



Vote Environment

Report in relation to selected Non-Departmental Appropriations
for the year ended 30 June 2009

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 Section 32A report for the year ended 30 June 2009:

- Contaminated Sites Remediation Fund
- Sustainable Management Fund
- Rotorua Lakes Restoration Programme.

Contaminated Sites Remediation Fund

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.

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

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

Sustainable Management Fund

The purpose of the Sustainable Management Fund is to provide funding to support community groups, iwi/hapū, businesses and local government in taking practical actions that produce long-term environmental benefits, as well as encouraging proactive partnerships and promoting community action.

Rotorua Lakes Restoration Programme

The purpose of the Rotorua Lakes Restoration Programme is to support Environment Bay of Plenty and the Rotorua District Council to maintain and improve the water quality of the Rotorua Lakes.

Statements of Service Performance

NON-DEPARTMENTAL OUTPUT EXPENSES

Output Expense: Contaminated Sites Remediation Fund

Scope of Appropriation

The scope of this appropriation is limited to the investigation, management and remediation of contaminated sites.

Intended Impact and Outcome

Outcome – Risks to people, the economy and the environment from pollution, contamination and other environmental hazards are minimised.

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

Description of Activities

In 1999/2000 the Crown set up a Contaminated Sites Remediation 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
- complete initial investigations for the Tui Mine site near Te Aroha and investigate alternative methodologies that could result in better environmental outcomes and a more resilient mine tailings structure
- assist councils to investigate and 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	2008/09 Actual Performance
Six additional sites have remediation plans in place for New Zealand's priority contaminated sites.	Partially achieved. Remedial plans have been developed for five sites during 2008/09. Only four applications for the preparations of remedial plans were received from regional councils in 2008/09.
Complete the ongoing remediation of the Mapua site.	Partially achieved. The site has now been handed back to the Tasman District Council. The site has been assessed by an independent site auditor as fit for purpose. The recommendations for ongoing monitoring of the site are currently being carried out by the Council with support from the Ministry.

Expected Performance	2008/09 Actual Performance
Complete the legal documentation for the Tui Mine remediation project.	Achieved. The deed of funding has been signed by Environment Waikato and the Ministry for Phase One (the detailed design, site establishment, access road, and remediation of the contamination from the underground workings). The memorandum of understanding has been signed by Matamata-Piako District Council, Environment Waikato, Department of Conservation and the Ministry.
Complete initial mandatory investigations and alternative methodologies investigations for the Tui Mine Remediation project.	Achieved. Consultants completed the initial mandatory investigations in October 2008 and the alternative methodologies investigations in March 2009 (Concept Design for Preferred Options - 13 March 2009).
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, \$2.8 million was not spent due to delays in some projects. These funds will be carried forward into 2009/10.
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	2007/08 Actual	2008/09 Estimates	2008/09 Supp Estimates	2008/09 Actual
	\$000	\$000	\$000	\$000
Contaminated Sites Remediation Fund	2,657	11,278	5,474	5,444

Output Expense: Sustainable Management Fund

Scope of Appropriation

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

Intended Impact and Outcome

Outcome – New Zealand's natural resources are managed effectively and New Zealanders use resources sustainably.

Objective - 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/hapū and/or local government which result in practical actions that produce long-term environmental benefits.

The fund's objective is to make a positive difference to the environment by funding projects that fit under one of the following four topic areas:

- encouraging sustainable households
- sustainable land and water management
- supporting sustainable business practices
- meeting the challenges of climate change.

Service Performance

Non-Financial

Expected Performance	2008/09 Actual Performance
Fifty-three community groups, iwi/hapū, businesses and local government are supported in taking practical actions that produce long-term environmental benefits.	Achieved. Fifty-three community groups, iwi/hapū, businesses and local government were supported.
Support projects that target householders to bring about practical action and behaviour change in water use and conservation, waste minimisation, energy efficiency, transport, building and renovating.	Achieved. Fourteen projects were funded to bring about practical action and change behaviour in water use and conservation, waste minimisation, energy efficiency, transport, building and renovating. Examples of two of these projects are detailed below. <i>Far North Sustainable Living Activation Programme</i> This project encouraged and supported 200 households in the Far North region to take effective action to address and reduce their own consumption needs. Households were supported to make informed and practical voluntary

Expected Performance	2008/09 Actual Performance
	<p>changes to reduce their ecological impact.</p> <p><i>Sustainable Energy Advice Centre Network Pilot – Stage 2</i></p> <p>This project set up two energy advice centres in the North and South Islands. These centres provided free energy advice by highly trained professional and impartial energy advisers.</p>
<p>Support projects that improve land and water management practices and directly contribute to practical rehabilitation or enhancement initiatives.</p>	<p>Achieved. Thirteen projects were funded to improve land and water management practices and contribute to practical rehabilitation or enhancement initiatives. Examples of two of these projects are detailed below.</p> <p><i>Uretara Catchment Restoration</i></p> <p>This project helped to fence and replant fragile sections of two tributaries of the Uretara catchment in the Bay of Plenty. Land owners, local authorities and the local community were involved in supporting this initiative.</p> <p><i>Trees for Survival Expansion Project</i></p> <p>This project expanded the already successful Trees for Survival programme into the Waikato, Bay of Plenty, Hawke’s Bay, Manawatu/Wanganui and Wellington regions. The national manager and national coordinator facilitated meetings with the relevant local authorities in each region to gain further support for the programme.</p>
<p>Support projects that undertake practical initiatives to increase the capacity of communities to adapt to the effects of climate change.</p>	<p>Achieved. Seven projects were funded to support communities to undertake practical initiatives to adapt to the effects of climate change. Examples of two of these projects are detailed below.</p> <p><i>Schoolgen</i></p> <p>This project assisted selected primary and secondary schools in reducing the financial and environmental impacts of their energy use by installing a 2kW photovoltaic system. It provided educational opportunities for the school children to learn about renewable energy, energy efficiency, electricity generation and climate change.</p> <p>This is year two of a three-year project.</p> <p><i>Paper For Trees South Island</i></p> <p>This project rewarded schools in the South Island with a native tree, flax or grass for every three wool sacks (or similar volume) that were filled with recycled paper and cardboard. Schools were approached to join the project</p>

Expected Performance	2008/09 Actual Performance
	<p>and a network for Sustainable Energy Advice was established. Schools used a recording system and were taught how to keep track of the amount of paper and cardboard recycled.</p>
<p>Support projects that build the capacity of businesses to undertake work on areas such as sustainable business strategies, design and development processes, energy use, water use, transport and waste management.</p>	<p>Achieved. Five projects were funded to build the capacity of businesses to address issues such as sustainable business strategies, design and development processes, energy use, water use, transport and waste management. Examples of two of these projects are detailed below.</p> <p><i>Nature Coast Sustainable Business in Action Project</i></p> <p>This project delivered practical support and information on sustainable business practices. An effective professional development workshop series to launch sustainable business practices to Kapiti-Horowhenua business was delivered.</p> <p><i>Food and Beverage Sector Environmental Organic Waste Project</i></p> <p>This project surveyed manufacturers and processors and existing waste disposal providers in the Auckland region to ascertain the volume and content of their organic waste. New and innovative organic waste disposal processes were identified and links made between organic waste generators with organic waste solution providers.</p>

Quality

Expected Performance	2008/09 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	2007/08 Actual \$000	2008/09 Estimates \$000	2008/09 Supp Estimates \$000	2008/09 Actual \$000
Sustainable Management Fund	2,893	3,844	3,381	3,314

Statement of Results

Non-Departmental Other Expense

Output Expense: Rotorua Lakes Restoration Programme

Scope of Appropriation

The scope of this appropriation is limited to funding Environment Bay of Plenty and the Rotorua District Council to maintain and improve the water quality of the Rotorua Lakes.

Intended Impact and Outcome

Outcome – New Zealand’s air, water, land and built communities are healthy.

Objective – The water quality of Rotorua lakes is maintained and improved.

Description of Activities

The Rotorua Lakes Restoration Programme distributes money to Environment Bay of Plenty (and via Environment Bay of Plenty, to Rotorua District Council). Central government funding is matched one-for-one by a combination of Environment Bay of Plenty and Rotorua District Council funding (depending on the particular action). Funds go to a suite of measures to address water quality in the four priority lakes of Rotorua, Rotoiti, Okareka and Rotoehu.

Results

Non-Financial

Expected Performance	2008/09 Actual Performance
Funding is distributed to Environment Bay of Plenty and Rotorua District Council to maintain and improve the water quality of four Rotorua lakes in accordance with the agreed funding deed.	Partially achieved. A number of actions are on track as planned and two are behind schedule, with funding adjusted accordingly. The actions fully on track as planned are: <ul style="list-style-type: none">• sewage reticulation projects for Lake Rotorua (Hamurana/Awahou; Brunswick/Rotokawa); Lake Rotoiti (Okere/Otaramarae/Whangamarino; Gisborne Point/Hinehopu), and Lake Okareka• phosphorus locking is a treatment process to prevent further phosphorus releases. In-lake and in-stream interventions are on track. Plant is under construction for the Puarenga stream (Lake Rotorua) and is due for completion in September 2009. Plant design for Lake Rotoehu is well advanced and in principle land owner approval has now been given• the consent application for Tikitere (Lake Rotorua) geothermal treatment is close to being

submitted and in principle land owner approval has now been given. Geothermal treatment involves diverting high nutrient geothermal water through a series of de-nitrification beds and pumping the treated water back into the stream to enter Lake Rotorua

Land management change is behind schedule. The focus of the 2008/09 year was working with individuals to influence land-use management and land-use change on farms within the Rotorua and Okareka Catchments. Implementation of these interventions has not progressed at the rate anticipated due to extended negotiations with land owners and farming industry groups. As a result, Environment Bay of Plenty has requested a re-phasing of this work over a three-year period.

Wetland construction. Funding has been deferred until 2009/10 subject to further investigative trial work. Further testing has commenced on a property at Lake Rotoehu. The results of this work will be available in August 2010.

Financial

Total Appropriation	2007/08 Actual \$000	2008/09 Estimates \$000	2008/09 Supp Estimates \$000	2008/09 Actual \$000
Rotorua Lakes Restoration Programme	0	9,000	8,975	7,300

Comment on variance

The variance has occurred because the work has been deferred to later years.