

# *Vote Environment*

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APPROPRIATION MINISTER(S): Minister of Climate Change (M12), Minister for the Environment (M29)

DEPARTMENT ADMINISTERING THE VOTE: Ministry for the Environment (A15)

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

# Details of Appropriations and Capital Injections

## Annual Appropriations and Forecast Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2020/21		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
<b>Departmental Output Expenses</b>			
<b>Improving New Zealand's Environment (M29) (A15)</b> This appropriation is limited to the development and provision of policy advice and other support to Ministers on environmental matters, the implementation of policy and the monitoring of domestic environmental management and educational programmes.	69,741	20,966	90,707
<b>Managing Climate Change in New Zealand (M12) (A15)</b> This appropriation is limited to policy advice, reporting, and other support to Ministers on matters relating to climate change, the operation of the national carbon accounting system, and collection of the Synthetic Greenhouse Gas Levy.	19,379	5,812	25,191
<b>Total Departmental Output Expenses</b>	89,120	26,778	115,898
<b>Departmental Capital Expenditure</b>			
<b>Ministry for the Environment - Capital Expenditure PLA (M29) (A15)</b> This appropriation is limited to the purchase or development of assets by and for the use of the Ministry for the Environment, as authorised by section 24(1) of the Public Finance Act 1989.	2,325	1,000	3,325
<b>Total Departmental Capital Expenditure</b>	2,325	1,000	3,325
<b>Non-Departmental Output Expenses</b>			
<b>Administration of New Zealand Units held on Trust (M12) (A15)</b> This appropriation is limited to the application for and holding on trust of New Zealand Units on behalf of the future owners of Crown Forest Licensed land.	177	-	177
<b>Climate Change Commission - Advisory and Monitoring Function (M12) (A15)</b> This appropriation is limited to the establishment and operations of the Climate Change Commission in accordance with its statutory purposes and functions.	8,535	880	9,415
<b>Contaminated Sites Remediation Fund (M29) (A15)</b> This appropriation is limited to the investigation, management and remediation of contaminated sites.	4,828	7,943	12,771
<b>Emissions Trading Scheme (M12) (A15)</b> This appropriation is limited to the implementation and operation of the New Zealand Emissions Trading Scheme and maintenance of a register to enable the holding and transfer of climate change units.	6,392	397	6,789
<b>Environmental Protection Authority functions (M29) (A15)</b> This appropriation is limited to the provision of the Environmental Protection Authority's regulatory and other statutory functions.	21,885	-	21,885
<b>Environmental Training Programmes (M29) (A15)</b> This appropriation is limited to supporting training programmes, including Te Aho Tū Roa, that promote environmental and social sustainability, encourage Māori participation, raise environmental and ecological awareness and encourage children and young people to participate in environmental initiatives in the community.	1,900	-	1,900
<b>Promotion of Sustainable Land Management (M29) (A15)</b> This appropriation is limited to the promotion and coordination of sustainable land management practice through a national network of coordinators.	800	-	800

	2020/21		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
<b>Titles and Scopes of Appropriations by Appropriation Type</b>			
<b>Water science and economics (M29) (A15)</b> This appropriation is limited to water science and economic impact analyses, and guidance to support development of the National Objectives Framework.	1,500	700	2,200
<b>Total Non-Departmental Output Expenses</b>	46,017	9,920	55,937
<b>Non-Departmental Other Expenses</b>			
<b>Allocation of New Zealand Units (M12) (A15)</b> This appropriation is limited to the granting of New Zealand Units to sectors of the New Zealand Economy.	814,415	345,685	1,160,100
<b>Climate Change Development Fund (M12) (A15)</b> This appropriation is limited to supporting international projects to assist developing countries address climate change issues.	300	-	300
<b>Environmental Legal Assistance (M29) (A15)</b> This appropriation is limited to supporting groups that wish to advocate for environmental issues in resource management cases in the courts and appearances at Boards of Inquiry of projects of national significance.	750	-	750
<b>Exclusive Economic Zone Major Prosecutions Fund (M29) (A15)</b> This appropriation is limited to major prosecutions relating to activities regulated under the Exclusive Economic Zone and Continental Shelf (Environmental Effects) Act 2012.	-	500	500
<b>Framework Convention on Climate Change (M12) (A15)</b> New Zealand's contribution to the United Nations Framework Convention on Climate Change.	170	-	170
<b>Fresh Start for Fresh Water: Waikato River Clean-up Fund (M29) (A15)</b> 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.	4,902	-	4,902
<b>Impairment of Debt Relating to Climate Change Activities (M12) (A15)</b> This appropriation is limited to the impairment and write down of Crown debt arising from Climate Change related activities.	147,000	-	147,000
<b>Impairment of Debt Relating to Environment Activities (M29) (A15)</b> This appropriation is limited to the impairment and write down of Crown debt arising from Environment related activities excluding Climate Change.	1,500	-	1,500
<b>International Subscriptions (M29) (A15)</b> This appropriation is limited to subscriptions to International Environmental Agreements.	152	-	152
<b>Loss on Sale of New Zealand Units (M12) (A15)</b> This appropriation is limited to the loss on sale of New Zealand Units.	208,995	346,290	555,285
<b>Te Pou Tupua (M29) (A15)</b> This appropriation is limited to the Crown contribution to support Te Pou Tupua (the Whanganui River Guardian) functions.	106	-	106
<b>Transitional Support for Local Government and Iwi (M29) (A15)</b> This appropriation is limited to providing transitional support to local authorities and iwi for new arrangements involving iwi in the management of natural resources arising from historical Treaty settlements.	-	641	641
<b>United Nations Environment Programme (M29) (A15)</b> New Zealand's membership of the United Nations Environment Programme.	593	-	593
<b>Waikato River Co-Governance (M29) (A15)</b> This appropriation is limited to the governance and operational costs of Waikato River co-governance.	1,195	-	1,195

	2020/21		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
<b>Titles and Scopes of Appropriations by Appropriation Type</b>			
<b>Waikato River Co-Management (M29) (A15)</b>	2,202	-	2,202
This appropriation is limited to enabling the Waikato River Iwi to engage in the new co-management arrangements in relation to the Waikato River.			
<b>Total Non-Departmental Other Expenses</b>	1,182,280	693,116	1,875,396
<b>Non-Departmental Capital Expenditure</b>			
<b>Capital Contribution to the Environmental Protection Authority (M29) (A15)</b>	1,509	(397)	1,112
This appropriation is limited to providing a capital injection to the Environmental Protection Authority.			
<b>Total Non-Departmental Capital Expenditure</b>	1,509	(397)	1,112
<b>Multi-Category Expenses and Capital Expenditure</b>			
<b>Waste and Resource Recovery MCA (M29) (A15)</b>	-	<b>22,359</b>	22,359
The single overarching purpose of this appropriation is to build a resilient system for reducing, recycling and managing New Zealand's waste responsibly.			
<i>Non-Departmental Output Expenses</i>			
<i>Waste Minimisation and Resource Recovery Initiatives</i>	-	22,349	22,349
This category is limited to supporting research and development, innovation and commercialisation opportunities, information and education, regulatory activities (including compliance, monitoring and enforcement), data, evidence and evaluation and resource recovery infrastructure to improve New Zealand's capacity to recycle and recover materials.			
<i>Non-Departmental Other Expenses</i>			
<i>Fair value write-down of loans</i>	-	10	10
This category is limited to the fair value write-down of loans to local authorities and others to develop the infrastructure needed to improve New Zealand's capacity to recycle and recover materials.			
<b>Waste Minimisation MCA (M29) (A15)</b>	46,703	<b>1,696</b>	48,399
The single overarching purpose of this appropriation is to protect the environment through more effective and efficient waste management and minimisation in New Zealand.			
<i>Departmental Output Expenses</i>			
<i>Waste Minimisation Administration</i>	5,906	1,696	7,602
This category is limited to the collection and administration of the Waste Disposal Levy and assessing and monitoring costs relating to projects considered or approved for funding from the Waste Disposal Levy.			
<i>Non-Departmental Output Expenses</i>			
<i>Contestable Waste Minimisation Fund</i>	20,797	-	20,797
This category is limited to grants for waste minimisation initiatives.			
<i>Non-Departmental Other Expenses</i>			
<i>Waste Disposal Levy Disbursements to Territorial Local Authorities</i>	20,000	-	20,000
This category is limited to payments to territorial local authorities of their proportion of the Waste Disposal Levy as prescribed under the Waste Minimisation Act 2008.			
<b>Total Multi-Category Expenses and Capital Expenditure</b>	46,703	24,055	70,758
<b>Total Annual Appropriations and Forecast Permanent Appropriations</b>	1,367,954	754,472	2,122,426

## Multi-Year Appropriations

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
<b>Non-Departmental Output Expenses</b>		
<b>Community Environment Fund (M29) (A15)</b> This appropriation is limited to strengthening partnerships, raising environmental awareness and encouraging participation in environmental initiatives in the community.  Commences: 01 July 2020  Expires: 30 June 2025	Original Appropriation	10,860
	Adjustments to 2019/20	-
	Adjustments for 2020/21	788
	Adjusted Appropriation	11,648
	Actual to 2019/20 Year End	-
	Estimated Actual for 2020/21	2,960
	Estimate for 2021/22	2,172
	Estimated Appropriation Remaining	6,516
<b>Fresh Start for Fresh Water: Rotorua Te Arawa Lakes Programme (M29) (A15)</b> This appropriation is limited to maintaining and improving the water quality of the Rotorua Lakes.  Commences: 01 July 2020  Expires: 30 June 2025	Original Appropriation	11,225
	Adjustments to 2019/20	-
	Adjustments for 2020/21	6,002
	Adjusted Appropriation	17,227
	Actual to 2019/20 Year End	-
	Estimated Actual for 2020/21	4,700
	Estimate for 2021/22	5,391
	Estimated Appropriation Remaining	7,136
<b>Freshwater Improvement Fund (M29) (A15)</b> This appropriation is limited to initiatives which contribute to managing New Zealand's freshwater bodies within environmental limits.  Commences: 01 July 2020  Expires: 30 June 2025	Original Appropriation	71,000
	Adjustments to 2019/20	-
	Adjustments for 2020/21	185,761
	Adjusted Appropriation	256,761
	Actual to 2019/20 Year End	-
	Estimated Actual for 2020/21	41,691
	Estimate for 2021/22	53,080
	Estimated Appropriation Remaining	161,990
<b>Kaipara Moana Remediation (M29) (A15)</b> This appropriation is limited to remediating Kaipara Moana by halting degradation and working towards more productive, sustainable, and high value use of land within the Kaipara catchment.  Commences: 01 July 2020  Expires: 30 June 2025	Original Appropriation	100,000
	Adjustments to 2019/20	-
	Adjustments for 2020/21	-
	Adjusted Appropriation	100,000
	Actual to 2019/20 Year End	-
	Estimated Actual for 2020/21	9,638
	Estimate for 2021/22	20,000
	Estimated Appropriation Remaining	70,362
<b>Te Mana o Te Wai (M29) (A15)</b> This appropriation is limited to helping Māori improve the quality of freshwater bodies, whose health is integral to the social, cultural, economic and environmental well-being of communities.  Commences: 01 July 2020  Expires: 30 June 2025	Original Appropriation	30,000
	Adjustments to 2019/20	-
	Adjustments for 2020/21	-
	Adjusted Appropriation	30,000
	Actual to 2019/20 Year End	-
	Estimated Actual for 2020/21	8,000
	Estimate for 2021/22	6,000
	Estimated Appropriation Remaining	16,000

## Total Annual Appropriations and Forecast Permanent Appropriations and Multi-Year Appropriations

	2020/21		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Total Annual Appropriations and Forecast Permanent Appropriations	1,367,954	754,472	2,122,426
Total Forecast MYA Non-Departmental Output Expenses	20,122	46,867	66,989
<b>Total Annual Appropriations and Forecast Permanent Appropriations and Multi-Year Appropriations</b>	<b>1,388,076</b>	<b>801,339</b>	<b>2,189,415</b>

## Capital Injection Authorisations

	2020/21		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Ministry for the Environment - Capital Injection (M29) (A15)	3,698	(2,698)	1,000

# Supporting Information

## Part 1 - Vote as a Whole

### 1.2 - Trends in the Vote

#### Summary of Financial Activity

	2020/21				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
<b>Appropriations</b>					
Output Expenses	155,259	26,778	56,787	83,565	238,824
Benefits or Related Expenses	-	N/A	-	-	-
Borrowing Expenses	-	-	-	-	-
Other Expenses	1,182,280	-	693,116	693,116	1,875,396
Capital Expenditure	3,834	1,000	(397)	603	4,437
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
Multi-Category Expenses and Capital Expenditure (MCA)					
<i>Output Expenses</i>	26,703	1,696	22,349	24,045	50,748
<i>Other Expenses</i>	20,000	-	10	10	20,010
<i>Capital Expenditure</i>	-	N/A	-	-	-
<b>Total Appropriations</b>	<b>1,388,076</b>	<b>29,474</b>	<b>771,865</b>	<b>801,339</b>	<b>2,189,415</b>
<b>Crown Revenue and Capital Receipts</b>					
Tax Revenue	-	N/A	-	-	-
Non-Tax Revenue	1,197,812	N/A	282,371	282,371	1,480,183
Capital Receipts	-	N/A	-	-	-
<b>Total Crown Revenue and Capital Receipts</b>	<b>1,197,812</b>	<b>N/A</b>	<b>282,371</b>	<b>282,371</b>	<b>1,480,183</b>

## Part 2 - Details of Departmental Appropriations

### 2.1 - Departmental Output Expenses

#### Improving New Zealand's Environment (M29) (A15)

##### *Scope of Appropriation*

This appropriation is limited to the development and provision of policy advice and other support to Ministers on environmental matters, the implementation of policy and the monitoring of domestic environmental management and educational programmes.

##### *Expenses and Revenue*

	2020/21		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	69,741	20,966	90,707
Revenue from the Crown	68,934	20,515	89,449
Revenue from Others	807	451	1,258

##### *How Performance will be Assessed and End of Year Reporting Requirements*

	2020/21		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Assessment of Performance			
Produce environmental reports required by the Environmental Reporting Act 2015	New measure	New measure	Two
Minimum 6 weeks public consultation for all National Direction workstreams	New measure	New measure	100%
Number of months the Ministry will publish the National Monitoring Systems data after receiving the complete data set from local authorities	New measure	New measure	No more than 6 months

##### *Reasons for Change in Appropriation*

This appropriation increased by \$20.966 million to \$90.707 million for 2020/21 due to:

- an increase of \$7.446 million for addressing contamination of New Zealand's waterways
- an increase of \$5 million for reforming the Resource Management System
- an increase of \$4.505 million for Phasing out problem plastics and implementing the Waste Disposal Levy expansion
- an increase of \$3.127 million for implementing the COVID-19 Recovery (Fast Track Consenting) Bill
- an expense transfer of \$1.217 million from 2019/20 for Resource management and the freshwater implementation project



- an increase of \$1.177 million for implementing the Waste Minimisation and Resource recovery initiatives
- a reprioritisation of \$1.098 million from the Non-Departmental Waste Minimisation and Resource recovery initiatives appropriation to meet the administration costs of the initiatives
- an increase of \$615,000 for the Crown response to Water Rights Litigation
- an increase of \$451,000 due to changes in third party revenue.

The above is offset by:

- a reprioritisation of \$3 million to other Departmental output expense: Managing Climate Change in New Zealand appropriation to progress various work programmes related to climate change
- a fiscally neutral transfer of \$350,000 to Vote Business, Science and Innovation for administration costs of the Waste Infrastructure loans
- an expense transfer of \$258,000 to 2021/22 to meet the administration costs of the Waste Minimisation and Resource recovery initiatives
- a reduction of \$62,000 for the decrease in Capital charge rate from 6% to 5%.

## Managing Climate Change in New Zealand (M12) (A15)

### *Scope of Appropriation*

This appropriation is limited to policy advice, reporting, and other support to Ministers on matters relating to climate change, the operation of the national carbon accounting system, and collection of the Synthetic Greenhouse Gas Levy.

### *Expenses and Revenue*

	2020/21		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	19,379	5,812	25,191
Revenue from the Crown	19,231	5,618	24,849
Revenue from Others	148	194	342

### *How Performance will be Assessed and End of Year Reporting Requirements*

	2020/21		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Assessment of Performance			
Technical quality of advice papers (assessed by a survey with a methodical robustness of 100%)	70%	At least 3.5 out of 5	At least 3.5 out of 5
All Emission Trading Unit auctions are held in accordance with published calendar	New measure	100%	100%

Assessment of Performance	2020/21		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
All reports required under the Climate Change Response Act 2002 are delivered on time	New measure	100%	100%
Percentage of business hours (excluding agreed maintenance outages) web services of national imagery data sets and land use mapping published by the Ministry for the Environment are available to key stakeholders	New measure	98%	98%
The land use, land-use change and forestry, and Kyoto Protocol portions of the National Inventory Report are completed to quality specifications and submitted on time	Achieved	Measure withdrawn	Measure withdrawn
Web services of national imagery data sets and land use mapping published by the Ministry for the Environment are available to key stakeholders, including the Ministry for Primary Industries, during a minimum of 98% of business hours (excluding agreed maintenance outages) and meet their requirements for land use decision-making	Achieved	Measure withdrawn	Measure withdrawn
Participate in international climate change meetings and negotiations to ensure New Zealand's interests are represented, consistent with the Government's priorities	Achieved	Measure withdrawn	Measure withdrawn

### *Reasons for Change in Appropriation*

This appropriation increased by \$5.812 million to \$25.191 million for 2020/21 due to:

- a reprioritisation of \$3 million from other Departmental output expense: Improving New Zealand's Environment appropriation to progress various work programmes related to climate change
- an increase of \$2 million in relation to Adaptation Legislation - Proposed Timelines and Process
- drawdown of \$580,000 from the State Sector Decarbonisation Fund contingency to progress the establishment of the Carbon Neutral Government Programme
- an increase of \$194,000 due to changes in third party revenue
- an expense transfer of \$38,000 from 2019/20.

## 2.3 - Departmental Capital Expenditure and Capital Injections

### Ministry for the Environment - Capital Expenditure PLA (M29) (A15)

#### *Scope of Appropriation*

This appropriation is limited to the purchase or development of assets by and for the use of the Ministry for the Environment, as authorised by section 24(1) of the Public Finance Act 1989.

#### *Capital Expenditure*

	2020/21		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	825	400	1,225
Intangibles	1,500	600	2,100
Other	-	-	-
<b>Total Appropriation</b>	<b>2,325</b>	<b>1,000</b>	<b>3,325</b>

#### *Reasons for Change in Appropriation*

This appropriation increased by \$1 million to \$3.325 million for 2020/21 to reflect the current work programme of improving the digital services and data stewardship.

#### *Capital Injections and Movements in Departmental Net Assets*

##### Ministry for the Environment

Details of Net Asset Schedule	2020/21 Main Estimates Projections \$000	2020/21 Supplementary Estimates Projections \$000	Explanation of Projected Movements in 2020/21
Opening Balance	6,242	6,242	Supplementary Estimates opening balance reflects the audited results as at 30 June 2020.
Capital Injections	3,698	1,000	The decrease in capital injection is due to an expense transfer of \$2.698 million to 2021/22 to continue work related to digital services and data stewardship, and analytics. The Ministry has commenced the work programme to upgrade the systems, however due to the impact of COVID-19 and supporting the Ministry's response, the majority of work will continue in 2021/22.
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	-	-	
Other Movements	-	-	
<b>Closing Balance</b>	<b>9,940</b>	<b>7,242</b>	

## Part 3 - Details of Non-Departmental Appropriations

### 3.1 - Non-Departmental Output Expenses

#### Climate Change Commission - Advisory and Monitoring Function (M12) (A15)

##### *Scope of Appropriation*

This appropriation is limited to the establishment and operations of the Climate Change Commission in accordance with its statutory purposes and functions.

##### *Reasons for Change in Appropriation*

This appropriation increased by \$880,000 to \$9.415 million for 2020/21. This increase is due to funding being brought forward from future year's appropriation to enable the Climate Change Commission to undertake the additional work associated with the new responsibilities assigned to them under the Climate Change Response (Emissions Trading Reform) Amendment Act 2020.

#### Community Environment Fund (M29) (A15)

##### *Scope of Appropriation and Expenses*

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
<b>Community Environment Fund (M29) (A15)</b>	Original Appropriation	10,860
This appropriation is limited to strengthening partnerships, raising environmental awareness and encouraging participation in environmental initiatives in the community.	Adjustments to 2019/20	-
	Adjustments for 2020/21	788
Commences: 01 July 2020	Adjusted Appropriation	11,648
	Actual to 2019/20 Year End	-
Expires: 30 June 2025	Estimated Actual for 2020/21	2,960
	Estimate for 2021/22	2,172
	Estimated Appropriation Remaining	6,516

##### *End of Year Performance Reporting*

An exemption was granted under s15D(2)(b)(iii) of the Public Finance Act as the amount of this annual appropriation for a non-departmental other expense is less than \$5 million.

##### *Reasons for Change in Appropriation*

This appropriation increased by \$788,000 to \$11.648 million for 2020/21 due to a transfer of underspends from the 2019/20 'Community Environment Fund' appropriation.

## Contaminated Sites Remediation Fund (M29) (A15)

### *Scope of Appropriation*

This appropriation is limited to the investigation, management and remediation of contaminated sites.

### *How Performance will be Assessed and End of Year Reporting Requirements*

Assessment of Performance	2020/21		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Percentage of completed contaminated sites projects that achieve stated objectives	New measure	100%	100%

### *End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Minister for the Environment in the Vote Environment Non-Departmental Appropriations Report.

### *Reasons for Change in Appropriation*

This appropriation increased by \$7.943 million to \$12.771 million for 2020/21 due to:

- an increase of \$5.880 million relating to Ohakea Community Water Supply project
- a fiscally neutral transfer of \$5 million from the New Zealand Defence force as a contribution towards the Ohakea Community Water Supply project
- an expense transfer of \$1.252 million from 2019/20 to meet the funding needs of the projects.

This increase is partially offset by an expense transfer of \$4.189 million to 2021/22 for the clean-up of the Sustainable Solvent Ltd site and for a contribution towards the Ohakea Community Water Supply project.

## Emissions Trading Scheme (M12) (A15)

### *Scope of Appropriation*

This appropriation is limited to the implementation and operation of the New Zealand Emissions Trading Scheme and maintenance of a register to enable the holding and transfer of climate change units.

### *Reasons for Change in Appropriation*

This appropriation increased by \$397,000 to \$6.789 million for 2020/21 due to a fiscally neutral transfer of capital funding to operating to deliver operational and technical changes to the New Zealand Emissions Trading Register to enable implementation of changes to the New Zealand Emissions Trading Scheme settings.

## Fresh Start for Fresh Water: Rotorua Te Arawa Lakes Programme (M29) (A15)

### Scope of Appropriation and Expenses

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
<b>Fresh Start for Fresh Water: Rotorua Te Arawa Lakes Programme (M29) (A15)</b> This appropriation is limited to maintaining and improving the water quality of the Rotorua Lakes.  Commences: 01 July 2020  Expires: 30 June 2025	Original Appropriation	11,225
	Adjustments to 2019/20	-
	Adjustments for 2020/21	6,002
	Adjusted Appropriation	17,227
	Actual to 2019/20 Year End	-
	Estimated Actual for 2020/21	4,700
	Estimate for 2021/22	5,391
	Estimated Appropriation Remaining	7,136

### Reasons for Change in Appropriation

This appropriation increased by \$6.002 million to \$17.227 million for 2020/21 due to a transfer of underspends from the previous multi-year appropriation 'Fresh Start for Fresh Water: Rotorua Te Arawa Lakes Programme' ended on 30 June 2020.

## Freshwater Improvement Fund (M29) (A15)

### Scope of Appropriation and Expenses

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
<b>Freshwater Improvement Fund (M29) (A15)</b> This appropriation is limited to initiatives which contribute to managing New Zealand's freshwater bodies within environmental limits.  Commences: 01 July 2020  Expires: 30 June 2025	Original Appropriation	71,000
	Adjustments to 2019/20	-
	Adjustments for 2020/21	185,761
	Adjusted Appropriation	256,761
	Actual to 2019/20 Year End	-
	Estimated Actual for 2020/21	41,691
	Estimate for 2021/22	53,080
	Estimated Appropriation Remaining	161,990

### How Performance will be Assessed and End of Year Reporting Requirements

Assessment of Performance	2020/21		Total Standard
	Estimates Standard	Supplementary Estimates Standard	
Percentage of completed Public Waterways and Ecosystem Restoration Fund that achieved stated objectives (see Note 1).	New measure	Projects commenced in 2020/21	N/A
Percentage of completed At-Risk-Catchment projects that achieved stated objectives (see Note 2).	New measure	Projects commenced in 2020/21	N/A

Note 1 - Public Waterways and Ecosystem Restoration fund has zero projects expected to be completed in 2020/21, the majority of the projects are being completed in 2024/25.

Note 2 - At-Risk-Catchments has zero projects expected to be completed in 2020/21.

### *Reasons for Change in Appropriation*

This appropriation increased by \$185.761 million to \$256.761 million for 2020/21 due to:

- drawdown of \$185.320 million from a tagged contingency established as part of the Government's COVID-19 recovery package for the purpose of addressing contamination of New Zealand's waterways
- a transfer of \$441,000 underspends from the 2019/20 'The Freshwater Improvement Fund' appropriation.

### **Kaipara Moana Remediation (M29) (A15)**

#### *Scope of Appropriation and Expenses*

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
<b>Kaipara Moana Remediation (M29) (A15)</b> This appropriation is limited to remediating Kaipara Moana by halting degradation and working towards more productive, sustainable, and high value use of land within the Kaipara catchment.  Commences: 01 July 2020  Expires: 30 June 2025	Original Appropriation	100,000
	Adjustments to 2019/20	-
	Adjustments for 2020/21	-
	Adjusted Appropriation	100,000
	Actual to 2019/20 Year End	-
	Estimated Actual for 2020/21	9,638
	Estimate for 2021/22	20,000
	Estimated Appropriation Remaining	70,362

#### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended achieve the remediation of the Kaipara Moana by halting degradation and working towards more productive, sustainable, and high value use of land within the Kaipara catchment.

#### *How Performance will be Assessed and End of Year Reporting Requirements*

Assessment of Performance	2020/21		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Percentage of completed Kaipara Moana Remediation Programme projects that achieved stated objectives	New measure	90%	90%

#### *End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Minister for the Environment in the Vote Environment Non-Departmental Appropriations Report.

*Service Providers*

Provider	2020/21			Expiry of Resourcing Commitment
	Estimates \$000	Supplementary Estimates \$000	Total \$000	
<b>Territorial Local Authority</b>				
Northland Regional Council	-	9,638	9,638	30 June 2025

*Reasons for Change in Appropriation*

This is a newly established multi-year appropriation in 2020/21 as part of the Government's COVID-19 recovery package.

**Te Mana o Te Wai (M29) (A15)***Scope of Appropriation and Expenses*

Type, Title, Scope and Period of Appropriations	Appropriations, Adjustments and Use	\$000
<b>Te Mana o Te Wai (M29) (A15)</b>	Original Appropriation	30,000
This appropriation is limited to helping Māori improve the quality of freshwater bodies, whose health is integral to the social, cultural, economic and environmental well-being of communities.	Adjustments to 2019/20	-
	Adjustments for 2020/21	-
Commences: 01 July 2020	Adjusted Appropriation	30,000
Expires: 30 June 2025	Actual to 2019/20 Year End	-
	Estimated Actual for 2020/21	8,000
	Estimate for 2021/22	6,000
	Estimated Appropriation Remaining	16,000

*What is Intended to be Achieved with this Appropriation*

Te Mana o Te Wai Fund was established to support Māori to improve freshwater quality. The key Fund objectives are to:

- help Māori improve the health of freshwater bodies of importance to them
- create nature-based employment opportunities, and
- build capacity and capability for Māori to participate in and make decisions for freshwater management, including in the implementation of Essential Freshwater reforms.

*How Performance will be Assessed and End of Year Reporting Requirements*

Assessment of Performance	2020/21		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Percentage of completed Te Mana o Te Wai Fund projects that achieved stated objectives	New measure	90%	90%



*End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Minister for the Environment in the Vote Environment Non-Departmental Appropriations Report.

*Service Providers*

Provider	2020/21			Expiry of Resourcing Commitment
	Estimates \$000	Supplementary Estimates \$000	Total \$000	
<b>Non-Government Organisations</b>				
Individuals or groups representing Māori (eg, marae/whānau, hapū, iwi, Māori land trusts and incorporations, collaborations, collectives, or clusters of these groups)	-	8,000	8,000	30 June 2025

*Reasons for Change in Appropriation*

This is a newly established multi-year appropriation in 2020/21 as part of the Government's COVID-19 recovery package.

**Water science and economics (M29) (A15)***Scope of Appropriation*

This appropriation is limited to water science and economic impact analyses, and guidance to support development of the National Objectives Framework.

*End of Year Performance Reporting*

An exemption was granted under s15D(2)(b)(iii) of the Public Finance Act as the amount of this annual appropriation for a non-departmental output expense is less than \$5 million.

*Reasons for Change in Appropriation*

This appropriation increased by \$700,000 to \$2.200 million for 2020/21 due to an expense transfer of funding from 2019/20.

## 3.4 - Non-Departmental Other Expenses

### Allocation of New Zealand Units (M12) (A15)

#### *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 increased by \$345.685 million to \$1,160.100 million for 2020/21. This increase is primarily to cover uncertainty in the market price of New Zealand Units. This is partially offset by the decrease in units forecast for industrial sectors.

### Exclusive Economic Zone Major Prosecutions Fund (M29) (A15)

#### *Scope of Appropriation*

This appropriation is limited to major prosecutions relating to activities regulated under the Exclusive Economic Zone and Continental Shelf (Environmental Effects) Act 2012.

#### *Expenses*

	2020/21		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	500	500

#### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to achieve compliance with the Exclusive Economic Zone and Continental Shelf (Environmental Effects) Act 2012 by enabling the Environmental Protection Authority to carry out major prosecutions where appropriate.

#### *End of Year Performance Reporting*

An exemption was granted under s15D(2)(b)(iii) of the Public Finance Act as the amount of this annual appropriation for a non-departmental other expense is less than \$5 million.

#### *Reasons for Change in Appropriation*

This appropriation increased by \$500,000 for 2020/21 due to an expense transfer from 2019/20 as there were no major prosecutions in 2019/20.

## Loss on Sale of New Zealand Units (M12) (A15)

### *Scope of Appropriation*

This appropriation is limited to the loss on sale of New Zealand Units.

### *Reasons for Change in Appropriation*

This appropriation increased by \$346.290 million to \$555.285 million for 2020/21 to mitigate the risk of uncertainty in the New Zealand units market price and participants opting to use the Fixed Price Option to meet their surrender obligations.

## Transitional Support for Local Government and Iwi (M29) (A15)

### *Scope of Appropriation*

This appropriation is limited to providing transitional support to local authorities and iwi for new arrangements involving iwi in the management of natural resources arising from historical Treaty settlements.

### *Expenses*

	2020/21		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	641	641

### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to achieve iwi/hapū and councils being consistently enabled to give effect to kaitiakitanga.

### *End of Year Performance Reporting*

An exemption was granted under s15D(2)(b)(iii) of the Public Finance Act as the amount of this annual appropriation for a non-departmental other expense is less than \$5 million.

### *Reasons for Change in Appropriation*

The increase in this appropriation for 2020/21 to provide seven local authorities with a Crown contribution totalling \$641,000 to assist with the development and implementation of natural resources arrangements included in the Maniapoto Treaty Settlement.

## 3.5 - Non-Departmental Capital Expenditure

### Capital Contribution to the Environmental Protection Authority (M29) (A15)

#### *Scope of Appropriation*

This appropriation is limited to providing a capital injection to the Environmental Protection Authority.

#### *Reasons for Change in Appropriation*

This appropriation decreased by \$397,000 to \$1.112 million for 2020/21 due to a fiscally neutral transfer of capital funding to operating to deliver operational and technical changes to the New Zealand Emissions Trading Register to enable implementation of changes to the New Zealand Emissions Trading Scheme settings.

# Part 4 - Details of Multi-Category Expenses and Capital Expenditure

## 4 - Multi-Category Expenses and Capital Expenditure

### Waste and Resource Recovery (M29) (A15)

#### *Overarching Purpose Statement*

The single overarching purpose of this appropriation is to build a resilient system for reducing, recycling and managing New Zealand's waste responsibly.

#### *Scope of Appropriation*

##### **Non-Departmental Output Expenses**

###### *Waste Minimisation and Resource Recovery Initiatives*

This category is limited to supporting research and development, innovation and commercialisation opportunities, information and education, regulatory activities (including compliance, monitoring and enforcement), data, evidence and evaluation and resource recovery infrastructure to improve New Zealand's capacity to recycle and recover materials.

##### **Non-Departmental Other Expenses**

###### *Fair value write-down of loans*

This category is limited to the fair value write-down of loans to local authorities and others to develop the infrastructure needed to improve New Zealand's capacity to recycle and recover materials.

#### *Expenses, Revenue and Capital Expenditure*

	2020/21		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
<b>Total Appropriation</b>	-	<b>22,359</b>	<b>22,359</b>
<b>Non-Departmental Output Expenses</b>			
Waste Minimisation and Resource Recovery Initiatives	-	22,349	22,349
<b>Non-Departmental Other Expenses</b>			
Fair value write-down of loans	-	10	10

#### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended achieve a resilient system for reducing, recycling and managing waste and the associated harm that it causes, as well as increased jobs and incomes spread across New Zealand. It will fund loans and grants to invest in resource recovery infrastructure to support a transition to a low emissions and low-waste future for New Zealand.

*What is Intended to be Achieved with each Category and How Performance will be Assessed*

Assessment of Performance	2020/21		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
<b>Non-Departmental Output Expenses</b>			
<b>Waste Minimisation and Resource Recovery Initiatives</b>			
This category is intended to achieve a resilient system for reducing, recycling and managing New Zealand's waste responsibly by supporting research and development, innovation and commercialisation opportunities, information and education, regulatory activities (including compliance, monitoring and enforcement), data, evidence and evaluation and resource recovery infrastructure by improving New Zealand's capacity to recycle and recover materials.			
Percentage of contracted Covid Response and Recovery Fund (CRRF) - Waste and Resource Recovery initiatives that have achieved stated milestones (see Note 1).	New Measure	80%	80%

Note 1 - As measured through milestone reporting.

**Service Providers for the Multi-Category Appropriation**

Provider	2020/21			Expiry of Resourcing Commitment
	Estimates \$000	Supplementary Estimates \$000	Total \$000	
<b>Non-Government Organisations (including Territorial Local Authorities)</b>				
Territorial authorities, private and other non-governmental organisations that receive funding for projects that increase resource efficiency, increase reuse, recovery and recycling, and decrease waste to landfill.	-	22,359	22,359	30 June 2023

*End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Ministry for the Environment in its Annual Report.

*Reasons for Change in Appropriation*

This is a newly established multi-category appropriation in 2020/21 as part of the Government's COVID-19 recovery package.

## Waste Minimisation (M29) (A15)

### *Overarching Purpose Statement*

The single overarching purpose of this appropriation is to protect the environment through more effective and efficient waste management and minimisation in New Zealand.

### *Scope of Appropriation*

#### **Departmental Output Expenses**

##### *Waste Minimisation Administration*

This category is limited to the collection and administration of the Waste Disposal Levy and assessing and monitoring costs relating to projects considered or approved for funding from the Waste Disposal Levy.

#### **Non-Departmental Output Expenses**

##### *Contestable Waste Minimisation Fund*

This category is limited to grants for waste minimisation initiatives.

#### **Non-Departmental Other Expenses**

##### *Waste Disposal Levy Disbursements to Territorial Local Authorities*

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

### *Expenses, Revenue and Capital Expenditure*

	2020/21		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
<b>Total Appropriation</b>	<b>46,703</b>	<b>1,696</b>	<b>48,399</b>
<b>Departmental Output Expenses</b>			
Waste Minimisation Administration	5,906	1,696	7,602
<b>Non-Departmental Output Expenses</b>			
Contestable Waste Minimisation Fund	20,797	-	20,797
<b>Non-Departmental Other Expenses</b>			
Waste Disposal Levy Disbursements to Territorial Local Authorities	20,000	-	20,000
<b>Funding for Departmental Output Expenses</b>			
<b>Revenue from the Crown</b>	<b>5,906</b>	<b>1,696</b>	<b>7,602</b>
Waste Minimisation Administration	5,906	1,696	7,602

### *How Performance will be Assessed for this Appropriation*

	2020/21		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Assessment of Performance			
Technical quality of advice papers (assessed by a survey with a methodical robustness of 100%)	70%	At least 3.5 out of 5	At least 3.5 out of 5

### *What is Intended to be Achieved with each Category and How Performance will be Assessed*

	2020/21		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Assessment of Performance			
<b>Departmental Output Expenses</b>			
<b>Waste Minimisation Administration</b>			
This category is intended to achieve the collection and administration of the waste levy and assessing and monitoring costs relating to projects considered or approved for funding from the waste levy			
Deed of Funding negotiations for 80% of projects are completed within four months of receiving approval for funding by the Minister for Environment	80%	80%	80%
Percentage of levy payments withheld under section 33 of the Waste Minimisation Act 2008 due to territorial authorities not meeting their requirements	New measure	100%	100%
Percentage of levy payments to qualifying territorial authorities paid on time	New measure	100%	100%
Number of audits of disposal facilities completed 2020/21	New measure	Annual Programme Goal	Annual Programme Goal
Number of audits of territorial authorities completed 2020/21	New measure	Annual Programme Goal	Annual Programme Goal
Percentage of instances when action is taken against disposal facility operators who have outstanding levy payments (over 120 days)	100%	Measure withdrawn	Measure withdrawn

### *Reasons for Change in Appropriation*

This appropriation increased by \$1.696 million to \$48.399 million for 2020/21 due to an expense transfer of funding from 2019/20 to meet the cost of managing and monitoring a higher number of projects being funded through the Contestable Waste Minimisation Fund.