

Minute: EGI Min (11) 4/5

Assistance Fund for Freshwater Clean-ups

On 16 March 2011, the Cabinet Economic Growth and Infrastructure Committee (EGI):

Background

1. noted that on 8 June 2009, Cabinet agreed to a new strategy to improve freshwater management, including a stakeholder-led collaborative process run by the Land and Water Forum, discussions with the Iwi Leaders Group, and the scoping of policy options led by officials [CAB Min (09) 20/12];
2. noted that the government's overarching freshwater policy package consists of four parts:
 - 2.1. the Fresh Start for Fresh Water Fund;
 - 2.2. the Community Irrigation Fund and Irrigation Capital Fund;
 - 2.3. the National Policy Statement for Freshwater Management;
 - 2.4. the longer term Fresh Start for Fresh Water policy package;
3. noted that the Minister for the Environment and the Minister of Agriculture intend to bring the National Policy Statement for Freshwater Management and the longer term water reform policy package to Cabinet in April 2011;

Freshwater management

4. noted that some of New Zealand's waterways suffer from a legacy of contamination from historical development and management, part of which will be the responsibility of the Crown;
5. noted that there are four key barriers to the clean-up of New Zealand's waterways:
 - 5.1. difficulty in establishing cause and effect between historical decisions and activity, and current water quality problems;
 - 5.2. the lack of sufficient funding at a local or regional level;
 - 5.3. the lack of technical capability for solutions that are often novel and experimental;
 - 5.4. the lack of awareness of the behaviours that lead to contamination and taking responsibility for past actions;
6. noted that there is expected to be an increase in requests for funding following introduction of the water reform package, and from accelerated Treaty settlements;
7. noted that the Minister for the Environment proposes to set up a freshwater clean-up assistance fund to address legacy issues and to establish a consistent framework for assessing the merits of funding applications;

8. noted that the freshwater policy package (New Start for Fresh Water) will be renamed as “Fresh Start for Fresh Water”;
9. noted that a Fresh Start for Fresh Water Fund will be an incentive for local authorities to ensure they meet the government’s expectations around freshwater management;
10. noted that:
 - 10.1. any agreed clean-up funds negotiated as part of, or in parallel with, Treaty settlements will be additional to the base funding sought in this package;
 - 10.2. requests for funding arising from Treaty settlements will not be part of the competitive process;

Financial implications

11. noted that the cost of this proposal is [*withheld*] per annum operating in 2011/12 and outyears, and is not currently funded as part of Budget 2011;
12. agreed in principle to a Fresh Start for Fresh Water Fund, subject to suitable sources of funding being identified as part of the final Budget package;
13. [*withheld*]
14. noted that a final decision on the proposal, including agreement to financial recommendations, will be made when the Minister of Finance presents the final Budget package to Cabinet in April 2011;

Next steps

15. invited the Minister for the Environment to discuss with the Minister for Treaty of Waitangi Negotiations ways of aligning criteria used to assess requests for clean-up funding arising from, or negotiated in parallel with, Treaty negotiations with those that would apply to other requests;
16. invited the Minister for the Environment to report back to EGI by [*withheld*] to confirm the funding criteria and how the fund will operate.