



Ministry for the
Environment
Manatū Mō Te Taiao



STATEMENT OF INTENT 2012 – 2015



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Foreword: Minister for the Environment

As the new Minister for the Environment, I am pleased with the progress that has been made in these portfolios over the past three years. This provides a good base on which to deliver my priorities for the next three years.

New Zealand depends on the effective management of our natural resources for our economic well-being and international reputation. It is crucial that balanced and sensible management of our resources protects the environment while promoting stronger economic growth.

My priorities for 2012–2015 are set out below.

- **Improving New Zealand's freshwater management:** Fresh water is vital to New Zealand's current and future prosperity, but must be managed sensibly and sustainably. Improving freshwater quality and availability and ensuring best use is made of water resources is a key result area for the Natural Resources Sector.

Through a collaborative process, the Land and Water Forum has reached consensus on high-level policy direction, including the need for a limits-based approach. The Minister of Primary Industries and I have commissioned further advice from the Forum and officials on possible methods, tools and governance processes required for setting and managing limits on water quality and quantity. The Fresh Start for Fresh Water Clean-up Fund will provide \$15 million in funding over two years to help communities clean up waterways that are affected by historical water quality issues. As at early March, \$13.8 million has been allocated.

- **Improving management of the Exclusive Economic Zone (EEZ):** The marine environment is important to New Zealand's fishing, aquaculture, oil and gas, tourism, transport, and telecommunication industries. However, the EEZ lacks a comprehensive environmental management regime of the kind that is standard in many other jurisdictions. The gaps in our regulatory system include no provision for environmental assessment and consenting of some activities. This creates both uncertainty for investment in developing resources and risks of poor environmental outcomes. The Exclusive Economic Zone and Continental Shelf (Environmental Effects) Bill was introduced to Parliament on 24 August 2011 and is my top legislative priority for 2012.
- **Resource management reforms:** Decisions about how natural resources are used are increasingly important to New Zealand's prosperity, as illustrated by the priorities above. The resource management reforms will target a simplification of processes, strengthen national direction, and improve environmental regulation. I propose to continue the programme of reforms begun in the previous term of government.
- **Improving reporting of New Zealand's environmental performance:** New Zealand needs high quality environmental information to support decision-making and meet international reporting obligations. In 2011, the then Minister for the Environment sought public input on proposals to establish a statutory basis for impartial and regular reporting of New Zealand's environmental performance. I aim to establish a national-level environmental monitoring and reporting system that will have credibility and integrity.
- **Adjusting the New Zealand Emissions Trading Scheme (NZ ETS):** The NZ ETS is New Zealand's main mechanism for establishing an incentive to reduce greenhouse gas emissions and meeting international obligations. It is a flexible and adjustable instrument that can be fine-tuned to influence the whole economy or specific sectors and to suit a range of international frameworks. The review of the NZ ETS undertaken in 2011 provides an opportunity to adjust the scheme and ensure it is fit for purpose.

- **Constructive engagement in international climate change negotiations:** There continues to be a strong international political commitment to action on climate change and pressure to reduce greenhouse gas emissions will grow. New Zealand needs to maintain a high level of involvement in the efforts to reach a comprehensive global agreement and to ensure that our commitments are fair, affordable and provide certainty.

Ministerial statement of responsibility

I am satisfied the information on future operating intentions provided by my department in this Statement of Intent and the *Information Supporting the Estimates* 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.

A handwritten signature in blue ink, appearing to read 'Amy Adams', with a large, sweeping initial 'A'.

Hon Amy Adams
Minister for the Environment
Responsible Minister for Ministry for the Environment

23 April 2012

Introduction from the Chief Executive

The Ministry is proud of the contribution it makes to stewardship of New Zealand's environment and to its prosperity. New Zealand's economy is dominated by industries that rely on natural resources. How these natural resources are used, re-used and managed has implications for the future well-being of all New Zealanders.

The Minister's priorities outlined in the foreword make clear the significance of environmental policy and legislation to New Zealand's environmental and economic well-being. These priorities, along with statutory responsibilities, will drive the Ministry's work programme over the next three years.

Key elements of our work will be carried out in collaboration with other agencies in the natural resources sector of government. The sector's focus is on water, climate change, the marine environment, and biodiversity – issues that connect strongly into our priorities and activities.

We are continuing our emphasis on delivering better results through more efficient use of the Ministry's own resources. Over the past three years, we have invested in significant levels of organisational development and change to make sure we improve our ability to deliver what the Government expects.

Changes made over the past three years have been wide-ranging, but their goal is clear; we want to ensure that we can deliver high quality advice and carry out our programmes efficiently. We have shaped our strategic direction to focus our work and organisational development. We have clarified the results we are trying to achieve by developing a new outcomes framework and aligning our activities and funding with this. We have introduced new tools and frameworks to improve our policy capability. We have reviewed the management structure, the finance, communications and policy functions, and administrative support. We have linked up with other agencies to share services where this will reduce costs and will continue to seek other such opportunities.

We have consistently sought to ensure that we are well placed to deliver on the Government's existing, and any emerging, priorities, within existing baselines.

Through these continuing efforts, the Ministry has put itself in good position to implement the efficiency savings in 2012/13. We know to maintain and improve this position, we need to ensure our ability to deliver (both in terms of capability and resources) matches the demands placed on us.

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 (2012/13 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



Glenn Phillips
Director, Strategic Business Performance
(Chief Financial Officer)

Nature and scope of functions

Mission

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

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 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 also monitors the activities and performance of the recently established 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
 - Environment Canterbury (Temporary Commissioners and Improved Water Management) Act 2010
 - Environmental Protection Authority Act 2011.
-

Strategic direction

Government priorities 2012–2015

The Government's priorities and expectations outlined in the Speech from the Throne (December 2011) and the Budget Policy Statement (February 2012) 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 Ministry's contribution to the Government's priorities is set out in the table below.

Government priority	Ministry contribution to Government priorities
Building a more productive and competitive economy	The Government has stated that it believes that balanced and sensible management of our resources will protect the environment while promoting stronger economic growth. The majority of the Ministry's work falls within this priority. It includes, for example, improving the Resource Management Act as part of the second phase of reforms, advancing the Fresh Start for Fresh Water programme, amending the Emissions Trading Scheme, and progressing legislation to better manage the environmental effects of activities in New Zealand's Exclusive Economic Zone.
Delivering better public services within tight financial constraints	The Ministry has taken numerous steps in recent years to ensure it operates efficiently and effectively. The Ministry continues to cooperate with other Natural Resources Sector agencies within government to look at opportunities for shared services and corporate activities. To deliver better public services, legislation will also be introduced to set a six-month time limit for the consenting of medium-sized projects.
Rebuilding Christchurch, our second-biggest city	The Ministry has an important role to play in the Christchurch rebuild by streamlining a number of regulatory processes (eg, through Orders in Council), waiving the Waste Disposal Levy on earthquake waste to Kate Valley Landfill (over \$700,000 to date), and supporting specific Christchurch based waste minimisation projects through the Waste Minimisation Fund (over \$3 million to date). The Ministry will enhance liaison with the Canterbury Earthquake Recovery Authority to build on learnings in the second phase of resource management reforms.

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 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 the outcome is 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 means natural resources should be allocated efficiently, used sustainably, and managed so 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, including the recently established Environmental Protection Authority, which will make an important contribution to these outcomes.

Evidence about the state of the environment helps us monitor progress towards the outcomes. We have identified 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.

Impacts

We have identified six impacts 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 the impact is 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 to achieve these impacts. Strategies for monitoring and evaluation are being developed to ensure we have a good understanding of the results of our activities.

How we will measure progress with the impacts is outlined in figure 2. These measures 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 2011/12 Annual Report.

Output classes

The Ministry's work programme is funded through Vote Environment. From Budget 2012, the appropriations in the previously named Vote Climate Change have been merged into Vote Environment. 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.

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. Some changes have been made through the 2012 Budget process to the output classes to better distinguish policy advice and ministerial servicing from other types of Ministry outputs.

The specific outputs to be delivered across all work areas in each financial year are agreed with the Minister for the Environment and the Minister for Climate Change Issues, and are recorded in the Output Plan. The Ministry reports quarterly to the Ministers 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. New non-departmental output classes were created in 2011 to fund the work of the Environmental Protection Authority.

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'.

The Ministry is conscious of the need for it to provide efficient and effective services that represent good value for money for all New Zealanders.

Figure 1: Ministry for the Environment outcomes framework

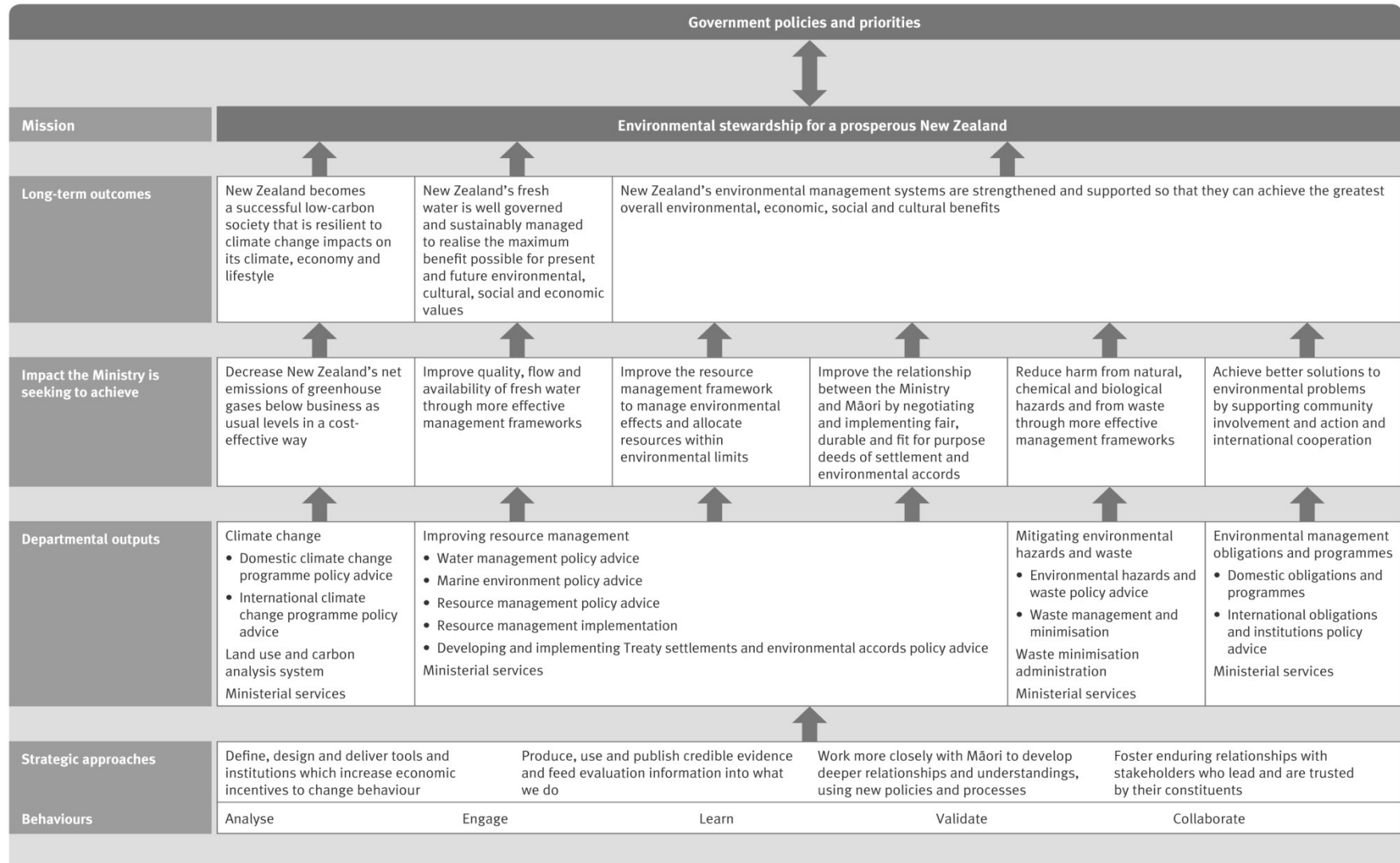


Figure 2: Impacts, measures and targets

Impact	Impact measures	Target
Outcome: New Zealand becomes a successful low-carbon society that is resilient to climate change impacts on its climate, economy and lifestyle.		
1. Decrease New Zealand's net emissions of greenhouse gases below business as usual levels in a cost effective way	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
Outcome: 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.		
2. Improve quality, flow and availability of fresh water through more effective management frameworks	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
Outcome: New Zealand's environmental management systems are strengthened and supported so that they can achieve the greatest overall environmental, economic, social and cultural benefits.		
3. Improve the resource management framework to manage environmental effects and allocate resources within environmental limits	i. The national environmental standard for air quality (PM ₁₀ 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)
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	i. Percentage of Māori partners in deeds of settlement and environmental accords satisfied or very satisfied with Ministry implementation of obligations.	80% satisfied or very satisfied
	ii. Percentage of relevant Ministry obligations under deeds of settlement and environmental accords met.	100% compliance
5. Reduce harm from natural, chemical and biological hazards and from waste through more effective management frameworks	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
6. Achieve better solutions to environmental problems by supporting community involvement and action and international cooperation	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 work to help our Ministers with statutory functions and Parliamentary responsibilities. Much of this work is demand-driven (for example, investigations, applications for water conservation orders, and 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.

A key focus remains the effective operation of the Emissions Trading Scheme. The Ministry has a continuing role in ensuring the effective operation and implementation of the Emissions Trading Scheme, advice to the Government, and development of regulations.

In addition, following the ETS review undertaken in 2011, there is an opportunity to amend the scheme to improve its operation and effectiveness. In particular, there is a need to assess how it should evolve as New Zealand's international obligations change.

The Ministry leads cross-government activity on 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, including potential amendments to the New Zealand Emissions Trading Scheme
- 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 on 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.

Fresh water

Freshwater management is primarily the responsibility of local government, though central government sets the framework within which decisions are made and iwi and stakeholders play an increasingly significant role. There is significant variation across New Zealand in 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 in many areas.

The Government's Fresh Start for Fresh Water programme 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 underway, jointly led by the Ministry for the Environment and Ministry of Primary Industries.

The Government has also sought advice from 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. Officials work closely with the Forum. There are also close connections with iwi, 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. The first projects to be funded through the New Initiatives Fund established in 2011 are Te Waihora/Lake Ellesmere, Lake Wairarapa, Wainono and Waituna lagoons, and the Manawatu River.

Resource management

The resource management system has evolved over the past two decades as central and local government have tried to meet changing and sometimes conflicting public needs and expectations. The Government's resource management reforms are focused on improving local government efficiency and cost effectiveness, and on delivering a long-term dynamic and responsive resource management system that can adapt over time to changing values, pressures and technology. The improved system provides both economic and environmental benefits, while ensuring effective public participation.

Over the next four years, reforms to the resource management system will involve policy development and decision-making, legislative change, and supporting implementation. There will then be a need to monitor and evaluate the success of the reforms.

The intention is to develop policy with other key agencies, iwi and stakeholders, focusing on core strategic issues that are integral to the successful functioning of the system – including simplifying and streamlining processes for plan making and review, collaborative engagement

and governance (rights, responsibilities, rules and tools), the management of finite resources through limit setting and allocation, institutional connectivity, Treaty of Waitangi issues, natural hazard management, and the availability of robust information to support decision-making.

In addition to policy work supporting legislative changes, another key part of our resource management work is developing national policy statements, national environmental standards, and implementation tools and guidance to provide national clarity and consistency on the approaches to be taken to resource management. At times it includes activities with a regional focus, such as advice on Auckland's spatial plan and planning framework, the response to the Rena running aground, and the government response to the Christchurch earthquakes.

A new environmental effects management regime is also being established for New Zealand's marine environment between 12 and 200 nautical miles (the Exclusive Economic Zone) and the extended continental shelf.

Environmental reporting ensures we understand the impacts of measures 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.

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 the resource management frameworks for planning and decision-making
- 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 where necessary, review these national instruments
- assist Ministers with their statutory functions under the Resource Management Act
- provide implementation 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.

Treaty commitments

The Crown and iwi both have an interest in managing and developing natural resources. The Ministry developed valuable relationships with iwi while working on policy related to the resource management system, water, climate change, and the Exclusive Economic Zone.

The Ministry is also 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 negotiating 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 pose risks to New Zealand's environment, people's health and our economy. The policy framework ensures 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 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 protects the environment and provides 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. A key focus of the period of the Statement of Intent will be investigating options for product stewardship for electronic waste, with a particular focus on maximising opportunities for reuse and recycling of televisions during the digital switch over.

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 natural, chemical and biological hazards
- advise on and implement the Waste Minimisation Act 2008, including collecting and distributing Waste Disposal Levy funds, assessing product stewardship schemes, and facilitating good waste management and minimisation planning by local authorities
- maximise the recycling of unwanted televisions during and after the digital switch over and explore options for a long-term solution to improve the management of electronic waste in New Zealand.

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 allocating government funding to support environmental improvements.

Community involvement and international cooperation can often achieve solutions and results 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 and monitor contaminated site ‘clean-up’ projects delivered by third parties
- negotiate and implement environmental 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.

In 2010, the Ministry introduced a new system for assessing, reporting on, and improving the quality of our policy advice products, building on our policy guide 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 is the second financial year of assessing the Ministry’s performance against the new criteria.

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 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's Regulatory Impact Analysis Panel assesses the quality of our regulatory impact statements in meeting government requirements. The panel also provides advice to staff on how to conduct their analysis.

Developing an integrated monitoring framework for the RMA

The Biennial Survey of the Resource Management Act provides the Ministry and Minister with information on the Act's application and any improvements needed. The current survey focuses on outputs, rather than on the outcomes of processes or tools. The Ministry is part way through a project to establish an integrated monitoring framework for the RMA. The framework is expected to replace, or at least accommodate, the RMA survey and provide a more efficient and effective platform for assessing both the outputs and outcomes of the Act, including those relating to national environmental standards and national policy statements. The Ministry is working with a number of councils, Local Government New Zealand and the Environmental Protection Authority to scope and develop a draft framework by August 2012. Once agreed, it is anticipated that it will be implemented over a two-year period. Until the framework is in place, the Biennial Survey will remain the main way to capture information on implementing the Act.

Measuring effectiveness of policy interventions

The Ministry is placing a strong emphasis on incorporating monitoring and evaluating into all of our work.

We have established a formal Ministry-wide evaluation function focused on building evaluative capability across teams. We will continue to develop approaches to help staff monitor and evaluate the efficiency and effectiveness of our policies and programmes.

We are developing a framework for prioritising formal evaluation of large projects and programmes, to establish a coherent programme to assess and improve the effectiveness and efficiency of our policy interventions.

We will continue to build upon the monitoring and evaluative activity already underway, and will develop monitoring and evaluation plans for significant policies and programmes.

The operating environment

Recent changes in the environment sector

In 2011, the Environmental Protection Authority (EPA) was established as a new Crown entity. Similar technical and regulatory skills were consolidated to enhance New Zealand's environmental regulation. The EPA's main functions include national consenting under the Resource Management Act, administering the New Zealand Emissions Trading Scheme (including registering and allocating New Zealand units), and regulating chemical and biological hazards. The Ministry works closely and collaboratively with the EPA to improve and monitor environmental management. We also monitor the activities and performance of the EPA on behalf of the Minister for the Environment.

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 to give the Government 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
Better analysis and advice Decision-making by government is supported by high quality advice which provides an integrated Natural Resources Sector understanding of key issues.	Ministers report that joined-up advice is delivered to them in priority areas of water, aquaculture, environmental governance, climate change and Māori/Treaty issues. The quality and level of integration of policy advice shows improvement over time. The economy and environment principles are reflected in Natural Resources Sector advice on key policy issues.

Working together better

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.

Each agency contributes to work that develops a shared understanding of strategic natural resource issues.

Each agency contributes to resourcing the support unit.

The Natural Resources Sector of government includes the Ministry for the Environment (Chair), Ministry of Primary Industries, Te Puni Kōkiri, Ministry of Science and Innovation, Department of Conservation, Ministry of Economic Development, and Land Information New Zealand.

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 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 underway 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 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 Forum¹ 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 has embedded its approach to managing risk into our day-to-day operations.

¹ The Chief Executives' Environment Forum is a regular meeting between chief executives from all regional councils and unitary authorities, Local Government New Zealand and central government departments concerned with the environment and resource management including the Ministry for the Environment, Ministry of Primary Industries, Ministry of Economic Development, Ministry of Transport, the Departments of Conservation, the Department of Internal Affairs, the State Services Commission, Land Information New Zealand, Te Puni Kōkiri, Statistics New Zealand, and any other departments as required.

The Audit and Risk Committee provides independent assurance and risk management advice to the Chief Executive. The committee consists of three independent external members: Paul Carpinter (Chair), George Reedy, and Marion Cowden.

The committee considers that the Ministry has made significant progress in managing its key risks (leadership, reputation and effective management).

The Ministry’s leadership team regularly reviews, monitors and identifies key strategic risks they perceive the organisation faces over the next three to five years to ensure adequate mitigation strategies are in place to manage these risks. The Ministry’s key risks and mitigation strategies are outlined below. A new internal organisational policy framework has been introduced so all policies are written in a clear and consistent manner. Appropriate procedures and guidelines are in place to support all policies.

Key risk	Mitigation strategy
Organisational strategy, leadership and reputation	
We are unable to articulate or lose sight of our objectives.	The strategic direction, supported by the supporting strategies and the outcomes framework, drives better understanding of our objectives and supports staff to deliver them. The Ministry will continue to investigate opportunities to enhance the quality of its strategies and work plans, which includes a new project to improve business planning.
We may not identify key external relationships or neglect those we know.	The Ministry proactively engages with its top 40 stakeholders. The implementation of the Tūhono Strategy seeks to build effective and enduring relationships with Māori. Ministry leadership will continue to engage with leaders in other government and non-government sectors to build strong working relationships.
We might lose the confidence of the Minister(s).	The governance structure ensures the Ministers’ priorities are reflected in the Ministry’s work programme. We will continue to provide regular reports to the Ministers and to regularly review and improve the quality of our advice to the Ministers.
Delivery of key priorities, projects and programmes	
We may not be working on the right things in the right way to achieve the desired impact.	The implementation of the outcomes framework and impact measures helps to assess and report on progress with the Ministry’s priorities. Focusing our attention on outcomes and impacts will ensure we are working on the right things and can advise the Ministers on how best to achieve the desired impacts. This includes clarifying the role of senior management in monitoring progress and measuring the impacts of our work programmes. The Ministry is also beginning to implement business planning improvements.
We may not meet increasing expectation regarding Natural Resources Sector leadership and delivering sector outcomes.	There are increased expectations on the Natural Resources Sector (NRS) to deliver work programmes that will achieve good outcomes for New Zealand. We will work with our NRS partners to improve our breadth and depth of understanding and to share responsibilities in delivering sector outcomes. Ministry leadership will work to strengthen relationships between the NRS and the Chief Executives’ Environment Forum to achieve better integration of work across central and local government.
Developing the right capability and capacity	
Our vision may not be met if staff are disengaged or are unclear about Ministry expectations.	Staff engagement is essential for the Ministry to become the high performing adviser to government and the sector leader that it aspires to be. To achieve this, we aim to be clear, simple and aligned with our strategic direction when communicating key messages. Ministry

Key risk	Mitigation strategy
	management uses multiple channels to communicate with staff internally. Key messages for external communication are updated regularly. We will continue to monitor and manage this risk based on the Gallup engagement survey results and stakeholder surveys.
Effective business continuity plan and clear responsibilities for action may not be in place.	The Ministry's ability to respond to a major disaster is being audited by Internal Audit. The Ministry aims to have a robust business continuity management programme in place to be able to cope with disasters of varying scales. Once the programme is in place, Business Continuity and Recovery Team members will meet monthly to discuss issues. Ministry staff will be briefed regularly on the Ministry's Business Continuity Management Programme.

Crown risk

Kyoto Protocol obligations

The fiscal impact of the Government's Kyoto Protocol obligations (2008 to 2012) is currently uncertain. An increase in New Zealand's net emissions or the future transfer of emission units offshore could reduce the net Kyoto position significantly. Increased allocation to emitters or increased participation by foresters under the ETS would negatively impact the Government's ETS position. The fiscal impact of any changes is dependent on the carbon price. The Government may also need to purchase emission units to meet its obligations, which would have a corresponding impact on net debt.

Review of the Emissions Trading Scheme

A statutory review of the ETS was completed in 2011. The Government is considering changes to the ETS in response to the recommendations of the review. Depending on final decisions, the impacts of these changes could range from a net fiscal cost of \$145 million to fiscal savings of up to \$174 million over the forecast period. These estimates are subject to change, based on carbon price fluctuations and the final decisions to be taken following public consultation.

International Climate Change obligations

The Government is currently taking part in international negotiations for a post-2012 international climate change agreement. Currently no rights or obligations are included in the fiscal forecasts for any post-2012 agreement because of the high levels of uncertainty.

Any international target taken by New Zealand could have significant financial implications, which will need to be recognised when the commitment is considered binding.

Following the Conference of the Parties in Durban in 2011, New Zealand is considering decisions on the nature of any international commitments to 2020, including whether to sign up to a second commitment period under the Kyoto Protocol.

Finance for developing countries under Copenhagen Accord

There is an international expectation that developed countries, including New Zealand, contribute finance to developing countries to support adaptation and mitigation. Developed countries have committed to mobilising \$US100 billion per year by 2020 to address the needs of developing countries. This would come from a wide variety of sources, both public and private.

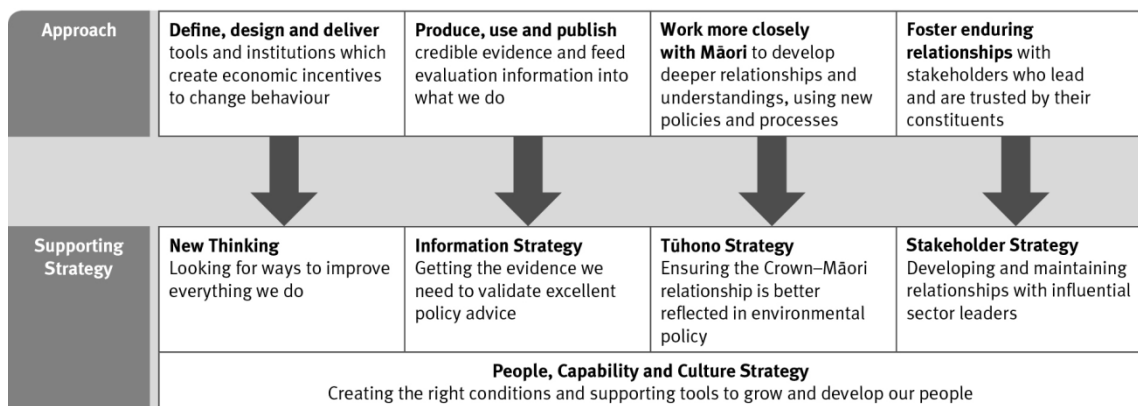
Organisational health and capability

Implementing the strategic direction

The Ministry for the Environment generates 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. The Strategy takes a three-phased approach, with each phase 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 has focused on updating and fixing our core systems and processes. A new remuneration system has been implemented and a fresh approach to Performance and Development is underway. 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 better 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 remains a key focus for the Ministry. Our initiatives will focus on mastery of leadership and management skills, as well as facilitating relationships across the Natural Resources Sector.

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

New Thinking Strategy

The New Thinking Strategy has identified three key areas where there is an opportunity to improve the way the Ministry operates. ‘Managing for the Medium Term’ is part of our wider business planning improvements, and is about ensuring the line of sight is clear between strategic priorities and outcomes, the strategic policy work programme, and annual work programme planning. It also considers how we build a shared medium-term perspective to inform work planning and prioritisation.

The ‘Delivering Quality’ work stream examines our tools to support quality of advice, including the Quality Advice criteria and associated training, and the COBRA (Cost, Opportunity, Benefit, Risk, Analysis) policy approach. It looks at the usage and relevance of these tools across the Ministry, and assesses whether more guidance or other interventions are required.

The ‘Better and Different’ work stream focuses on identifying and understanding new and future issues, building our capability to tackle complex issues, and creating the right environment to support and nurture innovation.

Information Strategy

The Information Strategy is a Ministry-wide strategy that outlines the approach we will take to produce, use and publish credible evidence, and feed evaluation information into what we do.

By basing our policy advice on credible evidence and evaluation information, we expect that:

- decision-makers will have more confidence in our advice
- environmental policies will be better targeted to significant environmental problems and more effective at addressing these problems
- there will be greater societal support for responding to environmental problems and more political consensus about what that response is.

The Information Strategy covers information relevant to most stages in the policy cycle and has four work streams:

- Produce credible evidence: we produce the information that allows the Ministry to define and deliver its current and future work programme
- Use credible evidence: we use evidence well when developing and implementing policy advice
- Publish: we publish information in a way that inspires trust in the integrity of our information and systems, allows others to benefit from our information, and reduces transaction costs for stakeholders and the Ministry
- Evaluation: we make monitoring and evaluation of programmes and policies an ordinary thing that we do as part of our work.

Tūhono Strategy

The Ministry is working with Māori groups to further our understanding of their perspectives and to help improve outcomes for Māori.

The Tūhono Strategy ensures the Crown-iwi relationship under the Treaty of Waitangi is better reflected in environmental policy and resource management arrangements. This includes:

- developing policy and programmes that better reflect the Crown-iwi relationship
- embedding our Treaty of Waitangi settlement obligations into the way we work
- developing stronger relationships with iwi
- building capability across the Ministry to engage with Māori.

We want to make sure the views of Māori and iwi are considered in setting strategic direction, developing environmental policy, and implementing programmes. In line with the Ministers’ 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 needs to engage with a variety of people and organisations so we can deliver and implement quality policy.

To do this effectively, we must understand the needs of our stakeholders and the resources required to engage with them.

The Stakeholder Strategy focuses on three key elements:

- effectively engaging at a senior level with stakeholders who lead, and are trusted by, their constituents
- building coherence and integration within the Ministry to help deliver effective external stakeholder engagement
- effective and consistent evaluation that identifies areas for development.

Objectives for organisational health and capability

The following table 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	Current state
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 most recent Gallup engagement results show we have improved our results from near the bottom of all New Zealand state sector to the 73rd percentile. Over this same four-year time period we have also increased our ratio of engaged to disengaged staff from 1.38:1 to 6.14:1. The New Zealand base shows this average ratio as 2.43:1. We will continue to target activities to improve engagement, with a particular focus on the areas we score lowest on.

What we want to achieve	How we will know if we are achieving these objectives	Current state
<p>Look for ways to improve everything we do.</p>	<p>Continuous improvement in policy advice products as measured by the quality policy advice assessment panel and the internal regulatory impact analysis reference panel.</p>	<p>Current state: As at quarter two of 2011/12, 53% of papers sampled were assessed as high quality, up from 49% in the 2010/11 Annual Report.</p> <p>The Ministry has over the last year instituted a rigorous assessment process including an independently-chaired panel and a high benchmark.</p> <p>We have used the results of the assessment panel to identify specific areas where improvements can be made in the quality of our advice. We have instituted a plan which targets authors, peer reviewers, and managers to help shift a proportion of papers from just below the benchmark to surpassing it.</p>
<p>To produce, use and publish credible evidence and feed evaluation information into what we do.</p>	<p>An internal survey of staff shows increased awareness of what information is available for use and the information produced and published is increasingly relevant to the advice provided.</p>	<p>Current state: A survey in 2011 indicated that the major limitations in our use of information were a lack of awareness of what information exists (47% of staff) and the relevance of the information to the advice (43% of staff).</p> <p>Four separate work plans will be developed to ensure we produce and use information well, publish information that inspires trust, and use evaluation information in our work. We will do another survey and develop additional measures as part of developing the work plans for the strategy.</p>
<p>Ensure the Crown–Māori relationship is better reflected in environmental policy.</p>	<p>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.</p>	<p>Current state: As at December 2011, 39% of staff had attended at least one module. Our target was 30% of staff by December 2011. Our new target is 45% of staff by December 2012.</p>
<p>Develop and maintain relationships with influential sector leaders.</p>	<p>Positive views of external stakeholders as measured by a survey of stakeholder perceptions of the Ministry.</p>	<p>Current state: A perception audit of key strategic stakeholders conducted in October 2011 has given the Ministry a baseline measure.</p> <p>Fifty-five per cent of stakeholders surveyed believe that the Ministry has effective relationships with them.</p> <p>The Stakeholder Strategy is driving initiatives to ensure the Ministry's relationships with stakeholders continue to improve.</p>

Organisational structure

The Ministry is led by a leadership team comprising the Chief Executive and four Deputy Secretaries (including the Tumuaki). The Environment Leadership Team provides strategic leadership to the Ministry's work programmes, discusses how the Ministry operates externally, and how it runs the internal business.

Across all divisions, 10 directors hold collective responsibility for delivering the work programme. This includes managing the financial and people resources required to ensure the Ministry is well placed to deliver the work and advising the Environment Leadership Team.

Ministry division	Main services
Chief Executive Dr Paul Reynolds	<ul style="list-style-type: none"> • Leadership of the Ministry
Policy Division Deputy Secretary Guy Beatson	<ul style="list-style-type: none"> • Policy thinking • Problem definition scoping • Options development and analysis • Regulatory impact
Kaahui Taiao Tumuaki Chappie Te Kani	<ul style="list-style-type: none"> • Strategic advice on Māori and Treaty of Waitangi issues • Developing more effective relationships with Māori
Programmes Division Deputy Secretary Andrew Crisp	<ul style="list-style-type: none"> • Operational policy and translating policy proposals to operational initiatives • Technical design • Delivery and review of the national instruments/tools or operational functions that give effect to the policies and legislation
Strategy and Corporate Division Acting Deputy Secretary Mark Sowden	<ul style="list-style-type: none"> • Internal / external strategy • Organisational performance • Strategic policies • Governance-related relationships • Corporate services

Ministry budget and assets

Funding

The Ministry has focused on improving its efficiency and effectiveness over several years, including introducing a new strategic direction in 2010. To deliver the most effective high quality advice and support, the Ministry has undertaken reviews of management, communications, policy functions, and administrative support while using savings to fund priorities for the Government, including establishing the Environmental Protection Authority and funding the clean-up of Tui Mine.

This reprioritisation of funding has meant the Ministry has already reduced the current year baseline to levels similar to when the efficiency dividend begins in 2012/13. The Ministry will continue to prioritise funding to meet ongoing pressures without seeking additional funding.

The Ministry is also undertaking a project to examine the planning, budgeting and reporting information required to help it make effective prioritisation decisions. This complements the work already completed on the Ministry's outcomes framework and the restructure of our output classes in 2010/11. Our aim is to better focus on the impact funding is having in the medium term and to provide a transparent prioritisation framework, beginning with improved medium-term planning in time for Budget 2013.

Processes and technology, and physical assets

Over the past year the Ministry has completed a review of its administrative and support function and associated core processes such as procurement, recruitment, ministerial services and travel. Effective, integrated and consistent administrative support and associated processes are integral to the Ministry achieving its goals and continuing to enhance its performance.

We will implement the structural and cultural changes arising from the review and continue to ensure internal processes are efficient and effective, that decisions are made at the right time by the right people, and that the Ministry has flexibility that enables us to deliver our work programme during periods of high demand.

Information and communications technology are the major assets owned by the Ministry. The Ministry has recently developed an Information System Strategic Plan (ISSP) which supports the Ministry's overall strategy. It highlights the following five priorities and areas of focus:

- development of the Natural Resources Sector shared services
- delivery of 'open data' and supporting robust data management practices
- improved information management governance and maturity
- delivery of business aligned applications
- aligning the Ministry to the Whole-of-Government Information Technology Strategy.

Each of the priorities will be progressed over the next three years and take into account the changing nature of information technology and any changes arising from the business needs and the direction of the state sector. The ISSP will be formally reviewed bi-annually and regularly monitored by the governance committee.

Departmental capital and asset management intentions

Historically, the Ministry has had two broad areas of capital expenditure. These have been the Land Use and Carbon Analysis System (LUCAS) which contributes to meeting New Zealand's greenhouse gas reporting obligations under the Kyoto Protocol; and other standard capital items such as hardware, software and other equipment. The hardware and hosting for LUCAS is due for reinvestment. The future demand for capital expenditure will depend on decisions yet to be taken.

The second area of capital expenditure is an ongoing amount of approximately \$650,000 per annum for standard capital items that relate mainly to updating the Ministry's desktop and server infrastructure. The remainder is allocated to the purchase and development of upgrades to core systems.

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"> Climate change 	<ul style="list-style-type: none"> Department of Conservation Land Information New Zealand Ministry of Primary Industries Ministry of Consumer Affairs Ministry of Economic Development Ministry of Foreign Affairs and Trade Ministry of Health Ministry of Science and Innovation Ministry of Transport Statistics New Zealand The Treasury Environmental Protection Authority Energy Efficiency and Conservation Authority 	<p>Central agencies and their goals</p> <ul style="list-style-type: none"> Department of Prime Minister and Cabinet Good government with effective public service support 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 The Treasury Delivering better, smarter frontline public services funded primarily from within public agencies' existing operating baselines
<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"> Fresh water Working with others 	<ul style="list-style-type: none"> Department of Conservation Land Information New Zealand Ministry of Primary Industries Ministry of Economic Development Ministry of Foreign Affairs and Trade Ministry of Health Ministry of Science and Innovation Statistics New Zealand Te Puni Kōkiri Local government 	<p>The Natural Resources Sector's goals:</p> <ul style="list-style-type: none"> Decision-making by Government is supported by high quality advice which provides an integrated Natural Resources Sector understanding of key issues 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 The Natural Resources Sector comprises: <ul style="list-style-type: none"> Ministry for the Environment Ministry of Primary Industries Ministry of Economic Development Ministry of Science and Innovation Department of Conservation Land Information New Zealand Te Puni Kōkiri
<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"> Resource management Treaty commitments Environmental hazards and waste Working with others 	<ul style="list-style-type: none"> Department of Building and Housing Department of Conservation Department of Internal Affairs Department of Labour Land Information New Zealand Ministry of Primary Industries Ministry of Civil Defence and Emergency Management Ministry of Culture and Heritage Ministry of Economic Development Ministry of Foreign Affairs and Trade Ministry of Health Ministry of Justice Statistics New Zealand Te Puni Kōkiri Environmental Protection Authority Maritime New Zealand Office of Treaty Settlements Local government 	<p>Contributors to the Ministry's 'evidence base' and role as National Inventory Agency under the Kyoto Protocol</p> <ul style="list-style-type: none"> Regional councils Crown research institutes Statistics New Zealand Natural Resources Sector Ministry of Transport Ministry of Science and Innovation

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.	<ul style="list-style-type: none"> Administration of New Zealand Units held on Trust Allocation of New Zealand Units Emissions Trading Scheme Framework Convention on Climate Change Issue of New Zealand Assigned Amount Units to Permanent Forest Sink Initiative Participants Purchase of PRE units
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.	<ul style="list-style-type: none"> Fresh Start for Fresh Water: New Initiatives Protecting Lake Taupo Programme Multi-year Appropriation (MYA) Fresh Start for Fresh Water: Rotorua Lakes Restoration Programme Fresh Start for Fresh Water: Waikato River Clean-up Fund
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.	<ul style="list-style-type: none"> Environmental Protection Authority: Regulatory Functions Multi-Class Output Expense Appropriation (MCOA) – Supporting Environmental Management
	Improve the relationship between the Ministry and Māori by negotiating and implementing fair, durable and fit for purpose deeds of settlement and environmental accords.	<ul style="list-style-type: none"> Waikato River Co-governance Waikato River Co-management
	Reduce harm from natural, chemical and biological hazards and from waste through more effective management frameworks.	<ul style="list-style-type: none"> Contaminated Sites Remediation Fund Environmental Protection Authority: Regulatory Functions (MCOA) – Decision-making and Compliance; and Enforcement

Outcomes	Impacts	Appropriation
		<ul style="list-style-type: none"> • Rena clean-up (MYA) • Tui Mine Remediation (MYA) • Waste Disposal Levy Disbursements to Territorial Local Authorities
	<p>Achieve better solutions to environmental problems by supporting community involvement and action and international cooperation.</p>	<ul style="list-style-type: none"> • Climate Change Development Fund • Community Environment Fund • Contestable Waste Minimisation Fund • Environmental Legal Assistance • Environmental Training Programmes • Promotion of Sustainable Land Management • International Subscriptions • United Nations Environment Programme

Appendix 3: Current state and trends

During 2010/11, the Ministry undertook further work to improve our outcomes framework, impacts and impact measures. Measurable improvements in the natural environment due to environmental management interventions may take years or even decades to become evident. As the environmental management system is highly devolved, there may also be a lag before changes are made in local government plans or decision-making in response to central government interventions. Therefore, we have provided the most recent information available for the impact measures below and, where relevant, indicated when new information will become available. In some instances, the information has not been updated since the 2010/11 Annual Report was published because that is still the most recent information available. Further updates will be provided in the 2011/12 Annual Report.

The Ministry plans to continue to develop our monitoring and evaluation processes to ensure we have a good understanding of what action is being taken in response to government interventions and how effective these interventions have been. This may require adjustments to our outcomes framework when necessary.

1. Climate change

Decreasing greenhouse gas emissions is essential if New Zealand is to become a successful low-carbon society. The measures below help us understand if New Zealand is on track to meet its international obligations and the level of emissions compared with growth in population and gross domestic product.

1.1 Trends in greenhouse gas emissions and removals in the annual greenhouse gas inventory

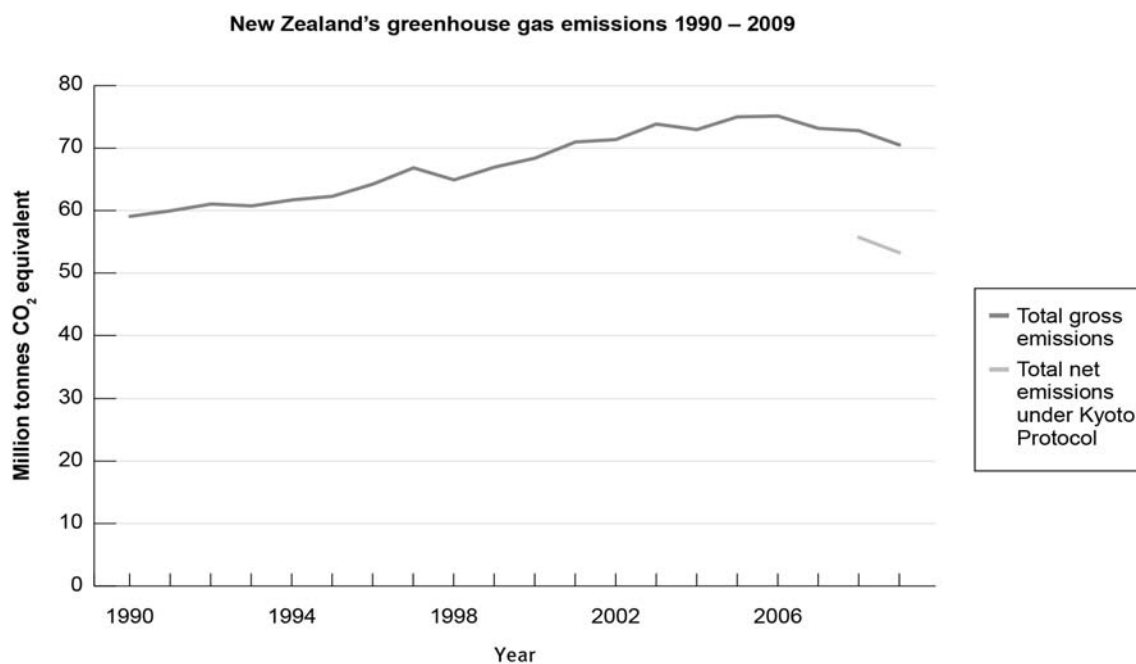
The graph below shows the trend in New Zealand's total (gross) greenhouse gas emissions from 1990–2009 (gross emissions excludes any removals of emissions through land use, land-use change and forestry). This is the latest data as presented in the April 2011 inventory submission to the United Nations Framework Convention on Climate Change secretariat.

In 1990, New Zealand's total greenhouse gas emissions were 59.1 million tonnes of carbon dioxide equivalent (Mt CO₂-e). In 2009, total greenhouse gas emissions had increased by 11.5 Mt CO₂-e (19 per cent growth) to 70.6 Mt CO₂-e. Between 1990 and 2009, the average annual growth rate in total emissions was 0.9 per cent per year.

The four emission sources that contributed the most to this increase in total emissions were road transport, dairy enteric fermentation (methane emissions produced from ruminant livestock), public electricity and heat production, and agricultural soils.

Between 2008 and 2009, New Zealand's total greenhouse gas emissions decreased 2.3 Mt CO₂-e (3 per cent). This decrease was due to a greater use of renewable energy for electricity production in 2009, a reduction in road transport emissions, a reduction in the use of nitrogen fertiliser applied to pasture, and continuing effects of the 2008 drought (reduced numbers of livestock).

Net emissions reported under the Kyoto Protocol are defined as gross emissions plus emissions and removals from Article 3.3 activities of the Kyoto Protocol. This includes removals from the growth of post-1989 forest, and emissions from the conversion of land to post-1989 forest, the harvesting of forests planted on non-forest land after 31 December 1989, and the deforestation of all forest types, as well as emissions from liming, biomass burning, and soil disturbance associated with land-use conversion to cropland.



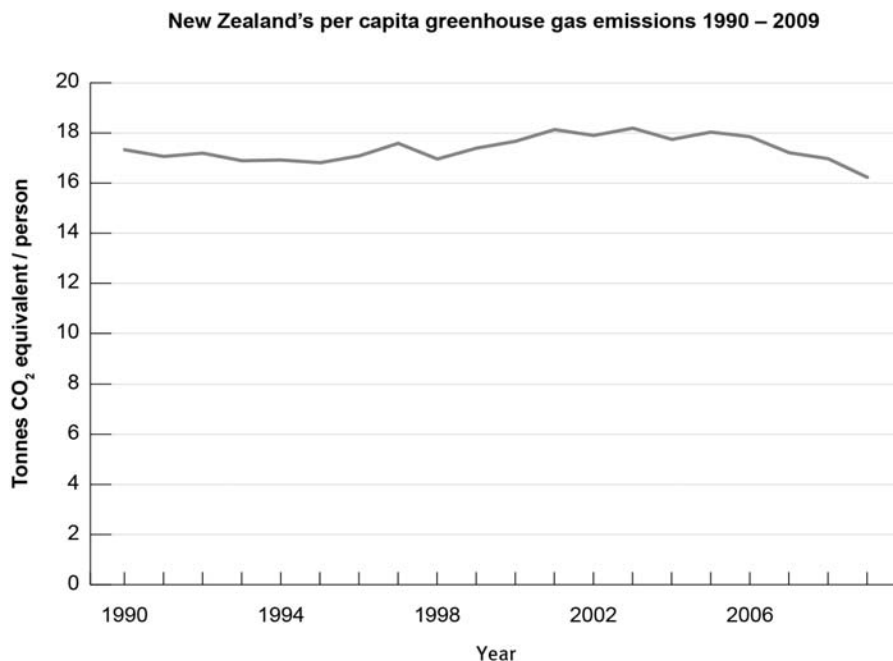
The trend between 2008 and 2009 for net emissions is dominated by the trend in total emissions. Emissions and removals from Article 3.3 activities under the Kyoto Protocol were relatively steady (-17.1 Mt CO₂-e in 2008 and -17.3Mt CO₂-e in 2009).

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 two data points available. More trend data will be available as this data is reported in annual inventory submissions throughout the first commitment period.

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 1990–2009 (on gross emissions basis).

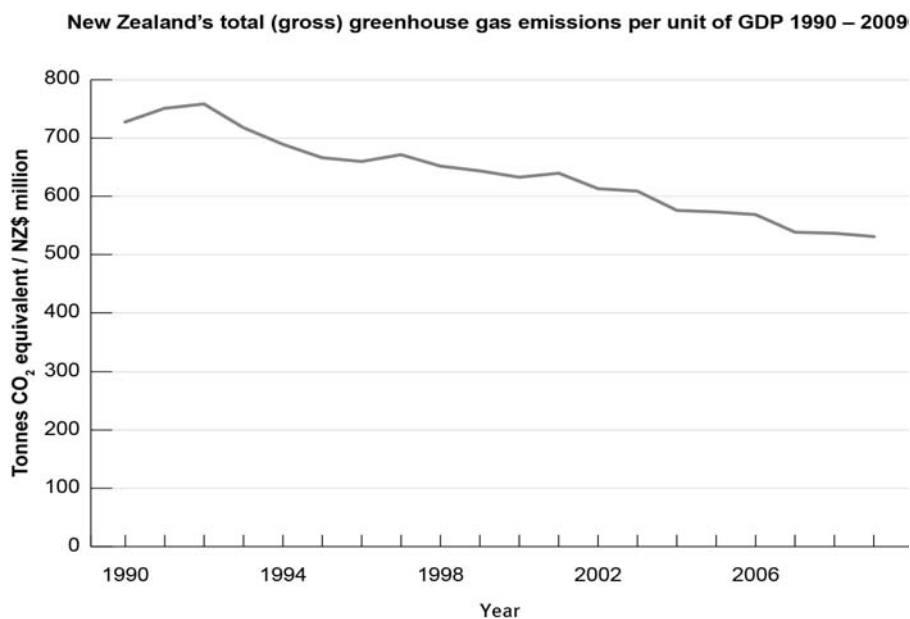
New Zealand's population has been growing faster than gross greenhouse gas emissions with an increase in population of 27 per cent between 1990 and 2009. New Zealand's population has increased by 27 per cent since 1990, compared with total greenhouse gas emissions increasing by 19 per cent. This has resulted in a decreasing trend in total greenhouse gas emissions per person. In 1990, per capita emissions were 17.3 tonnes carbon dioxide equivalent (t CO₂-e). In 2009, per capita emissions were 16.2 t CO₂-e (6 per cent lower than in 1990).



The next graph shows New Zealand's gross greenhouse gas emissions divided by GDP (product measure) from 1990–2009.

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.

New Zealand's GDP has grown over 60 per cent since 1990, at a much greater rate than New Zealand's total greenhouse gas emissions (19 per cent). New Zealand's total greenhouse gas emissions per unit of GDP have decreased 27 per cent from 727.9 tonnes CO₂-e per million NZ dollars in 1990 to 531.0 tonnes CO₂-e per million NZ dollars in 2009.



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 units transfers. This updated information is available on the Ministry's website: www.mfe.govt.nz.

1.4 New Zealand's net position under the Kyoto Protocol

Financial statements period ended	2010/11	2009/10	2008/09	2007/08
Net position excluding transfers	25.2	13.5	9.6	(21.7)
Net transfers from the assigned amount in million units	3.3	2.3	0	0
Net position in million units	21.9	11.2	9.6	(21.7)
Carbon price EURO	7.63	10.75	10.00	12.50
Exchange rate	0.57335	0.5677	0.4628	0.4829
Carbon price NZD	13.31	18.94	21.61	25.89
Value of the net asset/(liability) NZD	291	212	207	(562)

The projection of the net position changes over time for several reasons. It will change as:

- economic or climatic conditions change significantly (eg, a recession or a drought)
- actual inventory data replaces projections of emissions
- new scientific data improves our ability to estimate emissions
- models are refined to be more accurate
- new policies are enacted that affect emissions.

The difference between the 2011 and 2010 updates can be explained by the following changes.

The largest change was to projected emissions from agriculture. Emissions from the agricultural sector are now projected to be 7.5 million tonnes carbon dioxide equivalent lower than projected in 2010 (a drop of 4.2 per cent). This is because the methodology used to calculate agricultural emissions for the national greenhouse gas inventory has changed. An improved methodology based on the latest science research shows emissions from New Zealand livestock excreta is lower than previously estimated.

Net removals for the most likely scenario are projected to be 82.8 million tonnes, about 2.9 million tonnes higher than the 2010 most likely scenario projection of 79.9 million tonnes (a 3.6 per cent increase). This increase is primarily due to new estimates of deforestation from mapping of land-use change by the Land Use and Carbon Analysis System (LUCAS) completed for 2008 and 2009. The LUCAS mapping estimates show less deforestation of post-1989 forest, pre-1990 planted forest, and natural forest area than was previously assumed. The reduction in the estimated deforestation has resulted in emissions decreasing by 2.6 million tonnes.

The Ministry of Economic Development's estimate of energy emissions for the period 2008–2012 is 2.8 million tonnes lower than projected as the effects of the recession have been greater than expected.

Projected waste emissions have increased by 1.7 million tonnes from projections made in 2010. The increase in projected emissions is due to methodology improvements to the estimation of how much landfill gas is recovered at waste disposal sites. These improved methods have come from a better understanding of the management and design of landfills with operational methane recovery systems and the application of nationally consistent assumptions on the composition of solid waste.

There have also been some improvements in the methods to calculate emissions from waste water, inclusion of sludge disposal at wastewater treatment plants, and the population serviced by each plant.

Up until 2010/11, the price of an Assigned Amount Unit (AAU) was based on the proxy of Certified Emissions Reduction units (CERs) because data on AAUs was not readily available. In 2010/11, the Ministry commissioned Point Carbon to undertake an assessment of information available to estimate the price of AAUs. This assessment resulted in a change to the valuation methodology to AAUs, which currently trade at a lower price than CERs.

2. Fresh water

Freshwater management is the responsibility of local government. Central government direction is provided through legislation, regulations and a national policy statement. The impact measures help us understand how local government is managing water quality and allocation. We also track the trends in water quality in rivers that have been consistently monitored for some years.

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. This is based on resource consent data collected from regional councils in 2006 (confirmed as accurate in 2008) 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.

The first major date for compliance with the regulations is 10 November 2012, when all water take consent holders taking 20 litres/second or more need to start measuring and recording their water takes. Records from these water takes must be provided to regional councils in July 2013.

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

The National Policy Statement (NPS) on Freshwater Management was published in May 2011 and took effect on 1 July 2011. The NPS must be fully implemented as soon as reasonably practicable, or no later than 31 December 2030 (whichever is earlier). Measure 2.2 provides a high level measure of regional plan and water conservation order provisions as at the end of April 2011, that have flow regimes which set limits that reflect the definitions within the NPS. This is the first year this data has been collected and provides a baseline against which future progress will be reported. The coverage of catchments with provisions with limits for surface water quantity is included in the table below.

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

Similar to measure 2.2, measure 2.3 provides a high level measure of regional plan and water conservation order provisions as at the end of April 2011 that set surface water quality limits that reflect the definitions within the NPS. This is the first year this data has been collected and provides a baseline which future progress will be reported against. The coverage of catchments with provisions with limits for surface water quality is included in the table below.

Large and significant catchments covered by limits across New Zealand

	Number fully covered	Percentage of catchments fully covered	Number of catchments partially covered	Percentage of catchments partially covered	Number of catchments not covered	Percentage of catchments not covered	Total number of catchments
Quantity limits	464	52	29	3	404	45	897
Quality limits	38	4	29	3	830	93	

Note: Reporting for measures 2.2 and 2.3 only include the areas within New Zealand that are ‘large’ and ‘significant’ surface water catchments. This is defined as a fifth tier planning unit in the Freshwater Ecosystems of NZ geo-database and accounts for approximately 85 per cent of New Zealand’s total catchment area.

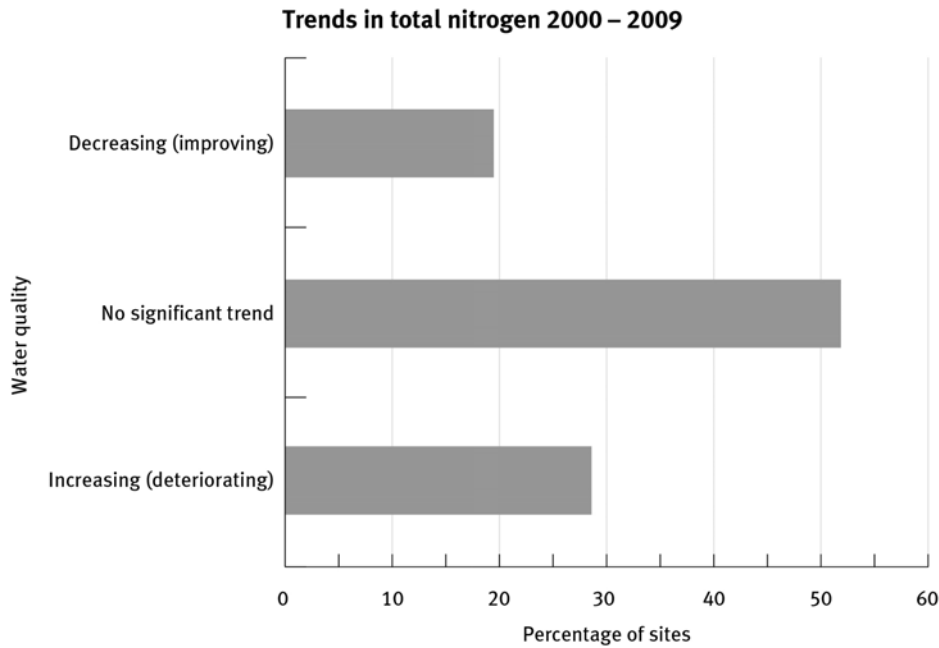
Water catchments have been identified as fully covered where 95 per cent or more of their area is covered by provisions with limits. Partially covered catchments have between 5 to 95 per cent of their area covered by provisions with limits. Catchments not covered have less than 5 per cent of their area covered by provisions with limits. The data reported above does not include information about lakes and wetlands. Further work is being undertaken to enable this information to be included as part of future reporting.

The coverage of limits in measures 2.2 and 2.3 only represents those limits currently in place that reflect the definitions within the NPS and is not representative of all limits currently used to manage surface water quality or quantity.

2.4 Number of monitored sites showing improved water quality

The graph below (from NIWA data) 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 runoff. More sites are deteriorating (29 per cent) than improving (19 per cent), with the majority of sites (52 per cent) showing no significant trend. A number of reports show strong correlations between deteriorating water quality and land-use intensification.

Please refer to page 12 for information on the Ministry’s work programme related to fresh water.



3. Resource management

National environmental standards are a key tool for central government to provide direction to local government. The Ministry will monitor the implementation of national environmental standards to ensure they are effective. The first of these standards dealt with air quality and has been in place long enough for trends to be seen. We also monitor local government performance across a number of Resource Management Act processes to ensure they are complying with statutory requirements and recommended good practice. See our website for further information from the biennial surveys: <http://www.mfe.govt.nz/publications/rma/annual-survey/>.

3.1 The National Environmental Standard for Air Quality (PM_{10} 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 airsheds² (that exceed the standard more than 10 times on average over the past five years) will be required to meet the standard by 2020. Airsheds with greater than one exceedance and fewer than 10 exceedances on average over the past five years will need to meet it by 2016. Airsheds that have exceeded the standard less than once on average over the past five years need to meet it from 2011.

The proportion of airsheds complying with the PM_{10} standard between 2007 and 2010 remained relatively constant.

Year	Airsheds monitored	Polluted airsheds	Compliant
2010	44	22 (50%)	22 (50%)
2009	44	25 (57%)	19 (43%)
2008	43	26 (60%)	17 (40%)
2007	40	23 (58%)	17 (42%)

² An airshed is an area identified by a regional council that is known or is likely to have air quality problems.

All airsheds are required to comply with the standards by 2020. Based on 2010 data, 38 per cent of airsheds are required to comply with the standards by 2011 and a further 30 per cent by 2016. This figure is subject to change, depending on annual evaluations and the number of airsheds monitored.

3.2 Trends in the Environmental Protection Authority and local authority compliance with resource consent processing timeframes under the Resource Management Act 1991

Compliance with statutory resource consent timeframes by the Environmental Protection Authority (EPA) statutory office (within the Ministry during 2010/11) was 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 survey following the 2007/08 survey was deferred to a year later than scheduled to capture the effects of the Resource Management (Simplifying and Streamlining) Amendment Bill, which took effect on 1 October 2009. Succeeding surveys will continue to occur every two years until the proposed integrated monitoring framework to monitor the implementation of the RMA is in place. The results of the 2010/11 survey can be found on the Ministry's website: <http://www.mfe.govt.nz/publications/rma/annual-survey/>.

1997/98	1998/99	1999/00	2001/02	2003/04	2005/06	2007/08	2010/11
78%	82%	82%	82%	77%	73%	69%	95%

4. Treaty commitments

Virtually all Treaty of Waitangi settlements now have some natural resource component. The Ministry has a significant role in negotiating Treaty settlements and environmental accords and in implementing obligations under these agreements. We are monitoring both our progress with implementation and iwi satisfaction with our work on these obligations.

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

The Ministry met with all groups with which it has settlement obligations. One hundred per cent of the iwi the Ministry met with in 2010/11 were either satisfied or very satisfied with the implementation of their settlement obligations. No iwi signalled that they were not satisfied with the implementation of the obligations.

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

The settled iwi that the Ministry met with did not indicate any non-compliance with the Ministry meeting its settlement obligations. However, having considered each settlement obligation and work programme, the Ministry considers 80 per cent would be a fair reflection of the obligations met.

5. Environmental hazards and waste

The Environmental Protection Authority (EPA) is responsible for decision-making under the Hazardous Substances and New Organisms Act (the Act). The EPA also reports annually on the Act's effectiveness, which helps the Ministry monitor the management framework for chemical and biological hazards. The Ministry collects data on waste disposal at facilities subject to the Waste Disposal Levy. This helps us to monitor the effectiveness of the Act in reducing waste.

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

The table below shows a breakdown of incidents involving hazardous substances and new organisms and where these incidents had an adverse effect on the environment and human health. The data was compiled and published by the Environmental Risk Management Authority in its ERMA Monitoring Report 2011. The 2010/11 data will be reported next year in the EPA Monitoring Report 2012.

The Environmental Risk Management Authority 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 involving hazardous substances where adverse effects to the environment were recorded	60	67	28	63	64	98	129	60
Incidents involving hazardous substances where adverse effects on human health were recorded	59	48	30	22	42	57	71	58
Incidents involving approved new organisms (including genetically modified organisms) where adverse effects to the environment were recorded	0	0	0	0	0	0	0	0
Incidents involving approved new organisms (including genetically modified organisms) where adverse effects on human health were recorded	0	1	0	0	2	3	1	6

	2009/10*
Number of incidents involving hazardous substances	1293
Incidents involving hazardous substances where adverse effects to the environment were recorded	437
Incidents involving hazardous substances where adverse effects on human health were recorded	72
Incidents involving approved new organisms (including genetically modified organisms) where adverse effects to the environment were recorded	0
Incidents involving approved new organisms (including genetically modified organisms) where adverse effects on human health were recorded	4

*From 2009/10, new data from the New Zealand Fire Service has been included in this database. This will form the beginning of a new data series.

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.

For the year to 30 September 2011, 2,519,487 tonnes of waste were disposed of at facilities required to pay the waste levy. This equates to 18.5 tonnes of waste per \$1 million of GDP compared to 18.8 tonnes of waste per \$1 million of GDP for the year ending September 2010. The 2,519,487 tonnes of waste disposed of to landfill to 30 September 2011 includes 45,329 tonnes of waste disposed of as a result of the Christchurch earthquakes. Excluding the Christchurch earthquakes waste, 17.8 tonnes of waste per \$1 million of GDP was disposed of in the year to 30 September 2011.

While encouraging, care should be exercised interpreting these early results, as they may represent casual variations rather than a definite trend.

6. Working with others

Central government supports environmental projects led by others. These can leverage significant contributions of funding or community hours of work that achieve more than either party can do alone. This includes cooperation with local government on remediation of priority contaminated sites identified by regional councils, as well as support for a range of community projects. The measures below help us to monitor what was achieved with the Crown funding invested.

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

Since 2006/07, 36 contaminated sites have received funding from the Contaminated Sites Remediation Fund. Work on nine of these is currently in progress, including the remediation of the Tui Mine site at Te Aroha. Further funding will be distributed in November 2012 for the 2012/13 year. The allocation of this funding will be informed by a priority list of contaminated sites that has been developed so sites of greatest risk are given priority for funding. During 2011/12, the Ministry's investigations identified 42 sites as priority sites for funding. This list is subject to change, as it 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

The performance against this measure is based on predicted information contained in the approved Community Environment Fund project proposals. Community involvement is measured by the number of community hours and in-kind contributions made to projects per dollar of government investment. It was predicted that for projects in the first round of funding, \$1.5 million worth of in-kind contributions (50,000 volunteer hours) were matched to \$750,000 worth of government investment. Given that we only have data for the first half of the year we cannot yet report on actual figures for 2011/12.

For the first year of projects funded through round two, it is predicted that \$2.6 million worth of in-kind contributions (87,000 volunteer hours) will be matched to \$1.5 million worth of government investment.

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

At this stage no projects in the Community Environment Fund have been completed, therefore the Ministry is unable to report against this objective at this stage. For the Waste Minimisation Fund, 85 per cent of projects met 100 per cent of their objectives.

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.

The colour coding applies to trends (normally over the past 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).

