

Information Supporting the Supplementary Estimates

Vote Climate Change

MINISTER(S) RESPONSIBLE FOR APPROPRIATIONS: Minister for Climate Change Issues (M12)

ADMINISTERING DEPARTMENT: Ministry for the Environment

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

Part 1 - Summary of the Vote

Part 1.3 - Trends in the Vote

Summary of Financial Activity

	2008/09				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
Appropriations					
Output Expenses	31,657	(6,733)	-	(6,733)	24,924
Benefits and Other Unrequited Expenses	-	N/A	-	-	-
Borrowing Expenses	-	-	-	-	-
Other Expenses	749,387	-	(725,430)	(725,430)	23,957
Capital Expenditure	3,500	-	-	-	3,500
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
Total Appropriations	784,544	(6,733)	(725,430)	(732,163)	52,381
Crown Revenue and Capital Receipts					
Tax Revenue	-	N/A	-	-	-
Non-Tax Revenue	308,320	N/A	501,478	501,478	809,798
Capital Receipts	-	N/A	-	-	-
Total Crown Revenue and Capital Receipts	308,320	N/A	501,478	501,478	809,798

Part 2 - Details and Expected Performance for Output Expenses

Part 2.1 - Departmental Output Expenses

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.

Reasons for Change in Appropriation

This appropriation will decrease by \$157,000 to \$12.081 million in 2008/09. This decrease is due to:

- An expense transfer to 2009/10 in relation to the implementation of the New Zealand Carbon Accounting System (NZCAS).
- A fiscally neutral transfer to the Ministry of Agriculture and Forestry who will carry out work relating to the NZCAS planted forest work programme.

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.

Reasons for Change in Appropriation

This appropriation will decrease by \$6.416 million to \$12.703 million in 2008/09. This decrease is due to the discontinuation of the Carbon Neutral Public Service (\$5.500 million) and the return of savings to the Crown (\$1.866 million).

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.

Reasons for Change in Appropriation

This appropriation will decrease by \$160,000 to \$140,000 in 2008/09. This decrease is due to a return of savings to the Crown.

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
Outcome - New Zealanders, their communities and environment are prepared for, and adapt to, the impacts of changing environmental conditions.	Issue of New Zealand Assigned Amount Units to Permanent Forest Sink Initiative Participants (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

Reasons for Change in Appropriation

This appropriation will decrease by \$726.141 million to \$22.844 million in 2008/09. This forecast change is in response to:

- changes to the scope of the Emissions Trading Scheme as well as to assumptions surrounding the timing of the allocation of New Zealand Units to various eligible sectors
- a decrease in the price of carbon, and
- the weakening of the New Zealand dollar.

Framework Convention on Climate Change (M12)

Scope of Appropriation

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

Reasons for Change in Appropriation

This appropriation will increase by \$125,000 to \$227,000 for 2008/09. The increase is primarily due to a fiscally neutral transfer from departmental output expense: Policy Advice - Climate Change to cover the additional funding required by the UNFCCC Secretariat to support supplementary sessions planned for 2008 and 2009.

Issue of New Zealand Assigned Amount Units to Permanent Forest Sink Initiative Participants (M12)

Scope of Appropriation

This appropriation is limited to the granting of New Zealand Assigned Amount Units to Permanent Forest Sink Initiative participants for eligible afforestation.

Expenses

	2008/09		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	586	586

Reasons for Change in Appropriation

This appropriation was approved during the year.

Expected Results

	2008/09		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
All eligible participants in the Permanent Forest Sink Initiative that claim them, receive New Zealand Assigned Amount Units for increases in carbon stocks within their eligible forests covenanted under the initiative.	-	100%	100%

Conditions on Use of Appropriation

Reference	Conditions
Forest (Permanent Forest Sink) Regulations 2007 under the Forests Act 1949.	Eligibility criteria for participants are set out in Sections 3 to 5 of the Forests (Permanent Forest Sink) Regulations 2007 (SR 2007/354) (as at 14 April 2008).

Reporting Mechanisms

Appropriation	Reporting Mechanism
Issue of New Zealand Assigned Amount Units to Permanent Forest Sink Initiative participants	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 other expenses appropriation.