



WWF *for a living planet*

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Reference: Draft budget 2011-15

16 February 2011

Dear Sir/Madam,

WWF Northern Ireland appreciates the opportunity to comment on the draft budget for 2011-15. WWF Northern Ireland has responded to the draft budgets for DETI, DoE and DRD but there are some strategic issues that we wish to address in this response.

First and foremost WWF Northern Ireland believes there was insufficient detail given on the specific spending plans proposed. This made the job of commenting on the proposals more difficult.

Secondly there appeared to be an insufficient level of strategic thinking in the proposed budgets. This is illustrated by the draft DETI budget which proposed allocating £10 million for grid investment, despite the fact that the 2010 SEF stated, on page 7, that

“NIE estimates that around £1 billion of grid investment is likely to be required to support a target of 40% renewable electricity”

This means that only 1% of the amount NIE estimated is needed for grid improvement has been allocated by DETI in the draft budget 2011-15. WWF Northern Ireland would be interested to learn what the rationale is for committing only 1% of the necessary funds for a target set by DETI and restated on page 7 of the DETI draft budget? This massive shortfall also raises the question of where DETI and the Executive expect the remaining funding necessary for grid enhancement will come from? Is this minimal funding from an indication that DETI and the Executive expects the majority of the funding for the anticipated grid enhancement and expansion will come from the private sector?

WWF Northern Ireland regards it as essential that decisions that will lead Northern Ireland down a low carbon path must be made now and equally that decisions and investments that lock Northern Ireland into a high carbon future must be avoided. In this context the fact that there is only one explicit reference in the DETI draft budget to a low carbon economy, on page 29 paragraph 4.12, is disappointing and indicative of the fact that the development of a low carbon economy does not have a high enough priority.

Similarly as regards the insufficient level of strategic thinking, as outlined in paragraph 14 on page 6 of the DRD draft budget, of the 2010 capital investment budget of over £2 billion, over £1.1 billion has been earmarked for roads, with around £185 million for public transport and over £665 million for water and sewerage services. WWF Northern Ireland regards this split where approximately 83% of the money to be spent on transport is allocated to roads, with the remaining 17% on public transport, as wholly unsatisfactory. WWF Northern Ireland believes that the indicative spend figures for transport modes



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should be revised to ensure that at least 50% of Government investment goes to sustainable transport measures from the next budget onwards.

WWF Northern Ireland notes with concern that the DRD Draft Budget 2011-2015 details cuts in planned investment of approximately 25% in both 2012-13 and 2013-14. Given the historic underfunding in water and sewerage infrastructure, it is essential that Northern Ireland Water continue to sustain necessary levels of investment to upgrade and improve the delivery of water and sewerage services. The need for increased investment has been highlighted by interruptions to water supplies, such as the recent events resulting from the freeze/thaw conditions during the Christmas period. Until suitable alternative sources of revenue are investigated and implemented, it is important that NI Water continue to receive the support from DRD to realise the targets identified by the Utility Regulator and to ensure compliance with appropriate Environmental Regulations, including measures set out in Northern Ireland Environment Agency's River Basin Management Plans under the EU Water Framework Directive 2000/60/EC.

WWF Northern Ireland is supportive of the introduction of direct charging for water services in the form of socially responsible water metering. This approach would raise much needed revenue that better reflects the true value of water and addresses the underinvestment in infrastructure whilst incentivising more efficient use of water. We refer to the Programme for Government which states under PSA 15 the objective to implement sustainable and acceptable funding arrangements for water and sewerage services by 2010. To that end, Article 9 of the EU Water Framework Directive calls for,

“water pricing policies that provide adequate incentives for users to use water resources efficiently and thereby contribute to the environmental objectives [for good quality status] of this Directive”

and which provide,

“an adequate contribution of the different water uses, disaggregated into at least households and agriculture, to the recovery of the costs of water services...”

By adopting a socially responsible water metering approach, with built-in tariff mechanisms to secure sustainability while simultaneously addressing affordability, low income and vulnerable households would be protected from intolerable financial burdens. For further information, please contact WWF Northern Ireland.

The issue of compliance with EU Directives and of general good governance is also a major concern in relation to some of the proposals in the DoE draft budget 2011-15 and how the proposed cutbacks will be achieved and implemented. This is most clearly illustrated by the response from DoE to the proposed funding mechanisms for the Green New Deal and the Plastic Bag Levy.

WWF Northern Ireland notes that in addition to the reduction in income for the DoE of £15.4 million 2011/12 an additional £4 million has been taken out of DoE core budget to pay for the Green New Deal, which takes the total reduction in income up to £19.4 million. This additional £4 million is due to be replaced by the £4 million predicted to be generated by a plastic bag levy (of 15p per bag).

WWF Northern Ireland is supportive of a plastic bag levy as a means of, hopefully, reducing the consumption of fossil fuel (oil) derived plastic carrier bags and is supportive of the Green New Deal as a means of reducing our carbon footprint while creating 'green' jobs. However, WWF Northern Ireland has a number of concerns about how it is proposed the plastic levy will operate and how the Green New Deal will be funded. Above all, WWF Northern Ireland believes that plastic bag levy should be a source of additional funds, which should over time diminish as plastic bag use declines, hopefully to zero, and not as an alternative to core funding for DoE. The Green New Deal should be funded through new and/or additional revenue streams, such as the proposed plastic bag levy, rather than from existing departmental budgets and certainly not from the budget of the DoE alone. Given the Green New Deal is likely to help meet the aims and objectives of more than one department, the Green New should be funded by contributions, financial and otherwise, from a number of departments. The DoE should not be solely responsible for providing the financial support for the Green New Deal. As such, WWF Northern Ireland

believes it is totally inappropriate for the DoE core budget to have been cut by £4 million to fund the Green New Deal, and for the proposal for this £4 million to be replaced by the anticipated revenue from the plastic bag levy. The primary driver for any plastic bag levy should be the incentive to reduce the consumption of fossil fuel (oil) based plastic carrier bags, not as a potential revenue stream to be relied upon to fund important and/or essential work streams, which appears to be the approach being taken to how this levy will operate.

While one of the major issues surrounding this budget is the lack of clarity and detail, it appears from the draft DoE budget for 2011-15 that DoE is proposing to cut some of the money necessary to comply with the EU Water Framework Directive (WFD) and Environmental Noise Directive, with the understanding that it there will not be any replacement funding (from the plastic bag levy) for these areas of work for over a year. WWF Northern Ireland regards this as an inappropriate and irresponsible choice on behalf of DoE, which reflects a lack of appropriate prioritisation on behalf of DoE, as it means the department's legal requirements and by extrapolation, Northern Ireland's legal requirements, may not be met. WWF Northern Ireland would not and does not support the suspension or postponement of programmes of work which are required by EU Directives, as this is not only detrimental to our environment but also exposes Northern Ireland to the risk of legal action and/or infraction fines from Europe and WWF Northern Ireland believes that alternative areas for cuts need to be indentified as this course of action is not something WWF Northern Ireland can or will support.

WWF Northern Ireland is also concerned by the proposal outlined in paragraph 4.16 on page 22 of the draft DoE budget

“There will be a reduction in proactive pollution prevention and reduced capacity to non planned monitoring requirements to establish the source of pollution or the impact of such incidents”

While WWF Northern Ireland would like greater detail as to exactly what this proposal entails, accounting for the already inadequate monitoring of rivers, lakes and groundwater and of pollution incidents in these bodies, and the requirements of the WFD, WWF Northern Ireland regards this proposal as unacceptable. The monitoring of pollution incidents in order to identify the cause and source of the incident and, if appropriate, the prosecution of the polluter, is, in essence, the only effective and visible deterrent to those who for whatever reason do not comply with pollution related legislation and policy. Any proposal to scale back on this area of work, which urgently needs to be expanded and upgraded, rather than reduced and downgraded, is unacceptable to WWF Northern Ireland.

In summary, while recognising that all Government departments face cutbacks, WWF Northern Ireland believes that the DoE's proposals for areas of work to be cutback is inappropriate, to the point of being irresponsible. As a minimum, WWF Northern Ireland believes that all Northern Ireland's legal obligations with respect to the environment are met and so other areas for cutbacks need to be identified than those currently proposed by DoE and alternative source/s of funding for the Green New Deal need to be found.

Yours faithfully

Malachy Campbell
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