



Vote: Environment

Report in relation to selected Non-Departmental Appropriations
for the year ended 30 June 2008

Presented to the House of Representatives pursuant to Section 32A of the Public Finance Act 1989.

Introduction

The Ministry for the Environment is the Government's primary adviser on the New Zealand environment and international matters that affect the environment. The Ministry also has a growing leadership role in relation to sustainable development.

The Ministry for the Environment is required under the Public Finance Act to report against the following three Output and Other Expenses in the 2008 Section 32A report:

- Clean-up of Orphan Crown Contaminated Sites
- Development and Implementation of Sustainable Management
- Warm Home Grants and Assistance.

Clean-up of Orphan Crown Contaminated Sites

The Ministry for the Environment has made funding available from the Contaminated Sites Remediation Fund to assist regional councils to encourage investigation and remediation of contaminated sites. To qualify, the sites must pose a known or potential risk to human health and the environment within their regions.

Contaminated sites that are posing or likely to pose a high risk to human health, and which are prime candidates for the Contaminated Sites Remediation Fund are those that are:

- located in environmentally or culturally sensitive areas, or
- where the landowners do not have the financial resources to undertake the work themselves but want to do something about the problem.

Development and Implementation of Sustainable Management

The purpose of the Sustainable Management Fund is to support community groups, iwi, businesses and local government in taking practical actions that produce long-term environmental benefits. The objectives of the fund are to make a positive difference to the environment by funding projects that:

- support the Ministry's priorities
- encourage proactive partnerships
- promote community action.

Warm Home Grants and Assistance

The purpose of the Energy Efficiency Conservation Authority EnergyWise™ warm home grants and assistance programme is to fund improvements to insulation and other energy efficiency measures for homes throughout the country.

New Zealand has clean air most of the time in most places. However, there are some problems in some areas. Air pollution causes a range of significant health problems, including respiratory diseases, asthma attacks, reduced immunity, and even premature deaths. Many of these problems are preventable.

Most of our air pollution comes from domestic heating. Domestic solid fuel burners are the main source of fine particles in most urban areas. That is why it is important for New Zealand families to install clean and efficient heating to make their homes healthier. Insulation also plays an important part in this.

Statements of Service Performance

NON-DEPARTMENTAL OUTPUT EXPENSES

Output Expense: Clean-up of Orphan Crown Contaminated Sites

Scope of Appropriation

The scope of this appropriation is limited to the administration of the Contaminated Sites Remediation Fund, including advising on and providing assistance for the clean-up of the Tui Mine and the Mapua contaminated sites.

Intended Impacts, Outcomes or Objectives

Outcome – New Zealand's priority contaminated sites are investigated and remediated.

Description of Activities

In 1999/2000 the Crown set up a Contaminated Sites fund to assist in the clean-up of contaminated land within New Zealand. Over the past 12 months the fund has been used to:

- contribute to the costs of cleaning up the ex-Fruitgrower's Chemical Company site at Mapua, which was heavily contaminated with pesticides and was assessed as posing a high risk to human health and the environment
- assist with further investigations and characterisation of the Tui Mine site near Te Aroha
- assist councils to remediate contaminated sites in New Zealand where either no party can be fixed with legal liability, or where the liable party is unable to fully fund the remediation.

Service Performance

Non-Financial

Expected Performance	2007/08 Actual Performance
Complete the ongoing remediation of the Mapua site.	Partially achieved. Treatment of over 8000m ³ of contaminated soil and the final earthworks to contour the site has been completed. The site has now been handed back to the Tasman District Council. The outstanding items are the completion of the site validation report and the site audit report and any actions that result from these.
Initiate investigations for the clean-up of Tui Mine contaminated site.	Achieved. The Ministry for the Environment, in consultation with Waikato Regional Council, initiated investigations for the clean-up of Tui Mine. Consultants completed the remediation concept design report in February 2008 and a review of the project costs was completed in May 2008.

Expected Performance	2007/08 Actual Performance
Allocate \$3.28 million to priority contaminated sites, where either no party can be fixed with legal liability, or where the liable party is unable to fully fund the remediation.	Achieved. Two funding rounds were held in which three projects were funded. The full appropriation was allocated to priority contaminated sites projects. However, \$623,000 was not spent due to delays in some projects. These funds will be carried forward into 2008/09.
Ensure all applications to the remediation fund are assessed in accordance with appropriate procedures, processed within expected timeframes, and ensure deeds are put in place for funded projects.	Achieved. All applications were assessed in accordance with appropriate procedures, processed within expected timeframes, and deeds were put in place for all funded projects.

Financial

Total Appropriation	2006/07 Actual	2007/08 Estimates	2007/08 Supp Estimates	2007/08 Actual
	\$000	\$000	\$000	\$000
Clean-up of Orphan Crown Contaminated Sites	3,132	7,278	3,278	2,657

The appropriation decreased by \$4.000 million to \$3.278 million for 2007/08 due to an expense transfer to 2008/09 for the Tui Mine remediation project.

Output Expense: Development and Implementation of Sustainable Management

Scope of Appropriation

The scope of this appropriation is limited to projects that support and strengthen proactive partnerships between the community, industry, iwi and local government and include a wide range of practical environmental initiatives and involve the community in practically focused 'action for the environment'.

Intended Impacts, Outcomes or Objectives

Outcome – Community-driven projects with positive environmental benefits are supported.

Description of Activities

This Non-Departmental Output Expense covers the purchase, by the Minister for the Environment, of projects from the community, industry, iwi and/or local government which result in practical action that produces long-term environmental benefit.

Its objective is to make a positive difference to the environment by funding projects that:

- fit under one of the five topic areas
 - Adopt-A-Schemes (eg, adopt a stream)
 - freshwater management initiatives
 - urban sustainability
 - practical action to address climate change
 - waste minimisation and resource recovery
- demonstrate they will strengthen partnerships between different groups, including the community, industry, iwi and/or local government
- can demonstrate support from stakeholders.

Service Performance

Non-Financial

Expected Performance	2007/08 Actual Performance
Support projects that enhance the quality of New Zealand's fresh water.	<p>Achieved. Eight projects were funded to enhance the quality of fresh water in New Zealand. Examples of two of these projects are detailed below.</p> <p><i>Maraetotara River Restoration Project</i></p> <p>This project restored and protected approximately 34km of river margin in the Maraetotara River in Hawke's Bay. A protection agreement was negotiated, willows were removed and the riparian strip was planted with eco-sourced seedlings.</p>

Expected Performance	2007/08 Actual Performance
	<p><i>Waikanae Estuary Scientific Reserve Restoration Project</i></p> <p>This is year one of a three year project to restore native vegetation in the Waikanae Estuary. Volunteers removed invasive woody vegetation and replaced it with ecologically sourced indigenous vegetation.</p>
<p>Support projects that make our towns and cities healthy, safe and attractive places through quality urban design and sustainable and integrated transport planning.</p>	<p>Achieved. Eleven projects were funded to make our towns and cities healthy, safe and attractive places where business, social and cultural life can flourish. Examples of two of these projects are detailed below.</p> <p><i>The Sustainable Habitat Challenge</i></p> <p>This project, undertaken by the tertiary sector, developed ways of addressing sustainable living and building with practical and innovative solutions. Teams designed and built sustainable homes powered by renewable energy sources (including their interiors and household content). This is year one of a three year project.</p> <p><i>Getting around Wellington</i></p> <p>The aim of this project was to reduce kilometres travelled by car in Wellington city and enhance the well-being of individuals and communities. The project engaged individual householders and groups to identify their frustrations with getting around by car and then facilitated beneficial solutions such as advice on alternative travel choices through walking/cycling, public transport options, and car pooling.</p>
<p>Support projects that undertake practical initiatives to reduce greenhouse gas emissions and the effects of climate change on New Zealand.</p>	<p>Achieved. Six projects were funded to reduce greenhouse gas emissions and the effects of climate change on New Zealand. Examples of two of these projects are detailed below.</p> <p><i>Energy Conservation and Renewable Energy Generation Pilot Project</i></p> <p>This project targeted one Taranaki secondary school with the aim of reducing electricity demand drawn from the national grid by 15 percent from a 2006 base through a combination of conservation initiatives and installation of renewable energy generation technologies.</p> <p><i>Piloting a national Energy Efficiency Advice Centre Network</i></p> <p>This pilot project established a network of Sustainable Energy Advice Centres to provide impartial, tailored and free advice and information about sustainable energy</p>

Expected Performance	2007/08 Actual Performance
	options to households to help them reduce their energy consumption.
Support projects that undertake practical waste minimisation and resource recovery initiatives.	<p>Achieved. Twelve projects were funded to undertake practical waste minimisation and resource recovery initiatives. Examples of two of these projects are detailed below.</p> <p><i>Paper for Trees</i></p> <p>This is year one of a two year project to reward schools with native plants in return for recycling their paper and cardboard. A facilitator worked with each school to find the best way to deal with their recycling needs.</p> <p><i>Christchurch South Community Waste Minimisation Project</i></p> <p>This project established a home composting advisory service to residents and schools through workshops and school education programmes.</p>
Support projects that enable the community to undertake stewardship over specific local environmental resources.	<p>Achieved. Nine projects were funded to enable the community to undertake stewardship over specific local environmental resources at a community level. Examples of two of these projects are detailed below.</p> <p><i>Urban Greenspace Project – Adopt Your Local Area</i></p> <p>This project provided administrative/technical support and coordinated community members and groups to restore Tauranga's degraded reserves. It also aimed to strengthen the skill base and knowledge of its volunteers through workshops, courses and the establishment of an interactive framework through which care groups could measure and record the success of their re-vegetation efforts.</p> <p><i>Waikato Rivercare Site Coordinator</i></p> <p>This project employed a part-time site coordinator to facilitate community and business involvement in planting native plants on the banks of the Waikato River from Hamilton to Port Waikato. This is year one of a three year project.</p>

Quality

Expected Performance	2007/08 Actual Performance
Ensure all projects funded comply with the objectives and performance criteria published in the <i>Sustainable Management Fund Guide for Applicants</i> .	Achieved. All projects funded through the application system complied with the Sustainable Management Fund funding criteria. Four financial audits were completed and action was taken to rectify any minor performance or financial anomalies.

Financial

Total Appropriation	2006/07 Actual	2007/08 Estimates	2007/08 Supp Estimates	2007/08 Actual
	\$000	\$000	\$000	\$000
Development and implementation of Sustainable Management	3,738	3,594	3,294	2,893

The appropriation decreased by \$300,000 to \$3.294 million due to a transfer of \$300,000 to Departmental Output Expense: World Environment Day.

Statement of Results

Non-Departmental Other Expense

Output Expense: Warm Home Grants and Assistance

Scope of Appropriation

The scope of this appropriation relates to the Crown's contribution to assist with installation of clean and energy efficient heating with a particular focus on the homes of low income earners.

Intended Impacts, Outcomes or Objectives

Outcome – Clean, energy efficient heating is installed in homes of low income earners in areas of poor air quality.

Description of Activities

This Non-Departmental Other Expense covers the purchase of services from the Energy and Efficiency Conservation Authority (EECA) for delivery of clean heat grants. Since 2007/08, upgrades or installations of clean heating systems have been delivered to low-income households in areas of poor air quality, as part of EECA's EnergyWise™ home grants scheme.

Service Performance

Non-Financial

Quantity

Expected Performance	2007/08 Actual Performance
Energy Efficiency and Conservation Authority will deliver 700–800 clean heat grants to homeowners on low incomes in areas of poor air quality so they can upgrade to cleaner, more energy-efficient, heating devices.	Partially achieved. The Energy Efficiency and Conservation Authority delivered 495 clean heat grants to homeowners on low incomes in areas of poor air quality. This was fewer than planned due to a number of issues, including higher than anticipated costs per installation, and later than expected reporting by service providers.

Quality

Expected Performance	2007/08 Actual Performance
Clean heat grants will be allocated according to criteria agreed for the EnergyWise™ funding programme overall, and any additional or amended criteria agreed between the Energy Efficiency and Conservation Authority and the Ministry for the Environment.	Achieved. All clean heat grants were delivered according to agreed criteria.

Financial

Total Appropriation	2006/07 Actual	2007/08 Estimates	2007/08 Supp Estimates	2007/08 Actual
	\$000	\$000	\$000	\$000
Warm Home Grants and Assistance	0	1,200	1,100	873