

Performance Information for Appropriations

Vote Climate Change

MINISTER(S) RESPONSIBLE FOR APPROPRIATIONS: Minister Responsible for Climate Change Issues (M12), Minister of Energy (M28)

ADMINISTERING DEPARTMENT: Ministry for the Environment

MINISTER RESPONSIBLE FOR MINISTRY FOR THE ENVIRONMENT: Minister for the Environment

Part 1 - Summary of the Vote

Part 1.1 - Overview of the Vote

The Minister Responsible for Climate Change Issues is responsible for appropriations in Vote Climate Change for the 2008/09 financial year covering the following:

- a total of over \$12 million for the development of a national Carbon Accounting System
- a total of \$749 million for the allocation of New Zealand emission units to the NZ economy
- a total of over \$19 million for international negotiations under the Kyoto Protocol, development and implementation of the Emissions Trading Scheme and other climate change policy measures
- a total of \$300,000 for policy advice on energy efficiency and conservation issues
- a total of \$102,000 for New Zealand's contribution to the United Nations Framework Convention on Climate Change
- a total of \$300,000 for New Zealand's contribution to the Climate Change Development Fund to support international projects addressing climate change impacts
- a total of nearly \$4 million for the purchase of Projects to Reduce Emissions (PRE) emission units by the Crown from the PRE portfolio.

Details of these appropriations are set out in Parts 2-6 below.

Part 1.2 - High-Level Objectives of the Vote

The output expenses in Vote Climate Change will contribute to the Government's overarching goal of economic transformation with a strong focus on environmental sustainability. This vote supports Government's engagement with businesses and community groups and aims to reduce New Zealand's Greenhouse Gas emissions and meet international obligations under the United Nations Framework Convention on Climate Change (UNFCCC) and Kyoto Protocol.

Government Priorities and Outcomes - Links to Appropriations

Government Priorities - Themes/Sub-themes	Government Outcomes	Appropriations
Theme: Economic Transformation Sub theme: Environmental Sustainability	Develop an emissions trading scheme (Prime Ministers Statement to Parliament, February 2008)	Policy Advice - Climate Change (M12) Carbon Monitoring Programme (M12) Policy Advice - Energy Efficiency and Conservation (M12) Contribution to Climate Change Development Fund (M12)
Theme: Economic Transformation Sub theme: Environmental Sustainability	A comprehensive, post 2012 agreement on climate change (Prime Ministers Statement to Parliament, February 2008)	Kyoto Protocol - Forecast Liability (M12) Kyoto Units (M12) Purchase of Projects to Reduce Emissions (PRE) Units (M12) Allocation of New Zealand Units (M12) Framework Convention on Climate Change (M12)
Theme: Families young and old	Adapting to a Changing Climate (Prime Ministers Statement to Parliament, February 2008)	Policy Advice - Climate Change (M28) Policy Advice - Energy Efficiency and Conservation (M28)
Theme: National Identity	Strengthen the presence of New Zealand in the world (Budget Speech 2007)	Policy Advice - Climate Change (M28) Contribution to Climate Change Development Fund (M28) Framework Convention on Climate Change (M28)

Part 1.3 - Trends in the Vote

Summary of Financial Activity

	2003/04	2004/05	2005/06	2006/07	2007/08		2008/09			2009/10	2010/11	2011/12
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Budgeted \$000	Estimated Actual \$000	Departmental Transactions Budget \$000	Non- Departmental Transactions Budget \$000	Total Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
Appropriations												
Output Expenses	21,322	23,702	24,458	28,489	42,260	40,410	31,657	-	31,657	19,521	18,503	18,092
Benefits and Other Unrequited Expenses	-	-	-	-	-	-	N/A	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	2,293	313,733	117,640	6,132	15,878	15,878	-	749,387	749,387	356,766	523,084	523,084
Capital Expenditure	1,652	2,000	1,242	1,221	2,000	2,000	-	3,500	3,500	3,500	3,500	-
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Total Appropriations	25,267	339,435	143,340	35,842	60,138	58,288	31,657	752,887	784,544	379,787	545,087	541,176
Crown Revenue and Receipts												
Tax Revenue	-	-	-	-	-	-	N/A	N/A	-	-	-	-
Non-Tax Revenue	-	-	-	-	368,103	368,103	N/A	N/A	308,320	644,127	892,662	893,937
Capital Receipts	824	1,088	1,226	1,252	1,749	1,749	N/A	N/A	-	-	-	-
Total Crown Revenue and Receipts	824	1,088	1,226	1,252	369,852	369,852	N/A	N/A	308,320	644,127	892,662	893,937

Budget Policy Initiatives

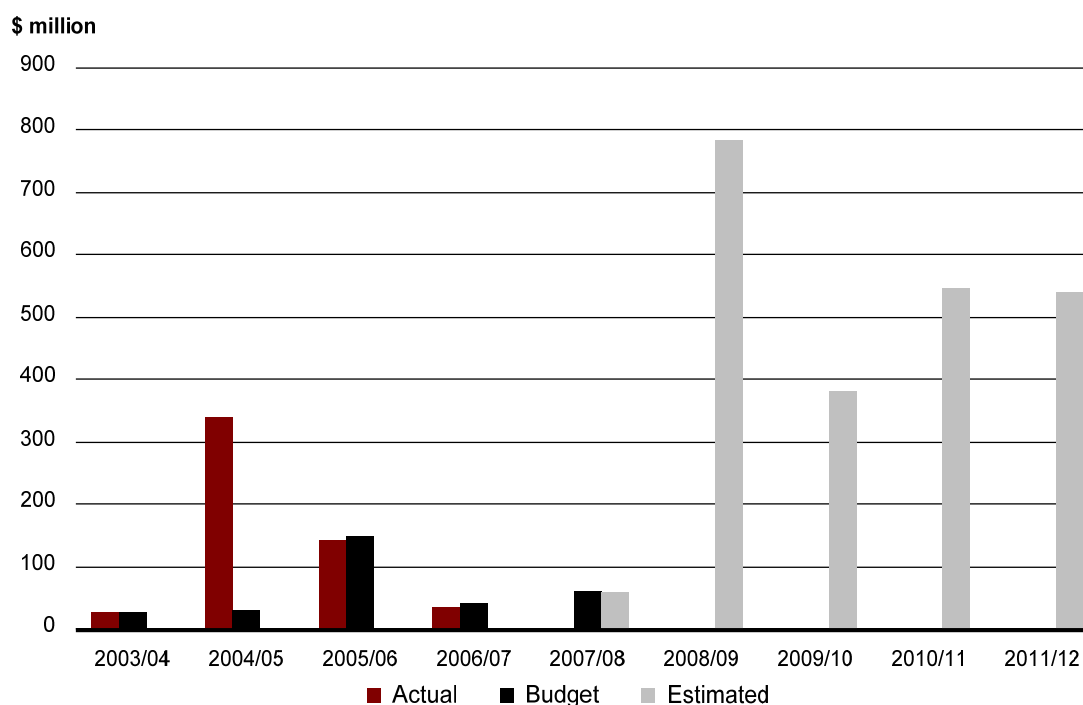
Policy Initiative	Appropriation	2007/08 Budgeted \$000	2008/09 Budget \$000	2009/10 Estimated \$000	2010/11 Estimated \$000	2011/12 Estimated \$000
Further the New Zealand Emissions Trading Scheme Policy Development	Policy Advice - Climate Change Departmental Output Expenses	-	2,725	-	-	-
International Negotiations and Linkages to the New Zealand Emissions Trading Scheme	Policy Advice - Climate Change Departmental Output Expenses	-	1,000	-	-	-
Implementation of Climate Change Adaptation Measures	Policy Advice - Climate Change Departmental Output Expenses	-	250	250	250	250
Total Initiatives		-	24,475	250	250	250

Analysis of Significant Trends

Total Vote: All Appropriations

Trends in comparative actual and estimated total expenses and capital expenditure are shown in Figure 1 below, including budgeted and estimated actual figures for the preceding year.

Figure 1 - Trends in total actual and estimated expenses and capital expenditure



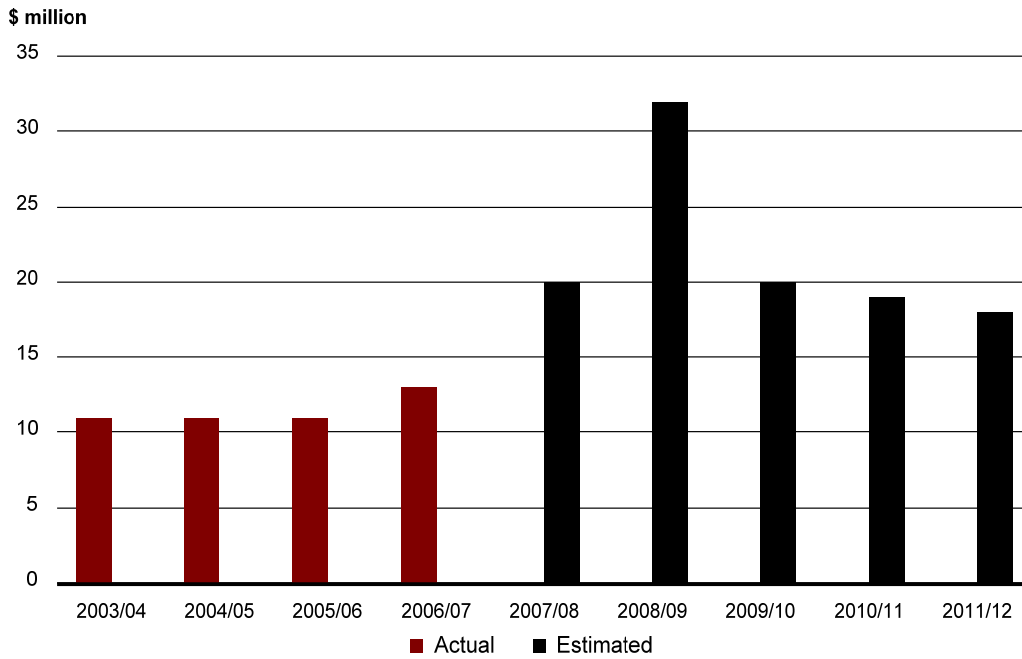
Source: Ministry for the Environment

The movements in departmental and non-departmental appropriations in Vote Climate Change, which are detailed in the Summary of Financial Activity table above, are largely driven by movements in Non-Departmental Other Expenses.

Details of significant movements within each appropriation category are detailed below.

Departmental Output Expenses

Figure 2 - Trends in departmental output expenses



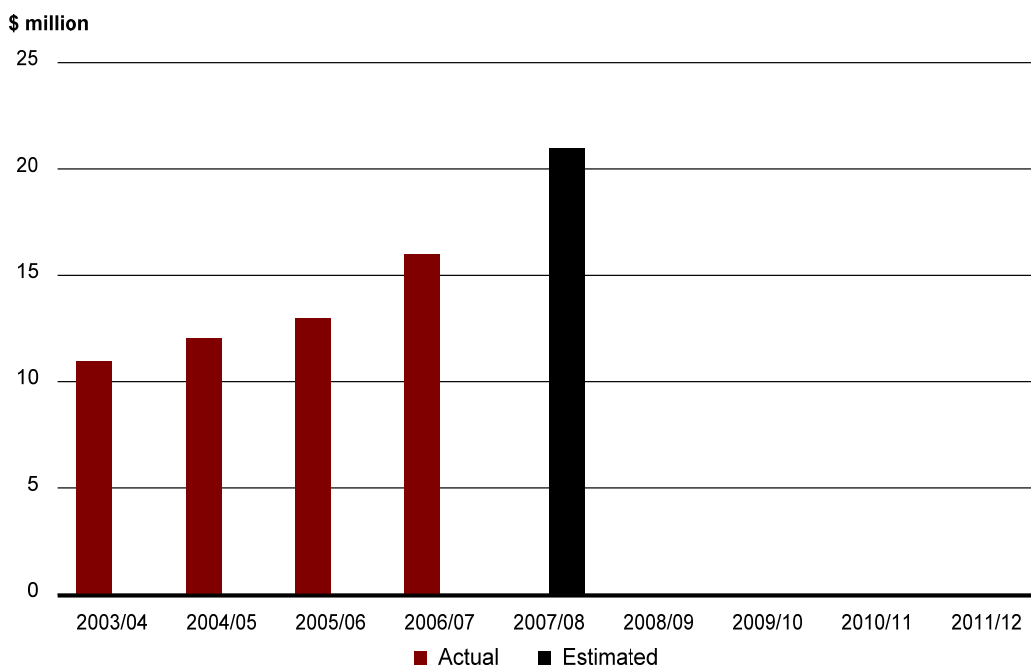
Source: Ministry for the Environment

The baseline increases by \$7 million in 2007/08 and \$12 million in 2008/09. This is due mainly to significant, short-term initiatives for the Carbon Neutral Public Service and the development of the New Zealand Emissions Trading Scheme as well as an increase in the appropriation for the Carbon Monitoring Programme.

Non-Departmental Output Expenses

This represents operational and policy outputs from the Energy Efficiency and Conservation Authority (EECA) in accordance with EECA's statutory functions under the Energy Efficiency and Conservation Act 2000 and applicable Government policies.

Figure 3 - Trends in non-departmental output expenses

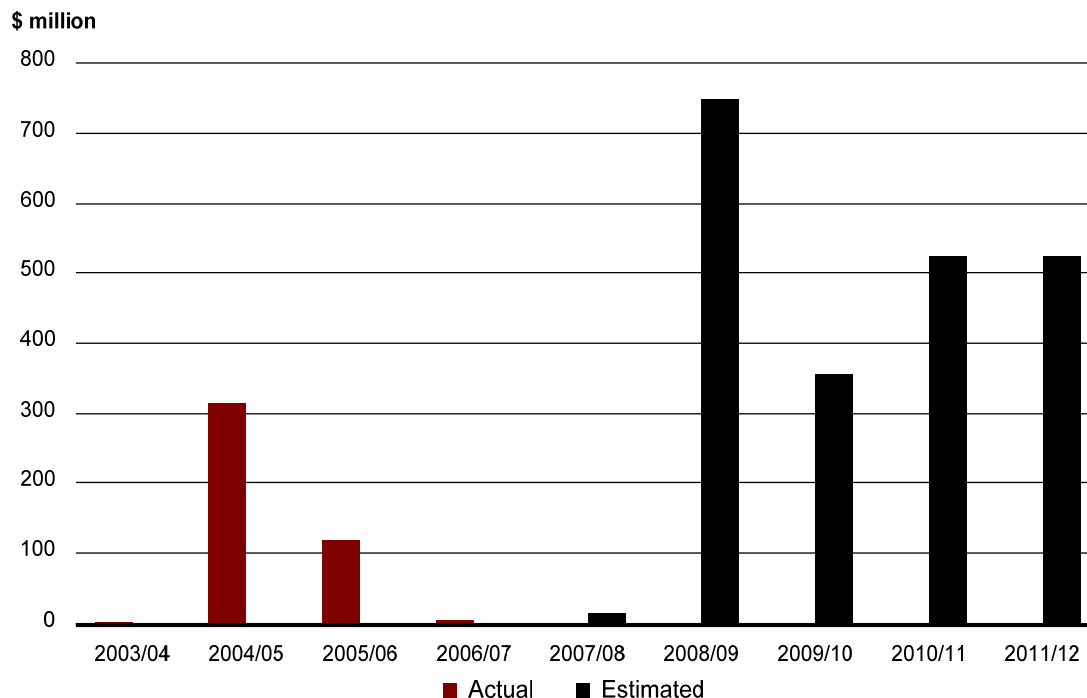


Source: Ministry for the Environment

The appropriation ends in 2008/09 as responsibility for EECA was transferred to the Ministry for Economic Development effective from 1 July 2008 as part of the transfer of energy efficiency appropriations to Vote Energy.

Non-Departmental Other Expenses

Figure 4 - Trends in non-departmental other expenses



Source: Ministry for the Environment

In 2004/05, the baseline increased by \$311 million as the Kyoto Protocol Liability was recognised in the Ministry's accounts. The significant increase in 2008/09 reflects the \$749 million received for the allocation of New Zealand Units as part of the New Zealand Emissions Trading Scheme, with \$357 million allocated in 2009/10 and \$523 million in both 2010/11 and 2011/12.

Non-Departmental Capital Expenditure

This comprises the purchase of PRE Emission units and the Crown Energy Efficiency loan scheme.

Non-Tax Revenue

In 2007/08, Non-Tax Revenue represents the reduction in forecast carbon unit emissions under the Kyoto Protocol. In 2008/09 onwards, Non-Tax Revenues represents the surrender of emission units from participating sectors of the New Zealand Emissions Trading Scheme.

Part 2 - Details and Expected Performance for Output Expenses

Part 2.1 - Departmental Output Expenses

Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
Outcome - New Zealand meets its reporting requirements.	Carbon Monitoring Programme (M12)
Outcome - New Zealand's greenhouse gas emissions and the risks from the physical impacts of climate change are reduced.	Policy Advice - Climate Change (M12)
Outcome - More energy efficient homes.	Policy Advice - Energy Efficiency and Conservation (M12)

Carbon Monitoring Programme (M12)

Scope of Appropriation

Development of a national carbon accounting system that will contribute to the meeting of New Zealand's greenhouse gas reporting obligations under the Kyoto Protocol and the UNFCCC.

Expenses and Revenue

	2007/08		2008/09
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	7,037	6,237	12,238
Revenue from the Crown	7,037	6,237	12,238
Revenue from Others	-	-	-

Reasons for Change in Appropriation

The increase in appropriation is due to a \$4.386 million expense transfer from 2007/08 to 2008/09 in relation to the Implementation of the New Zealand Carbon Accounting System (NZCAS).

This transfer was necessary due to delays with the 1990 land use mapping, natural forests and soils work programme.

Output Performance Measures and Standards

Performance Measures	2007/08		2008/09
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Meet the UNFCCC reporting requirements and pass the Good Practice Guidance review.	Achieved	Achieved	Achieved

Conditions on Use of Appropriation

Reference	Conditions
Good Practice Guidance for Land Use, Land-Use Change and Forestry (GPG-LULUCF)	The guidance is the response to the invitation by the United Nations Framework Convention on Climate Change (UNFCCC) to the Intergovernmental Panel on Climate Change (IPCC) to develop <i>good practice guidance</i> for land use, land-use change and forestry (LULUCF). <i>GPG-LULUCF</i> provides supplementary methods and good practice guidance for estimating, measuring, monitoring and reporting on carbon stock changes and greenhouse gas emissions from LULUCF activities under Article 3, paragraphs 3 and 4, and Articles 6 and 12 of the Kyoto Protocol.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2007/08 Budgeted \$000	2008/09 Budget \$000	2009/10 Estimated \$000	2010/11 Estimated \$000	2011/12 Estimated \$000
Complete development of the NZCAS to meet the Kyoto Protocol requirements	2005/06	7,309	4,452	5,427	6,509	6,098
Carbon Monitoring Inventory System	2003/04	2,778	2,778	2,778	2,778	2,778
Carbon Monitoring Programme	2003/04	622	622	622	622	622

Policy Advice - Climate Change (M12)

Scope of Appropriation

Policy advice and implementation, operational costs and fulfilling international obligations to support the Government's commitment on Climate Change under the Kyoto Protocol.

Expenses and Revenue

	2007/08		2008/09
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	14,125	13,075	19,619
Revenue from the Crown	14,070	13,020	19,564
Revenue from Others	55	55	55

Reasons for Change in Appropriation

The increase in appropriation in 2008/09 is largely due to an increase in baseline for the Carbon Neutral Public Service work programme. New budget initiative funding received of \$2.725 million to further the New Zealand Emissions Trading Scheme (NZETS) policy development and \$1.000 million for international negotiations and linkages to the NZETS also contribute to this change.

Output Performance Measures and Standards

Performance Measures	2007/08		2008/09
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Compliance with the Quality Standards for Analysis and Advice (refer to conditions on Use of Appropriation), as assessed by the Minister through satisfactory completion of Cabinet's Regulatory Impact Assessment requirements, and as assessed through an annual independent external policy quality audit, review and benchmarking process.	N/A	N/A	100%
Engage with sectors on Climate Change adaptation policies and implementation.	N/A	N/A	100% of planned sectors
International submission and negotiating timelines for New Zealand's position on Climate Change are met.	100% of deadlines	100% of deadlines	100% of deadlines
New Zealand Emissions Trading Scheme implemented for pre-1990 forestry and liquid fossil fuels sectors, and planned milestones met for allocation of pre-1990 forestry units and inclusion of remaining sectors in 2010 (stationary energy and industrial processes) and 2013 (agriculture, waste and other).	Achieved	Achieved	Achieved
Emissions inventories and reduction plans are developed and monitored annually.	34 Agencies	34 Agencies	34 Agencies

Conditions on Use of Appropriation

Reference	Conditions
Quality Standards for Analysis and Advice	<ul style="list-style-type: none"> Identifies the problem, relevant options, costs and benefits, and risks. Is rigorous, logical, factually accurate and provides supporting evidence. Demonstrates that it is based on appropriate consultation and engagement across government and with affected parties. Is practical, action-oriented and considers implementation. Demonstrates an understanding of the needs of the target audience. Is clear, concise, professional and presented in plain language. Is provided within agreed timeframes and budgets. <p>Note: All aspects of the standards may not apply to specific pieces of policy advice, given considerations of urgency or the particular nature of the advice to be provided. For instance, some of our work is second-opinion advice on other departments' proposals often undertaken under tight time pressures</p>

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2007/08 Budgeted \$000	2008/09 Budget \$000	2009/10 Estimated \$000	2010/11 Estimated \$000	2011/12 Estimated \$000
Further the New Zealand Emissions Trading Scheme Policy Development	2008/09	-	2,725	-	-	-
International Negotiations and Linkages to the New Zealand Emissions Trading Scheme	2008/09	-	1,000	-	-	-
Implementation of Climate Change Adaptation Measures	2008/09	-	250	250	250	250

Policy Initiative	Year of First Impact	2007/08 Budgeted \$000	2008/09 Budget \$000	2009/10 Estimated \$000	2010/11 Estimated \$000	2011/12 Estimated \$000
Development and Implementation of proposed NZ Emissions Trading Scheme	2007/08	4,777	-	-	-	-
Moving the Public Sector towards Carbon Neutrality	2007/08	1,200	7,100	2,100	-	-
Improved energy efficiency and reduced greenhouse gas emissions by energy-intensive businesses	2005/06	104	-	-	-	-
Establishment of a climate change service industry in NZ	2004/05	133	133	133	133	133
Contracted NZ Scientists as authors for Intergovernmental Panel on Climate Change	2004/05	178	178	178	178	178
Inventive Programmes Climate Change	2003/04	533	533	533	533	533
Advice and Implementation Climate Change	2003/04	4,469	4,469	4,469	4,469	4,469
Policy Advice - Climate Change	2003/04	2,676	2,676	2,676	2,676	2,676

Policy Advice - Energy Efficiency and Conservation (M12)

Scope of Appropriation

Policy advice from the Ministry for the Environment on energy efficiency and conservation issues. Monitoring of EECA services provided by the Ministry for the Environment.

Expenses and Revenue

	2007/08		2008/09
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	516	516	300
Revenue from the Crown	516	516	300
Revenue from Others	-	-	-

Reasons for Change in Appropriation

This decrease in appropriation is due to the transfer of energy efficiency appropriations to Vote Energy effective from 1 July 2008.

Output Performance Measures and Standards

Performance Measures	2007/08		2008/09
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Case studies to assist councils to implement energy efficiency in households	N/A	N/A	3 Case Studies
Partnerships with industry to develop business opportunities relating to provision of energy efficient products and services to households.	N/A	N/A	Develop up to 3 business partnerships

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2007/08 Budgeted \$000	2008/09 Budget \$000	2009/10 Estimated \$000	2010/11 Estimated \$000	2011/12 Estimated \$000
EnergyWise Package: Vote Climate Change and Energy Efficiency Components	2007/08	300	300	300	300	300

Part 2.2 - Non-Departmental Output Expenses**Intended Impacts, Outcomes and Objectives**

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
Outcome - A protected environment by supporting the use of renewable sources of energy and the uptake of energy efficient initiatives.	Energy Efficiency and Conservation (M28)

Energy Efficiency and Conservation (M28)*Scope of Appropriation*

Operational and policy outputs in accordance with the EECA's statutory functions under the Energy Efficiency and Conservation Act (2000) and applicable Government policies.

Expenses

	2007/08		2008/09
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	20,582	20,582	-

Reasons for Change in Appropriation

This decrease in appropriation is due to the transfer of energy efficiency appropriations to Vote Energy effective from 1 July 2008.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2007/08 Budgeted \$000	2008/09 Budget \$000	2009/10 Estimated \$000	2010/11 Estimated \$000	2011/12 Estimated \$000
EnergyWise Clean Heating Programme	2007/08	250	-	-	-	-
EnergyWise Rebranding and Information Campaigns	2007/08	900	-	-	-	-
EnergyWise Research and Sector Development	2007/08	650	-	-	-	-
Fridge Retirement Pilot	2007/08	400	-	-	-	-
Energy Efficiency Training for Industry	2007/08	100	-	-	-	-

Policy Initiative	Year of First Impact	2007/08 Budgeted \$000	2008/09 Budget \$000	2009/10 Estimated \$000	2010/11 Estimated \$000	2011/12 Estimated \$000
Improve Business Programme Expansion	2007/08	300		-	-	-
Energy Domain Plan	2007/08	360	-	-	-	-
Interest-Free Loans for Residential Energy Efficiency and Heating	2007/08	300	-	-	-	-
EnergyWise Package: Home Energy Rating Scheme Policy Development	2007/08	250	-	-	-	-
Implementation of a 5 year solar water heating programme	2006/07	3,168	-	-	-	-
Home Energy Rating Scheme	2006/07	1,300	-	-	-	-
Improved energy efficiency and reduced greenhouse gas emissions by energy-intensive businesses	2005/06	1,378	-	-	-	-
Energy Efficient Products Programme	2005/06	667	-	-	-	-
Electricity Demand-side participation - Commercial/Industrial end users	2005/06	533	-	-	-	-
Solar Water Heating	2004/05	178	-	-	-	-
Improving the Energy Efficiency of Homes	2004/05	329	-	-	-	-
Bio-energy	2004/05	222	-	-	-	-
GIF Funding Renewable Energy	2003/04	700	-	-	-	-
Energywise Grant Scheme	2003/04	89	-	-	-	-

Summary of Service Providers

Provider	2007/08 Budgeted \$000	2007/08 Estimated Actual \$000	2008/09 Budget \$000	Reporting Mechanism	Expiry of Funding Commitment
Crown Entities					
EECA					
Energy Efficiency and Conservation	20,582	20,582	-	EECA's Annual Report	2007/08
Energy Efficiency and Renewable Energy Grants and Assistance	15,476	15,476	-	EECA's Annual Report	2007/08
Crown Energy Efficiency	2,000	2,000	-	EECA's Annual Report	2007/08

The above table summarises funding to be allocated through Vote Climate Change to non-departmental providers, along with an indication of the mechanism to be used for reporting actual performance and (where determined) the length of the funding commitment.

Part 5 - Details and Expected Results for Other Expenses

Part 5.2 - Non-Departmental Other Expenses

Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
Objective - To allocate emission units to New Zealand sectors.	Allocation of New Zealand Units (M12)
Objective - To support international projects addressing Climate Change.	Contribution to Climate Change Development Fund (M12)
Outcome - Improved energy efficiency of New Zealand businesses and homes.	Energy Efficiency and Renewable Energy Grants and Assistance (M28)
Objective - To fulfil financial and participatory requirements for subscriptions to the United Nations Framework Convention on Climate Change.	Framework Convention on Climate Change (M12)
Outcome - New Zealand's liability arising from the adoption of the Kyoto Protocol is minimised.	Kyoto Protocol - Forecast Liability (M12)

Allocation of New Zealand Units (M12)

Scope of Appropriation

This appropriation is limited to the granting of New Zealand Units to sectors of the New Zealand Economy

Expenses

	2007/08		2008/09
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	748,985

Reasons for Change in Appropriation

This increase in appropriation is due to the introduction of a new appropriation in 2008/09 for the granting of New Zealand Units to sectors of the New Zealand economy. This appropriation was re-forecast to be in line with the preliminary Projected balance of emissions units during the first commitment period of the Kyoto Protocol for 2008 (also known as the net position report) which included accounting for the impact of the Emissions Trading Scheme.

Expected Results

	2007/08		2008/09
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Sector allocation plans delivered	N/A	N/A	3 sectors delivered by 30 June 2009

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2007/08 Budgeted \$000	2008/09 Budget \$000	2009/10 Estimated \$000	2010/11 Estimated \$000	2011/12 Estimated \$000
A New Zealand Emission Trading Scheme: 2007 Decisions	2008/09	-	597,000	477,000	477,000	477,000

Contribution to Climate Change Development Fund (M12)*Scope of Appropriation*

New Zealand's contribution to the Climate Change Development Fund to support international projects addressing climate change impacts.

Expenses

	2007/08		2008/09
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	300	300	300

Reasons for Change in Appropriation

There is no change in appropriation.

Expected Results

	2007/08		2008/09
	Budgeted Standard	Estimated Actual Standard	Budget Standard
Developing countries are supported by the Climate Change Development Fund	3 Countries	3 Countries	3 Countries

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2007/08 Budgeted \$000	2008/09 Budget \$000	2009/10 Estimated \$000	2010/11 Estimated \$000	2011/12 Estimated \$000
Contribution to the Climate Change Development Fund	2005/06	300	300	300	300	300

Energy Efficiency and Renewable Energy Grants and Assistance (M28)

Scope of Appropriation

Crown's contribution to fund improvements to the energy efficiency of New Zealand businesses and homes (with a particular focus on the homes of low income earners); and to develop the solar hot water industry.

Expenses

	2007/08		2008/09
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	15,476	15,476	-

Reasons for Change in Appropriation

This decrease in appropriation is due to the transfer of energy efficiency appropriations to Vote Energy effective from 1 July 2008.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2007/08 Budgeted \$000	2008/09 Budget \$000	2009/10 Estimated \$000	2010/11 Estimated \$000	2011/12 Estimated \$000
Interest-Free Loans for Residential Energy Efficiency and Heating	2007/08	2,700	-	-	-	-
EnergyWise Home Grants Scheme	2007/08	1,800	-	-	-	-
EnergyWise Package: Maintain EnergyWise Home Grants	2007/08	1,400	-	-	-	-
Implementation of a 5-year Solar water heating programme	2006/07	2,398	-	-	-	-
Improving Energy Efficiency of NZ Housing	2004/05	1,956	-	-	-	-
Energywise Grant Scheme	2003/04	1,067	-	-	-	-
Improving the Energy Efficiency of Homes	2000/01	1,956	-	-	-	-

Framework Convention on Climate Change (M12)

Scope of Appropriation

New Zealand's contribution to the United Nations Framework Convention on Climate Change.

Expenses

	2007/08		2008/09
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	102	102	102

Reasons for Change in Appropriation

There is no change in appropriation.

Expected Results

	2007/08		2008/09
	Budgeted Standard	Estimated Actual Standard	Budget Standard
New Zealand's financial commitment to the United Nations Framework Convention on Climate Change is met	100%	100%	100%

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2007/08 Budgeted \$000	2008/09 Budget \$000	2009/10 Estimated \$000	2010/11 Estimated \$000	2011/12 Estimated \$000
Framework Convention Climate Change	2003/04	102	102	102	102	102

Reporting Mechanisms

Appropriation	Reporting Mechanism
Allocation of Units	Kyoto Protocol, UNFCCC convention and Annual Report of the Ministry for the Environment
Contribution to Climate Change Development Fund	Not required
Energy Efficiency and Renewable Energy Grants and Assistance	Annual Report of EECA
Framework Convention on Climate Change	Not required
Kyoto Protocol - Forecast Liability	Annual Report of Ministry for the Environment

The above table indicates the mechanisms to be used for reporting actual performance for each non-departmental other expenses appropriation.

Part 6 - Details and Expected Results for Capital Expenditure

Part 6.2 - Non-Departmental Capital Expenditure

Intended Impacts, Outcomes and Objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
Outcome - Improved energy efficiency of New Zealand businesses and homes	Crown Energy Efficiency (M28)
Outcome - New Zealand's Kyoto obligations are met	Kyoto Units (M12)
Outcome - New Zealand's Kyoto obligations are met	Purchase of PRE Units (M12)

Crown Energy Efficiency (M28)

Scope of Appropriation

Capital expenditure for the Crown loan scheme.

Capital Expenditure

	2007/08		2008/09
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	2,000	2,000	-

Reasons for Change in Appropriation

This decrease in appropriation is due to the transfer of energy efficiency appropriations to Vote Energy effective from 1 July 2008.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2007/08 Budgeted \$000	2008/09 Budget \$000	2009/10 Estimated \$000	2010/11 Estimated \$000	2011/12 Estimated \$000
Increasing Public Sector Energy Saving	2003/04	1,000	-	-	-	-

Purchase of PRE Units (M12)

Scope of Appropriation

Purchasing of PRE emission units by the Crown from the Projects to Reduce Emissions (PRE) portfolio.

Capital Expenditure

	2007/08		2008/09
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	-	-	3,500

Reasons for Change in Appropriation

This increase is due to the introduction of a new appropriation in 2008/09 for the purchase of PRE emission units by the Crown from the Projects to Reduce Emissions (PRE) portfolio.

Expected Results

	2007/08		2008/09
	Budgeted Standard	Estimated Actual Standard	Budget Standard
A programme is developed to purchase emission units from Projects to Reduce Emissions (PRE) participants	N/A	N/A	Up to 0.8 Million units

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2007/08 Budgeted \$000	2008/09 Budget \$000	2009/10 Estimated \$000	2010/11 Estimated \$000	2011/12 Estimated \$000
Purchase of up to 0.8 million PRE Emission Units	2008/09	-	3,500	3,500	3,500	-

Reporting Mechanisms

Appropriation	Reporting Mechanism
Crown Energy Efficiency	Annual Report of EECA
Kyoto Units	Annual report of the Ministry for the Environment
Purchase of PRE Units	Annual report of the Ministry for the Environment

The above table indicates the mechanisms to be used for reporting actual performance for each non-departmental capital expenditure appropriation.