



Performance audit report

## Sustainable development: Implementing the Programme of Action





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# Sustainable development: Implementation of the Programme of Action

This is the report of a performance  
audit we carried out under section  
16 of the Public Audit Act 2001

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## Foreword

The Government intended the *Sustainable Development for New Zealand: Programme of Action* (the Programme of Action) to be a learning exercise in a time of considerable change. I kept this in mind when auditing the leadership and co-ordination, planning, implementation, and evaluation and reporting of the Programme of Action as a whole, and of two of its four workstreams. While most of my expectations were met, my expectations for some aspects of planning and reporting to the public were not fully met.

The Programme of Action sought real change in the way central government works, including how it works with local government. My audit identified some implications for central and local government in areas such as governance, management, and accountability. My intention is to provide timely information to those who are working in cross-agency collaboration.

I am aware that a lot was achieved in the separate areas of focus for the Programme of Action during its three-year life. Many of the people involved in the Programme of Action said the experience led to improvements in the way their organisations work with others to achieve the Government's goals.

As my audit was being completed, the Prime Minister announced that sustainability was a top priority for the Government, and that the Government intended to take a leadership role to contribute to this goal. Sector reference groups have been set up to assist with advice and support for inter-agency implementation teams.

I am aware that initiatives are in progress to support further changes in the way central government works, including joint planning processes between the Treasury, the State Services Commission, and the Department of the Prime Minister and Cabinet, and some co-location of central agency advisors. Processes are being put in place to support proactive rather than reactive engagement of the central agencies. In addition, initiatives such as regular engagement between Ministers and central agency chief executives, and regular working with Ministerial groups, are helping to create the "spaces" for the healthy debate and prioritisation that is critical to effective whole-of-government working.

I welcome these latest initiatives by central government agencies and departments to foster public capability and effectiveness for cross-agency work. This is a demanding area of leadership and co-ordination.

I thank all those people who gave help and information for my audit. My audit team appreciated the thoughtful comments and the time they were given.

A handwritten signature in black ink, consisting of a horizontal line that curves upwards and loops back to the left, ending in a small flourish.

K B Brady  
Controller and Auditor-General

13 June 2007

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# Summary

## Introduction

The *Sustainable Development for New Zealand: Programme of Action* (the Programme of Action) was the Government's response to the 2002 World Summit on Sustainable Development (the World Summit) in Johannesburg. At the World Summit, participating countries agreed to work towards sustainable development goals in areas spanning social, economic, and environmental concerns.

The Programme of Action, published in January 2003, set out 10 sustainable development principles for central government to use in policy development and decision-making, and a programme of action for the four main areas of focus (called workstreams). It also set out how progress towards sustainability would be measured. The four workstreams were Quality and Allocation of Freshwater, Sustainable Cities, Energy, and Investing in Child and Youth Development.

## Why we did our audit

In 2002, an international working group of Auditors-General promoted audits of government responses to the World Summit. In our annual plan for 2005/06, we proposed carrying out a performance audit of the Programme of Action.

The Programme of Action sought a different way of working by requiring central government to work more collaboratively on complex issues, to better integrate existing initiatives and to learn from new processes. We saw an opportunity to assess how well the Programme of Action was implemented and also to identify any implications for other complex cross-agency work.

Sustainable development has been on the Government's agenda for some time. In February 2007, the Prime Minister announced that sustainability was a top priority for the Government and that the Government intended to take a leadership role to contribute to this goal.

## The scope of our audit and our expectations

To assess how effectively the Programme of Action had been implemented, we audited how the Department of the Prime Minister and Cabinet (DPMC) undertook leadership and co-ordination, planning, and evaluation and reporting of the Programme of Action as a whole.

We also audited the leadership, planning, and evaluation by the Ministry of Economic Development for the Energy workstream, and by the Ministry for the Environment and the Ministry of Economic Development for the Sustainable Cities workstream.

We expected to find:

- effective co-ordination by DPMC, and effective collaboration between DPMC, departments, and other parties such as local government;
- support for the sustainable development principles;
- effective planning and implementation of the Programme of Action as a whole and for the two workstreams; and
- evaluation and reporting of the processes and progress of the Programme of Action as a whole and for the two workstreams.

### How we carried out our audit

We talked mainly to staff involved in the Programme of Action's implementation and reviewed many central and local government documents. We talked to the co-ordinating Minister, current and past senior staff from DPMC, staff from the Ministry for the Environment and the Ministry of Economic Development, and local government representatives in Auckland.

## What we found

### Collaboration, co-ordination, and support for the sustainable development principles

A Senior Officials Co-ordinating Group under DPMC's leadership was established for the Programme of Action. The group provided support for the lead chief executives and the co-ordinating Minister, and leadership for the Programme of Action. Cabinet gave the Minister for the Environment a co-ordinating role in overseeing progress on the four workstreams; in practice, DPMC undertook this role.

Departments responsible for the individual workstreams established cross-agency steering groups and work teams, which provided co-ordination for each workstream. Officials and stakeholders consistently told us that collaborating and working together on the Programme of Action had contributed to better relationships between the central government departments involved, particularly between central and local government.

DPMC set up a separate initiative, which we termed the Quality Practice initiative, to give policy and information support about the sustainable development principles to the workstream participants. The Quality Practice initiative created opportunities for learning through workshops and forums, and commissioned some local research. Information about the training events, such as seminars with overseas experts and forums to share information about the progress on the workstreams, was placed on an intranet site by DPMC and workstream leaders and shared with workstream participants.



### **Our views**

Collaborative ways of working were a successful feature of the Programme of Action for each workstream and, in particular, in the Auckland Programme (a part of the Sustainable Cities workstream that involved central and local government working together on Auckland urban issues). We were told that working together on the Programme of Action had led to a better understanding by central and local government about what each sector did and how they worked. The experience has supported many subsequent initiatives by central government.

The Programme of Action set out a number of principles for use in policy development and aimed to have this principles-based approach at the core of all government policy. Some methods for using the principles in policy-making were put before the lead agencies' chief executives, and some research was commissioned but not completed.

We were told that the principles were used to test ideas and projects informally in decision-making on the workstreams, and the shared learning opportunities for the participants contributed to their understanding the Programme of Action. However, few formal methods were used to apply the sustainable development principles.

Workstreams had clear governance structures from the co-ordinating group through the lead chief executive to a Minister. However, in our view, governance for the Programme of Action as a whole was less clear because of a lack of Ministerial meetings, and the number of agencies with responsibility for leadership, co-ordination, and oversight of the workstreams and the Programme.

### **Effective planning and implementation of the Programme of Action and the Sustainable Cities and Energy workstreams**

A three-year programme of new and existing projects was identified for the Sustainable Cities and Energy workstreams, and DPMC retained oversight of the workstreams through the Senior Officials Co-ordinating Group and the roles it undertook in the workstreams. Many of the objectives in both workstreams were achieved by identifying synergies between the Programme of Action's aims and existing departmental projects. Funding was reallocated within departments to support those initiatives identified as Programme of Action projects.

Cross-agency budgets with a focus on sustainable development were prepared for projects included in the Programme of Action.

The Sustainable Cities workstream included a large number of projects, several of which are ongoing. The work undertaken for the Energy workstream has been included in the subsequent development of a *National Energy Strategy*.

### **Our views**

Project planning for cross-agency work is complex, but we found a limited number of project plans for the workstreams and limited programme planning that addressed issues such as joint planning and consideration of the resources needed to implement the Programme of Action.

While individual projects had project plans and budgets prepared, in our view, the longer-term aims of the Programme of Action would have been more fully supported by an increased focus on programme planning for the Programme of Action as a whole.

However, in general, the workstreams achieved progress on particular projects during a time of changes to legislation that affected the local government, energy, and transport sectors.

In our view, a high turnover of staff in leadership positions made continuity more difficult.

### **Evaluation and reporting of the processes and progress of the Programme of Action**

DPMC reported to the co-ordinating Minister mostly verbally, and workstreams provided reports to their Ministers. DPMC reported on progress to chief executives, and DPMC and the workstreams reported to each other in regular forums and through a shared intranet site. Workstream leaders took opportunities to provide information on the Programme of Action at a number of conferences and seminars – in particular, during 2003 and 2004. Some workstream reports were available to the public through publications and websites.

During the three years, there was an assessment of processes and progress through a survey of the lead chief executives in 2004 and the preparation of a draft mid-term report.

At the conclusion of the Programme of Action in July 2006, lead departments evaluated the processes, achievements, and outcomes of each workstream, and DPMC commissioned a final evaluation, *Implications of the Sustainable Development Programme of Action*. This final evaluation includes an overview of the Programme of Action as well as coverage of what the Programme of Action workstreams achieved.

### **Our views**

DPMC and workstream leaders successfully used a number of informal methods to share information and report to each other about the particular challenges of using the sustainable development principles in policy development.

However, publicly available information and reports also support shared learning and public accountability. Neither the draft mid-term report nor the final evaluation report of the Programme of Action was publicly released, and the shared intranet site is no longer active. In our view, both the long-term effectiveness of shared learning for the wider public sector and public accountability would be strengthened by publicly available information and reports on the Programme of Action as a whole.

## **Implications for cross-agency work**

We identified implications for cross-agency work and for projects involving both central and local government within three broad themes: leadership, co-ordination, and governance; project management and planning; and accountability through reporting, monitoring, and evaluation.

### **Leadership and governance**

#### **Leadership requires good governance and clear roles**

Leadership of cross-agency work needs suitable governance structures to be established and maintained, clear decision-making processes, and clearly understood roles. This is particularly important when responsibilities are not immediately clear because, for example, there are overlapping responsibilities or different goals for individual agencies. It can be challenging for departments seeking to use partnerships and collaborative processes, and it requires people with skills in working collaboratively. Managers should ensure that these people have time to work on collaboration.

#### **Principles need to be applied with appropriate policy and decision-making methods**

Departments applying principles endorsed by the Government should ensure that the principles are defined and understood, agree on how the principles will be applied using suitable policy and decision-making methods, and reflect their commitment to the principles in accountability documents and in any cross-agency agreements. Such a principles-based approach to decision-making and policy development offers a more flexible, less prescriptive mechanism for carrying out the activities of the Government, and will readily allow for "learning by doing" as the principles are applied. However, departments need to establish appropriate methods for the implementation of principles agreed by the Government.

## Project management and planning

### **Long-term initiatives need an integrated management approach**

Strong relationships and collaborative processes are important for the success of complex long-term initiatives with multiple projects. These factors need to be supported by effective programme planning that involves agencies and partners, and that ensures integrated decision-making and prioritisation, continued commitment, and resources.

Cross-agency and shared outcomes necessarily require several agencies to be involved and committed to a programme over time, and programme or senior managers need to focus both on the programme as a whole and on individual projects. Planning, including budgeting, needs to take account of short-term, mid-term, and long-term objectives.

### **Cross-agency work presents special challenges for project planning**

It is important to allow time in the early stages of programmes or projects for agencies and departments to plan their resource needs. For instance, the timing for preparing Budget estimates should take account of the planning and budgeting cycles of all the agencies and departments involved. This applies to new projects and ongoing planning for existing work programmes.

## Accountability through reporting, monitoring, and evaluation

### **Public information supports capability building and accountability**

Public information enables the public and participating agencies to assess progress against programme aims. In addition, publicly available information supports increased capability in the public service by sharing knowledge. This is particularly useful when a programme is seeking changes in the way the public service operates. Sources of this kind of knowledge could come from both informal and formal forums.

### **Long-term initiatives need ongoing monitoring and evaluation**

Many outcomes from cross-agency work will become visible only in the longer term. Ongoing monitoring is important for assessing outcomes, providing information for reporting on results to Ministers and the public, and identifying emerging issues.

# Part 1

## Background

- 1.1 In this Part, we describe the *Sustainable Development for New Zealand: Programme of Action* (the Programme of Action) and explain:
- why we did our audit;
  - the scope of our audit;
  - our expectations;
  - how we undertook our audit; and
  - the structure of our report.

### **What is the *Sustainable Development for New Zealand: Programme of Action*?**

- 1.2 The Programme of Action was the Government's response to an agreement made at the 2002 World Summit on Sustainable Development (the World Summit) in Johannesburg to prepare a national sustainable development strategy by 2005.
- 1.3 Participating countries at the World Summit agreed to work towards sustainable development goals in areas spanning social, economic, and environmental concerns. The New Zealand Government endorsed the World Summit commitments.
- 1.4 For 2003 to 2006, the commitments related to water, sanitation, human settlements, energy for sustainable development, industrial development, air pollution and atmosphere, and climate change.
- 1.5 Published by the Government in January 2003, the Programme of Action committed to strengthening the way government operated and established a high-level vision statement and principles to guide government policy and decision-making.
- 1.6 The Programme of Action set out:
- 10 sustainable development principles for use in all government decision-making;
  - a programme of action for each of four workstreams; and
  - how progress towards sustainability would be measured.
- 1.7 The four workstreams selected for immediate and collaborative action during the three years to July 2006 were:
- Quality and Allocation of Freshwater;
  - Energy;

- Sustainable Cities; and
- Investing in Child and Youth Development.

- 1.8 According to the Programme of Action, the four workstreams were selected because they had “intergenerational effects on well-being, persistent effects in the environment [and] significant impacts across the social, economic, environmental, and cultural spheres that are difficult to disentangle”.
- 1.9 Solving these complex issues required urgent attention, innovative approaches, and collaborative action through partnerships, and government leadership. The Programme of Action said effort would focus on some important issues in the expectation that the experience of applying the sustainable development approach would have benefits “across the board”.
- 1.10 When Cabinet approved the Programme of Action and the use of the 10 sustainable development principles, it also approved a broad programme of work for the three years from July 2003 to July 2006 that had been agreed by the relevant government departments.

### Why we did our audit

- 1.11 In 2002, an international working group of Auditors-General promoted audits of government responses to the World Summit. We outlined a proposed performance audit of the Programme of Action in our 2005/06 annual plan.
- 1.12 The topic was of interest to us because the Programme of Action sought a different way of working, such as requiring central government to work more collaboratively on complex issues, to better integrate existing initiatives, and to learn from new processes. This approach has many features in common with the Government’s stated goals of identifying shared outcomes and working in a whole-of-government way.
- 1.13 We saw an opportunity to assess how well the Programme of Action was implemented and also to identify any implications for other complex cross-agency work.
- 1.14 In addition, as the Programme of Action was the Government’s initial response to a significant international agreement of considerable public interest, we considered it timely to look at the effectiveness of its implementation.
- 1.15 Sustainable development has been on the Government’s agenda for some time. In February 2007, the Prime Minister announced that sustainability would be a top priority for the Government, and that the Government intended to take a leadership role to contribute to this goal.

## The scope of our audit

- 1.16 To assess how effectively the Programme of Action had been implemented, we audited how the Department of the Prime Minister and Cabinet (DPMC) undertook leadership and co-ordination, planning, and evaluation and reporting of the Programme of Action as a whole.
- 1.17 We also audited the leadership and co-ordination, planning, and evaluation by the Ministry for the Environment and the Ministry of Economic Development for the Sustainable Cities workstream, and by the Ministry of Economic Development for the Energy workstream.
- 1.18 We chose the Sustainable Cities workstream because it included an objective to achieve progress in Auckland using a partnership model. Auckland's development is also a focus in the Government's economic transformation goals.<sup>1</sup>
- 1.19 We chose the Energy workstream because the energy sector is one of the Auditor-General's strategic areas of interest and because it was an example of bringing together a sector with disparate interests.
- 1.20 We did not audit:
- whether the Programme of Action met the World Summit commitments;
  - whether all government policy used the sustainable development principles in decision-making; or
  - the programme for reporting progress towards sustainability.

## Our expectations

- 1.21 We expected to find:
- effective collaboration and co-ordination by DPMC with central government departments and other sectors such as local government, and effective collaboration and co-ordination between departments and with other sectors;
  - support for the sustainable development principles;
  - effective planning and implementation of the Programme of Action as a whole and for the separate workstreams; and
  - evaluation of the processes and reporting on the progress of the Programme of Action as a whole and for the separate workstreams.

1 In March 2006, Cabinet agreed that economic transformation would be one of the Government's three priorities for the next decade. Economic transformation is a cross-departmental effort led by the Ministry of Economic Development. It comprises five themes – growing globally competitive firms, world class infrastructure, innovative and productive workplaces, Auckland as an internationally competitive city, and environmental sustainability.

## How we undertook our audit

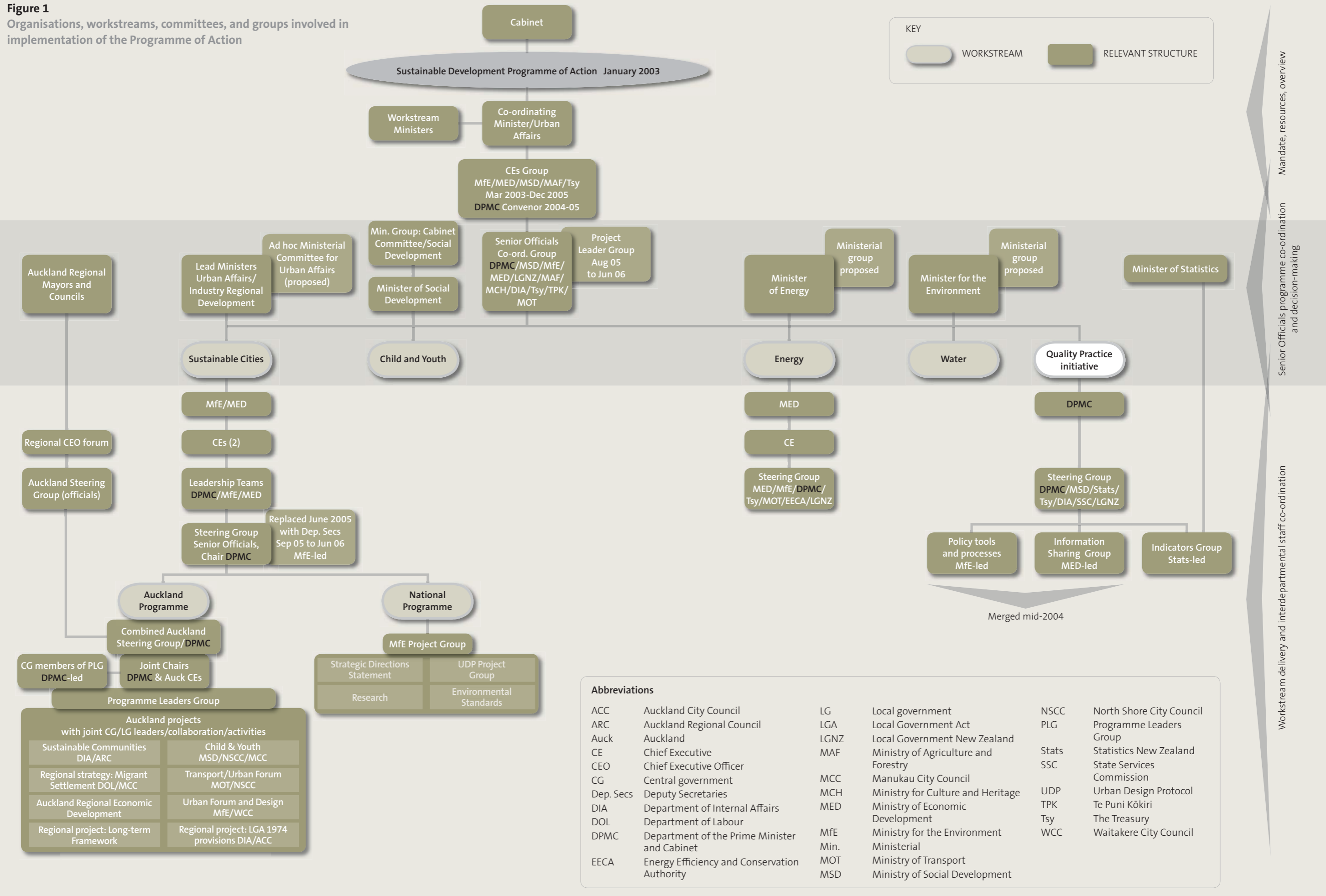
- 1.22 During our audit, we spoke to the co-ordinating Minister, current and past senior staff from DPMC, and staff from the Ministry for the Environment and the Ministry of Economic Development in Wellington and Auckland. We spoke with Auckland local government representatives and reviewed many central and local government documents.
- 1.23 We also talked to some participating agencies and stakeholders. In particular, we worked closely with the Parliamentary Commissioner for the Environment, who was conducting a study on progress towards sustainability in New Zealand, to ensure that the scope of our audit complemented the Commissioner's work.
- 1.24 To provide a context for our audit, we read about how some other signatories at the World Summit were fulfilling their commitments. There is extensive literature on this topic, so we focused on publications from the United Kingdom, the Netherlands, Canada, and Germany.

## Structure of our report

- 1.25 In carrying out our audit, we identified three themes underlying the effective co-ordination of cross-agency work. We have based our report on these themes:
- leadership, co-ordination, and governance (Part 2);
  - management and planning (Part 3); and
  - accountability through reporting, monitoring, and evaluation (Part 4).
- 1.26 Each Part describes our expectations and findings in relation to the Programme of Action as a whole and to the Sustainable Cities and Energy workstreams, and concludes with a discussion of the implications for cross-agency work.
- 1.27 Figure 1 shows the organisations, workstreams, committees, and groups involved in implementing the Programme of Action and the relationships between them. Many of the working groups evolved and their names changed during the three-year life of the Programme of Action; in these instances, we have shown only the early and final forms of the working groups. Also, a group established to support the use of the Programme of Action principles had several names; for this report, we have referred to this group as the Quality Practice initiative.



**Figure 1**  
Organisations, workstreams, committees, and groups involved in implementation of the Programme of Action



Mandate, resources, overview

Senior Officials programme co-ordination and decision-making

Workstream delivery and interdepartmental staff co-ordination

## Part 2

# Leadership, co-ordination, and governance

2.1 In this Part, we discuss:

- leadership and co-ordination for the Programme of Action as a whole and for the Sustainable Cities and Energy workstreams;
- support for using the sustainable development principles; and
- the implications for cross-agency work for governance and leadership.

### Leadership and co-ordination for the Programme of Action as a whole

2.2 The expectations for leadership and co-ordination described in the Programme of Action were that:

- chief executives would ensure that the sustainable development principles were used in decision-making and policy development;
- partnerships<sup>1</sup> would be used to deliver social, economic, environmental, and cultural outcomes; and
- government agencies would invest in capability building for integrated policy development.

### Our expectations

2.3 We expected DPMC to have set up effective mechanisms to lead and co-ordinate activities and oversee the Programme of Action as a whole at a central government level. We looked for evidence of cross-agency collaboration and for engagement with partners. (We discuss capability building in paragraphs 4.31-4.44.)

### What we found

2.4 In March 2003, the Minister for the Environment was appointed to the role of co-ordinating the relevant lead Ministers for the Programme of Action, an arrangement which continued to the general election in 2005. The co-ordinating Minister and lead Ministers did not meet during this time to discuss the Programme of Action, although there were meetings outside the Programme of Action to deal with critical water and urban issues that arose during 2003 and 2004.

2.5 DPMC's Policy Advisory Group was responsible for leadership and co-ordination of the Programme of Action, while the relevant lead chief executives were responsible for the workstreams.

1 Partnerships are discussed in the Programme of Action as government engaging with others who have a stake in the issues and working together to develop and implement the Programme of Action. The purpose of this approach was to combine efforts and resources towards common aims, share information and expertise, understand different points of view, make better decisions, and create more "win-win" outcomes.

- 2.6 DPMC was responsible for, and convened, the lead Chief Executives Group, which met eight times during the three years of the Programme of Action. DPMC also chaired a Senior Officials Co-ordinating Group, which was responsible for leading and co-ordinating the processes. These two mechanisms provided leadership and co-ordination of the Programme of Action.
- 2.7 There were some collaborative relationships with stakeholders that supported the leadership role and workstreams (such as relationships with Local Government New Zealand and the New Zealand Business Council for Sustainable Development).
- 2.8 DPMC had many roles in implementing the Programme of Action and at various levels (see Figure 1). DPMC took part in all cross-agency steering groups for each workstream, and its roles included chairing the Sustainable Cities Senior Officials Group, co-ordinating the workstreams, co-chairing the Auckland Programme Combined Steering Group, attending steering group meetings for other workstreams, convening the Chief Executives Group, and co-ordinating the Quality Practice initiative.
- 2.9 DPMC's work was based on strong relationships and informal networks. This leadership from the centre of government was valued and appreciated by workstream participants, particularly in Auckland, and was seen as a fitting role for DPMC.
- 2.10 The Programme of Action set an expectation that the Government would engage in partnerships for both the Sustainable Cities and Energy workstreams. The Auckland Programme, in particular, established various partnerships with external agencies. These partnerships at central government level were informal, although the Auckland Programme and the Policy Tools and Processes Project within the Quality Practice initiative prepared protocols and records of joint understandings.
- 2.11 Cabinet expected cross-agency collaboration not only within the Programme of Action but also with other government initiatives. For example, Cabinet expected the connections with the Growth and Innovation Framework (GIF)<sup>2</sup> to be followed up. The links between the Programme of Action and other major central government initiatives were reported to the participating chief executives in September 2003.

### Our views

- 2.12 Cross-agency senior officials groups fostered collaborative behaviours, and worked co-operatively in the workstreams. Examples of active collaboration were:

<sup>2</sup> GIF provided a framework for lifting New Zealand's innovation and economic performance. GIF provided the vision statements for the Programme of Action, and was used as the basis for the Government's economic transformation goals agreed in 2006.

- the support for central government engagement in the Auckland Programme (a part of the Sustainable Cities workstream);
  - co-ordination of the Chief Executives Group and Senior Officials Co-ordinating Group;
  - the continuation of the cross-agency senior officials groups and workstream teams throughout the Programme of Action; and
  - work on the Quality Practice initiative.
- 2.13 There were a number of partnerships established in the Sustainable Cities workstream (in particular, in the Auckland Programme) and for the preparation of the *New Zealand Urban Design Protocol*.
- 2.14 For the Programme of Action as a whole, potential external partners had no avenues for formal and direct participation at a governance level, although there were informal opportunities for external stakeholders to have a voice at the central government decision-making and co-ordinating level.
- 2.15 Workstreams had clear governance structures through the relevant chief executives to their Ministers.
- 2.16 However, we consider that the lack of Ministerial meetings and the number of agencies with responsibility for leadership, co-ordination, and governance of the Programme of Action and its workstreams (including the Minister for the Environment, Chief Executives Group, DPMC, and the Senior Officials Co-ordinating Group) meant that oversight for the whole Programme of Action was less clear.
- 2.17 In our view, the Programme of Action as a whole did not receive the same attention as the individual workstreams. Whole-of-programme matters not fully addressed were:
- identifying and reporting emerging Programme of Action (as distinct from workstream) issues to chief executives and Ministers;
  - supporting links between the workstreams and with other government initiatives; and
  - reporting on progress of the Programme of Action as a whole.
- 2.18 When we looked at other international initiatives that sought either to implement the commitments made at the World Summit or to make progress on other sustainable development objectives, we found that they most often did this by establishing complex, cross-agency programmes.
- 2.19 The international commentary on governing sustainable development initiatives identifies suitable governance and leadership structures for cross-agency

programmes as critical factors in achieving successful outcomes. For example, a House of Commons report on the United Kingdom's implementation of the World Summit commitments pointed out that programmes needing joint leadership required careful scrutiny. The Canadian Auditor-General, in a report on various cross-agency programmes, found a lack of top-level leadership and suggested that central agencies had some barriers to address.

## Leadership and co-ordination for the Sustainable Cities workstream

2.20 The Programme of Action set out two outcomes for the Sustainable Cities workstream:

- cities as centres of innovation and economic growth; and
- liveable cities that support social wellbeing, quality of life and cultural identities.

2.21 Activities listed in the Programme of Action as contributing to these outcomes included:

- working collaboratively with local authorities;
- removing legislative impediments;
- fostering cultural development of cities;
- devising a method and data to record the social and environmental well-being of urban areas; and
- working to address social development issues such as housing, health, and migrant settlement.

### Our expectations

2.22 We expected the Ministry for the Environment and the Ministry of Economic Development to have provided effective leadership and co-ordination of the Sustainable Cities workstream.

2.23 We looked for evidence of cross-agency collaborative processes, co-ordination of the Sustainable Cities workstream, and engagement with partners.

### What we found

2.24 The Minister for the Environment, as the Minister of Urban Affairs, had joint responsibility for the Sustainable Cities workstream with the Minister for Industry and Regional Development.

- 2.25 This workstream was co-led by the Ministry for the Environment and the Ministry of Economic Development, and DPMC took a leadership role in the Senior Officials Group and the Auckland Programme.
- 2.26 The Ministries prepared a joint paper to Cabinet in August 2003 with a progress report on the Sustainable Cities workstream. Based on this paper, Cabinet:
- approved setting up a temporary Ministerial Committee for Urban Affairs (which did not meet);
  - agreed to the forming of a senior officials working process; and
  - reallocated some GIF funding (\$2 million) to the Sustainable Cities workstream.
- 2.27 The Sustainable Cities workstream had two major parts – one was central-government-led activity on urban issues (the National Programme), and the other was a complex partnership of central and local government working together on Auckland urban issues (the Auckland Programme).
- 2.28 DPMC established and chaired a Sustainable Cities Senior Officials Group to direct the workstream. This group met regularly until June 2005, when it was disbanded. At the same time, responsibility for co-ordinating central government engagement in the Sustainable Cities workstream moved to the Ministry for the Environment’s Urban Affairs Group, which continued to work with DPMC on the Auckland Programme for the duration of the Programme of Action.
- 2.29 The National Programme’s main focus was preparing the *New Zealand Urban Design Protocol*. This project used an advisory group in a governance role. Other National Programme projects, such as work on environmental standards, were already included in the Ministry for the Environment’s work programme.
- 2.30 The Auckland Programme, which consisted of eight projects with multiple sub-projects, was co-ordinated through steering and leaders’ groups, which were led jointly by central and local government staff (see Figure 5).
- 2.31 These partnership structures between central and local government were complex and evolved during the life of the Auckland Programme. They included the governance partnership at the Combined Steering Group level and project partnerships within each of the Auckland Programme projects.
- 2.32 During the Programme of Action, there was a parallel process under way for making decisions about transport infrastructure in Auckland. Transport can have significant effects on the social, economic, environmental, and cultural sustainability of cities – a desired outcome of the Sustainable Cities workstream. However, this high-level transport decision-making was not officially part of

the Programme of Action. To facilitate co-ordination, some officials were part of both the Auckland Programme and the group working on transport options for Auckland.

- 2.33 Figure 2 provides an example of a collaborative initiative within the Auckland Programme.

**Figure 2**  
**Working collaboratively**

The School Travel Plan programme was an Auckland Programme regional initiative, originally funded through the Ministry for the Environment and now funded by Land Transport New Zealand. The School Travel Plan programme is about finding ways to get children to school by means other than car. By 2006, 100 of Auckland's 500 schools had such plans, helping to reduce city rush-hour traffic.

The Auckland Regional Transport Authority co-ordinated the School Travel Plan programme, and worked closely with schools, local councils, and other agencies such as the Energy Efficiency and Conservation Authority, New Zealand Police, and district health boards.

- 2.34 The Government has sought to work more actively with local government in recent years. A Central and Local Government Forum was established in 2000 and is led by the Prime Minister. Among those who attend are Ministers relevant to the issues being discussed, and the National Council of Local Government New Zealand.
- 2.35 The Government has also sought to improve its working relationships with local government by forming a Deputy Secretaries Group in June 2005. The role of this group is to co-ordinate central and local government engagement on regional outcomes<sup>3</sup> and to promote better central government co-ordination on urban and regional issues. It is not responsible for the Programme of Action or the Sustainable Cities workstream.
- 2.36 The Ministry of Economic Development established the Government Urban and Economic Development Office (GUEDO) in Auckland in July 2005. GUEDO has representatives from several central government departments working together on Auckland issues, including parts of the Auckland Programme.
- 2.37 Figure 3 provides an example of how collaboration between central and local government was supported to good effect.

<sup>3</sup> Central government is not required to facilitate community outcomes as defined in the Local Government Act 2002, but local government is required to work with identified partners to establish, work towards, and monitor progress towards community outcomes. This inevitably requires engagement with central government regional representatives and discussion on regional outcomes sought.

**Figure 3**  
**Getting out of the office has benefits for collaboration**

Understanding who you are working with, and what the issues are, is an important part of successful collaboration. As part of the Auckland Programme, field trips were arranged for central and local government participants to visit Auckland sites in relation to urban issues (not all of which were specific to the Programme of Action). The field trips were often mentioned by people we spoke to as enjoyable and useful, and valuable in supporting understanding of the issues and progress being made towards sustainable cities. Visits such as these had not occurred previously.

### Our views

- 2.38 There was extensive central government involvement in the Auckland Programme in an evolving partnership structure. There was a lot of collaboration between agencies through membership of cross-agency steering groups and project teams. Leadership by DPMC, the Ministry of Economic Development, and the Ministry for the Environment supported a complex range of collaborative processes and co-ordination within the Sustainable Cities workstream.
- 2.39 We were consistently told that working together on projects had fostered better understanding and working relationships between departments, and between central and local government. We did not audit the achievements of the Auckland Programme, so we do not comment on the outcomes of the Auckland Programme projects. However, the engagement with partners in this workstream is seen by participants as an important achievement of the Programme of Action.
- 2.40 In our view, the number of central government agencies involved in Auckland (such as for transport, the Central and Local Government Forum, the Deputy Secretaries Group, and the establishment of GUEDO) created a complex mix of leadership, co-ordination, and governance roles for the organisations involved.
- 2.41 In addition, there were several legislative changes from 2002 to 2006<sup>4</sup> that made leadership of the Auckland Programme more difficult because central and local government organisations were reviewing and adjusting to the new legislation. However, much of this new legislation – and, in particular, the Local Government Act 2002 – supported the work of the Programme of Action by referring to sustainable development objectives and approaches.

### Leadership and co-ordination for the Energy workstream

- 2.42 The Energy workstream of the Programme of Action sought three outcomes:
- energy use would become more efficient and less wasteful;

<sup>4</sup> For example, the Land Transport Management Act 2003, Land Transport Amendment Act 2004, Local Government Act 2002, and the Local Government (Auckland) Amendment Act 2004.



- renewable sources of energy would be developed and used to full potential; and
- customers would have a secure supply of electricity.

2.43 The first two outcomes had targets for 2012 and were based on the *National Energy Efficiency and Conservation Strategy 2001*. The security of supply objective is set out in the *Electricity Governance Policy Statement (2002)*.

### Our expectations

- 2.44 We expected the Ministry of Economic Development to have provided effective leadership and co-ordination of the Energy workstream.
- 2.45 We looked for evidence of cross-agency collaborative processes, co-ordination of the Energy workstream, and engagement with partners.

### What we found

- 2.46 The Ministry of Economic Development prepared two Energy workstream papers for Cabinet during the Programme of Action. In October 2004, Cabinet approved for consultation the discussion document *Sustainable Energy: Creating a Sustainable Energy System* and, in July 2005, approved the second paper relating to a range of sustainable energy projects.
- 2.47 The Ministry of Economic Development led the Senior Officials Group, which included officials from DPMC, the Treasury, the Ministry of Transport, and the Ministry for the Environment. The membership of this group varied from 2003 to 2006 but included stakeholders such as representatives from the National Energy Efficiency and Conservation Authority and, later, the Electricity Commission.
- 2.48 This Senior Officials Group led the Energy workstream during a time of legislative and other changes to the energy sector.<sup>5</sup> The workstream identified potential links with the Sustainable Cities workstream, but these were not followed up.
- 2.49 During the three years from July 2003 to July 2006, there were three changes of Minister. In addition, after the general election in 2005, the Government announced its intention to develop an energy strategy.

### Our views

- 2.50 The Ministry of Economic Development led the Energy workstream by establishing a cross-agency working group. By working with stakeholders and establishing

<sup>5</sup> An Electricity Commission was established and began operating in September 2003 to regulate the electricity industry and ensure security of supply (one of the Programme of Action's desired outcomes). In addition, the energy sector was anxious about security of supply after high-profile power failures in Auckland. At the same time, there was considerable national debate over the possible effects of climate change and a carbon tax.

contact with diverse agencies, the Ministry provided co-ordination to bring energy issues together in one discussion document for consultation.

- 2.51 This approach supported better mutual understanding between agencies. However, in our view, the Energy workstream did not establish partnerships with the range of partners listed in the Programme of Action as a means to achieve the objectives of the workstream.
- 2.52 Ministerial decisions were needed at various stages of each workstream project. We consider that the changes in Ministerial leadership in the Energy workstream would have made it more difficult to achieve consistency in decision-making.

### Support for using the sustainable development principles

- 2.53 The Programme of Action set out 10 sustainable development principles to strengthen government decision-making. Cabinet approved the principles for use in all government policy development and decision-making, and gave DPMC the role to lead promulgation of the principles.
- 2.54 The Government's objective was to ensure that decision-making took appropriate account of social, economic, environmental, and cultural considerations. The sustainable development principles included:
- taking a precautionary approach to, and using participative processes for, decision-making;
  - looking for innovative, mutually supporting solutions;
  - considering long-term implications of decisions; and
  - looking for solutions that supported economic growth without harmful environmental effects.<sup>6</sup>

### Our expectations

- 2.55 We expected to find leadership support for the use of the sustainable development principles. We reviewed whether DPMC and workstream leaders:
- supported the use of the principles within the workstreams; and
  - provided guidance for policy development based on the principles.

### What we found

- 2.56 The use of the sustainable development principles was not compulsory in political or departmental decision-making. A paper to chief executives in March 2003 said

6 This is referred to in the Programme of Action as "decoupling"

that applying the principles would be based on methods in overseas models such as:

- the Organisation for Economic Co-operation and Development *Improving Policy Coherence and Integration for Sustainable Development: A Checklist*;
- the United Kingdom's *Integrated Policy Assessment Tool*; and
- the United Kingdom Sustainable Development Commission's discussion paper on a generic appraisal methodology.

- 2.57 We found little evidence that the Sustainable Cities and Energy workstreams formally used these methods to help decision-making be consistent with the sustainable development principles. We were told that the principles were used to test ideas and projects informally in meetings and workshops. For example, the Energy workstream explored an innovative approach, using external advisors, to think about and facilitate shared understanding of the complexities of energy as a system.
- 2.58 The evaluation report of the Auckland Programme commented on the principles being used to test some of the decisions within the programme. The other objectives of the Policy Tools and Processes Group – that is, of making departments familiar with the aims of the Programme of Action and the promotion of discussions and sharing information – were supported by a number of workshops and presentations (see paragraph 2.63).
- 2.59 The work on the use of the sustainable development principles became a separate workstream we have called the Quality Practice initiative. DPMC established this initiative as part of its leadership and co-ordination role. The Quality Practice initiative sought to make all departments familiar with the aims of the Programme of Action, create tools to support sustainable development thinking and practice in the workstreams, and promote discussions and forums to share information.
- 2.60 The Quality Practice initiative had three projects, each led by an interdepartmental group:
- the Indicators Group;
  - the Information-Sharing Group; and
  - the Policy Tools and Processes Group.
- 2.61 The **Indicators Group**, led by Statistics New Zealand, was responsible for preparing sustainable development indicators. This project is continuing.

- 2.62 The **Information-Sharing Group**, working with the State Services Commission, created a shared intranet workspace for government departments involved with the Programme of Action to share information and aid co-ordination. This was later extended to include organisations involved in the Auckland Programme. The project and the workspace, which was used during the Programme of Action, are no longer active.
- 2.63 The **Policy Tools and Processes Group** looked for ways to influence how government worked, through such mechanisms as accountability documents, the Budget process, staff training, and other whole-of-government initiatives. The group worked with Statistics New Zealand and produced a Population Issues website for use in policy development. It was also instrumental in amending the 2004 Budget bid process to include an assessment of consistency with sustainable development objectives (see paragraph 3.48). The group started some research to create policy tools, most of which was discontinued. Some research was more informal and took advantage of opportunities presented by visiting experts and speakers. The responsibility for preparing policy tools and processes was taken over by the Chief Executives Group in late 2004. Since then, we have seen no evidence of a separate programme for the development of policy tools. As part of the work of this group, DPMC produced a record of the significant events and documents up to the end of 2004.
- 2.64 The Quality Practice initiative involved a number of workshops, forums, and seminars to share information, including visiting overseas speakers and trainers who delivered seminars and provided advice. DPMC took opportunities offered through internal and external invitations to brief departments on the Programme of Action, which supported the aim of making government departments familiar with the programme goals.
- 2.65 The Programme of Action document said that a Cabinet Circular would be issued to guide the public sector in making sustainable development the core of all government policy. It was later agreed that the proposed Circular would be replaced by a letter to chief executives, but we have seen no evidence that this was done.
- 2.66 We heard different views about the sustainable development principles from staff. Many thought the sustainable development principles were well understood and well used. They cited, as illustrations, legislation that referred to sustainable development, such as the Land Transport Management Act 2003 and the Local Government Act 2002; initiatives such as the Govt<sup>3</sup> programme;<sup>7</sup> and strategies to manage biodiversity or fisheries. Others thought the sustainable development principles presented staff with challenges and were a struggle to understand.

7 The Ministry for the Environment runs the Govt<sup>3</sup> programme, which helps central government agencies become more sustainable.

## Our views

- 2.67 DPMC led the promotion of discussion and familiarity with the aims of the Programme of Action through cross-agency working groups, personal and departmental influence, and exchange of information through workshops and forums. All the people we interviewed said they thought these shared learning opportunities were useful in supporting officials and agencies to work in ways more consistent with a sustainable development approach.
- 2.68 While some legislation refers to sustainable development, this provides only high-level guidance for the practical application of principles in policy work and decision-making processes. In our view, it is important that those charged with implementing principles-based legislation agree on how the principles will be used in practice.
- 2.69 The principles need to be interpreted and accompanied by a range of methods for practical use if staff are to apply them in their work. We acknowledge that much of this can be done effectively through informal methods, and that some people we spoke to considered that making achievements in this way was a strength of the Programme of Action.
- 2.70 However, others said more attention needed to be given to agreeing on more formal methods for applying principles, such as how to:
- identify and analyse long-term scenarios;
  - identify ways to improve environmental outcomes while continuing economic development; and
  - address risks and uncertainties in the longer term.
- 2.71 Practical application of the sustainable development principles could have been more clearly supported. A “learning by doing” approach does not preclude thinking about how high-level principles would apply to a particular project or workstream. In our view, applying such principles would include evidence of some or all of the following mechanisms:
- providing support tools such as those listed in paragraph 2.56 to help departments apply the principles;
  - making departments accountable for complying with the principles through formal accountability documents such as statements of intent;<sup>8</sup> and/or
  - referring specifically to the principles in statements of departmental policy, strategy, or planning documents such as projects’ terms of reference.

<sup>8</sup> By comparison, the Cabinet decision on Pay and Employment Equity in the Public Service (CAB Min (04) 34/8) required all statements of intent to include a plan to implement Cabinet’s decision.

- 2.72 The difficulty in translating principles into action is not an issue confined to New Zealand. For comparison, the Austrian Court of Audit recommended in an audit of the Federal Strategy for Sustainable Development that there should be tools established for the consideration of sustainability in policies.

### Implications for cross-agency work

- 2.73 The implications for leadership, co-ordination, and governance arising out of our findings are that:
- leadership of any complex multi-agency programme needs good governance, with central leadership and clear roles; and
  - broad principles need to be supported by agreed methods to assist the application of the principles in departmental policy development and strategies.

### Leadership requires good governance and clear roles

- 2.74 Leadership of cross-agency work needs to establish and maintain suitable governance structures and ensure that there are clear decision-making processes and clearly understood roles. This is particularly important where departments are working together, and the respective responsibilities are not immediately clear.<sup>9</sup>
- 2.75 When departments seek to use partnerships and collaborative processes, establishing clear roles can be a challenge. Finding the right roles within a partnership can take time and effort, and roles take time to be consolidated. Working collaboratively needs specific skills. It is important to use staff who have these skills, and that time is made available for them to do cross-agency work.

### Principles need to be applied with appropriate policy development and decision-making methods

- 2.76 A principles-based approach to decision-making and policy development offers a more flexible, less prescriptive mechanism for carrying out the activities of government, and is being applied more commonly in drawing up legislation and in other areas of public sector activity. However, such principles are generally expressed in broad terms, and departments need methods and tools to enable the application of principles to policy development and decision-making.
- 2.77 Departments are responsible for applying principles endorsed by the Government, and in doing so should:
- ensure that such principles are defined and well understood, and the implications for their work are well considered;

<sup>9</sup> We make this point in our report *Local Authorities Working Together*, 2004, Wellington.

- decide and, where working together with partners, agree on how such principles will be applied in policy analysis and the methods to be used; and
- reflect their commitment to the principles in accountability documents, such as statements of intent, project plans, policy documents, and cross-agency agreements.

## Part 3

# Management and planning

- 3.1 In this Part, we discuss the framework that Cabinet agreed for the Sustainable Cities and Energy workstreams and for the co-ordination of the Programme of Action as a whole, and outline our expectations and findings relating to:
- project management and planning; and
  - budget planning.

- 3.2 We also identify implications for cross-agency work.

### Management and planning for the Programme of Action and the Sustainable Cities and Energy workstreams

- 3.3 The Programme of Action had components of a high-level strategy (setting out principles and desired outcomes) and was an action plan with a list of projects for each of the workstreams. The Cabinet paper for adopting the Programme of Action in December 2002 listed some projects for each workstream that were already under way, while other projects were subject to funding approval. Three-year planning for each workstream was further refined by staff after the launch of the Programme of Action in January 2003. Subsequent Cabinet papers sought approval for more detailed projects within each workstream.

#### Our expectations

- 3.4 We expected to find effective management of, planning for, and implementation of, the Programme of Action. We looked for:
- programme planning for the Programme of Action as a whole and project plans for each of the Sustainable Cities and Energy workstreams; and
  - cross-agency planning and consideration of the resources required to implement the Programme of Action.

#### What we found – the Programme of Action as a whole

- 3.5 In approving the Programme of Action and associated projects, Cabinet agreed that departmental chief executives would be responsible for the work programme and that DPMC would oversee the Programme of Action as a whole, lead the process for publication of the Programme of Action document, and convene the Chief Executives Group.
- 3.6 The Chief Executives Group set up:
- a Senior Officials Co-ordinating Group led by DPMC; and
  - four co-ordinating groups and structures to carry out the four workstreams (see Figure 1).



- 3.7 In late 2004, DPMC reduced the size of the Senior Officials Co-ordination Group. It became the Project Leaders Group and continued under DPMC's leadership.
- 3.8 DPMC led a cross-agency approach. It kept oversight of the Programme of Action through the Senior Officials Co-ordinating Group/Project Leaders Group and by participating in the co-ordinating groups for each workstream in a manner consistent with its usual way of working. However, given the complexity of the Programme of Action, we expected the overview to include formal programme planning.

#### What we found – the Sustainable Cities workstream

- 3.9 In August 2003, Cabinet was provided with a progress report on the Sustainable Cities workstream. The progress report paper provided details on the work under way for the National and Auckland Programmes.
- 3.10 Resources were allocated to the Sustainable Cities workstream in the 2003/04 and 2004/05 Budgets.
- 3.11 The Ministry for the Environment undertook project planning for projects within the National Programme such as for the *New Zealand Urban Design Protocol*. Most of the activities planned for the National Programme, such as setting environmental standards, were under way at the start of the Programme of Action.
- 3.12 The National Programme included work on research and policy development, a statement of strategic direction, urban environmental indicators, and an urban design protocol, as shown in Figure 4.

#### Figure 4

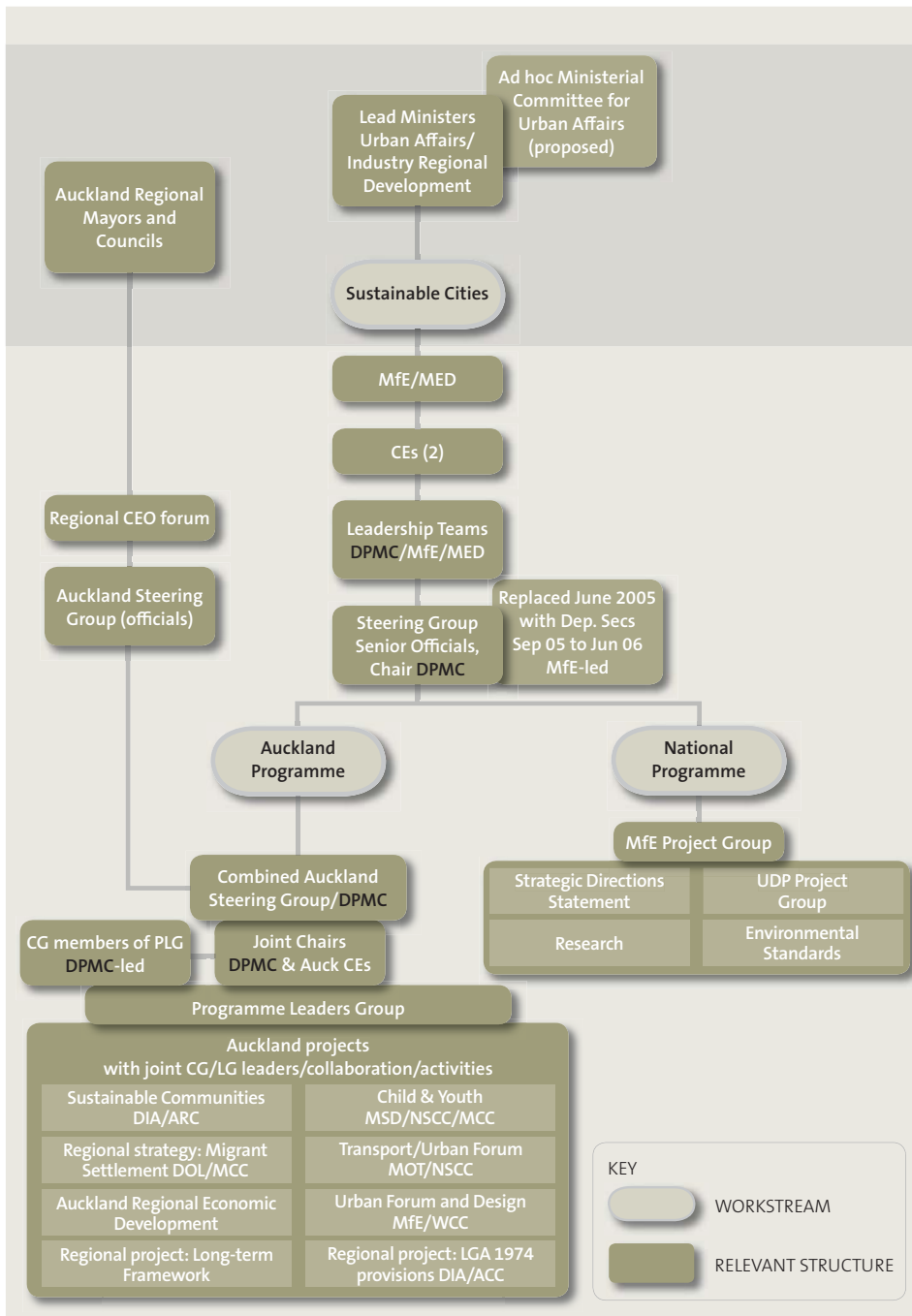
##### *New Zealand Urban Design Protocol project management*

The *New Zealand Urban Design Protocol* was launched in March 2005. It is a voluntary commitment by central and local government, property developers and investors, design professionals, educational institutes, and other groups to carry out specific urban design initiatives. By November 2006, the Protocol had 120 signatories.

The Protocol was prepared using an advisory panel. It is promoted through champions within signatory organisations and the Ministry for the Environment, which gives continuing support with, for example, newsletters and online toolkits.

- 3.13 The Auckland Programme had six local projects and two regional projects (see Figure 5). Each project had various sub-projects, some of which are continuing.

**Figure 5**  
The organisations, committees, and groups involved in implementation of the Sustainable Cities workstream



- 3.14 There was considerable central government engagement in the Auckland Programme's Combined Steering Group, which was co-led by DPMC and an Auckland local government chief executive, and each project group. The Ministry for the Environment and the Ministry of Economic Development had staff working on both the Combined Steering Group and project groups.
- 3.15 The Auckland Programme's Combined Steering Group established its own terms of reference and protocols for collaboration between central and local government.
- 3.16 The local authorities participating in the Auckland Programme employed a project manager to manage and give support to the partnership with central government and to co-ordinate the projects.
- 3.17 One challenge of working collaboratively is to manage the flow of information between partners. The Auckland Programme established protocols to facilitate the exchange of project information, and even so, some difficulties still arose, as indicated in Figure 6.

### Figure 6

#### Managing the flow of information between partners

Ideally, partners in any collaborative venture will enjoy equal access to information they need to perform their respective roles. Important components of any project – such as when decisions are made, how budgets are prepared, when formal approval is sought from governing bodies, and how resources are allocated – all rely on relevant information being available to all parties.

Different protocols and decision-making processes can create barriers to effective collaboration. As one example, papers presented to Ministers and local authority councillors are made public at different times and through different channels. In local authorities, reports to councillors are made available to the public before council meetings. By contrast, papers to Cabinet normally become available to the public only after consideration by Ministers.

There were one or two instances where the preparation of joint reports presented difficulties for the participants. These experiences, as noted in the Auckland Programme evaluation and commented on by those we talked to, reinforced the need for increased understanding of each other's processes, effective management, and the value of shared protocols. Despite the difficulties, the participants highlighted to us the value gained from such interaction between central and local government.

#### What we found – the Energy workstream

- 3.18 As set out in the Energy workstream programme provided to the Minister of Energy in July 2003, the Ministry of Economic Development was to play a co-ordinating role for its own projects and for others led by the Ministry for the Environment and the Energy Efficiency and Conservation Agency. The Ministry of Economic Development initially had a dedicated staff member assigned to this work, but responsibility was later transferred to another manager who had

other responsibilities. This had implications for the time available to manage the projects for which the Ministry was responsible.

- 3.19 Cabinet agreed to the discussion document *Sustainable Energy: Creating a Sustainable Energy System*, which was released in October 2004. The Ministry departed from its usual practice of circulating a draft document for comment by first preparing the draft document using small cross-agency teams. This was consistent with the Programme of Action aim of seeking to work in more innovative and inclusive ways.
- 3.20 The discussion document was the basis for consultation up to March 2005, including five workshops with stakeholder groups in Wellington, Auckland, and Christchurch early in 2005.
- 3.21 The next Cabinet paper to approve specific projects for the Energy workstream was submitted in July 2005. After the general election later in 2005, the Government announced its intention to prepare a national energy strategy. The Government released the *Terms of Reference for the National Energy Strategy* in July 2006, and this work incorporated the goals of the Energy workstream.

### **What we found – common issues for the Programme of Action and the Sustainable Cities and Energy workstreams**

- 3.22 Central government departments worked together and established protocols and terms of reference for project teams that supported the delivery of the projects. Central and local government staff commented to us about the value of relationships with other agencies and across sectors, as well as the amount of effort and time required to manage the relationships.
- 3.23 Comments in the self-evaluations produced for each workstream at the conclusion of the Programme of Action suggest that both central and local government participants were, to some extent, unprepared for the amount of resources required. Staff told us that it took time for project plans to be prepared. Factors that delayed their preparation included understanding the intent of the Programme of Action, identifying and agreeing on new and existing projects, and finding the resources. Resources for the workstreams were mainly reallocated from existing budget provisions.
- 3.24 We found little project planning that explicitly included planning for both the short-term and long-term aims of the Programme of Action. Lead agencies told us that they considered short- and long-term effects when selecting projects to include in the work programme for each workstream, but also looked for projects that would provide tangible benefits within the three-year life of the Programme of Action.

- 3.25 Many of the Programme of Action workstream objectives were based on previously prepared strategies. For example, the Energy workstream objectives were based on the *National Energy Efficiency and Conservation Strategy* and the *Electricity Policy Statement*. We did not audit the implementation or planning for these.
- 3.26 The two objectives of the Sustainable Cities workstream – that is, cities as centres of innovation and economic growth, and liveable cities that support social well-being, quality of life and cultural identities – would be achievable only in the longer term. The three-year programme for this workstream was based on a number of existing work plans (such as the regional migrant strategy and the economic development strategy), although new initiatives were also included.
- 3.27 The Auckland Programme was highly complex in governance and project management terms, and included extensive project planning on the part of the participants. However, we found limited evidence of project planning for the National Programme components, apart from that undertaken for the *New Zealand Urban Design Protocol*.
- 3.28 As both the Auckland and National Programmes had common objectives as part of the Sustainable Cities workstream, we expected to find some formal integrated planning that indicated how these two programmes fitted together, but we found no evidence that this was done.
- 3.29 We did find that central government Budget preparation material for some Sustainable Cities workstream projects included consideration of common project planning components, such as risk identification, resource implications, and planning for three to four years.
- 3.30 In general, we had difficulty finding complete records of departments' work on parts of the Programme of Action. We needed files from several agencies to understand the sequence of events in any one workstream.
- 3.31 There was a high level of staff turnover in each of the areas we looked at. Of the 27 people we interviewed, 22 were not part of the Programme of Action at either the beginning or the end. Only one person had been in the same role from 2003 to 2006.

### Our views

- 3.32 The Sustainable Cities and Energy workstreams engaged with stakeholders to prepare material such as the *New Zealand Urban Design Protocol* and *Sustainable Energy: Creating a Sustainable Energy System*.

- 3.33 Our view is that working in collaborative ways cannot be an “add-on” to usual ways of working although including existing projects in planning would clearly assist in early implementation of objectives. However, cross-agency working and new initiatives need resources and time to set up. Planning for these resources is part of project management.
- 3.34 While accepting that sustainable development is, to a large degree, about looking for synergies between existing projects, working differently, and fostering constructive relationships, we consider that the short- and long-term implementation of the Programme of Action would have been assisted by early planning for some specific items, such as:
- allowing for co-ordination costs;
  - improving skills in sustainable development concepts and decision-making processes; and
  - including travel and meeting time in budgets.
- 3.35 In our view, long-term outcomes in the Programme of Action would have been better supported by programme planning that included:
- stronger links between the Programme of Action and other whole-of-government initiatives;
  - planning for long-term synergies between workstreams and the objectives of the Programme of Action as a whole;
  - ensuring that adequate resources were made available to implement the Programme of Action; and
  - evaluating whether short-term, mid-term, and long-term objectives were achieved.
- 3.36 The lead agencies did not agree with us about the extent of the need for this kind of programme planning to ensure co-ordination and effective delivery of the Programme of Action or, if it was necessary, whose role this might be. We were told that DPMC’s leadership and co-ordination role did not include this kind of programme planning, and the Ministry for the Environment’s role of co-ordinating the workstreams did not include programme planning for the Programme of Action.
- 3.37 Careful record-keeping is important for maintaining continuity and supporting the co-ordination of long-term cross-agency work. The Government has addressed the problem of record-keeping with the Public Records Act 2005, which requires every public office and local authority to maintain full, accurate, and accessible records.

- 3.38 It is not possible to quantify the effect of staff turnover on project planning and co-ordination. Some turnover in a three-year programme is unavoidable, but high turnover needs effective transition management. Staff changes affect project continuity, with a loss of accumulated knowledge and familiarity with working processes and disruption to established working relationships.

### **Budget planning for the Programme of Action and the Sustainable Cities and Energy workstreams**

- 3.39 At the time the Programme of Action was launched, some funding was assigned to the workstreams from existing programmes.

#### **Our expectations**

- 3.40 We expected to find cross-agency budgets for the workstreams that specified the resources needed to carry out the defined projects.

#### **What we found**

- 3.41 The Government's total financial commitment to the implementation of the Programme of Action was unclear, as there was no dedicated funding for the Programme of Action and existing projects were redefined as Programme of Action projects to deliver tangible outcomes within the three years.
- 3.42 However, we estimate that about \$23 million was allocated to the Programme of Action and the Sustainable Cities and Energy workstreams from July 2003 to July 2006 (inclusive). Appendix 2 has more detail on the funding for the Programme of Action workstreams.
- 3.43 Preparing budgets with stakeholder or partner organisations was not always easy.
- 3.44 The Programme of Action was launched in January 2003 when central and local government budgets for 2003/04 were in the final stages of preparation.
- 3.45 For the Sustainable Cities workstream, the January launch date put pressure on central and local government budgets in the first year. It also put pressure on selecting projects that could be delivered within the three years, even if those projects were foreseen to have long-term effects. In 2004, the process of co-ordinating the preparation of budgets between central and local government created difficulties for some agencies with their own budget preparation and governance processes.
- 3.46 The Ministry of Economic Development used a budget template to prepare its 2004/05 and 2005/06 budgets, which required an explanation of how the Budget bid supported sustainable development. This placed an obligation on staff, in

forecasting resourcing needs, to consider all environmental, social, economic, and cultural implications, medium- and long-term effects, and links with other programmes.

- 3.47 The Budget Strategy 2004 stated that Budget initiatives for 2004/05 would be considered for consistency with sustainable development. We were told that this was the result of work done by the Policy Tools and Processes Group. As a result, the Treasury prepared amendments to the Budget guidance, trained its Vote analysts, and held workshops for staff in other departments. The Treasury has since reviewed this process, and we have been told that parts of this work remain in use. However, not many of the people we spoke to commented on, or were aware of, this process.
- 3.48 Figure 7 provides an example of the preparation of an extensive cross-agency budget.

**Figure 7**  
**The Sustainability Package Budget bid for 2005/06**

In late 2004, staff from the Ministry for the Environment, Ministry of Fisheries, Land Information New Zealand, Ministry of Agriculture and Forestry, Ministry of Research, Science and Technology, Ministry of Transport, Ministry of Health, and Ministry of Economic Development worked together to prepare an inter-departmental Budget package for 2005/06 around the theme of sustainability. In the order of \$200 million, the package included funding for environmental projects and some projects in the Energy workstream, such as funding for better energy policy and market information.

**Our views**

- 3.49 We understand that the intention of the Programme of Action was to improve outcomes by looking for synergies between (mostly) existing initiatives. In other words, the Programme of Action aimed to “do things differently”, such as working in partnerships, rather than “doing different things”. The workstream leaders were successful in identifying and supporting initiatives that became part of the Programme of Action workstreams.
- 3.50 Workstream initiatives have led to improvements in cross-agency planning and budgeting. The development of multi-agency funding bids, such as those for Sustainable Energy in 2004 and the combined Sustainable Cities bid in 2004, point to better collaboration in budget preparation.
- 3.51 The Auckland Programme evaluation report comments that there was funding pressure in the first year, not only for central and local government but also for the not-for-profit sector engaged in the Auckland Programme. The first year for both workstreams and the Quality Practice initiative was mainly spent in planning



and identifying budgets. This put pressure to deliver results during the remaining two years of the programme and reduced the available time to address some of the broader goals of the Programme of Action – for example, the objectives for the better management of waste, energy, and pollution in the Sustainable Cities section.

- 3.52 In our view, project planning for the Programme of Action – in particular, with a range of project partners – would have been assisted by:
- early advice to potential funding providers and partners;
  - funding for resources to implement the projects; and
  - funding for methods to assist the application of the sustainable development principles.

### Implications for cross-agency work

- 3.53 The implications for the management of cross-agency work arising out of our findings are:
- long-term complex projects need integrated management to ensure co-ordination and collective commitment and resourcing; and
  - project planning needs to take account of the requirements of individual agencies and of all participants.

### Long-term initiatives need an integrated management approach

- 3.54 Strong relationships and collaborative processes are important for the success of complex long-term initiatives with multiple projects. These factors need to be supported by programme planning, which would help to ensure integrated decision-making, continuing commitment, and resourcing at an individual agency level and for the partners collectively.
- 3.55 Planning, including budgeting, needs to take account of short-term, mid-term, and long-term programme objectives. In our view, this is particularly important where the Government is seeking to provide better results for citizens by encouraging a more strategic and outcome-based approach to planning and management. A focus on cross-agency, shared outcomes necessarily requires several agencies to be involved and committed to a programme, and demands an emphasis on the management of the programme as well as on individual projects.
- 3.56 In our view, effective programme planning would:
- provide continuity during the life of the programme in terms of resourcing, roles and responsibilities, and objectives;
  - focus on the systems of government to remove obstacles to improving effectiveness and efficiency;

- incorporate a planning horizon focused on the delivery of long-term objectives while identifying short-term achievements;
- foster adaptive and collaborative behaviours and networks;
- identify common issues and report on those to decision-makers;
- identify whole-of-government risks and opportunities; and
- review progress and report on outcomes.

### **Cross-agency work presents special challenges for project planning**

- 3.57 Working collaboratively across government departments and in partnerships takes time – in particular, in the early stages of projects. This needs to be taken into account in project and programme planning. Cross-agency work relies, by its nature, on agencies and departments planning their resource needs, delivering the required outcomes, and meeting the agreed deadlines.
- 3.58 The preparation of resource estimates should include working with the planning and budgeting cycles of partners. This is especially important when working with partners and stakeholders who follow different decision-making and planning processes.



## Part 4

# Accountability through reporting, monitoring, and evaluation

4.1 In this Part, we describe:

- the reporting, monitoring, and evaluation carried out for the Programme of Action as a whole and the Sustainable Cities and Energy workstreams;
- how the Programme of Action contributed to capability building through shared learning forums;
- our expectations and findings; and
- the implications for cross-agency work.

### Reporting to Ministers, local government councillors, and the public

4.2 The Programme of Action contains a requirement for reporting on progress towards sustainability. Also, staff were required to report to Ministers on emerging sustainability issues and progress with implementation of the Programme of Action.

4.3 The Programme of Action pointed out that no single agency collected all the data needed for sustainable development reporting and recognised that partnerships and co-ordinated reporting would be needed. It listed local government, sector groups, and central government agencies as partners.

4.4 Although it is not mentioned in the Programme of Action, the United Nations Commission on Sustainable Development expects to receive regular reports on the implementation of commitments agreed at the World Summit.

### Our expectations

4.5 We expected Ministers and local government councillors to have been kept informed of progress with implementation of the Programme of Action and advised of emerging sustainability issues.

4.6 We note that the Programme of Action makes no reference to a requirement for reporting to the general public. Nevertheless, as the Programme of Action was both a public document and the Government's response to an international agreement, we expected that public information about the implementation of the Programme of Action would be available.

### What we found – the Programme of Action as a whole

4.7 We were told that reporting to the co-ordinating Minister was mostly informal, and we found few written reports.

- 4.8 Departments involved in the various workstreams reported on their activities to the Senior Officials Co-ordinating Group, which in turn reported to the Chief Executives Group. Each chief executive also had direct reporting responsibility to their Minister.
- 4.9 In late 2004, DPMC prepared for publication a mid-term report on progress to implement the Programme of Action, but this was not published. There have been no reports to Parliament about implementation of the Programme of Action. At least one summary report was sent to the United Nations in 2004.

#### What we found – the Sustainable Cities workstream

- 4.10 Cabinet received a progress report for the Sustainable Cities workstream in August 2003.
- 4.11 The Ministry for the Environment and the Ministry of Economic Development prepared regular but separate reports for Sustainable Cities to their responsible Ministers – the Minister for Urban Affairs and the Minister for Industry and Regional Development respectively. The National Programme reported to the Sustainable Cities Senior Officials Group (see Figure 5).
- 4.12 For the Auckland Programme, the Programme Leaders Group:
- reported to mayoral meetings, chief executive forums, and local government councillors on issues and progress;
  - reported to the Auckland Programme’s Combined Steering Group; and
  - published progress and evaluation reports on a website.
- 4.13 In turn, the Auckland Programme’s Combined Steering Group (which included central and local government officials) gave or approved reports to:
- an Auckland Programme’s Senior Officials Group, made up of local government members; and
  - the Sustainable Cities Senior Officials Group, made up of central government members.
- 4.14 These two groups then reported to their chief executives and to their local government councillors. The Auckland Programme established reporting templates and processes, and published various reports such as *Success in Sustainability* in July 2006.

#### What we found – the Energy workstream

- 4.15 Cabinet approved the release of the discussion document *Sustainable Energy: Creating a Sustainable Energy System* in late 2004. The results of consultation

on this document were reported to Cabinet in July 2005. At the same time, the Cabinet Business Committee agreed that staff would prepare a further report by March 2006.

- 4.16 The Ministry of Economic Development reported regularly to the Minister of Energy. After the general election in 2005, the Government announced its intention to write a national energy strategy. As a result, the reports scheduled for March 2006 were deferred till June 2006. As the Energy workstream was incorporated into the preparation of a national energy strategy, no further reports on this workstream were prepared.

### Our views

- 4.17 Reporting to Ministers was done both informally and through written reports. Workstream leaders reported to their Ministers in writing regularly, although, in general, reporting was less frequent in the latter half of the Programme of Action.
- 4.18 Reporting to the public was done through the workstreams, by publishing a variety of information on workstream activities, as shown in Figure 8. We discuss how public information supports shared learning and capability building in paragraphs 4.31-4.47.

### Figure 8

#### Public information provided by workstream leaders and the Department of the Prime Minister and Cabinet

Workstream leaders published a lot of information about their activities. This information included material on websites, consultation documents, and reports – for example:

- the Population and Sustainable Development website hosted by Statistics New Zealand [www.population.govt.nz](http://www.population.govt.nz);
- the consultation document *Sustainable Energy: Creating a Sustainable Energy System*; and
- various reports published under the Programme of Action banner, such as the Public Transport Procurement Legislation review, the *New Zealand Urban Design Protocol*, and reports by the Auckland Programme.

In addition, Local Government New Zealand published Sustainable Cities newsletters, which included information about the Sustainable Cities workstream. These newsletters were funded by the Ministry for the Environment as part of the Sustainable Cities workstream.

Project information and updates were given to a variety of interested parties by workstream leaders and DPMC at a number of public presentations, such as conferences, public sector training programmes, and forums of groups with an interest in, or commitment to, sustainability.

- 4.19 The regular reporting to local councils in the Auckland Programme provided opportunity for reflection and input by local government councillors and local authority chief executives.

## Monitoring and evaluation

- 4.20 The Programme of Action sought to strengthen the way that central government departments work together. It also sought to have central government work in partnerships with relevant external agencies and, by implication, to work in an open way.

### Our expectations

- 4.21 We expected that:
- there would be evaluations of how the Programme of Action and workstreams were implemented; and
  - participating agencies would be involved in such evaluations.

### What we found

- 4.22 The Programme of Action was under review and subject to adjustments by the Chief Executives Group throughout its three-year life. For example, in March 2004, chief executives were surveyed about their views on the implementation of the programme.
- 4.23 DPMC planned a final independent evaluation of the Programme of Action with the Project Leaders Group. The evaluation sought the views of stakeholders at a preparatory national workshop, and the final report *Implications of the Sustainable Development Programme of Action* was completed in October 2006.
- 4.24 Each workstream undertook a separate evaluation, often including stakeholder interviews. Participating agencies were involved in the evaluations as stakeholders. The results of these evaluations were included in the final report commissioned by DPMC.
- 4.25 The Auckland Programme carried out evaluations of projects as they progressed and at the end of the programme. The Auckland Programme's Combined Steering Group prepared their evaluation methodology and the final report.

### Our views

- 4.26 Various factors presented a challenge for evaluation and performance monitoring of the Programme of Action. These included the mix of activities, outputs, and outcomes in the Programme of Action, the new ways of working across agencies and with local government, and the difficulties associated with tackling complex policy issues.

- 4.27 As we have stated in earlier reports,<sup>1</sup> evaluations are helped by early planning, which includes consideration of criteria for impact evaluation requirements in the future. In our view, programme planning that establishes short-term, medium-term, and long-term goals makes it easier to perform the subsequent evaluations that assess whether goals have been achieved.
- 4.28 The outcomes from many of the projects in the Sustainable Cities and Energy workstreams will become visible only in the longer term – for example, outcomes from the *New Zealand Urban Design Protocol* project or the Regional Migrant Settlement and Sustainable Communities projects that formed part of the Auckland Programme.
- 4.29 Monitoring beyond 2006 will be important for assessing the longer-term outcomes to enable progress reporting to Ministers and the public, and to identify emerging issues.

### Capability building

- 4.30 The Programme of Action was intended to help build experience and capability in applying the sustainable development approach to public policy. One important objective of the programme was to identify lessons to be applied in the future.

### Our expectations

- 4.31 To support capability building, we expected to find that lessons learned were shared among workstream participants and stakeholders, as well as being recorded and available for the future.

### What we found

- 4.32 The Quality Practice initiative sought to make all departments familiar with the aims of the Programme of Action, to create tools to support sustainable development thinking and practice in the workstreams, and to promote discussions and forums to share information. These were all intended to support the capability of the sector to work in a way that was consistent with sustainable development objectives (see paragraphs 2.59-2.64). Many of the forums involved departments updating each other on the progress in their workstream.
- 4.33 There were opportunities to expand participants' understanding and application of sustainable development processes. These opportunities included meetings with departments, liaison with interest groups, invitations to speak at or attend conferences, staff seminars, and engagements with visiting speakers.

1 *First Report for 2000: Health, School Boards, and Impact Evaluation*, parliamentary paper B.29[00a], and *Key Success Factors For Effective Co-ordination and Collaboration Between Public Sector Agencies*, 2003.



- 4.34 Substantial work went into preparing a public sustainable development website, but it was discontinued because the project leaders thought it would duplicate other websites that were being developed.
- 4.35 The Auckland Programme held workshops, set up learning groups, and established a website with links to other organisations.

### Our views

- 4.36 Workstream leaders used a variety of opportunities to increase shared learning about sustainable development processes. These opportunities were also promoted through the Quality Practice initiative.
- 4.37 Material from presentations and seminars was shared by publication on the Sustainable Development intranet. However, as the intranet is no longer active and access was restricted to workstream participants, this process limited the potential for sharing the information with an even broader audience over time. We consider that the high turnover of staff and lack of documentation further limited the opportunities for ongoing shared learning.
- 4.38 In our view, shared learning and public sector capability is assisted not only by “learning by doing” and providing information through public presentations, but also through forms of public reporting and information sharing that captures the learning in a permanent and accessible form. Without such mechanisms, learning is likely to be restricted to the participants and the people they are in immediate contact with. Several people told us that the Programme of Action experience had beneficially influenced their way of working and therefore subsequent government programmes.
- 4.39 Shared ongoing mechanisms for reporting and sharing information would be consistent with open and transparent government, and with the Programme of Action principle of working in partnership and encouraging transparent and participatory processes.
- 4.40 In our view, given that two reports on the Programme of Action have not been publicly released, the potential envisaged for shared learning to contribute to building capability was not fully realised. Given the similar international initiatives and interest in sustainable development strategies and initiatives, such material could also be of value to others interested in sustainable development nationally and internationally.
- 4.41 Overseas reports on progress towards World Summit commitments and learning are readily available and often refer to learning from their experience. A 2004 progress report from the Netherlands on its *Sustainable Development Action Plan*

refers to the Learning for Sustainability Programme, which provided support to government departments to put the plan into practice.

- 4.42 As part of strengthening the delivery of the United Kingdom Government's Sustainable Development Strategy, sustainable development was intended, in 2005, to become part of the curriculum for the National School of Government.<sup>2</sup> These and other reports on progress on World Summit commitments are readily available and are listed in Appendix 1.

### Implications for cross-agency work

- 4.43 The implications for accountability arising out of our findings are that:
- public information supports capability building and accountability; and
  - long-term initiatives need ongoing monitoring and evaluation.

### Public information supports capability building and accountability

- 4.44 Public information enables the public, partners, participating agencies, and international agencies to assess progress against programme aims (accountability) and records lessons learned for the future (capability building).
- 4.45 Shared learning is supported by learning and reporting methods that can be informal or formal but that do need to be available in the public arena. This is important in the highly dynamic environment of the public service, particularly when a programme is seeking changes in the way the public service sets policy.

### Long-term initiatives need ongoing monitoring and evaluation

- 4.46 Many outcomes from cross-agency work will become visible only in the longer term. Assessment of outcomes will be supported through evaluation of social, economic, environmental, and cultural effects. Ongoing monitoring is important. It provides the information for assessing outcomes and reporting results to Ministers and the public, and identifies emerging issues.

<sup>2</sup> HM Government (2005), *The UK Government Sustainable Development Strategy*, Department for Environment, Food and Rural Affairs, United Kingdom.



# Appendix 1

## Selected publications and websites

### Publications by the Controller and Auditor-General addressing cross-agency work

*Local Authorities Working Together* (2004), Wellington.

*Key Success Factors for Effective Co-ordination and Collaboration Between Public Sector Agencies* (2003), Wellington.

*Co-ordination and Collaboration in the Criminal Justice Sector* (2003), Wellington.

*Reporting Public Sector Performance* (2001), Wellington.

*First Report for 2000: Health, School Boards, and Impact Evaluation*, parliamentary paper B.29[00a], Wellington.

*Third Report for 1998: Part 4: Delivering Effective Outputs for Māori*, parliamentary paper B.29[98c], Wellington.

### Other publications

Auditor-General Victoria (2004), *Beyond the Triple Bottom Line, Measuring and Reporting on Sustainability*, Occasional Paper, Victoria, Australia.

Auditor General of Canada (2005, November), *Report to the House of Commons. Chapter 4, Managing Horizontal Initiatives*, Office of the Auditor General of Canada, Ottawa, Canada.

CIPFA and Forum for the Future (2006), *Sustainability: A Reporting Framework for the Public Services*, The Chartered Institute of Public Finance and Accountancy, London.

Craig, D. and Courtney, M. (2004), *The Potential of Partnership, Key Learnings and Ways Forward. Local Partnerships and Governance*, Waitakere City Council, Local Partnerships and Governance Research Group.

Department of the Prime Minister and Cabinet (2003, January), *Sustainable Development for New Zealand: Programme of Action*.

Global Reporting Initiative (2000-2006), *Sustainability Reporting Guidelines*, RG, Global Reporting Initiative, Amsterdam, Netherlands.

HM Government (2005), *The UK Government Sustainable Development Strategy*, Department for Environment, Food and Rural Affairs, United Kingdom.

International Organisation of Supreme Audit Institutions, *The World Summit on Sustainable Development: An Audit Guide for Supreme Audit Institutions*, INTOSAI

Working Group on Environmental Auditing. The proposed publication date for this report is November 2007.

Landcare (2005, March), *Sustainable development, the challenge for public policy, Output 1: Documentation of the Sustainable Development Programme of Action*, Landcare Research Contract Report: LC0405/080.

Landcare (2006, October), *Implications of the Sustainable Development Programme of Action*. Landcare Research Contract Report: LC0607/015.

National Audit Office (2006, May), *Regulatory Impact Assessments and Sustainable Development, Briefing for the Environmental Audit Committee*, United Kingdom.

Netherlands Ministry of Environment and Ministry of Finance (2004), *Sustainable Action, the Sustainable Development Action Programme, Progress Report (to House of Representatives) 2004*. Available on website [www.sd-network.eu/](http://www.sd-network.eu/).

Niestroy, I. (2005), *Sustaining Sustainability, Background Study, No. 2*. Commissioned by European Environment and Sustainable Development Advisory Councils, Uitgeverij Lemma, Utrecht. [This is a benchmark study on national strategies towards sustainable development in nine European Union member states and their link to the European Union Sustainable Development Strategies. It focuses on the governance of sustainability including horizontal and vertical co-ordination, and the links between government and non-governmental organisations.]

O'Leary, R. Bingham, L. and Gerard, C. (Eds.) (2006, December), *Public Administration Review Special Issue on Collaborative Public Management*, American Society for Public Administration.

Parliamentary Commissioner for the Environment (2002, June), *Creating Our Future: Sustainable Development for New Zealand*, Office of the Parliamentary Commissioner for the Environment, Wellington, New Zealand.

Regeringskansliet (2004), *A Swedish Strategy for Sustainable Development Government Communication 2003/04:129*, Swedish Ministry of the Environment, Sweden.

Swanson, D. and Pinter, L. (2004), *National Strategies for Sustainable Development: Challenges, Approaches and Innovations in Strategic and Co-ordinated Action*, International Institute for Sustainable Development, Stratos Inc, Environmental Policy Research Centre of the Freie Universitat Berlin, and German Federal Ministry for Economic Cooperation and Development.

Sustainable Development Commission (2006), *On the Move, Review 2005-2006*, London. Available on website [www.sd-commission.org.uk](http://www.sd-commission.org.uk).

Sustainable Development Commission (2005), *SDC Assessment Department for Environment, Food and Rural Affairs, Sustainable Development Action Plan*. London. Available on website [www.sd-commission.org.uk](http://www.sd-commission.org.uk).

United Kingdom House of Commons Environment Committee (2005), *The World Summit on Sustainable Development 2002: A UK Progress Report. Third Report of Session 2004-05*, London.

United Kingdom National Audit Office, Canadian Office of the Auditor General (2004), *Sustainable Development: The Role of Supreme Audit Institutions*, International Organisation of Supreme Audit Institutions. Available on website [www.environmental-auditing.org](http://www.environmental-auditing.org).

## Websites

Auckland Programme: [www.sustainableauckland.govt.nz](http://www.sustainableauckland.govt.nz).

European sustainable development network: [www.sd-network.eu/](http://www.sd-network.eu/).

Global Reporting Initiative: [www.globalreporting.org](http://www.globalreporting.org).

International environmental auditing: [www.environmental-auditing.org](http://www.environmental-auditing.org).

UK Sustainable Development Commission: [www.sd-commission.org.uk](http://www.sd-commission.org.uk).



## Appendix 2

# Funding for the Programme of Action

Many projects in the *Sustainable Development for New Zealand: Programme of Action* (the Programme of Action) workstreams were selected from existing projects or from work already identified by departments as future work. Most central government funding was reallocated from existing budgets.

However, we estimate about \$23 million was allocated to the Programme of Action and the Sustainable Cities and Energy workstreams from July 2003 to July 2006 (inclusive).

The first year (2003/04) was mostly spent identifying and preparing Budget bids for the workstreams. In 2003/04, more than \$2 million was reallocated from the Growth and Innovation Framework to the Sustainable Cities workstream.

In 2004/05, funding from 2004/05 to 2006/07 was agreed for Sustainable Cities workstream initiatives, mostly for Auckland Programme projects, totalling about \$3 million. While this Auckland Programme funding was settled in May 2004 in the Budget for 2004/05, which was nearly halfway through the life of the Programme of Action, many projects were already under way.

In 2005/06, central government staff prepared a Sustainability Package as part of the Budget preparation, which included Energy workstream-related bids (\$6 million) that, among other things, supported energy policy capacity and the Electricity Commission.

The 2006/07 Budget provided more than \$12 million to Statistics New Zealand to support the preparation of national and sub-national indicators for sustainable development.

These allocations of funding to projects relating to the Programme of Action and the Sustainable Cities and Energy workstreams total \$23 million.

This amount does not include the funding for:

- sustainable development-related bids that were also part of the Sustainability Package in 2005/06, such as funding within the Ministry of Transport or the Ministry of Research, Science and Technology for associated research initiatives;
- existing and continuing work being carried out by departments such as the Ministry for the Environment's work on environmental standards (one of the Sustainable Cities workstream objectives);
- Water workstream;
- Child and Youth workstream;
- Sustainable Cities workstream funding for the Child and Youth workstream (\$725,000);



- Sustainable Cities workstream funding for the Auckland Regional Policy Statement (\$670,000); and
- the local government funding of the Auckland Programme. This programme involved staff from eight local authorities working on multiple projects. Direct costs included funding for a project manager.

# Publications by the Auditor-General

Other publications issued by the Auditor-General recently have been:

- New Zealand Customs Service: Collecting customs revenue
- Ministry of Health and district health boards: Effectiveness of the “Get Checked” diabetes programme
- Guidance for members of local authorities about the law on conflicts of interest
- Managing conflicts of interest: Guidance for public entities
- Te Puni Kōkiri: Administration of grant programmes
- New Zealand Qualifications Authority: Monitoring the quality of polytechnic education
- Annual Plan 2007/08 – B.28AP(07)
- Waste management planning by territorial authorities
- Central government: Results of the 2005/06 audits – B.29[07a]
- Department of Internal Affairs: Effectiveness of controls on non-casino gaming machines
- Controlling sensitive expenditure: Guidelines for public entities
- Performance of the contact centre for Work and Income
- Residential rates postponement
- Allocation of the 2002-05 Health Funding Package
- Advertising expenditure incurred by the Parliamentary Service in the three months before the 2005 General Election

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