

---

# Vote Environment

Report in relation to selected Non-Departmental Appropriations  
for the year ended 30 June 2015

---



# Contents

Report on Non-Departmental Appropriations 2014/15	4
Community Environment Fund	4
Contestable Waste Minimisation Fund	6
Fresh Start for Fresh Water: New Initiatives	8
Fresh Start for Fresh Water: Rotorua Lakes Restoration Programme	10
Protecting Lake Taupō Programme	12
Rena Long-term Environment Recovery	14
Waste Disposal Levy Disbursements to Territorial Local Authorities	15
Fresh Start for Fresh Water: Waikato River Clean-up Fund	17

# Report on Non-Departmental Appropriations 2014/15

The Ministry for the Environment is the Government's primary adviser on the New Zealand environment and international matters that affect the environment.

The Minister for the Environment is required under the Public Finance Act 1989 to report against the following non-departmental appropriations for the year ended 30 June 2015.

## Community Environment Fund

### Scope of appropriation

This appropriation is limited to strengthening partnerships, raising environmental awareness, and encouraging participation in environmental initiatives in the community.

### Intended impacts, outcomes or objectives

Outcome – New Zealand's environmental management systems are strengthened and supported so that they can achieve the greatest overall environmental, economic, social and cultural benefits.

Impact – Achieve better solutions to environmental problems by supporting community involvement and action, and international cooperation.

Impact – Improve the quality, flow and availability of fresh water through more effective management frameworks.

### Description of activities

The Community Environment Fund (CEF) funds projects that support partnerships between parties and increase community-based advice, educational opportunities, and public awareness on environmental issues. The CEF provides funding so New Zealanders are empowered to take environmental action. It also ensures:

- partnerships (relating to practical environmental initiatives) between interested parties are supported and strengthened
- community-based advice and educational opportunities are increased
- awareness on environmental legislation and issues is heightened.

## Performance

### Non-financial

Performance measures	2013/14 Result	2014/15 Target	2014/15 Result
Percentage of completed Community Environment Fund projects that achieve stated objectives	New measure	80%	86%

### Comments

Twenty-nine CEF projects were completed in 2014/15. Twenty-five of these projects achieved their stated project objectives. The CEF has provided \$3.632 million of funding to these 29 projects, towards total project costs of \$8.461 million.

The table below shows the main priority area and funding paid to the completed CEF projects. Often CEF projects support more than one priority; however, for the purpose of reporting the main priority focus area has been identified.

Main priority focus	Number of projects completed in 2014/15	CEF funding paid (over the life of project) <sup>1</sup>
Biodiversity	10	\$1,360,066
Coastal management	2	\$234,029
Freshwater management	3	\$478,274
Greenhouse gas emissions		–
Waste		–
Other <sup>2</sup>	14	\$1,560,357
<b>Total</b>	<b>29</b>	<b>\$3,632,906</b>

### Financial

Expenses	2013/14 Actual \$000	2014/15 Estimates \$000	2014/15 Supplementary Estimates \$000	2014/15 Actual \$000
Total appropriation	1,770	4,872	2,397	2,090

### Comment on variance

At Supplementary Estimates, the 2014/15 appropriation of \$2.4 million was \$2.475 million less than at Estimates. This is because appropriation levels are initially set at the amount available for the annual funding round. The timing of deliverables and project milestones are unknown until the funding round is complete. This decrease is due to the rephasing of funds to match the actual and expected delivery of milestones.

The actual expenditure in 2014/15 is less than Supplementary Estimates due to delays in the delivery of milestones.

As at 30 June 2015, the fund has contractual commitments of \$2.447 million to be paid on delivery of projects.

<sup>1</sup> The life of a project may span across financial years and will not equate to the actual 2014/15 financial information.

<sup>2</sup> 'Other' CEF projects are those that do not fit with the main priority areas, but support partnership between parties, increase community-based advice, educational opportunities, and public awareness on environmental issues.

# Contestable Waste Minimisation Fund

## Scope of appropriation

This appropriation is limited to grants for waste minimisation initiatives.

## Intended impacts, outcomes or objectives

Outcome – New Zealand’s environmental management systems are strengthened and supported so that they can achieve the greatest overall environmental, economic, social and cultural benefits.

Impact – Reduce harm from chemical and biological hazards and from waste through more effective management frameworks.

## Description of activities

The Waste Minimisation Fund (WMF) was set up to boost New Zealand’s performance in waste minimisation.

The WMF helps fund waste minimisation projects that increase resource efficiency, increase re-use, recovery and recycling, and decrease waste to landfill. Lifting performance in recovering economic value from waste also provides environmental, social and cultural benefits and reduces the risks of harm from waste.

Only projects that promote or achieve waste minimisation are eligible for funding. This includes educational projects that promote waste minimisation activity.

## Performance

### Non-financial

Performance measures	2013/14 Result	2014/15 Target	2014/15 Result
Percentage of completed Waste Minimisation Fund projects that achieve stated objectives	New measure	80%	69%

### Comments

Sixteen WMF projects were completed in 2014/15. Of these, 11 achieved their stated project objectives. The remaining five projects only partially achieved their stated project objectives for a number of reasons including:

- the targets set at the beginning of the project were too ambitious and not achieved within the funded period
- the scope of the project changed during the life of the project resulting in the original objectives not being met in full
- recipients not delivering their projects as expected, particularly legacy projects that have taken three or more years to complete.

The Ministry is now much more aware of the risks of project delivery and has adjusted its processes accordingly.

## Funding distributed to projects completed in 2014/15

The table below shows the project type and WMF funding paid to projects completed in 2014/15. Of the 16 projects completed in 2014/15, a total of \$6.77 million of WMF funding has been paid towards total project costs of \$18.28 million.

WMF project type	Number of projects completed 2014/15	WMF funding awarded (over the life of project) <sup>3</sup>
Education and awareness	3	\$402,283
Infrastructure	6	\$4,329,098
Services	2	\$257,288
Investigative	5	\$1,777,716
<b>Total</b>	<b>16</b>	<b>\$6,766,385</b>

### Financial

Expenses	2013/14 Actual \$000	2014/15 Estimates \$000	2014/15 Supplementary Estimates \$000	2014/15 Actual \$000
Total appropriation	8,484	15,752	12,583	8,361

#### *Comment on variance*

At Supplementary Estimates, the 2014/15 appropriation of \$12.6 million was \$3.169 million less than at Estimates. This is because appropriation levels are initially set at the amount available for the annual funding round. The timing of deliverables and project milestones are unknown until the funding round is complete. This decrease is due to the rephasing of funds to match the expected delivery of projects and updated for actual delivery of milestones. The actual expenditure in 2014/15 is less than Supplementary Estimates due to fewer applications being approved for funding than expected as well as delays in the delivery of milestones.

As at 30 June 2015, the fund has contractual commitments of \$13.300 million to be paid on delivery of projects.

<sup>3</sup> The life of a project may span across financial years and will not equate to the actual 2014/15 financial information.

# Fresh Start for Fresh Water: New Initiatives

## Scope of appropriation

This appropriation is limited to the clean-up of New Zealand's freshwater waterbodies arising from historical contamination.

## Intended impacts, outcomes or objectives

Outcome – New Zealand's fresh water is well governed and sustainably managed to realise the maximum benefit possible for present and future environmental, cultural, social and economic values.

Impact – Improve quality, flow and availability of fresh water through more effective management frameworks.

## Description of activities

Budget 2011 provided \$15 million over two years for the Fresh Start for Fresh Water Clean-up Fund. Seven projects have had \$14.525 allocated to them.

Project	Funding allocated	Funding paid (over life of project)
Te Waihora/Lake Ellesmere	\$6,000,000	\$5,686,000
Manawatu River	\$5,200,000	\$5,200,000
Wairarapa Moana	\$1,000,000	\$1,000,000
Wainono Lagoon	\$800,000	\$800,000
Waituna Lagoon	\$785,000	\$785,000
Lake Horowhenua	\$540,000	\$499,125
Lake Brunner	\$200,000	\$200,000
<b>Total</b>	<b>\$14,525,000</b>	<b>\$14,170,125</b>

Government funding has leveraged a further \$34.1 million of investment by local government, industry and iwi.

The seven projects progressed well against their 2014/15 annual plans. Initiatives undertaken included: riparian planting, fencing to exclude cattle from waterways, sewage treatment plant upgrades, developing new and enhancing existing wetlands, pest and weed control, drainage management, stream re-battering, restoring whitebait habitat, nutrient management plans for dairy farms, and supporting community-based projects.

## Performance

### Non-financial

Performance measures	2013/14 Result	2014/15 Target	2014/15 Result
Percentage of project deliverables completed in accordance with the approved annual work programme for Lake Ellesmere, Manawatu River, Wairarapa Moana, Wainono Lagoon, Waituna Lagoon, and Lake Brunner	90% Note: also included Lake Horowhenua in 2013/14)	90%	70% (covers 5 of the 7 projects)

### Comments

Overall, all funded projects progressed well against agreed work plans in 2014/15 with a number of key interventions completed. Quarterly and annual reports are submitted to the Ministry for each project. These reports track progress against the work programme and advise on progress that has been made to meet agreed objectives. Project progress updates are available on the Ministry's website: [www.mfe.govt.nz/issues/water/freshwater/fresh-start-for-fresh-water/cleanup-fund.html](http://www.mfe.govt.nz/issues/water/freshwater/fresh-start-for-fresh-water/cleanup-fund.html).

Five of the seven funded projects will finish in the coming year (2015/16). It is still early in the process to assess overall impact of the fund on water quality improvements. This is because there is often a long time lag between contaminants entering catchments and finally reaching freshwater bodies. However, an assessment of the funded initiatives against AgResearch effectiveness ratings has concluded the interventions are effective strategies for mitigating nutrients entering water bodies and will result in improvements in water quality. An example is provided by the Fresh Start for Fresh Water funded upgrades in the Kimbolton wastewater treatment plant. Water quality monitoring in 2014 has shown significantly reduced nitrogen levels in the treated effluent discharged from the plant. The result is improved water quality in the Manawatu River downstream of the plant.

### Financial

Expenses	2013/14 Actual \$000	2014/15 Estimates \$000	2014/15 Supplementary Estimates \$000	2014/15 Actual \$000
Total appropriation	6,257	1,700	2,429	2,429

### Comment on variance

At Supplementary Estimates, the 2014/15 appropriation of \$2.429 million was due to an expense transfer of \$729,000 from 2013/14. This transfer represents the rephasing of the funding to match the expected delivery of project milestones.

# Fresh Start for Fresh Water: Rotorua Lakes Restoration Programme

## Scope of appropriation

This appropriation is limited to maintaining and improving the water quality of the Rotorua lakes.

## Intended impacts, outcomes or objectives

Outcome – New Zealand’s fresh water is well governed and sustainably managed to realise the maximum benefit possible for present and future environmental, cultural, social and economic values.

Impact – Improve quality, flow and availability of fresh water through more effective management frameworks.

## Description of activities

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

The table below shows the progress against reduction targets for the four priority lakes from the beginning of this project in 2008 to 31 December 2014.

Lake	Target (tonnes) by project end		Progress to date (tonnes) end of 31 December 2014	
Rotorua	Nitrogen:	311	Nitrogen:	11.48
	Phosphorus:	16	Phosphorus:	23.04
Rotoiti	Nitrogen:	130	Nitrogen:	80.82
	Phosphorus:	19	Phosphorus:	0.48
Ōkāreka	Nitrogen:	2.5	Nitrogen:	4.01
	Phosphorus:	0.08	Phosphorus:	0.45
Rotoehu	Nitrogen:	8.9	Nitrogen:	4.36
	Phosphorus:	0.7	Phosphorus:	1.92

## Performance

### Non-financial

Performance measures	2013/14 Result	2014/15 Target	2014/15 Result
The Rotorua Lakes Programme is undertaken in accordance with the agreed annual work programme.	New measure	Achieved	Achieved

### Financial

Expenses	2013/14 Actual \$000	2014/15 Estimates \$000	2014/15 Supplementary Estimates \$000	2014/15 Actual \$000
Total appropriation	–	–	298	298

#### *Comment on variance*

At Supplementary Estimates, the 2014/15 appropriation of \$298,000 was due to an expense transfer from 2013/14. This transfer represents the rephasing of the funding to match the expected delivery of project milestones.

# Protecting Lake Taupō Programme

## Scope of appropriation

This appropriation is limited to the reduction of nitrogen levels entering Lake Taupō.

## Intended impacts, outcomes or objectives

Outcome – New Zealand’s fresh water is well governed and sustainably managed to realise the maximum benefit possible for present and future environmental, cultural, social and economic values.

Impact – Improve quality, flow and availability of fresh water through more effective management frameworks.

## Description of activities

The Lake Taupō Protection Programme began in 2006/07 and was initially funded from an annual appropriation until 2010/11. A multi-year appropriation was established during 2010/11 to enable the Lake Taupō Protection Trust (the Trust) to undertake a multi-year approach to reducing the nitrogen levels entering Lake Taupō. Since this multi-year appropriation expired on 30 June 2015, the programme will now be funded from Non-Departmental Output Expense: Lake Taupō Protection Programme.

Funds go to the Trust to undertake the following activities:

- purchase of nitrogen, resulting in the conversion of high nitrogen-leaching pastoral land into low leaching-nitrogen land uses
- purchasing, covenanting and re-selling land to achieve conversion of land into low leaching-nitrogen land uses
- research into identifying alternative low leaching-nitrogen land uses
- researching and developing alternative technologies.

This is a partnership between the Crown, Waikato Regional Council, and Taupō District Council. The aim of this project is to reduce the amount of manageable nitrogen entering the lake by 20 per cent by 2020. This equates to a total target reduction of 170 tonnes of nitrogen. As at 30 June 2015, the project has met its target three years ahead of schedule by securing agreements to reduce the amount of manageable nitrogen by 170 tonnes.

The Lake Taupō Programme is funded through Multi-year Appropriation: Protecting Lake Taupō Programme. This multi-year appropriation began on 22 September 2010 and expired on 30 June 2015.

## Performance

### Non-financial

Performance measures	2013/14 Result	2014/15 Target	2014/15 Result
The Lake Taupō Protection Programme is undertaken in accordance with the Lake Taupō Protection Trust annual Statement of Intent approved by the Lake Taupō Protection Project Joint Committee	Achieved	Achieved	Achieved
Percentage of the total nitrogen reduction target contracted to achieve the 153 tonnes nitrogen reduction target	98.7%	100%	100%

### Comments

The Lake Taupō Protection Trust has \$35.6 million of Crown funding over 14 years to achieve the target nitrogen reduction.

The initial nitrogen reduction target of 153 tonnes was revised in November 2012 to 170 tonnes based on benchmarking of all properties in the Taupō catchment. This revision increased the amount of nitrogen to be removed by 17 tonnes to meet the 20 per cent reduction in manageable nitrogen load.

The revised nitrogen target has been achieved in 2014/15, placing the project approximately three years ahead of its budget. Due to the early achievement of the project objective, the focus of the project is now on transitioning into a monitoring phase. A monitoring deed detailing the roles and responsibilities of all parties has been signed and a monitoring plan is being finalised to safeguard the success of the project in the long term.

### Financial

Expenses	2013/14 Actual \$000	2014/15 Estimates \$000	2014/15 Supplementary Estimates \$000	2014/15 Actual \$000
Total appropriation	2,085	66	66	66

# Rena Long-term Environment Recovery

## Scope of appropriation

This appropriation is limited to funding for the implementation of the Rena Long-term Environmental Recovery Plan.

## Intended impacts, outcomes or objectives

Outcome – New Zealand’s environmental management systems are strengthened and supported so that they can achieve the greatest overall environmental, economic, social and cultural benefits.

Impact – Reduce harm from chemical and biological hazards and from waste through more effective management frameworks.

## Description of activities

The Rena Recovery Long-term Environmental Monitoring Plan (the Plan) is due for completion in 2015/16. Several environmental monitoring reports and cultural impact assessments have been produced as part of the Plan. They provide information on the impact the Rena grounding had on the environment, iwi and wider community.

## Performance

### Non-financial

Performance measures	2013/14 Result	2014/15 Target	2014/15 Result
Percentage of project deliverables completed in accordance with the Rena Long-term Environmental Recovery Plan	New measure	100%	100%

### Financial

Expenses	2013/14 Actual \$000	2014/15 Estimates \$000	2014/15 Supplementary Estimates \$000	2014/15 Actual \$000
Total appropriation	426	–	116	84

### Comment on variance

At Supplementary Estimates, the 2014/15 appropriation of \$116,000 was due to an expense transfer from 2013/14. This transfer represents the rephrasing of the funding to match the expected delivery of project milestones.

# Waste Disposal Levy Disbursements to Territorial Local Authorities

## Scope of appropriation

This appropriation is limited to payments to territorial local authorities of their proportion of the Waste Disposal Levy as prescribed under the Waste Minimisation Act 2008.

## Intended impacts, outcomes or objectives

Outcome – New Zealand’s environmental management systems are strengthened and supported so that they can achieve the greatest overall environmental, economic, social and cultural benefits.

Impact – Reduce harm from chemical and biological hazards and from waste through more effective management frameworks.

## Description of activities

Since 2009/10, territorial authorities have reported how they have spent levy funding allocated to them for each financial year. Reporting on funding allocated in 2014/15 was scheduled to occur in August 2015.

As there is no statutory requirement for territorial authorities to spend the levy funding in the same financial year as they receive it, amounts of spending reported can differ from amounts allocated within a financial year. To ensure all levy funding is accounted for, reporting includes any unspent amounts carried forward across financial years.

## Performance

### Non-financial

Performance measures	2013/14 Result	2014/15 Target	2014/15 Result
Percentage of territorial authorities that are paid the accurate share of the levy revenue on time when their statutory responsibilities have been met	100%	100%	100%

### Financial

Expenses	2013/14 Actual \$000	2014/15 Estimates \$000	2014/15 Supplementary Estimates \$000	2014/15 Actual \$000
Total appropriation	13,928	14,000	16,000	15,340

### Comment on variance

At Supplementary Estimates, the 2014/15 appropriation of \$16 million was \$2 million higher than at Estimates. Fifty per cent of the Waste Disposal Levy that is collected under the Waste Minimisation Act

2008 is distributed to territorial authorities. The \$2 million increase reflects the territorial authorities' share of the forecasted increase in Waste Disposal Levy revenue for 2014/15.

Waste Disposal Levy revenue is impacted by the amount of waste disposed of at levied facilities each year. This can be affected by a number of variables including economic climate, large roading and/or construction projects and compliance activities.

# Fresh Start for Fresh Water: Waikato River Clean-up Fund

## Scope of appropriation

This appropriation is limited to funding for the Waikato River Clean-up Fund for the restoration and protection of the health and wellbeing of the Waikato River for future generations.

## Intended impacts, outcomes or objectives

Outcome – New Zealand’s fresh water is well governed and sustainably managed to realise the maximum benefit possible for present and future environmental, cultural, social and economic values.

Impact – Improve quality, flow and availability of fresh water through more effective management frameworks.

## Description of activities

The Waikato River Clean-up Trust (the Trust) was established through settlement legislation (Waikato-Tainui Raupatu (Waikato River) Settlement Act 2010 and the Ngāti Tūwharetoa, Raukawa, Te Arawa River Iwi Waikato River Act 2010) as a charitable entity with the objective of restoring and protecting the health and well-being of the Waikato River for future generations. The trustee of the Trust (the Waikato River Authority) is obliged to deliver a contestable fund for use in projects to achieve the object of the Trust. The terms of the Trust are set out in Schedule 5 of the settlement legislation.

The Crown settled to provide the sum of \$21 million on settlement date (14 January 2011) and a further \$7 million on each anniversary of the settlement date up to, and including, the 27th anniversary. An additional \$10 million Crown contribution to the Trust has been agreed by the Government to recognise the extension of the Trust’s area of administration following the enactment of the Ngā Wai o Maniapoto (Waipa River) Act 2012. An initial payment of \$1.333 million was made to the Trust and then subsequent payments of \$333,000 per annum thereafter until (and including) 2037/38. The Waikato River Authority is reviewed for its effectiveness every five years by its appointers, including the Minister for the Environment.

## Performance

### Non-financial

Performance measures	2013/14 Result	2014/15 Target	2014/15 Result
The Crown’s obligation under the Deed of Settlement with Waikato-Tainui to periodically settle sums on the Trustees of the Waikato River Clean-up Trust has been met	Agreed sum paid on the due date	Agreed sum paid on the due date	Agreed sum paid on the due date

### Comments

The Trust’s inaugural funding round was held in December 2011 with nearly \$6 million being awarded to over 40 recipients to restore and protect the health and well-being of the Waikato River. Projects include initiatives like: riparian planting, the development of nutrient management plans for

catchments, and restoration of wetlands and lakes. The Trust opened their fifth annual funding round in June 2015, with up to \$6 million available for clean-up projects.

More information on the projects funded through the Waikato River Clean-up Fund is available on the Waikato River Authority's website: [www.waikatoriver.org.nz](http://www.waikatoriver.org.nz).

#### Financial

<b>Expenses</b>	<b>2013/14 Actual \$000</b>	<b>2014/15 Estimates \$000</b>	<b>2014/15 Supplementary Estimates \$000</b>	<b>2014/15 Actual \$000</b>
Total appropriation	5,065	5,291	5,291	5,291