



Ministry for the  
**Environment**  
*Manatū Mō Te Taiao*

STATEMENT OF INTENT 2011 - 2014



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# Foreword: Minister for the Environment and Minister for Climate Change Issues

I am pleased with the progress that has been made in the Environment and Climate Change portfolios since I became Minister in late 2008. The importance given and attention paid to the Government's carefully balanced priorities for New Zealand's environment and economy are reflected well in the initiatives underway.

Progress can be made and sustained only if all the different groups with an interest in the environment, economy and international trade work together and take a long term, solutions-focussed approach that enhances New Zealand's standing in the world.

I am encouraged by the level of engagement by both central and local government with industry, farmers, environmental groups, iwi and communities on how we can improve our management of New Zealand's natural and physical resources. In doing so, we are achieving both environmental and economic improvements and a wide level of support for a Bluegreen approach.

My priorities for 2011–2014 are set out below.

- **Improving New Zealand's freshwater management:** Freshwater management is vital to New Zealand's economy and to the quality of life that New Zealanders enjoy. I am jointly leading the development of the *Fresh Start for Fresh Water Strategy* with the Minister of Agriculture. The public debate started by the Land and Water Forum creates an opportunity for significant improvement in the way fresh water is managed and, therefore, the ability for New Zealand to derive additional benefit from this natural resource.
- **Establishing the Environmental Protection Authority:** This new Crown agency will provide greater national leadership and enable timely decisions on critical infrastructure and other major resource consents. It will consolidate similar technical and regulatory skills within one organisation to enhance New Zealand's environmental regulation.
- **Resource management reforms:** Through these reforms we want to ensure that New Zealand manages its resources more effectively and efficiently to deliver both economic and environmental benefits. As part of the second phase, the reforms are aimed at making New Zealand's cities more competitive, better designed, and more appealing places to live and ensure the benefits of infrastructure development are maximised.
- **Improving management of the Exclusive Economic Zone:** New Zealand's marine resources need to be managed more deliberately than they are at present, to ensure that both their environmental and economic potential is maximised. There are gaps in the regulatory system for New Zealand's Exclusive Economic Zone, including no provision for environmental assessment and consenting of some activities. This creates uncertainty for investment and risks of poor environmental outcomes. Proposals for a regulatory regime are being developed with the intention of introducing new legislation.
- **Improving reporting of New Zealand's environmental performance:** New Zealand currently does not require national level reporting about the state of the environment. There is very limited mandatory and consistent collection of environmental statistics. I intend to introduce legislation that provides for impartial and regular environmental performance reporting. Over time, this will provide a more robust picture of New Zealand's current and projected environmental performance.
- **Operation and review of the Emissions Trading Scheme:** The Emissions Trading Scheme is preparing New Zealand for a carbon-constrained future by providing the

incentive to reduce greenhouse gas emissions. We need to ensure that it continues to be fit for purpose. A review of the scheme is required by the end of 2011. This will provide an opportunity to assess its effectiveness and how it should evolve beyond 2012 in the context of international progress on climate change and domestic action by key trading partners.

- **Ensuring that New Zealand constructively assists in achieving a successor agreement to the Kyoto Protocol on climate change:** Dealing with serious global environmental issues such as climate change requires international collaboration. The first commitment period under the Kyoto Protocol is from 2008 to 2012. The international focus is now on what replaces the current rules at the end of this period. New Zealand needs to be engaged in the design of the rules that will affect its interests and to ensure that its target reflects a fair share with respect to costs to its economy in comparison with other nations.

I also expect the Ministry for the Environment to continue its efforts on improving air quality, waste minimisation and management, and a National Policy Statement on Indigenous Biodiversity.

The environment and economy are inextricably linked. New Zealand makes a living from its environment in many often competing ways – from fresh water for irrigation for export food, to lake water for recreation by overseas tourists. The establishment of the Green Growth Advisory Group, and its linking with the similar work of the OECD, will also inform the Ministry's ongoing work programme.

How we choose to manage our environment and economy has a direct impact on the legacy we leave for future generations. That is why it is important that all groups work together to decide collectively what is best and then work together to achieve it.

## Ministerial statement of responsibility

I am satisfied the information on future operating intentions provided by my department in this Statement of Intent is in accordance with sections 38, 40 and 41 of the Public Finance Act 1989 and is consistent with the policies and performance expectations of the Government.



Hon Dr Nick Smith  
Minister for the Environment  
Minister for Climate Change Issues  
Responsible Minister for Ministry for the Environment

13 April 2011

# Introduction from the Chief Executive

The Ministry for the Environment is in a strong position to deliver on the Government's priorities for New Zealand's environment and economy.

Investment in the Ministry's capability will ensure it can provide leadership and advice in priority areas such as freshwater management, resource management reforms, chemical and biological hazard management, and climate change.

In the past year, the Ministry has developed stronger relationships with central and local government agencies and Māori, as well as industry and business groups. We believe the quality of these relationships is critical to developing collective solutions to New Zealand's environmental and economic challenges, and finding innovative ways to leverage the country's advantages.

Awareness of the importance of the environment and its relationship with the economy is increasing. Local as well as world events are increasing debate about resource use and climate change. The demand for facts and objective information to underpin decision making has never been stronger.

This situation is reflected in the Ministry's mission and strategy, and the way it goes about its work. Our culture calls for analysis and validation, and a focus on long-term results through engagement and collaboration.

Within that focus, we will continue to improve efficiency and financial management, so we can offer excellent value for the Government's investment in the Ministry.

The Ministry is proud of the contribution it makes to stewardship of New Zealand's environment and economy. We take our responsibility seriously and look forward to increasing our contribution in the coming year.

## Chief Executive statement of responsibility

In signing this statement, I acknowledge that I am responsible for the information contained in the Statement of Intent for the Ministry for the Environment. This information has been prepared in accordance with the Public Finance Act 1989. It is also consistent with the proposed appropriations set out in the Appropriations (2011/12 Estimates) Bill, as presented to the House of Representatives in accordance with section 13 of the Public Finance Act 1989, and with existing appropriations and financial authorities.



Paul Reynolds  
Chief Executive



Andrew Crisp  
Deputy Secretary Strategy and Corporate

# Nature and scope of functions

## Mission

Environmental stewardship for a prosperous New Zealand  
Tiakina te taiao kia tōnui a Aotearoa

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The Ministry for the Environment is the Government's primary adviser on the New Zealand environment and international matters that affect the environment.

The Environment Act 1986, under which the Ministry was established, describes functions that include collecting and disseminating information, providing advice, resolving conflict, and providing an environmental perspective on government proposals.

Our role includes advising the Government on the institutions, laws, regulations, policies and economic incentives that set the framework for environment management. These laws, regulations and policy are implemented and enforced mainly through others, especially the Environmental Protection Authority (EPA) and local government.

Many international issues and agreements, especially global action on climate change, are connected to environmental management. We have a significant role in providing advice on international negotiations and ensuring that New Zealand meets its obligations under international agreements.

Fresh water and other natural resources are important for New Zealand's economic development and prosperity. Environmental policy and management, therefore, must connect with economic policy. The Ministry works with other natural resources agencies of government to give integrated advice on how resources can be used efficiently within sustainable limits.

The Ministry is responsible for the establishment of the EPA, a new Crown entity with regulatory and technical functions under a number of environmental laws. We will work closely with the EPA to improve environmental management and advise the Government about any matters related to its functions. We will also monitor the activities and performance of the EPA on behalf of the Minister for the Environment.

## Legislation administered by the Ministry for the Environment

A number of the Ministry's work programmes include administration of legislation. The Ministry is responsible for the following laws, including amendments and regulations under these laws:

- Soil Conservation and Rivers Control Act 1941
  - Environment Act 1986
  - Resource Management Act 1991
  - Ozone Layer Protection Act 1996
  - Hazardous Substances and New Organisms Act 1996
  - Climate Change Response Act 2002
  - Aquaculture Reform (Repeals and Transitional Provisions) Act 2004
  - Fiordland (Te Moana o Atawhenua) Marine Management Act 2005
  - Waste Minimisation Act 2008.
-

# Strategic direction

## Government priorities 2011–2014

The Government's priorities and expectations outlined in the Prime Minister's Statement to Parliament (February 2011) and the Budget Policy Statement (December 2010) set the context for the ministerial priorities outlined in the foreword. Along with our statutory obligations, these priorities determine the main focus of the Ministry's work over the next three years. This work will also help to achieve the impacts and long-term outcomes explained in the next few pages.

The Government's priorities are the tax system, public sector performance, education and skills, science innovation and trade, the regulatory environment, and productive infrastructure. The Ministry's contribution to these broad priorities is set out in the table below.

The Government's environmental priorities are climate change and fresh water. Our work on these priorities is explained in the outcomes framework and work programme sections.

Government priority	Ministry contribution to Government priorities
Cutting red tape and regulation	<p>Work is continuing on the second phase of the resource management reforms, which are already contributing to reducing 'red tape' and improving regulation.</p> <p>Proposed legislation to improve environmental management of the Exclusive Economic Zone will deal with gaps in the regulatory system that create uncertainty for investment and the risk of poor environmental outcomes.</p>
Boosting infrastructure	<p>The Government has stated its intention to invest heavily in productive infrastructure. The Environmental Protection Authority being established as part of resource management reforms will provide timely decisions on critical infrastructure, while giving appropriate consideration to national significance and environmental concerns.</p> <p>The second phase of resource management reforms over the next few years will focus on infrastructure and urban planning to improve New Zealand's cities and maximise the benefits of infrastructure development.</p>
Better, smarter public services	<p>Planning for the complementary roles of the Ministry and the new Environmental Protection Authority is focusing on improving efficiency and cost-effectiveness.</p> <p>The Ministry is cooperating with other Natural Resources Sector agencies of government to look at opportunities for shared services and corporate activities.</p>

## Outcomes framework

In carrying out our mission of 'environmental stewardship for a prosperous New Zealand', it is important for the Ministry to take a long-term view, so that the capacity of the environment to generate benefits is maintained. The New Zealand economy relies heavily on natural resources. For New Zealanders to be prosperous, resources must be allocated efficiently to generate the most benefit while avoiding pollution and damage to the natural environment or public health.

Our focus is on both major environmental issues that need attention and on the overall framework for environmental and natural resource management. We have identified three strategic priorities for our work.

- Climate change mitigation and risk management – because of the importance of contributing to international action to minimise the impacts of climate change and dealing with risks to New Zealand’s economy and lifestyle.
- Land use and health of water resources – because of the environmental, economic, recreational and cultural significance of this natural resource, which is coming under increasing pressure from a variety of sources.
- Reviewing institutions and frameworks – because of the need to ensure that the tools and institutions used to manage threats to New Zealand’s environment are effective and appropriate for current problems. With a few exceptions, the Ministry is not directly involved in environmental decision making and management. Our focus is on the environmental management system and how it is used by others.

The section below provides an overview of the key elements of the outcomes framework, which was updated in 2011 to align with our strategic direction. (See Figure 1.)

### Long-term outcomes

The strategic priorities are reflected in the Ministry’s three outcomes, which focus on what is needed in the long-term to ensure a healthy environment. The table below provides further information about each outcome.

Outcome	Why important
New Zealand becomes a successful low-carbon society that is resilient to climate change impacts on its climate, economy and lifestyle.	Climate change is the most challenging international issue of the 21st Century. New Zealand must both adapt to changes in climate and contribute to coordinated international action to reduce greenhouse gas emissions in the atmosphere.  To become a successful low-carbon society, New Zealand must reduce its emissions in a cost-effective way and manage the risks posed by climate change impacts.
New Zealand’s fresh water is well governed and sustainably managed to realise the maximum benefit possible for present and future environmental, cultural, social and economic values.	Freshwater management (both allocation and maintaining quality) is vital to agriculture, tourism, electricity generation, public health, recreation and New Zealand’s quality of life. Innovative solutions will be needed to deal with the pressures on this natural resource.  The freshwater outcome was developed in collaboration with other agencies in the natural resources sector of government, many of which have interests in freshwater use and protection.
New Zealand’s environmental management systems are strengthened and supported so that they can achieve the greatest overall environmental, economic, social and cultural benefits.	New Zealand’s environmental management systems must maintain the environment’s capacity to generate benefits for succeeding generations.  This does not imply an unaltered environment. It does mean that natural resources should be allocated efficiently, used sustainably, and managed so that the environment is not exposed to excessive risk.

The outcomes will be achieved not just through the Ministry’s work but through the combined efforts of central and local government and the wider community. The new Environmental Protection Authority will make an important contribution to these outcomes.

Evidence about the state of the environment helps us to monitor progress towards the outcomes. We have identified a number of indicators related to each outcome and what we can influence. Inside the back cover of this *Statement of Intent* is an overview of trends in environmental quality and management, using these indicators. For more information about the quality of New Zealand's environment and the pressures on it, see our website ([www.mfe.govt.nz](http://www.mfe.govt.nz)).

## Impacts

We have identified six impacts that we want to achieve in the shorter term as our contribution to the outcomes. These impacts reflect the Ministry's major and long-standing areas of activity and the legislation for which we are responsible.

Environmental change (such as better air or water quality) takes time and the Ministry's role is mainly providing advice. So our shorter term focus is often on how decision making about the environment can be more effective. The table below provides information about the impacts the Ministry is seeking to achieve and why they are important.

Impact	Why important
Decrease New Zealand's net emissions of greenhouse gases below business as usual levels in a cost-effective way	Decreasing greenhouse gas emissions is essential if New Zealand is to become a low-carbon society and will enable New Zealand to meet its international obligations.  New Zealand's long term emissions reduction target is '50 by 50' – a 50 per cent reduction of net greenhouse gases from 1990 levels by 2050.
Improve quality, flow and availability of fresh water through more effective management frameworks	More effective management frameworks, including laws, regulations, policies and guidance, will enable local government and others making decisions about catchments and water use to improve quality, flow and availability.
Improve the resource management framework to manage environmental effects and allocate resources within environmental limits	The tools and systems used to manage natural and physical resources are central to our interests and work programmes. As with fresh water, the Ministry does not have a direct role in resource management and needs to focus on how central government can influence the decision makers.
Improve the relationship between the Ministry and Māori by negotiating and implementing fair, durable and fit for purpose deeds of settlement and environmental accords	Māori have a strong interest in the use and management of natural resources. Virtually all Treaty of Waitangi settlements now have some natural resource component. This requires the Ministry to be involved in negotiating Treaty settlements and environmental accords and to implement obligations under these agreements.
Reduce harm from chemical and biological hazards and from waste through more effective management frameworks	The management framework for chemical and biological hazards is focused on preventing and managing adverse effects on public health and the environment. However, introducing new chemicals, plants and animals to New Zealand is important for industry and agriculture. The management framework must deal with risk without creating barriers to innovation.
Achieve better solutions to environmental problems by supporting community involvement and action and international cooperation	Central government support of environmental projects led by others can leverage significant contributions of funding or community hours of work that achieves more than either party could do alone.  Cooperation with other countries through environmental agreements can realise benefits for both countries, as well as opportunities for New Zealand agencies, institutions and firms.

Input from the Ministry's strategic policy programme and evidence base will underpin decision making about the direction of our work programme in order to achieve these impacts. Strategies for monitoring and evaluation are being developed to ensure that we have a good understanding of the results of our activities.

How we will measure progress with the impacts is outlined in Figure 2. Many of these measures are intended to help us understand if government laws, regulations and policies are being implemented as intended and, over time, if these interventions are being effective.

Recent trends in relation to the impact measures are shown in Appendix 3 and will be updated in the annual report at the end of 2011/12.

## Output classes

The Ministry's work programme is funded through Vote Environment and Vote Climate Change. The departmental outputs shown in Figure 1 reflect the key elements of our work programme that will help achieve the impacts and contribute to the outcomes.

Two of the current departmental appropriations will help support the work of the Environmental Protection Authority when it is established. These are 'Administration of the Emissions Trading Scheme' and 'Processing of resource management call-ins and applications to the Environmental Protection Authority'.

The products and services we provide through outputs are grouped into six result areas: climate change, fresh water, resource management, Treaty commitments, environmental hazards and waste, and working with others. The main focus of our work over the next three years is outlined in the 'Work programme' section.

The specific outputs to be delivered across all work areas in each financial year are agreed with the Minister for the Environment and Minister for Climate Change Issues, and are recorded in the Output Plan. The Ministry reports quarterly to the Minister on progress with the work programme as well as through the annual report to Parliament.

Appendix 2 shows how non-departmental output classes contribute to the outcomes and impacts.

## Strategic approaches and behaviours

The Ministry's strategic direction provides a framework for the way we approach our work. It tells us that we will know the Ministry is successful when environmental management is designed to be durable and effective, our advice is sought and relied on, and stakeholders are never surprised by us.

In addition to the priorities for our work, the strategic direction identifies four key approaches needed to be successful with our mission. These approaches, which focus on how we will deliver advice and tools, produce and use evidence, work with Māori, and foster relationships with stakeholders, are also shown in Figure 1.

The strategic direction suggests the organisational competencies and behaviours our people and teams will need to help us deliver on our mission. The behaviours are summarised under the keywords: analyse, engage, learn, validate and collaborate. Further information is provided in the section on 'Organisational health and capability'.

Figure 1: Ministry for the Environment outcomes framework

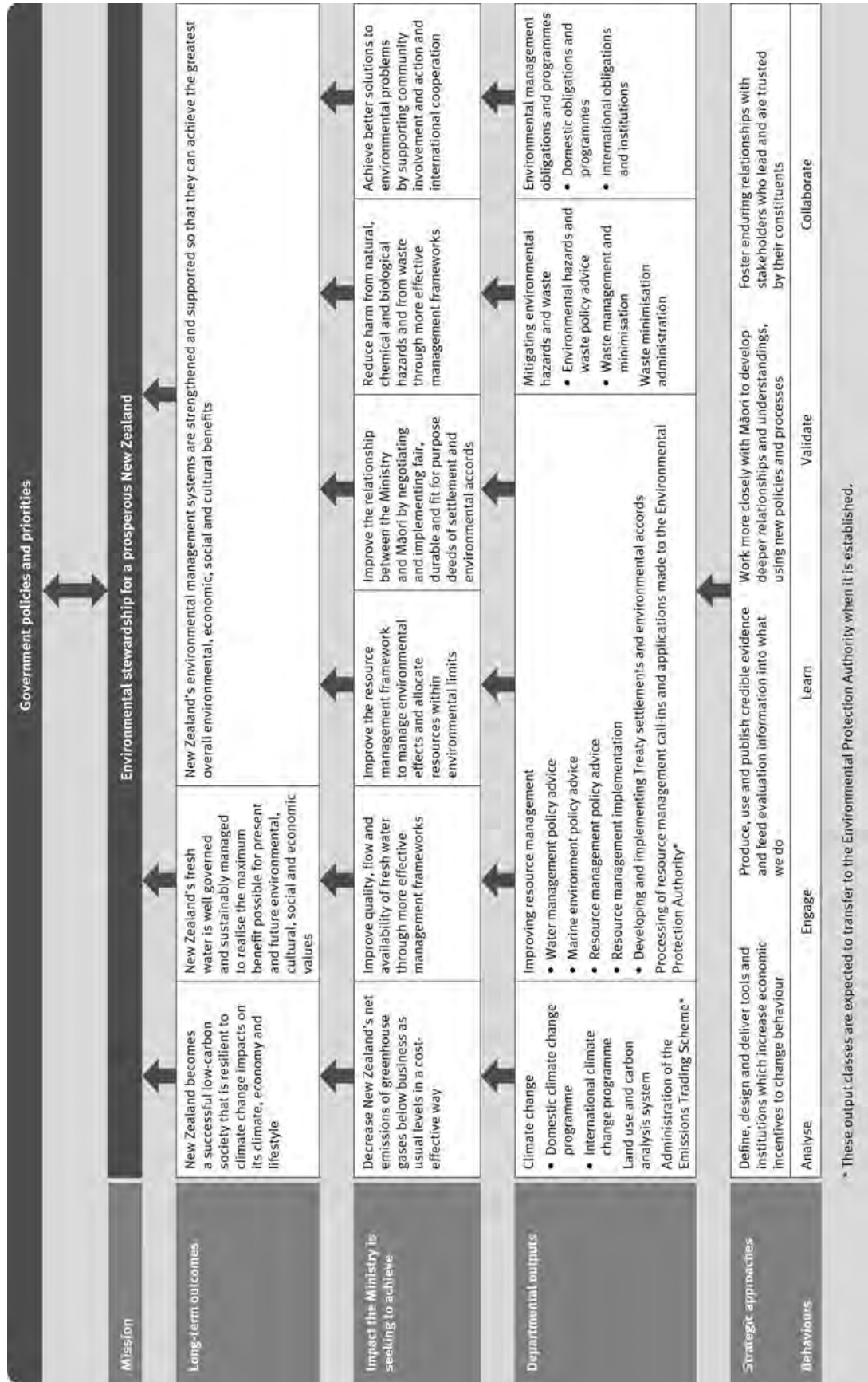


Figure 2: Impacts, measures and targets

Impact	Impact measures	Target
<p><b>Outcome:</b> New Zealand becomes a successful, low-carbon society that is resilient to climate change impacts on its climate, economy and lifestyle.</p>		
<p><b>1. Decrease New Zealand's net emissions of greenhouse gases below business as usual levels in a cost effective way</b></p>	i. Trends in greenhouse gas emissions and removals in the annual greenhouse gas inventory.	Downward trend in net emissions
	ii. Trends in greenhouse gas intensity of the economy by emissions per unit of GDP and emissions per capita.	Downward trends
	iii. Divergence between forecast net position and Kyoto Protocol obligations.	Decreasing liability / Increasing asset
<p><b>Outcome:</b> New Zealand's fresh water is well governed and sustainably managed to realise the maximum benefit possible for present and future environmental, cultural, social and economic values.</p>		
<p><b>2. Improve quality, flow and availability of fresh water through more effective management frameworks</b></p>	i. Proportion of water allocated for consumptive purposes that is subject to measurement and reporting.	Increasing proportion
	ii. Number of large surface water catchments that have quantified flow regimes in place that set limits.	Increasing number
	iii. Number of significant catchments that have quantified policy for land and water management that sets surface water quality limits.	Increasing number
	iv. Number of monitored sites showing maintained or improved water quality.	Increasing proportion of monitored sites improving
<p><b>Outcome:</b> New Zealand's environmental management systems are strengthened and supported so that they can achieve the greatest overall environmental, economic, social and cultural benefits.</p>		
<p><b>3. Improve the resource management framework to manage environmental effects and allocate resources within environmental limits</b></p>	i. The national environmental standard for air quality (PM <sub>10</sub> fine particulate pollution) is complied with by the target dates in the standards.	100% compliance by 2020
	ii. Trends in EPA and local government compliance with resource consent processing times under the RMA 1991.	Upward trend (councils) / 100% (EPA)
<p><b>4. Improve the relationship between the Ministry and Māori by negotiating and implementing fair, durable and fit for purpose deeds of settlement and environmental accords</b></p>	i. Percentages of Māori partners in deeds of settlement and environmental accords satisfied or very satisfied with Ministry implementation of obligations.	50% satisfied or very satisfied
	ii. Percentages of relevant Ministry obligations under deeds of settlement and environmental accords met.	100% compliance
<p><b>5. Reduce harm from natural, chemical and biological hazards and from waste through more effective management frameworks</b></p>	i. Changes in the incident data compiled by the Environmental Protection Authority and enforcement agencies under the Hazardous Substances and New Organisms Act.	Reduced number of incidents
	ii. Trends in the tonnage of waste disposed of at waste disposal facilities per unit of GDP.	Downward trend
<p><b>6. Achieve better solutions to environmental problems by supporting community involvement and action and international cooperation</b></p>	i. Progress in investigation, remedial planning or remediation of priority contaminated sites in conjunction with regional councils and/or landowners – increasing percentage managed or remediated. (Also contributes to impact above).	Increasing proportion of priority contaminated sites remediated
	ii. Level of community involvement in projects funded by the Community Environment Fund.	Increasing community involvement
	iii. Percentage of Community Environment Fund and Waste Minimisation Fund projects that report full achievement against objectives.	100% of objectives met by 80% of projects

# Work programme

This section sets out what the Ministry will do to help achieve the outcomes and impacts outlined in the previous section and to deliver the work required on Government priorities (our operating intentions). Figure 2 (previous page) shows the impacts we want to achieve through our work and how we will know we are making progress towards these impacts. Information on the state and trends in relation to these measures is shown in Appendix 3.

For each of the six impacts we have a related result area that sets out the work to help achieve the impact and contribute to progress towards the outcome. Information about the main focus of our work over the next three years in each result area is provided below.

In addition to these major activities, each year we undertake a range of work to assist our Minister with his statutory functions and Parliamentary responsibilities. Much of this work is demand-driven (for example, investigations, applications for water conservation orders, draft replies to ministerial correspondence). The volume of this activity varies from year to year.

## Climate change

The current focus of our climate change activity is on New Zealand's obligations under international agreements, including negotiating any future agreements, and the action needed to ensure these obligations are met. The Government has chosen the Emissions Trading Scheme as New Zealand's main policy instrument for addressing climate change and providing an incentive to reduce greenhouse gas emissions.

With the legislation in place, the focus is on the effective operation of the Emissions Trading Scheme. Much of the Ministry's current work on operational implementation of the Emissions Trading Scheme is expected to transfer to the new Environmental Protection Authority in late 2011.

The Ministry will have a continuing role in ensuring the effective operation and implementation of the Emissions Trading Scheme, advice to the Government and development of regulations. The review of the scheme to be undertaken in 2011 is an opportunity to assess the operation and effectiveness of the scheme and, in particular, to assess how the scheme should evolve.

The Ministry leads cross-government activity in relation to climate change, and is supported by work in many other government agencies. We also coordinate national and international reporting on greenhouse gas emissions, removals and projections. International reporting is supported by the Land Use and Carbon Analysis System (LUCAS), which tracks and quantifies changes in land use.

## What will we do to achieve the impact?

The Ministry will:

- advise on climate change policy and ensure the effective operation of the New Zealand Emissions Trading Scheme, including administration of cross-government activity, maintenance and development of regulations, and engagement with stakeholders
- advise on New Zealand's international negotiating position in relation to an international climate change agreement
- project and report New Zealand's greenhouse gas emissions and removals for the first commitment period of the Kyoto Protocol and beyond.

## Fresh water

Freshwater management is the responsibility of local government, though central government sets the framework within which decisions are made. There is significant variation across New Zealand in both the pressures on fresh water and the action that is being taken. The Government has recognised that New Zealand is reaching or exceeding limits for the amount of water that can be taken or pollution that can be safely assimilated.

The Government's *Fresh Start for Fresh Water* strategy outlines the new direction for water management, with the aim of improving quality, flow and availability of fresh water. A programme of work leading to decisions on new approaches to water management is under way, jointly led by the Ministry for the Environment and Ministry of Agriculture and Forestry.

Central government is working in conjunction with the non-governmental Land and Water Forum, comprising a comprehensive range of stakeholders from industry, environmental and recreational organisations, iwi groups and other organisations with an interest in land and water management. There are also close connections with Māori, who have a significant interest in quality, use and management of fresh water.

Specific issues to be addressed include run-off from land into waterways; getting better value from water; management, institutional and capability limitations; rights and interest of Māori; and increasing public understanding of the need for change in water management.

### What will we do to achieve the impact?

The Ministry will:

- advise on the development and implementation of initiatives under the *Fresh Start for Fresh Water* programme to improve freshwater management in New Zealand
- continue to support and monitor implementation by third parties of initiatives funded by the *Fresh Start for Fresh Water* Funds, including the Lake Taupo Protection Programme, the Rotorua Lakes Protection and Restoration Action Programme, the Waikato River Clean-Up Fund and the Fresh Start for Fresh Water New Initiatives Fund.

## Resource management

The Government's resource management reforms seek to improve management of New Zealand's resources to deliver both economic and environmental benefits, while ensuring effective public participation. Through these reforms, the resource management framework is being reviewed and improved.

Phase 1 of these reforms has been completed and phase 2 is under way. Over the next four years the reforms will involve policy development and decision making, legislative change and implementation (including guidance and best practice material). There will then be a need to monitor and evaluate the success of the reforms.

A key part of our resource management work is the development of national policy statements, national environmental standards and guidance to provide national clarity and consistency on the approaches to be taken to resource management. At times it also includes activities with a regional focus, such as advice on the Auckland spatial plan and the government response to the Christchurch earthquake.

Environmental reporting ensures that we understand the impacts of measures that are being taken and that priority issues are identified early, to support the focus of future policy work. The

Ministry produces regular environmental reports and statistics for public information and to inform decision making.

The management of decision making about nationally significant proposals under the Resource Management Act carried out by the statutory office of the Environmental Protection Authority within the Ministry is expected to transfer to the new Crown agency.

## What will we do to achieve the impact?

The Ministry will:

- advise on and implement the resource management reforms, which will focus in particular on infrastructure, urban planning and Māori participation
- advise on and support the establishment of the expanded Environmental Protection Authority and support this new Crown entity in meeting its statutory obligations
- improve the environmental management of the Exclusive Economic Zone through new legislation and regulations
- improve reporting of New Zealand's environmental performance through new legislation and regulations
- advise on possible national environmental standards and national policy statements under the Resource Management Act and, (subject to Cabinet approval), develop, implement, monitor and review these national instruments
- assist Ministers with their statutory functions under the Resource Management Act
- provide guidance on the Resource Management Act for local government and practitioners, including delivering the updated 'Making Good Decisions' training programme
- produce regular environmental statistics, reports and surveys
- advise the Minister on proposals of national significance and provide support for consideration of applications referred to boards of inquiry, and for matters to be heard and decided by special tribunals. (Note: This is expected to transfer to the new Environmental Protection Authority.)

## Treaty commitments

The Ministry is involved in the process of negotiating Treaty of Waitangi settlements and other agreements with Māori that involve natural resources. Our aim is to ensure that settlements provide appropriate redress but do not conflict with or undermine existing natural resources policy objectives. We are also focusing on developing a stronger working relationship with Māori to ensure effective natural resource management.

Treaty settlements and environmental accords often contain provisions which provide for ongoing Māori involvement in natural resources management. This may include provisions for co-management or joint management involving both local authorities and iwi.

The Ministry has a significant and growing role in implementing aspects of settlements and accords – currently we have ongoing obligations with 25 settled groups. The most significant of our current obligations are related to the Waikato River.

## What will we do to achieve the impact?

The Ministry will:

- implement the Ministry's obligations under Treaty of Waitangi settlements and environmental accords
- support the Waikato River co-governance and co-management arrangements
- support the Office of Treaty Settlements in the negotiation of historical Treaty of Waitangi settlements, and negotiate environmental accords and relationship agreements with iwi.

## Environmental hazards and waste

While fundamental to our economy, medical treatments and environmental management, the use and management of hazardous chemicals and the introduction of new organisms also pose risks to New Zealand's environment, people's health and our economy. The policy framework is intended to ensure that these risks are effectively managed. There is also a need to manage the contamination resulting from unwise use and disposal of hazardous substances in the past.

New Zealand is a party to a number of multilateral environmental agreements that help manage the risks posed by certain hazardous substances, hazardous waste and new organisms. Participation in such agreements offers advantages to New Zealand's trading environment (for example, consistency of classification and labelling) and management of environmental hazards.

Waste disposal at landfills can indicate that resources are not being used efficiently and can contribute to pollution. The policy framework for waste minimisation and management aims to protect the environment and provide environmental, social, economic and cultural benefits.

In addition to providing advice on the policy framework, the Ministry has a more operational role in administering the waste levy paid on all waste disposed of to landfill, and the accreditation of product stewardship schemes that reduce the environmental impact of manufactured products.

### What will we do to achieve the impact?

The Ministry will:

- investigate opportunities to improve the effectiveness of frameworks for managing the risks posed by chemical and biological hazards
- advise on and implement the Waste Minimisation Act 2008, including collecting and distributing waste disposal levy funds, facilitating product stewardship schemes and facilitating good waste management and minimisation planning by local authorities.

## Working with others

In providing policy advice to the Government, the Ministry generally works with others to find solutions to environmental problems. Sometimes we support others to achieve environmental objectives, for example through providing input to their programmes or allocation of government funding to support environmental improvements.

Community involvement and international cooperation can often achieve solutions and results that the Ministry could not deliver working alone.

At the international level, the Ministry is involved in negotiating and implementing environmental cooperation agreements associated with free trade agreements. These provide for New Zealand to share with, and learn from, other countries about best practice in environmental management and to advance our common interests.

This result area is operational, with a focus on administration of government funding, coordinating activities with partner countries, and involvement in projects with other organisations.

## What will we do to achieve the impact?

The Ministry will:

- contract, manage, monitor and audit government funding and grant schemes, including the Community Environment Fund to support practical environmental initiatives and the Environmental Legal Assistance Fund to remove barriers to public participation in resource management processes
- contract, manage, monitor and audit contaminated site ‘clean up’ projects delivered by third parties
- negotiate and implement environment cooperation agreements associated with new and existing free trade agreements.

## Monitoring, review and evaluation

### Quality of analysis and advice

Most of the Ministry’s work involves advice, ranging from advice about the policy framework and legislation through to advice on operational matters such as administration of government grant schemes.

We have recently introduced a new system for assessing, reporting on and improving the quality of our policy advice products. This builds on our policy framework called COBRA (Cost Opportunity Benefit Risk Analysis) developed in 2010 to guide the policy process.

The new approach uses detailed quality assessment criteria to assess a sample of the Ministry’s policy advice every four months. The assessment is carried out by an internal panel of senior Ministry staff with an independent chair.

This approach produces both a rating for external reporting purposes and feedback to relevant analysts and managers that supports organisational learning and continuous improvement.

#### **Criteria for quality policy advice**

The Ministry’s quality policy advice criteria can be summarised as an expectation that policy advice and analysis:

- focuses on the needs of the audience and the decisions needed
- provides appropriate context to explain the big picture
- has a clear problem definition which indicates the size and scope of the problem, how current policy settings contribute and how changes can lead to better outcomes
- displays a robust approach to analysis, based on evidence and logic
- identifies the risks of the problem, risks of change options, delivery risks and mitigation strategies
- displays evidence of appropriate consultation and collaboration across government and with affected parties
- identifies and evaluates a range of practical options for meeting the policy objectives, and selects a preferred option
- provides action-oriented recommendations with realistic commitments
- is well-structured, presented in the correct format and is free of errors.

There are a number of requirements that the Ministry must meet in relation to legislation, regulations, and national instruments (for example, national policy statements under the Resource Management Act). This includes assessing the likely benefits, costs and effects of new or changed legislation and regulations. The Ministry has established a Regulatory Impact Analysis Panel to assess the quality of our regulatory impact statements in meeting government requirements. The panel also provides advice to staff on how to conduct their analysis.

## Measuring effectiveness of policy interventions

The Ministry is putting greater emphasis on monitoring and evaluation of government interventions.

We have recently established a formal ministry-wide evaluation function, which will focus on building evaluative capacity across teams and provide a framework for prioritising formal evaluation of large projects/programmes. As part of that establishment, we will develop a coherent programme to assess and improve the effectiveness and efficiency of our policy interventions. Some monitoring and evaluative activity is already under way.

An evaluation of the effectiveness of the waste levy is being carried out in 2010/11 and will be repeated at three-yearly intervals, as required by the Waste Minimisation Act.

A review panel is also looking at the operation and effectiveness of the Emissions Trading Scheme, as required by the Climate Change Response Act. The review is intended to ensure that the scheme is meeting its purpose of reducing emissions at least possible cost and that New Zealand is appropriately pacing itself on climate change relative to its key trading partners.

The Ministry is also looking at ways to improve how we monitor and measure the implementation of the Resource Management Act and related functions.

# The operating environment

## Changes in the environment sector

The most significant change in the environment sector of government for some years will be the establishment of the Environmental Protection Authority (EPA) as a new Crown entity. This is expected to occur in mid 2011, subject to legislation being passed by Parliament.

The new agency will consolidate similar technical and regulatory skills within one organisation to enhance New Zealand's environmental regulation. It will take on responsibility for national-level consenting and regulatory functions under a number of laws and international agreements. Its main functions will focus on hazardous substances, hazardous waste, new organisms, nationally significant resource consents and emissions trading.

Most of the EPA's activities will involve the administration and operation of legislation and regulations for which the Ministry for the Environment is responsible. The Ministry will continue to have responsibility for ensuring the effective operation of the Resource Management Act, the Hazardous Substances and New Organisms Act, and the Emissions Trading Scheme.

We expect to work closely and collaboratively with the EPA to improve and monitor environmental management. The Ministry will also monitor the activities and performance of the EPA on behalf of the Minister for the Environment.

The EPA will be established with staff and funding transferred from the Environmental Risk Management Authority, Ministry for the Environment and Ministry of Economic Development.

## Economic growth and environmental management

The Government continues to focus on ensuring balanced and sustainable economic growth to improve the well-being of New Zealanders. It considers that, to help achieve this growth, New Zealand needs to maximise the potential of natural resources and to build world-class infrastructure that will enable businesses to compete efficiently.

Much of New Zealand's international competitive advantage lies in the quality and quantity of its natural resources. High environmental standards are essential for market access and New Zealand's economic growth.

Growth is a permanent increase in output, not a transient increase. If growth uses natural resources as inputs – and there are no substitutes for these natural resources – then the flow of natural resource inputs also needs to be permanent. This is the link between 'green' and growth. The 'green' is the permanent flow – in other words, sustainable flow – of natural resources.

Resource management frameworks must ensure resource efficiency; that is, resource scarcity and competing interests are managed and environmental bottom lines are protected. This creates incentives for innovation.

The Ministry collaborates with other agencies in the Natural Resources Sector so that the Government is given consistent advice about policy for, and management of, natural resources. The goals of the Natural Resources Sector are set out in the table below. Progress towards these goals will be reported to the Chief Executives.

Natural Resources Sector goals	Shared indicators
<p><b>Better analysis and advice</b> Decision-making by Government is supported by high quality advice which provides an integrated Natural Resources Sector understanding of key issues.</p>	<p>Ministers report that joined-up advice is delivered to them in priority areas of water, aquaculture, environmental governance, climate change and Māori/Treaty issues.</p> <p>The quality and level of integration of policy advice shows improvement over time.</p> <p>The Economy and Environment Principles are reflected in Natural Resources Sector advice on key policy issues.</p>
<p><b>Working together better</b> All seven agencies actively participate in the work of the Network, adopting a collaborative ethos which focuses on forming a common understanding of strategic issues and delivering on shared goals.</p>	<p>Each agency contributes to work that develops a shared understanding of strategic natural resource issues.</p> <p>Each agency participates in the training programme on how to apply the Economy and Environment Principles in policy development.</p> <p>Each agency contributes to resourcing the support unit.</p>
<p>The Natural Resources Sector of government includes the Ministry for the Environment (Chair), Ministry of Agriculture and Forestry, Te Puni Kōkiri, Ministry of Fisheries, Department of Conservation, Ministry of Economic Development, and Land Information New Zealand.</p>	

## Increasing obligations

An increasing proportion of the Ministry’s work programme is driven by initiatives led from other portfolio areas. In particular, the Treaty of Waitangi settlement process and free trade agreements both result in obligations for the Ministry. This means that the Ministry must be involved in negotiations to ensure the obligations are realistic, as well as in implementation.

Environmental accords and relationship agreements are often aspects of Treaty settlements. We currently have obligations that create an ongoing relationship with 25 settled groups and these relationship agreements are increasing in both number and scope.

The Ministry also leads the negotiation and implementation of environmental agreements under the 2001 Framework for Integrating Environment Objectives in Trade Agreements. New Zealand currently has six trade agreements with associated environmental cooperation agreements and three proposed agreements that are well-advanced. Negotiations are under way with a number of other countries.

## Staying connected and well informed

Over the past year the Ministry has paid particular attention to its relationships with those who are affected by or who can affect our work. These connections also help increase our understanding of the environment in which we operate.

We continue to develop our connections with the Natural Resources Sector of government and the Chief Executives Environment Forum of regional councils. Our extensive linkages with other agencies in central and local government are shown in Appendix 1.

We have forged closer ties with iwi, industry, non-government organisations and the primary sector. We also have close ties with agencies that can provide evidence to feed into our work.

# Risk management framework

The Ministry for the Environment has embedded its approach to managing risk into its day to day operations.

The Audit and Risk Committee provides independent assurance and advice to the Chief Executive. The committee consists of three independent external members: Paul Carpinter (Chair), George Reedy and Marion Cowden. Consistent with the policy of rotating membership, the previous Chair Sue Suckling stepped down after two years serving on the committee.

The committee considers that the Ministry has made significant progress in managing the key risks (leadership, reputation and effective management of key projects) that they had previously identified.

The Ministry's leadership team identifies and monitors key strategic risks they perceive the organisation faces over the next three to five years. The risks and mitigation strategies are reviewed every six months. A new policy, guidelines and resources have been introduced in order to support high quality and consistent risk management practices by all staff.

Key risk	Mitigation strategy
<b>Organisational strategy, leadership and reputation</b>	
Growing delivery expectations exceed the resources available.	The Ministry continues to focus on links between business planning and budgeting, priority setting and developing the right staff capability. We work with the Natural Resources Sector Network to ensure available resources are optimised.
The Ministry loses sight of or is unable to articulate its objectives.	The Ministry has introduced its new strategic direction, which is regularly explained to staff. The updated outcomes framework is closely aligned to the strategic direction and will help in articulating objectives.
We may not identify key external relationships or neglect those we know.	Implementation of the Tūhono Strategy is building effective and enduring relationships with Māori. The Natural Resources Sector Chief Executives' Forum ensures that central government is well connected. The Chief Executives Environment Forum connects that group with regional councils. The whole Environment Leaders Forum is actively engaging with industry and not-for-profit leadership.
<b>Delivery of key priorities, projects and programmes</b>	
Management of key projects and programmes may not be effective.	A project management office has been established. The Ministry has implemented a standardised project management methodology which builds on lessons learned from throughout the public sector. We ensure that all significant projects have appropriate quality assurance.
The way we communicate our expectations or intentions may not be clear or consistent.	In our communication of key messages we aim to be clear, simple and aligned with our strategic direction. Delivery of internal communications uses multiple channels, but is mainly through management. Key messages for external communication are updated regularly.
<b>Developing the right capability and capacity</b>	
We may not be clear about working to role.	We continue to invest in capability development at all levels of the organisation. We will ensure that we understand our capability needs and constantly work towards fulfilling them.

## Crown risk

### Emissions Trading Scheme and international climate change obligations

There is uncertainty about the level of fiscal impact associated with the Kyoto Protocol obligation over the 2008–2012 first commitment period. The net impact of variables including carbon prices, levels of net emissions, the uptake of post–1989 foresters and allocation levels to emitters are highly uncertain and could change the government’s costs significantly. The government may need to purchase emission units to meet its obligations under the Climate Change Response Act 2002 and the Kyoto Protocol, with a corresponding impact on net debt.

A review of the New Zealand Emissions Trading Scheme (ETS) is scheduled for 2011. Any change to ETS settings could have significant fiscal implications.

The Ministry monitors the risks associated with Kyoto Protocol obligations through the annual inventory of greenhouse gas emissions and the net position report as part of projecting and reporting on New Zealand’s greenhouse gas emissions and removals for the first commitment period of the Kyoto Protocol and beyond. The Emissions Trading Scheme is the main mechanism to manage and mitigate the risk.

### Finance for developing countries under Copenhagen Accord

Following the Copenhagen climate change negotiations in 2009, New Zealand associated with the Copenhagen Accord. Under this Accord, developed countries committed to jointly mobilising US\$100 billion per year by 2020 to address the needs of developing countries, in the context of meaningful mitigation actions and transparency on implementation. This would come from a wide variety of sources, public and private, bilateral and multilateral, including alternative sources of finance. New Zealand’s contribution as a portion of this finance is currently uncertain.

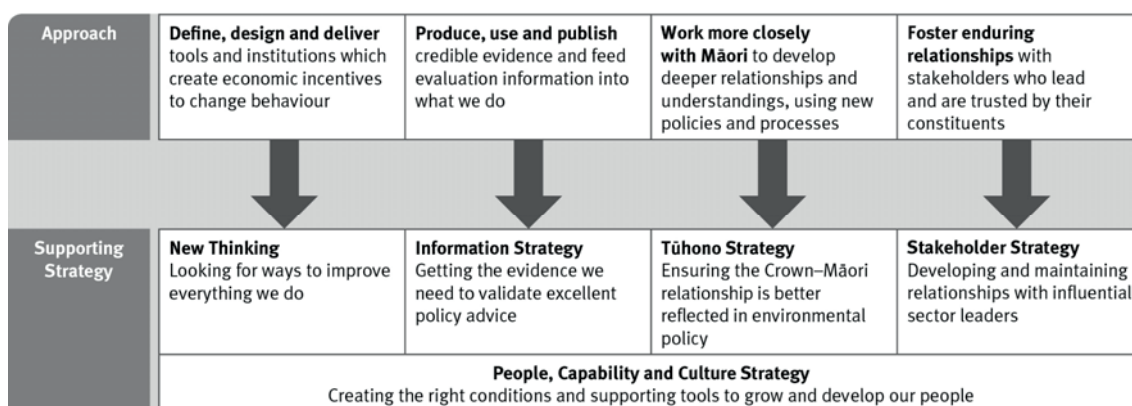
# Organisational health and capability

## Implementing the strategic direction

The Ministry for the Environment aims to generate opportunities for New Zealanders to prosper by delivering robust environmental policy that has widespread support from stakeholders and the confidence of the Government. Our strategic direction, launched in 2010, sets out our mission of ‘environmental stewardship for a prosperous New Zealand’ and the approaches and organisational behaviours needed to carry out this mission.

For each of the four approaches we have developed a supporting strategy, underpinned by a wide-ranging strategy for people, capability and culture. These are shown in Figure 3.

Figure 3: Supporting strategies



## People Capability and Culture Strategy

The People Capability and Culture Strategy was launched in February 2011. It is designed in three phases, each building on the next to give the Ministry a solid foundation for improving performance year after year. The initiatives within each phase have been selected because they build a highly engaged workforce and one that will perform at a high level.

Phase one focuses on updating and fixing our core systems and processes. Phase two will see a bigger focus on, and investment in, learning and development with an emphasis on thinking, solving complex issues and working in new and different ways. Phase three supports our new way of thinking and working with new tools. Over this period the Ministry wants to embed the changes to ensure a successful organisation culture shift.

### Equal employment opportunities

The Ministry remains committed to providing equal opportunities. We remain a member of the EEO Trust and we provide training on preventing harassment and bullying in the workplace.

### Leadership

Management and leadership will remain a key focus for the Ministry over the next few years. Our initiatives will focus on mastery of leadership and management skills, as well as facilitating relationships across all four tiers of people leaders within the Ministry and across the Natural Resources Sector.

The Natural Resources Sector will play a key part in achieving our goals. The sector is committed to taking collective action by creating more joint programmes and opening up spaces on current departmental programmes to the whole sector. This should result in a more efficient spend of our training dollar, increase our cross-sector knowledge and foster stronger relationships.

## New thinking

A range of actions are under way to improve the way that the Ministry operates. An early focus has been on building our capability to advise on strategic, complex policy issues and the institutions and frameworks for environmental management.

One of the new tools introduced to support the policy function is the COBRA (Cost Opportunity Benefit Risk Analysis) guide. This provides staff with the key concepts, frameworks and tools to work through a policy process and deliver high quality advice. Using different lenses helps us to approach issues in a new way and identify alternative options, opportunities and risks.

## Information Strategy

The Information Strategy is intended to ensure we have the evidence base needed to deliver excellent policy advice and to become a centre of knowledge about the environment and the economy. Key principles behind the Information Strategy focus on:

- placing environmental information in a social, cultural and economic context
- connecting information to decision-making so that policy is evidence based
- working with the Natural Resources Sector to contribute to natural resource management
- supporting agencies with iwi-relevant natural resource information needs
- promoting open, transparent access and re-use of information to maximise value for money
- adhering to official statistics principles and protocols for all information products.

## Tūhono Strategy

Māori are key stakeholders in natural resources management. The Ministry is working with Māori groups to further its understanding of their perspectives and to help improve outcomes for Māori.

The Tūhono Strategy aims to build capability within the Ministry to develop good relationships with Māori.

We want to ensure that the views of Māori and iwi are considered in the setting of strategic direction, development of environmental policy and implementation of programmes. In line with the Minister's priorities, the Ministry has established relationships to work with specific iwi on water and climate change at both the governance and the executive levels.

## Stakeholder Strategy

The Ministry works on a wide range of policy development and implementation, so needs to engage with a variety of people and organisations on many different issues.

To do this effectively, we must understand the needs of our stakeholders, the resources required to engage with them and how this engagement fits within a wider Ministry context. The Stakeholder Strategy is focusing on three key elements:

- identifying and engaging at a senior level with key stakeholders
- using available tools, templates, and shared calendars to ensure consistency of planning and transparency across teams
- improving administration of stakeholder lists to ensure the information we hold is accurate.

The table below shows what we are seeking to achieve in terms of organisational health and capability and how we will know if we are being successful.

## Objectives for organisational health and capability

The table below sets out our objectives for organisational health and capability, which are linked to the supporting strategies, and how we will know if we are achieving them. Progress with implementing the strategic direction and the five supporting strategies will be reported regularly to the Ministry's leadership team.

What we want to achieve	How we will know if we are achieving these objectives
Create the right conditions and supporting tools to grow and develop our people.	Improvement in staff engagement as measured by the Gallup survey. Current state: The Ministry's level of staff engagement improved significantly between the 2009 and 2010 surveys. Further areas for improvement were identified and are being worked on.
Look for ways to improve everything we do.	Continuous improvement in policy advice products as measured by the quality policy advice assessment panel and the internal regulatory impact analysis reference panel. Current state: A new assessment process is being established. The first assessments will be reported in the 2010/11 annual report.
Get the evidence we need to validate excellent policy advice.	Improvement in the use of evidence in our policy advice products, as measured by an internal assessment panel. Current state: A new assessment process is being established. An interim proxy measure shows requests for evidence to use in policy advice products has increased 56% since implementation of the Information Strategy began in June 2010.
Ensure the Crown-Māori relationship is better reflected in environmental policy.	Build capacity within the Ministry to develop relationships with Māori through the Pae Ngatahi course, as measured by percentage of staff attending and pre and post course evaluations of attendees' capability. Current state: At 31 March 2011, 14% of staff had attended at least one module. Our target is 30% of staff by December 2011.
Develop and maintain relationships with influential sector leaders.	Positive views of external stakeholders as measured by a survey of stakeholder perceptions of the Ministry. Current state: Limited surveys undertaken in 2008 and 2010 showed clear improvements over that period in perceptions of the Ministry's leadership and willingness to engage. Opportunities for improvement included consultation processes and clarity about contact points.

## Organisational structure

The Ministry is led by a leadership team comprising the Chief Executive, four Deputy Secretaries and the Tumuaki.

A new structure for the Ministry for the Environment came into effect on 2 August 2010. Below is a brief overview of Ministry services and where they fit into the structure.

Ministry division	Main services
Chief Executive Dr Paul Reynolds	<ul style="list-style-type: none"> <li>• Leadership of the Ministry</li> </ul>
Policy Division Deputy Secretary Guy Beatson	<ul style="list-style-type: none"> <li>• Policy thinking</li> <li>• Problem definition scoping</li> <li>• Options development and analysis</li> <li>• Regulatory impact</li> </ul>
Programmes Division Deputy Secretary Sue Powell	<ul style="list-style-type: none"> <li>• Technical design</li> <li>• Delivery and review of the national instruments/tools or operational functions that give effect to the policies and legislation</li> </ul>
Strategy and Corporate Division Deputy Secretary Andrew Crisp	<ul style="list-style-type: none"> <li>• Internal / external strategy</li> <li>• Organisational performance</li> <li>• Strategic policies</li> <li>• Governance-related relationships</li> <li>• Corporate Services</li> </ul>
EPA Establishment Deputy Secretary Libby Harrison	<ul style="list-style-type: none"> <li>• Establish the Environmental Protection Authority as a new Crown agent</li> </ul>
Kaahui Taiao Tumuaki Chappie Te Kani	<ul style="list-style-type: none"> <li>• strategic advice on Māori and Treaty of Waitangi issues</li> <li>• developing more effective relationships with Māori.</li> </ul>

## Ministry budget and assets

### Funding

The Ministry is conscious of the Government's expectation that the public sector will increase its productivity and make cost savings wherever possible. The Ministry's baseline has declined as short-term funding allocated for specific initiatives comes to an end. At the same time there are additional cost pressures from new and increased activities that are priorities for the Government, in particular establishing the Environmental Protection Authority as a Crown entity and operating and reviewing the Emissions Trading Scheme.

We have undertaken our planning for the next three years in the expectation that the Ministry will need to resource its work on government priorities and the functions of the Environmental Protection Authority from the current appropriations in Vote Environment and Vote Climate Change. Because there are still uncertainties about the costs involved in major new areas of work, we will continue to monitor expenditure and reprioritise as required during the period of this Statement of Intent.

## Processes and technology, and physical assets

Over the past three years improved policies on procurement, delegations, recruitment, risk management, and sensitive expenditure, among others, have been approved and implemented. A post-implementation review of procurement policy was completed in 2010/11 and further improvements (such as the establishment of new panel suppliers) have been initiated.

A programme is in place to ensure that all remaining policies are updated over the next two years and regularly reviewed thereafter, ensuring a strong emphasis on good practice and continual improvement.

Information and communications technology are the major physical assets owned by the Ministry. In 2010/11 we introduced new governance arrangements for strategic oversight and management of the Ministry's information systems. We are working to ensure that the information management work programme and priorities are well linked to business needs and Government priorities. Over the next three years we will continue our focus on improving communication, consultation and collaboration technology, while continuing to explore opportunities for future shared services.

## Departmental capital and asset management intentions

The Ministry has two broad areas of capital expenditure over the next three years.

The Land Use and Carbon Assessment System (LUCAS) contributes to meeting New Zealand's greenhouse gas reporting obligations under the Kyoto Protocol. The hardware and hosting is due for reinvestment this year. It is possible that the LUCAS system will be transitioned to the 'Infrastructure as a Service' initiative that the Department of Internal Affairs will implement later this year. While the initial setup could cost up to \$347,000, once the transition was made this would reduce the future demand for capital expenditure and scale to the performance demands of the users.

The second area of capital expenditure is an ongoing amount of approximately \$650,000 per annum, mainly for updating the Ministry's desktop and server infrastructure. The remainder is allocated to the purchase and development of upgrades to core systems such as customer relationship management and geospatial technologies.

# Appendix 1: Linkages to other government agencies

Outcomes	Connections with other government agencies	Cross-cutting relationships with other agencies
<p>New Zealand becomes a successful low-carbon society that is resilient to climate change impacts on its climate, economy and lifestyle.</p> <p>Result area:</p> <ul style="list-style-type: none"> <li>Climate change</li> </ul>	<ul style="list-style-type: none"> <li>Department of Conservation</li> <li>Land Information New Zealand</li> <li>Ministry of Agriculture and Forestry</li> <li>Ministry of Consumer Affairs</li> <li>Ministry of Economic Development</li> <li>Ministry of Fisheries</li> <li>Ministry of Foreign Affairs and Trade</li> <li>Ministry of Health</li> <li>Ministry of Science and Innovation</li> <li>Ministry of Transport</li> <li>Statistics New Zealand</li> <li>The Treasury</li> <li>Environmental Protection Authority</li> <li>Energy Efficiency and Conservation Authority</li> </ul>	<p><b>Central agencies and their goals</b></p> <ul style="list-style-type: none"> <li>Department of Prime Minister and Cabinet Good government with effective public service support</li> <li>State Services Commission Lead adviser on New Zealand's public management system and works with government agencies to support the delivery of quality services to New Zealanders</li> <li>The Treasury Delivering better, smarter frontline public services funded primarily from within public agencies' existing operating baselines</li> </ul>
<p>New Zealand's water is well governed and sustainably managed to realise the maximum benefit possible for present and future environmental, cultural, social and economic values.</p> <p>Result areas:</p> <ul style="list-style-type: none"> <li>Fresh water</li> <li>Working with others</li> </ul>	<ul style="list-style-type: none"> <li>Department of Conservation</li> <li>Land Information New Zealand</li> <li>Ministry of Agriculture and Forestry</li> <li>Ministry of Economic Development</li> <li>Ministry of Fisheries</li> <li>Ministry of Foreign Affairs and Trade</li> <li>Ministry of Health</li> <li>Ministry of Science and Innovation</li> <li>Statistics New Zealand</li> <li>Te Puni Kōkiri</li> <li>Local government</li> </ul>	<p><b>The Natural Resources Sector's goals:</b></p> <ul style="list-style-type: none"> <li>Decision-making by Government is supported by high quality advice which provides an integrated Natural Resources Sector understanding of key issues</li> <li>All seven agencies actively participate in the work of the Network, adopting a collaborative ethos which focuses on forming a common understanding of strategic issues and delivering on shared goals</li> <li>The Natural Resources Sector comprises: <ul style="list-style-type: none"> <li>Ministry for the Environment</li> <li>Ministry of Agriculture and Forestry</li> <li>Ministry of Economic Development</li> <li>Ministry of Fisheries</li> <li>Department of Conservation</li> <li>Land Information New Zealand</li> <li>Te Puni Kōkiri</li> </ul> </li> </ul>
<p>New Zealand's environmental management systems are strengthened and supported so that they can achieve the greatest overall environmental, economic, social and cultural benefits.</p> <p>Result areas:</p> <ul style="list-style-type: none"> <li>Resource management</li> <li>Treaty commitments</li> <li>Environmental hazards and waste</li> <li>Working with others</li> </ul>	<ul style="list-style-type: none"> <li>Department of Building and Housing</li> <li>Department of Conservation</li> <li>Department of Internal Affairs</li> <li>Department of Labour</li> <li>Land Information New Zealand</li> <li>Ministry of Agriculture and Forestry</li> <li>Ministry of Civil Defence and Emergency Management</li> <li>Ministry of Culture and Heritage</li> <li>Ministry of Economic Development</li> <li>Ministry of Fisheries</li> <li>Ministry of Foreign Affairs and Trade</li> <li>Ministry of Health</li> <li>Ministry of Justice</li> <li>Statistics New Zealand</li> <li>Te Puni Kōkiri</li> <li>Environmental Protection Authority</li> <li>Maritime New Zealand</li> <li>Office of Treaty Settlements</li> <li>Local government</li> </ul>	<p><b>Contributors to the Ministry's 'evidence base' and role as National Inventory Agency under the Kyoto Protocol</b></p> <ul style="list-style-type: none"> <li>Regional councils</li> <li>Crown research institutes</li> <li>Statistics New Zealand</li> <li>Natural Resources Sector</li> <li>Ministry of Transport</li> <li>Ministry of Science and Innovation</li> </ul>

## Appendix 2: Non-departmental appropriations

The table below shows how non-departmental appropriations contribute to the outcomes and impacts.

Outcomes	Impacts	Appropriation
New Zealand becomes a successful low-carbon society that is resilient to climate change impacts on its climate, economy and lifestyle.	Decrease New Zealand's net emissions of greenhouse gases below business as usual levels in a cost-effective way.	<b>Vote Climate Change</b> <ul style="list-style-type: none"> <li>Administration of New Zealand Units held on Trust</li> <li>Allocation of New Zealand Units</li> <li>Framework Convention on Climate Change</li> <li>Issue of New Zealand Assigned Amount Units to Permanent Forest Sink Initiative Participants</li> <li>Purchase of PRE units</li> </ul>
New Zealand's fresh water is well governed and sustainably managed to realise the maximum benefit possible for present and future environmental, cultural, social and economic values.	Improve quality, flow and availability of fresh water through more effective management frameworks.	<b>Vote Environment</b> <ul style="list-style-type: none"> <li>Fresh Start for Fresh Water New Initiatives Fund</li> <li>Protecting Lake Taupo Programme</li> <li>Rotorua Lakes Restoration Programme</li> <li>Waikato River Clean-up Fund</li> </ul>
New Zealand's environmental management systems are strengthened and supported so that they can achieve the greatest overall environmental, economic, social and cultural benefits.	Improve the resource management framework to manage environmental effects and allocate resources within environmental limits.	
	Improve the relationship between the Ministry and Māori by negotiating and implementing fair, durable and fit for purpose deeds of settlement and environmental accords.	<b>Vote Environment</b> <ul style="list-style-type: none"> <li>Waikato River Co-governance</li> <li>Waikato River Co-management</li> </ul>
	Reduce harm from natural, chemical and biological hazards and from waste through more effective management frameworks.	<b>Vote Environment</b> <ul style="list-style-type: none"> <li>Contaminated Sites Remediation Fund</li> <li>Tui Mine Remediation</li> <li>Hazardous Substances and New Organisms Assessment and Management</li> <li>Waste Disposal Levy Disbursements to Territorial Local Authorities</li> </ul>

Outcomes	Impacts	Appropriation
	<p>Achieve better solutions to environmental problems by supporting community involvement and action and international cooperation.</p>	<p><b>Vote Climate Change</b></p> <ul style="list-style-type: none"> <li>• Climate Change Development Fund</li> </ul> <p><b>Vote Environment</b></p> <ul style="list-style-type: none"> <li>• Community Environment Fund</li> <li>• Sustainable Management Fund</li> <li>• Contestable Waste Minimisation Fund</li> <li>• Environmental Legal Assistance</li> <li>• Promotion of Sustainable Land Management</li> <li>• Warm Homes Grants and Assistance</li> <li>• International Subscriptions</li> <li>• United Nations Environment Programme</li> </ul>

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## Appendix 3: Current state and trends

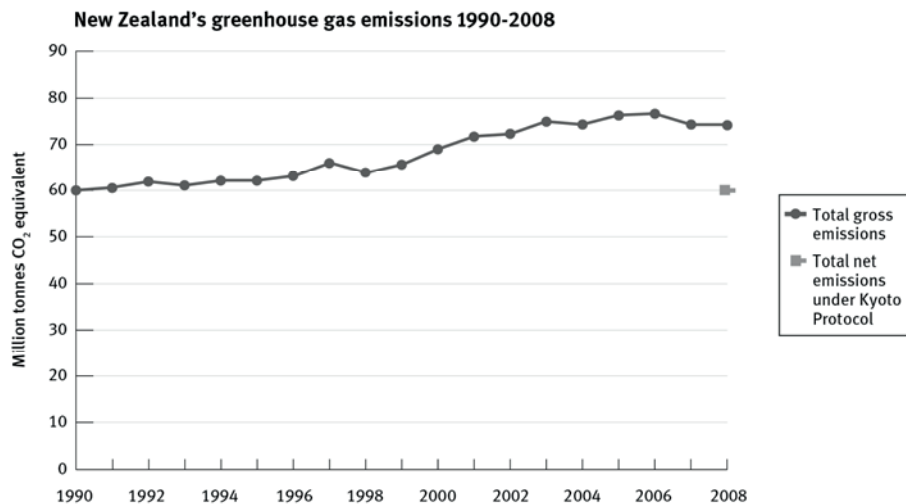
This section shows the state and trends in relation to the impact measures shown in Figure 2.

### 1. Climate change

#### 1.1 Trends in greenhouse gas emissions and removals in the annual green house gas inventory

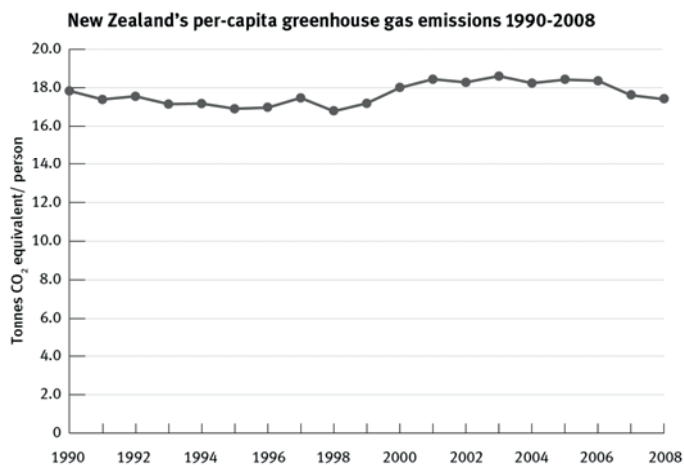
The graph below shows the trend in New Zealand's total gross greenhouse gas emissions from 1990-2008 (gross emissions exclude any removals of emissions through land use, land-use change and forestry). This is the latest available data as presented in the April 2010 inventory submission to the United Nations Framework Convention on Climate Change secretariat.

Note that net emissions as reported under the Kyoto Protocol have only been reported from 2008 as required under the Protocol so there is currently only one data point available. More trend data will be available as this data is reported in annual inventory submissions.

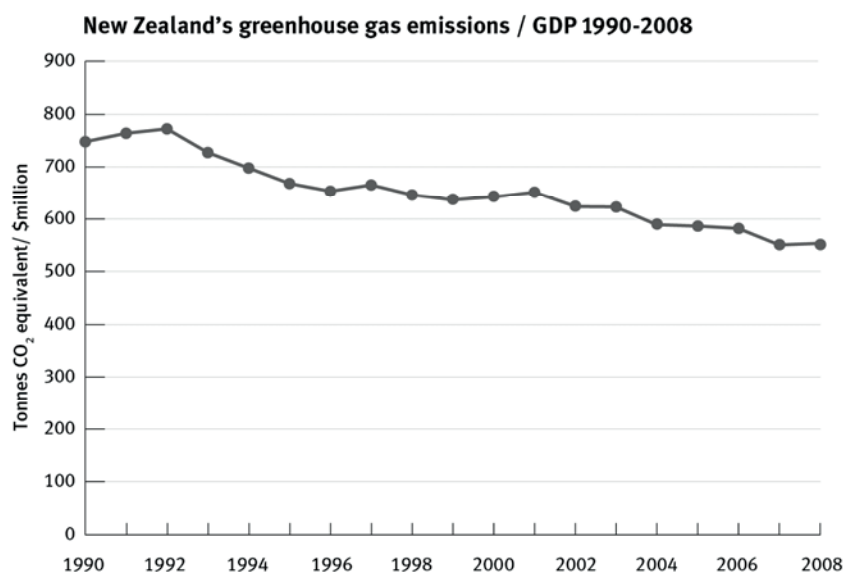


#### 1.2 Trends in greenhouse gas intensity of the economy by emissions per unit of GDP and emissions per capita

The graph below shows the trend in New Zealand's per capita greenhouse gas emissions from 1990-2008 (on gross emissions basis).



The next graph shows New Zealand's gross greenhouse gas emissions divided by GDP from 1990-2008.



Note that the analysis using population and GDP data for the above graphs is for comparing New Zealand's domestic progress over time and should not be used for comparisons against other countries. There are other international datasets to be used for that purpose.

### 1.3 Divergence between forecast net position and Kyoto Protocol Obligations

The projected balance of Kyoto Protocol emissions units is updated once a year in April. The Kyoto Protocol financial position is updated monthly for exchange rate and emissions unit transfers. This updated information is available on the Ministry's website ([www.mfe.govt.nz](http://www.mfe.govt.nz)).

The latest information was updated on 27 January 2011.

### 1.4 New Zealand's net position under the Kyoto Protocol

Financial statements period ended	12/2010	6/2010	12/2009	06/2009	12/2008	06/2008
Net position excluding transfers in million units	13.5	13.5	9.6	9.6	(21.7)	(21.7)
Net transfers from assigned amount in million units	2.3	2.3	0.5	0	0	0
Net position in million units	11.2	11.2	9.1	9.6	(21.7)	(21.7)
Carbon price EURO	10.75	10.75	10.75	10.00	10.00	12.50
Exchange Rate	0.5801	0.5677	0.5054	0.4628	0.4089	0.4829
Carbon price NZD	18.53	18.94	21.27	21.61	24.46	25.89
Value of Net Asset/(liability) NZD	207	212	194	207	(531)	(562)

## 2. Fresh water

### *2.1 Proportion of water allocated for consumptive purposes that is subject to measurement and reporting*

In 2010 there were more than 20,500 resource consents for taking water, mainly for irrigation, hydro-electricity generation, public drinking water supply, industry and stock watering. The total amount of water allocated for consumptive purposes in 2010 was 27 billion cubic metres. The current state figure for this impact measure is that 31 per cent of the allocation is subject to measurement.

The current state figure is based on resource consent data collected from regional councils in 2006 to inform development of the Resource Management (Measurement and Reporting of Water Takes) Regulations 2010. The regulations apply to resource consents that allow fresh water to be taken at a rate of five litres per second or more.

### *2.2 Number of large surface water catchments that have quantified flow regimes in place that set limits*

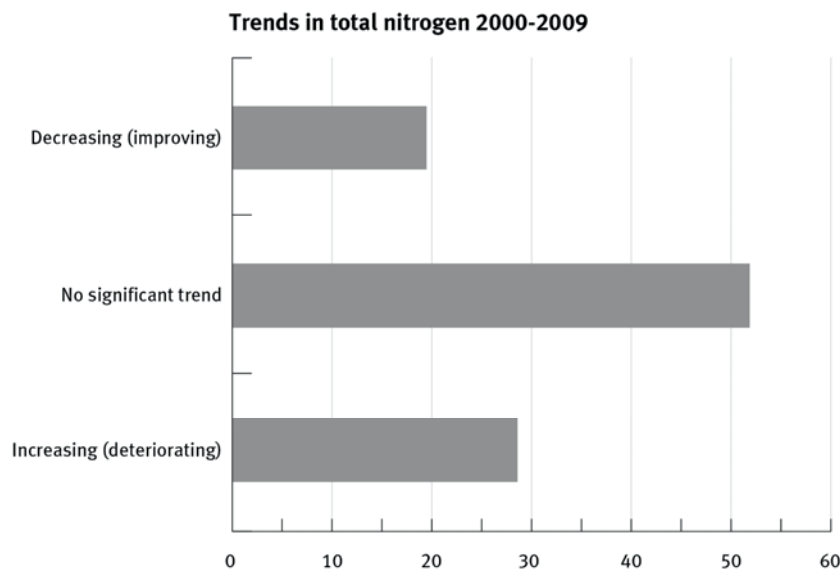
This is a new measure. Information will be collected in 2011/12.

### *2.3 Number of significant catchments that have quantified policy for land and water management that sets surface water quality limits*

This is a new measure. Information will be collected in 2011/12.

### *2.4 Number of monitored sites showing improved water quality*

The chart below shows the proportion of the 77 National River Water Quality Network sites that have had significantly improving or deteriorating water quality over the 10 years from 2000 to 2009. Total nitrogen is used as an indicator as it gives an idea of nutrient enrichment in rivers, mainly from contaminants such as sewage and agricultural run-off. More sites are deteriorating (29 per cent) than improving (19 per cent), with the majority of sites (52 per cent) showing no significant trend.



### 3. Resource Management

*3.2 The national environmental standard for air quality (PM<sub>10</sub> fine particulate pollution) is complied with by the target dates in the standard*

Compliance with the national environmental standard will reduce air pollution. Heavily polluted airsheds (that exceed the standard more than 10 times a year) will be required to meet the standard by 2020 and all other airsheds will need to meet it by 2016. (An airshed is an area identified by a regional council that is known or is likely to have air quality problems.)

The proportion of airsheds complying with the PM<sub>10</sub> standard between 2005 and 2009 remained relatively constant. The national environmental standards for air quality were revised in 2011 following a review, so 2009 information is used here as the baseline for PM<sub>10</sub> pollution.

Year	Airsheds monitored	Polluted airsheds	Compliant
2009	44	25 (57%)	19 (43%)

*3.2 Trends in EPA and local authority compliance with resource consent processing timeframes under the Resource Management Act 1991*

Compliance with statutory resource consent timeframes by the EPA statutory office (within the Ministry) is 100 per cent.

The table below shows the trend in local authority compliance with mandatory resource consent processing timeframes under the Resource Management Act. The 2009/10 figure has been estimated based on information provided in local government annual reports for 2009/10. Updated information will be provided on the Ministry's website ([www.mfe.govt.nz](http://www.mfe.govt.nz)) when survey information for 2010/11 is released.

1997/98	1998/99	1999/00	2001/02	2003/04	2005/06	2007/08	2009/10
78%	82%	82%	82%	77%	73%	69%	84%

### 4. Treaty commitments

*4.1 Percentage of Māori partners in deeds of settlement and environmental accords satisfied or very satisfied with Ministry implementation of obligations*

This is a new measure. The Ministry is currently reviewing its processes, procedures and evaluation functions in relation to Treaty of Waitangi commitments. This data will be compiled in the 2011/12 financial year.

*4.2 Percentage of relevant Ministry obligations under deeds of settlement and environmental accords met*

This is a new measure. The Ministry is currently reviewing its processes, procedures and evaluation functions in relation to treaty commitments. This data will be compiled in the 2011/12 financial year.

## 5. Environmental hazards and waste

*5.1 Changes in the incident data compiled by the Environmental Protection Authority (currently by the Environmental Risk Management Authority) and enforcement agencies under the Hazardous Substances and New Organisms Act*

The table below shows a breakdown in incidents involving hazardous substances and where these incidents had an adverse effect on the environment. The data was compiled and published by the Environmental Risk Management Authority in its *ERMA Monitoring Report* May 2010.

ERMA has stated that the data may be unreliable for long-term trend analysis because there have been several changes to data sources and databases in the past two years.

	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Number of incidents involving hazardous substances	227	230	216	223	194	237	278	188
Incidents where adverse effects to the environment were recorded	60	67	28	63	64	98	129	60

*5.2 Trends in the tonnage of waste disposed of at waste disposal facilities per unit of GDP*

Since the introduction of the Waste Minimisation Act 2008, the Ministry for the Environment has been collecting data on tonnages of waste disposed of at 'levied facilities'. The intended outcome of the Act is to see a decrease in the amount of waste disposed per unit of GDP over time.

The Ministry has established a baseline for this impact measure following the collection of the first full years' data. In the year to June 2010, 2,495,189 tonnes of waste were disposed of at facilities required to pay the waste levy. This equates to 13.2 tonnes of waste per \$1 million of GDP. The baseline provides a starting point for future analysis.

## 6. Working with others

*6.1 Progress in investigation, remedial planning or remediation of contaminated priority sites in conjunction with regional councils and/or land owners – increasing percentage managed or remediated*

Since 2006/07, 28 contaminated sites have received funding from the Contaminated Sites Remediation Fund. Work on five of these is currently in progress, including the remediation of the Tui Mine site at Te Aroha. Further funding will be distributed in April 2011 for the 2011/12 year. The allocation of this funding will be informed by a priority list of contaminated sites that is being developed to ensure that sites of greatest risk are given priority for funding. The list will be completed by the end of 2010/11 and will be updated every six months based on information supplied by regional councils.

*6.2 Level of community involvement in projects funded by the Community Environment Fund*

This is a new measure. Base data for the Community Environment Fund will not be available until the end of the financial year, as the first funding round did not come into effect until after 30 June 2010. Community involvement will be measured by the number of community hours

and in-kind contributions made to the project per dollar of government investment, based on reporting by funded projects.

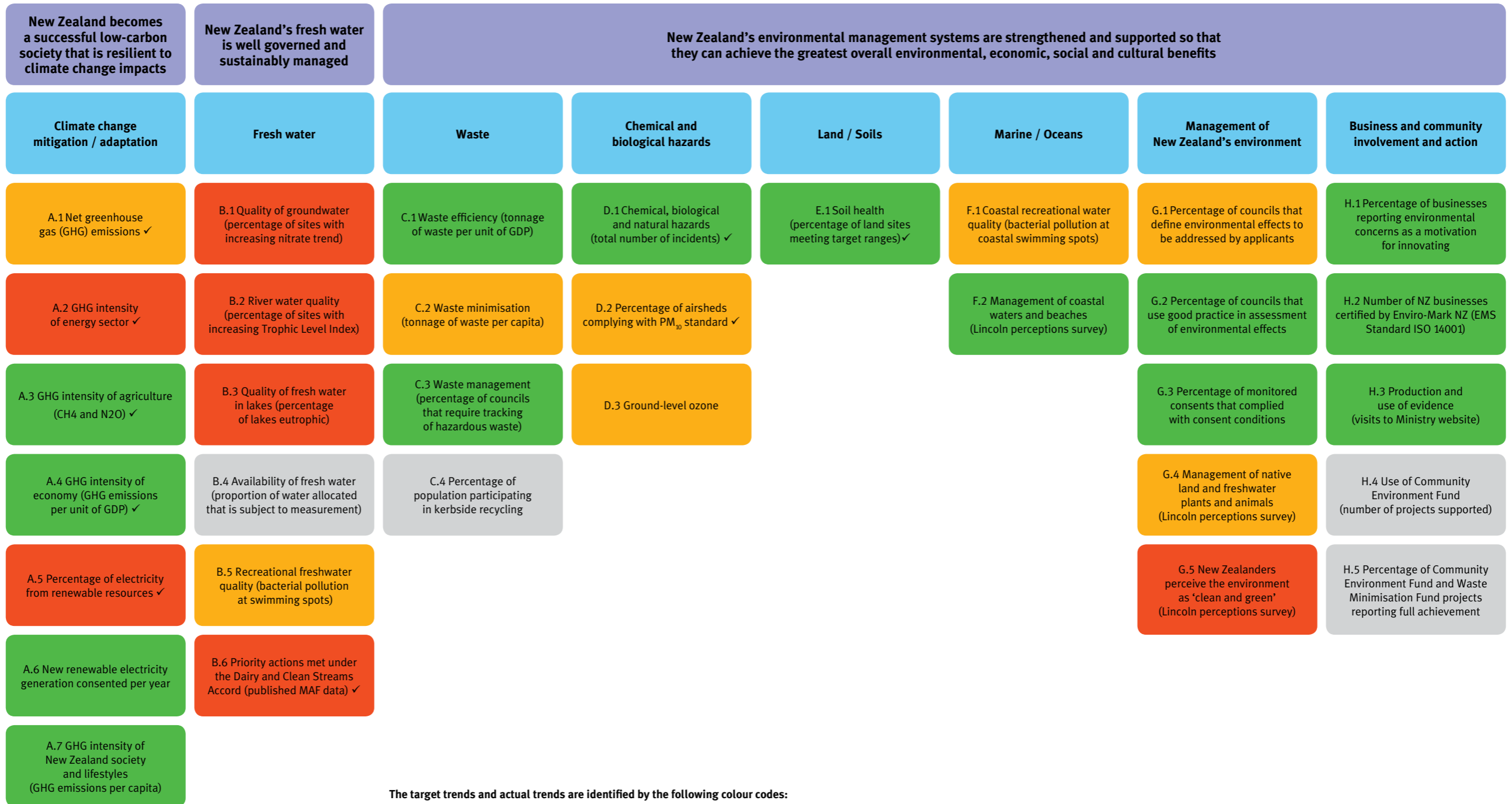
*6.3 Percentage of Community Environment Fund and Waste Minimisation Fund projects that report full achievement against objectives*

This is a new measure. The Waste Minimisation Fund is still in its first year. Therefore base data will not be available until the next financial year.

# Environmental stewardship for a prosperous New Zealand – a dashboard approach

This diagram provides a summary of key measures that have direct or indirect links to the Ministry for the Environment's end outcomes. Some measures intersect more than one outcome. The measures and indicators include the Ministry's core set of environmental indicators and other measures that have a direct or indirect link to the Ministry's work. Two supporting files provide the reasoning for each indicator and data. The tick (✓) shows the indicator was included in previous dashboards (SOI 2010-13; Annual Report 2009-2010).

The colour coding applies to trends (normally over the last 4-5 years) and not to the status quo in absolute terms. 'Green', for example, means that the situation is improving and does not necessarily mean that it is 'good' (or sufficient).



The target trends and actual trends are identified by the following colour codes:

- Improvement or desired direction of change (positive)
- Unclear trend or little change (~)
- Deterioration (negative)
- Currently only limited data points in time (-)