emissions in the health sector at their 9 November 2022 meeting, after undertaking a similar exercise on the education sector, supported by the Ministry of Education. Manatū Hauora reports for itself as a Tranche 1 organisation, with Te Whatu Ora, on behalf of the public health system, as a Tranche 2 organisation. We acknowledge that other crown entities that make up part of the health sector, such as Pharmac and New Zealand Blood Service, are also required to report under Tranche 2. These entities have not been included within this report, focusing on Manatū Hauora and Te Whatu Ora. Te Aka Whai Ora is an independent crown entity and is not required to report under CNGP.
2. The positioning of the health sector as a sustainable and climate resilient system is set within a fabric of domestic and international policies, commitments, and agreements. To meet these established obligations, system change must be strategic, swift, and consistent.
3. The health system must enable a just transition by ensuring any activities undertaken to meet sustainability principles are climate resilient and do not exacerbate health inequities or compromise the delivery of safe and timely healthcare.
4. The health system experiences barriers to the speed at which it can meet CNGP requirements and other sustainability intentions, due to:
  - a. its significant role in COVID-19 response
  - b. competing priorities for capital investment
  - c. issues relating to electricity capacity for both stationary energy and fleet transition requirements.
  - d. the whole health system is undergoing significant reform. Te Whatu Ora was established on 1 July 2022 and currently working through its establishment and settling in phase.
5. To combat barriers and enable decarbonisation in line with a 1.5-degree pathway, the health sector recommends the following:
  - a. Enable the reinvestment of potential mandatory carbon offset cost into a public sector decarbonisation fund, potentially for the first five years of the programme (i.e., until 2030). As an example, offset cost is estimated at \$8.2M

in 2025, based on Te Whatu Ora energy use alone, and that is after achieving reductions through the programme business case for stationary energy transition currently being progressed. This OPEX spend could be reinvested into the public sector to ensure decarbonisation can remain a priority for the hard to fund and/or manage activities that are required.

- b. Investigate and resolve ongoing issues with the planning and funding of local electricity networks to ensure that when additional capacity requirements are forecast, whole of life costs and revenues are fairly balanced between organisations and entities (e.g., lines companies and public sector agencies).
6. Discussions are currently underway between Manatū Hauora, Te Whatu Ora, and Te Aka Whai Ora | Māori Health Authority as to how the three organisations will work together in the environmental sustainability and climate resilience space, under which CNGP compliance sits.

## The health sector's CNGP requirements

7. Tranche 1 organisations (including Manatū Hauora) were directed to measure greenhouse gas emissions from 2021/22 onwards, verify and report on these emissions and set gross emissions targets and reduction plans by 1 December 2022. Manatū Hauora has met the first reporting deadline and will continue to report to the CNGP on an annual basis.
8. The timeline for Tranche 2 organisations (including Te Whatu Ora) is a year later than Tranche 1. Tranche 2 organisations have been directed to measure carbon emissions from 2022/23 onwards, verify and report on emissions and set gross emissions targets and reduction plans by December 2023. Te Whatu Ora is exempt from the CNGP requirements for its first financial year following its establishment but may choose to meet some or all of the requirements earlier. Te Whatu Ora is working toward using the 2022/2023 financial year as a baseline pending successful data collection and reporting activities through the first year of organisational transition.
9. The health system's approach to environmental sustainability is broader than meeting CNGP direction, as indicated through interim planning, and illustrated in Annex 1.

## How does this paper address Te Tiriti o Waitangi?

10. Any work in the environmental sustainability and climate resilience space reinforces Te Tiriti o Waitangi principles through its acknowledgement of ka ora te taiao, ka ora te tāngata, the inherent connection between a healthy environment and human health and wellbeing.
11. As the environment is one of the determinants of health, responding to climate change will deliver broader benefits to population health and improve equity, enabling our key system shifts under Pae Ora.

## Summary of CNGP progress, actions, and next steps

12. We are providing three A3s (Annex 1) for the CNGP Ministers' meeting to summarise the progress the health sector has made, work already underway, and next steps. They are:

- a. Te Whatu Ora Emissions Reporting and Reductions as a Tranche 2 CNGP Organisation
- b. Leading and Supporting our Sector
- c. Manatū Hauora Corporate Emissions and Reductions as a Tranche 1 CNGP Organisation

13. Attendees at the CNGP Ministers' meeting will be confirmed, alongside the invitation to the Minister of Health to attend at their discretion.

## **Annex 1:**

Update for CNPG Ministers Meeting:

- a. Te Whatu Ora Emissions Reporting and Reductions as a Tranche 2 CNGP Organisation
- b. Leading and Supporting our Sector
- c. Manatū Hauora Corporate Emissions and Reductions as a Tranche 1 CNGP Organisation

# Annex 1: (A) Te Whatu Ora Emissions Reporting and Reductions as a Tranche 2 CNGP Organisation

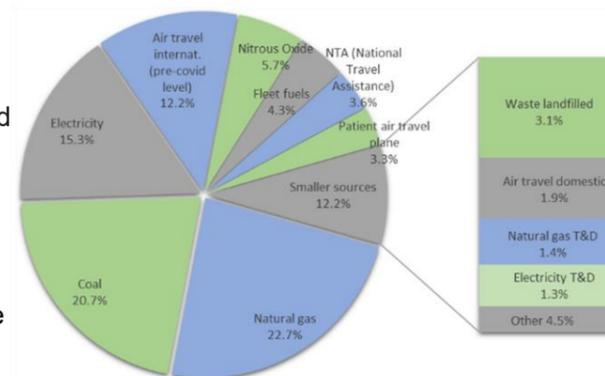
Tranche 2 organisations have been directed from 2022/23 to measure and report their emissions and submit a reduction plan by December 2023. As it is a new entity, Te Whatu Ora has been given a 12-month exemption and must measure from 2023/24 and report from December 2024.

We are enabling and embedding reporting and planning on behalf of hospitals and health system supporting services

We are already undertaking significant emissions reductions in hospitals

## Emissions measurement and reporting

- As at 30 June 2022, fewer than half of District Health Boards were measuring or reporting on greenhouse gas emissions, most meeting ISO 14064:2006. Despite this, the data collected has enabled Te Whatu Ora to make a hospital-centric national estimation of its emissions footprint.
- Figure 1: Te Whatu Ora's greenhouse gas emissions by source. Total estimated national emissions are 258,000 tonnes of carbon dioxide equivalent (tCO<sub>2</sub>-e; a common unit of measure for combined greenhouse gases)
- Te Whatu Ora has developed a standardised Emission Reporting Framework which outlines the approach to reporting the organisation will take, including a phased approach to more difficult to measure emissions sources.
- Te Whatu Ora is working to procure an emissions reporting tool to enable it to easily collect and report on emission information from all of parts of the organisation under its operational control and is embedding reporting processes in BAU work programmes for emissions associated with energy use, transport, anaesthetic gases, and other material emission sources with data sourced directly from suppliers.
- Emissions reporting will have the ability to inform from national, regional, local, and specific business unit/hospital perspectives.



## Emissions reduction and sustainability planning

- Te Whatu Ora has released its interim intention for environmental sustainability and climate resilience both in Te Pae Tata interim New Zealand Health Plan, and on its website.
- Te Whatu Ora has created an interim work programme in line with CNGP requirements and actions set out in Te Pae Tata.
- This plan focuses on three key priorities:
  - Health System Decarbonisation** - to reduce health system carbon emissions in line with a 1.5-degree scenario
  - Environment in all Practices** - to realise co-benefits that include the environment alongside health, equity, social and economic values
  - Health System Resilience and Adaptation** - to ensure sector resilience by planning for and adapting to the impacts of climate change.

## Energy transition

- Stationary energy use accounts for an estimated 65% of Te Whatu Ora greenhouse gas emissions
- A coal conversion programme is currently in place:
  - two coal boilers conversions recently completed in Timaru.
  - seven coal boiler conversions underway: two in Christchurch, three in Wairau and two in Ashburton
  - 13 remaining coal boilers have a conversion programme in place
  - 9(2)(f)(iv)
- A Stationary Energy Transition Programme Business Case was approved by the Te Whatu Ora Board in December 2022. It aims to transition remaining fossil fuel boilers to low emissions technologies.
- An application for Tranche 14 of the State Sector Decarbonisation Fund has been made to co-fund the capital investment required to achieve an estimated 23,000 tCO<sub>2</sub>-e emissions reduction (or 14% of energy emissions).
- Solar and other opportunities will be investigated as part of ongoing scoping activities, however no reports are currently available.



## Fleet transition

- Te Whatu Ora has a fleet of 4,000+ vehicles. By early 2023 over 400 of these will be Battery Electric Vehicles.
- A Te Whatu Ora fleet optimisation and transition strategy, and subsequent business case, are expected by mid-2024 which will bring the entire fleet together and further enable the transition.

## Environment in all Practices

- The health sector's emissions are significantly influenced by energy use, medical gas and refrigerant use, travel and transport.
- Adding procurement and supply chain activities to the scope of what is measured could add as much as 70 percent to the existing footprint. To understand and minimise this footprint, Te Pae Tata outlines actions relating to understanding the full procurement life cycle, specifically including, and enforcing, environmental sustainability and climate resilience policies in contracts.
- Te Whatu Ora staff are genuinely concerned with waste across the sector, particularly single-use medical devices and plastics. Waste is also known to carry adverse health impacts stemming from soil, water, and air pollution. Te Pae Tata requires the development of nationally consistent best practice for waste management.

## (B) Leading and Supporting our Sector

The health sector is leading and enabling significant change in and beyond its boundaries

### Environmental sustainability and emissions reduction

- a) Te Whatu Ora endorsed its first policy related to environmental sustainability and climate resilience in August 2022 which outlines how it will meet CNGP requirements. This policy, and future policies, will reinforce Te Tiriti o Waitangi principles through the acknowledgement of ka ora te taiao, ka ora te tāngata, the inherent connection between a well environment and human health and wellbeing. It acknowledges the whakapapa of tāngata whenua to the natural environment, and their role as kaitiaki.
- b) Embedding environmental sustainability and climate resilience in operations and decision making will generate broader co-benefits. For example, collective efforts towards emissions reduction targets will create an overall healthier environment which supports population health and wellbeing, reducing the health impacts associated with climate change and the subsequent healthcare demand.
- c) The health system has a responsibility to ensure that it is leading by example due to its role as health promoters, planners, and providers.

### Improving building standards

- a) Te Whatu Ora has updated its Design Guidance Notes, which includes a summary of sustainability expectations for all new hospital buildings, including:
  - (i) minimising embodied and operational carbon,
  - (ii) maximising design features to reduce energy consumption, and
  - (iii) precluding the use of fossil fuels (excluding emergency backup).
- b) All future projects will carry out a verified life cycle analysis and complete energy modelling during concept design

### Engaging the sector

- a) How Manatū Hauora, Te Whatu Ora and Te Aka Whai Ora will work together on climate change is still being determined. However, all three agencies recognise its importance due to potential co-benefits realisation through appropriate action. A decision is expected in early 2023.
- b) Te Whatu Ora is creating a centralised unit to advise the organisation on environmental sustainability and climate resilience. A working group is currently in place fulfilling this role until the organisational operating model is confirmed, working across the motu to support the continuation of work started by a number of District Health Boards.
- c) Te Whatu Ora, with Iwi Māori and other stakeholders, will co-design a framework for Te Whatu Ora's approach to climate change, service resilience and environmental sustainability, as indicated as an action in Te Pae Tata.
- d) There are many examples of specific hospitals and staff groups across the system taking action to reduce emissions through various grassroots initiatives, specifically those related to waste management and transportation mode shift. A publication is expected in October 2023 which will highlight some of these achievements.
- e) We are supporting and will continue to support grassroots approaches and learn lessons to share and influence future/whole of organisation approaches.

The health sector is strengthening climate resilience

### Opportunities for population health improvements

- a) In Aotearoa New Zealand, a healthy environment is integral to tāngata whenua. Linked to whakapapa, the natural environment is considered a tāonga under Article II of Te Tiriti o Waitangi (Te Tiriti), needing protection as part of Te Tiriti responsibilities. The Māori Health Promotion Framework Te Pae Māhutonga highlights the importance of Waiora as a foundation for human health. More recently the International Union for Health Promotion and Education's Rotorua Statement highlighted the importance of indigenous knowledge and local environmental action for human health globally<sup>1</sup>
- b) Interventions must be ambitious to limit global warming to 1.5 degrees above pre-industrial levels. The public expects the health sector to provide leadership in the response to climate change, as well as other environmental focus areas.
- c) There is substantial evidence outlining the health co-benefits to individuals and populations with well-planned climate (and other environmental) action; while public-health focused initiatives can, in turn, have benefits for climate resilience and mitigation.
- d) Co-benefits such as increasing use of active and public transport to reduce greenhouse gas emissions and improve cardiovascular health. Encouraging local product procurement to reduce transport costs and emissions, with added benefits to the local economy. Consuming diets with a greater emphasis on plants and non-processed foods that produce less greenhouse gas emissions per kilogram and have added benefits to our health. Population health co-benefits are also available when removing fossil fuel burning stationary energy plant by reducing effects of air pollution on human health. The health system can play a significant role in promoting and supporting climate action initiatives due to the population health and subsequent service delivery requirement reduction that could be achieved through successful action.
- e) Co-benefits of sustainability are not limited to actions that reduce carbon emissions. For example, policies and actions that maintain the life supporting capacity of freshwater resources contribute to human health both directly and indirectly.

### Health system resilience and adaptation

- a) New and increasing health risks, more frequent and extreme adverse weather events, and higher temperatures, along with changing expectations and demands, mean the health system needs to prepare to adapt and respond to climate change.
- b) To support this, Manatū Hauora has previously published guidance on preparing heat health plans. Work is currently underway to understand the specific impacts of high temperatures on health in a New Zealand context, with a view to being able to provide guidance around heat threshold temperatures across the country.
- c) Going forward, Manatū Hauora is taking the lead on the Health National Adaptation Plan to fulfil its requirements in [Aotearoa New Zealand's first National Adaptation Plan](#). They are working closely with the sector to create the first version of this plan.
- d) Te Whatu Ora will take the Lead on Climate Health Action Plans and will work with both internal and external stakeholders to scope these plans early 2023.

<sup>1</sup> [Rotorua Statement for Closing Plenary Revised \(1\).pdf \(iuhpe2019.com\)](#)  
CNGP Ministers Meeting x/xx/xx

## (C) Manatū Hauora Corporate Emissions and Reductions

Tranche 1 organisations were instructed from 2021/22 to measure and report their emissions, and submit a reduction plan by December 2022

Manatū Hauora has met its 2022 CNGP Requirements as a Tranche 1 organisation

Manatū Hauora is projected to meet its 2025 CNGP reduction target

### Reporting of Greenhouse Gas Emissions

- In January 2022, Manatū Hauora published its base-year Greenhouse gas (GHG) emissions report and inventory. In consultation with the Ministry for the Environment (MfE), it was determined that the base-year should fall outside COVID-19 to reflect as close to business as usual. Thus, the base for this GHG emissions report was set as 1 March 2019 – 29 February 2020. This baseline report is available on Manatū Hauora’s website.
- The Manatū Hauora annual report for financial year 2021/22 articulated the Ministry’s commitment to moving to net zero carbon emissions ([see page 189](#)).
- Manatū Hauora successfully met the reporting timeframes as a Tranche 1 agency under CNGP reporting.

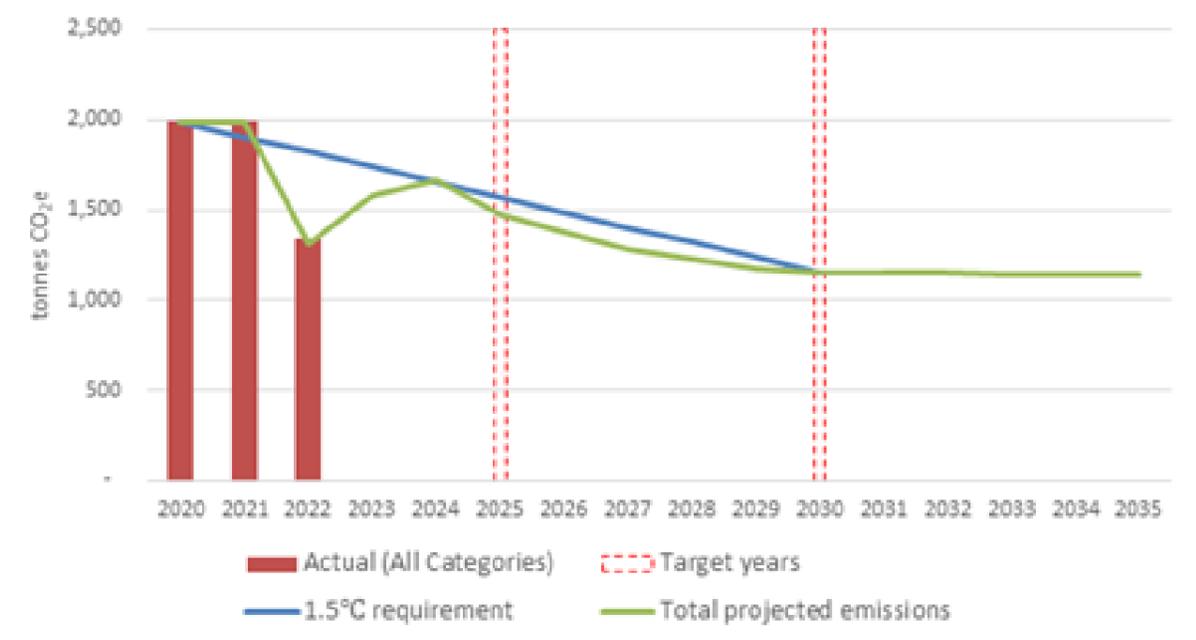
### Progress to Date

- For the 2021/22 financial year, Manatū Hauora’s total GHG emissions were 1344 t-CO<sub>2</sub>e.
- This is a 31.7% reduction from our baseline year of 1966 t-CO<sub>2</sub>e.
- Several emission sources significantly reduced for the 2021/22 year. It is recognised that a number of these were as a result of the impact of the COVID-19 pandemic. These included:
  - freight emissions reduced by 88%
  - waste to landfill reduced by 73%
  - fleet emissions reduced by 69%
  - air travel-based emissions reduced by 47%.
- In contrast, due to the need to take on short-term office accommodation in Wellington to host an increased workforce, electricity-based emissions increased by 45%.
- Manatū Hauora expects a post COVID-19 increase in travel, as signalled in the reduction plan graph, but expects new travel policies and technology platforms to assist lowering travel volumes from 2024 onwards. Manatū Hauora is confident that the 2025 and 2030 targets and reduction initiatives set out under the reductions plan are achievable and sufficient to meet our obligations

### Carbon Emissions Reduction Plan

- Manatū Hauora has developed and submitted its first carbon emissions reduction plan. This sets out its commitment to achieving the 1.5°C target reduction pathway for 2025 and 2030.
- As shown by the graph on the right, in order to achieve the 2025 and 2030 targets Manatū Hauora will require a reduction in emissions from its baseline volume of 1966 t-CO<sub>2</sub>e to 1553 t-CO<sub>2</sub>e (21%) and 1140 t-CO<sub>2</sub>e (42 %) respectively.
- Manatū Hauora’s largest sources of emissions for the 2021/22 financial year were travel-based sources (air travel, hotels, taxi etc at 69%), electricity (16%), working from home (12%) and waste (2%).

Absolute GHG emissions (all Categories) for MOH



### Key Reduction Initiatives

- In order to achieve significant and sustainable reductions for the calendar year of 2023, Manatū Hauora will be focussing its actions in four key areas:
  - Travel** - reviewing travel rules and guidance to ensure sustainability is included as a key consideration when making the decision to travel, as well as continuing to modernise digital services to ensure this can be used as an alternate option to travel
  - Fleet** - completing the fleet optimisation work where the initial fleet size of 15 has been reduced to 11 with further reduction to nine planned. Five of the current fleet are hybrid/electric with the remaining to be transitioned to low emission vehicles by 2025/26
  - Waste** - reducing waste stream across Manatū Hauora’s property portfolio through engaging with Manatū Hauora’s supply chain and workforce
  - Electricity** - improving electricity efficiency through better thermal and lighting management. In addition, when looking to renegotiate new leases, properties with NABERSNZ energy efficiency ratings of 5 stars will form part of Manatū Hauora’s decision-making framework.