



Statement of Intent

2009 – 2012





Ministry for the
Environment
Manatū Mō Te Taiao

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Foreword: Minister for the Environment

The prominence of environmental issues in the 21st century makes the work within the Environment and Climate Change portfolios of increasing significance for New Zealand. Many of the big debates are about environmental issues and their interaction with New Zealand's economic prosperity and quality of life.

I have a very clear view of the priorities I want to achieve in these portfolios and how these priorities can assist the Government to deliver both environmental outcomes and greater prosperity and, ultimately, a stronger society for New Zealanders. The key environmental issues that the new Government wants to make progress on are greenhouse gas emissions, water quality, biodiversity, air quality, waste management, and improved management of our ocean environment.

In achieving progress on these issues, the Government intends to pursue an appropriate balance between environmental goals and our economic objectives. We intend to reduce the costs, delays and uncertainties that create problems for homeowners, businesses and infrastructure providers. We want to advance environmental improvements in ways that result in the least cost to New Zealand's society and economy.

My priorities over the next three years reflect these intentions. The priorities are:

- *Reform of the Resource Management Act* – Phase one of this reform will simplify and streamline the Act. Phase two of the reform is focused on sector-specific issues (including infrastructure, aquaculture, fresh water and urban design) and on better interaction with other statutes. The Government also intends to provide greater central government direction on implementation of the Act.
- *Redesign and implementation of the Emissions Trading Scheme* – The Emissions Trading Scheme is New Zealand's primary policy instrument for addressing climate change and providing an incentive to reduce greenhouse gas emissions. The scheme is being reviewed in light of the Government's revised climate change objectives.
- *Improving New Zealand's freshwater management* – We need a new direction on water policy, to achieve efficient water use, better planning for water demand, and better tools for managing water quality.
- *Creating an Environmental Protection Authority* – Phase one of the Resource Management Act reform creates an Environmental Protection Authority within the Ministry for the Environment. As part of phase two, the Government will establish an independent Environmental Protection Authority to handle major decisions under the Resource Management Act and approvals under other legislation.
- *Ensuring that New Zealand constructively assists in achieving a successor agreement to the Kyoto Protocol on climate change* – Negotiations on future action by the international community on climate change are now under way. The Government aims to ensure that New Zealand's interests, in particular our unique primary production-based economy and emissions profile, are appropriately recognised in the process and outcomes.

- *Advancing new legislation for the Exclusive Economic Zone management* – Oceans policy work is focused on filling the gap of no regulation for the management of environmental effects of activities in the Exclusive Economic Zone. New legislation will be introduced in 2009.
- *Implementing the Waste Minimisation Act* – I see it as important to implement the new Waste Minimisation Act with local government and industry so as to ensure it does not cut across existing successful waste programmes. Implementation will include collection and distribution of a waste disposal levy and development of product stewardship schemes.
- *Improving environmental reporting* – I am initiating a review of options for improving assessment of New Zealand's environmental performance. I plan to introduce a new Environmental Reporting Act that amends the roles and functions of the Parliamentary Commissioner for the Environment and the Ministry for the Environment under the Environment Act.

In addition to helping me to deliver on these priorities, I expect the Ministry for the Environment to work on becoming a respected, high-quality policy agency capable of leading advice to the Government on the environmental challenges facing New Zealand. It will be able to undertake this role more effectively if its increasing operational functions are managed separately.

Ministerial Statement of Responsibility

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



Hon Dr Nick Smith
Responsible Minister for Ministry for the Environment
30 April 2009

Introduction from the Chief Executive

This *Statement of Intent 2009–12* sets out how the Ministry for the Environment will take action on Government priorities and strengthen its capability and performance.

The Minister for the Environment has identified eight priorities that will provide the primary focus for our work programmes over the next three years. These priorities are significant elements of work within the ongoing work programmes for which the Ministry has responsibility.

As part of responding to these priorities, we will be providing advice on the realignment of roles and functions in the environment sector, in particular the establishment of an Environment Protection Authority and improvements to New Zealand's environmental reporting. The realignment is expected to result in further changes for the Ministry over the next three years. The restructuring of the Ministry in early 2009 was planned with these further changes in mind.

The Statement of Intent also signals a refreshed direction for the Ministry, which will help us to meet the expectations of the Government and deliver on our recently defined mission of 'environmental stewardship for a prosperous New Zealand'.

The Ministry's strategic direction, focusing on both 'environmental stewardship' and 'a prosperous New Zealand', is deliberate – our work must contribute to people's quality of life and well-being while maintaining environmental values.

Internally, there is a strong emphasis on strengthening our capability and improving our performance. The Strategies for Change developed in 2008 continue to provide the impetus for changes that will enable the Ministry to cope with, and thrive on, increasing demands and expectations.

A period of significant change and reorganisation in early 2009 – not completed at the time of preparing this document – will put in place the foundations for continuing development of our leadership capability, people, business systems and relationships with others.

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 (2009/10 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



Rochelle Davis
Chief Financial Officer

Nature and Scope of Functions

Our vision is for a prosperous New Zealand where a healthy environment enhances social and economic well-being.

***Our mission is environmental stewardship for a prosperous New Zealand –
Tiakina te taiao kia tōnui a Aotearoa***

The Ministry for the Environment advises the Government on all matters related to the environment and is one of its major advisers on the sustainable development of New Zealand.

The Ministry is responsible for policy advice and implementation of government decisions in both the Environment and Climate Change Portfolios. This includes both international and domestic matters related to the environment and climate change.

'Environmental stewardship' includes an important role in ensuring effective environmental governance in New Zealand. As part of this role we undertake investigations, analysis, review and monitoring so that we can advise and report on a range of issues. Our role includes leading whole of government initiatives, coordinating the delivery of environmental programmes and administering legislation.

We work closely with other government agencies that have interests in the environment and resource management, particularly through a network of natural resources agencies which the Ministry chairs and supports. There is a similar forum for collaboration with regional councils.

Much of the responsibility for day to day environmental management is devolved to local government, especially under the Resource Management Act. This makes regional and district councils a critical part of environmental management in New Zealand. The Ministry provides guidance for their activities through national policy statements and national environmental standards (which are binding on local authorities), and also through professional development and sharing knowledge about best practice.

In addition, the Ministry monitors the performance of the Environmental Risk Management Authority (a Crown entity) on behalf of the Minister for the Environment. The Authority makes decisions on applications to import, develop or field test or release new organisms; and to import or manufacture hazardous substances.

Many of the Ministry's activities involve partnerships with particular councils, iwi, business organisations or community groups to work on matters that are of national importance or projects that promote resource efficiency.

Strategic Direction

The state of New Zealand's environment and the pressures on it, the Government's policies and priorities, and the outcomes that the Ministry is trying to achieve provide the foundation for the Ministry's work programmes.

The Government's priorities 2009 – 2012

The Government's priorities and expectations for the next three years are set out in the Speech from the Throne and in the confidence and supply agreements between political parties. Relevant Government priorities, and the Ministry's contribution to those priorities, are set out in the table below. These Government priorities establish the wider context for the ministerial priorities outlined on page 3.

Government priority ¹	Ministry contribution to priorities
<p>Pursue an appropriate balance between meeting our environmental responsibilities and taking up economic opportunities</p> <p>Reduce regulatory and compliance demands that get in the way of productivity growth</p>	<p>Lead work to improve and streamline the Resource Management Act, including:</p> <ul style="list-style-type: none"> ▪ priority consenting for projects of national significance ▪ establishment of an independent Environmental Protection Authority to handle decisions that need to be assessed at the national level ▪ improving decision making related to infrastructure, water and urban planning
<p>As a responsible international citizen, contribute to reducing greenhouse gas emissions and confronting global climate change</p> <p>Review the Emissions Trading Scheme to ensure the reduction of emissions in ways that result in least cost to society and the economy</p>	<p>Contribute to New Zealand's efforts in negotiations for a comprehensive post-2012 international agreement to reduce greenhouse gases</p> <p>Advise the special Select Committee appointed to review the Emissions Trading Scheme and implement the decisions of the Government</p>
<p>Complete final durable settlements of historical Treaty of Waitangi grievances</p>	<p>Contribute to negotiations related to natural resources and implement settlement obligations</p>
<p>Deliver high quality public services that make the most out of every dollar</p>	<p>Continue to ensure that the Ministry's activities and expenditure are aligned with government priorities and will deliver value for public money.</p>

The Ministry's outcomes framework

The Ministry's outcomes framework comprises four end outcomes, four intermediate outcomes, and the expected impacts of our work (results we are seeking to achieve) in eleven work programmes. These are summarised in the figure on page 10.

Since the last Statement of Intent, the Ministry has reviewed and confirmed our end outcomes, developed a set of intermediate outcomes, and reviewed all work programmes so that our work is better aligned with the expectations of the Government.

¹ Speech from the Throne, 9 December 2008

Further work will be undertaken over the period of this Statement of Intent on the outcomes framework and the performance measures that will enable us to demonstrate progress towards the outcomes.

Key concepts

Three key concepts underpin our outcomes and are at the heart of the Ministry's work – behaviour change, shared responsibility for action, and environmental stewardship.

Behaviour change: New Zealand's prosperity and quality of life will be enhanced if more New Zealanders adopt sustainable practices and efficient use of natural resources. The key to achieving these changes is championing good practice and breaking the link to practices and decisions that result in the unwise use of natural resources – for example, breaking the link between waste and New Zealand's rate of economic growth.

Shared responsibility for action: Without shared responsibility for leadership and action across government agencies, individuals, communities, cultures and businesses, little will happen. The foundation for shared environmental responsibility is sufficient:

- information on costs, benefits and productive activities
- direction on the national interest as a common basis for action by individuals, communities and government
- incentives for change, coupled with reinforcement and encouragement to continue environment-friendly behaviour
- resources, training, guidance, etc, to assist action.

Environmental stewardship: Environmental strategies need to deliver as many benefits as possible across all outcomes for all New Zealanders – including environmental, social, cultural and economic goals. This includes:

- cooperative development of policies, legislation, regulations and guidance
- evidence-based policy, using appropriate science and research
- interventions that advance the sustainable development and efficient use of natural and physical resources
- selecting the most efficient combination of tools to encourage change that reflects New Zealanders' values and the weight of evidence.

End outcomes

The end outcomes represent the environmental conditions required to support long-term prosperity and quality of life for New Zealand. The focus on economic, social and cultural interests in the end outcomes is deliberate, recognising that environmental health is not an end in itself – it reflects the significant benefits for all New Zealanders from addressing environmental issues.

The end outcomes (see figure on page 10) are interrelated and interdependent. For New Zealand to capitalise on its natural environmental advantages, it needs a healthy natural and built environment, along with effective management and sustainable use of natural resources. These, in turn, depend on minimising the risks

from pollution, contamination and other environmental hazards that could compromise the health of air, water, land and communities.

While the Ministry has a significant interest in the achievement of the end outcomes, there are many other contributors to their achievement. We are not directly responsible for managing aspects of the environment such as waterways or urban areas. Others are also responsible for activities that support these end outcomes.

The long term nature of the end outcomes means that progress is tracked using a range of indicators. The Ministry's environmental reporting programme provides regular information about the state of the natural environment, pressures and trends. Where information is available that is relevant to particular work programmes, we have provided this as part of the Operating Intentions section.

As the Ministry is only one player in environmental management, these trends cannot be attributed directly to the Ministry's activities. They help to show progress across New Zealand towards the end outcomes.

Intermediate outcomes

The intermediate outcomes are the pre-conditions for New Zealand being able to capitalise economically, socially and culturally on its natural environmental advantages. The intermediate outcomes (see page 10) represent the:

- minimum changes – a commitment to sustainable development and use of resources; adaptation to changing environmental conditions
- essential resources – appropriate information on which to base decisions; wider understanding of risk and opportunities

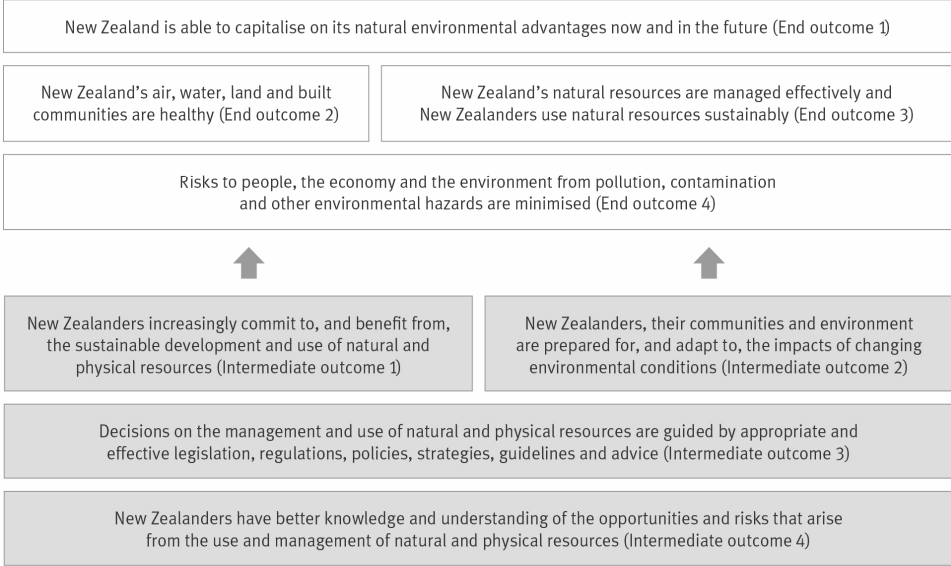
that are required to enable measurable progress towards the end outcomes. The intermediate outcomes integrate the interests of sustainable development, environment change and a productive natural environment that feature in the end outcomes.

Although the Ministry is responsible for work programmes that target these intermediate outcomes, other agencies, stakeholders and sectors will also contribute to their achievement.

The intermediate outcomes are organised in layers that reflect the cause and effect relationships between the behaviour changes (intermediate outcomes one and two) and their enabling interventions (intermediate outcomes three and four).

Better knowledge and understanding of the opportunities and risks are the foundation for decision making informed by appropriate legislation, standards, practices and advice. In turn, these are the foundation for the sustainable development and use of natural resources, and adapting to the impacts of changing environmental conditions.

ENVIRONMENTAL STEWARDSHIP FOR A PROSPEROUS NEW ZEALAND TIAKINA TE TAIAO KIA TŌNUI A AOTEAROA



IMPACTS OF WORK PROGRAMMES		
ENVIRONMENTAL STEWARDSHIP	A PROSPEROUS NEW ZEALAND	UNDERPINNING SUPPORT
<p>Atmosphere</p> <ul style="list-style-type: none"> New Zealand's greenhouse gas emissions meet international agreements in an economically efficient and environmentally effective way Appropriate recognition of New Zealand's interests in negotiations on future climate change action <p>Land and fresh water</p> <ul style="list-style-type: none"> Water quality, levels and flows that provide for healthy ecosystems and optimise New Zealand's social, cultural and economic well-being New Zealanders have credible decision-making processes for freshwater, having regard for all competing values of water Healthy and productive soils, with contamination avoided or mitigated, and erosion by human activities minimised <p>Marine environment</p> <ul style="list-style-type: none"> Appropriate statutory frameworks and better integrated policy and legislation for the marine environment <p>Changing environment</p> <ul style="list-style-type: none"> Increased community and infrastructure resilience to climate change and weather-related natural hazards 	<p>Maximising advantage</p> <ul style="list-style-type: none"> Increased financial return for New Zealand from a tourism industry that protects and restores the environment New Zealand develops an international reputation as a host of world-class, environmentally responsible major events, including Rugby World Cup 2011 Increased cooperation with partner countries on environmental priorities in Free Trade Agreements <p>Environmental hazards</p> <ul style="list-style-type: none"> Contaminated sites are cleaned up or managed appropriately The Hazardous Substances and New Organisms Act operates effectively The use of ozone-depleting substances decreases Information-keeping on the generation and treatment/safe disposal of hazardous waste is improved <p>Sustainability in the built environment</p> <ul style="list-style-type: none"> Resource efficiency, including more efficient use, reuse and recycling of materials A reduction in the disposal of waste 	<p>Environmental governance</p> <ul style="list-style-type: none"> The Resource Management Act provides effectively for environmental and socio-economic outcomes and allocating natural resources Improved resource allocation in the coastal marine area The Crown-Māori relationship under the Treaty of Waitangi is better reflected in environmental policy and resource management arrangements <p>Evidence base</p> <ul style="list-style-type: none"> Environmental policy is evidence-based, using quantitative environmental information, and incorporates social and economic perspectives National and international reporting requirements are met <p>Business support</p> <p>Corporate core</p>

Operating Intentions

Introduction

The Ministry's contribution to the outcomes described in the previous section is achieved through the impacts of our 11 work programmes, which are outlined below. As the Ministry is not directly involved in environmental management, we concentrate on providing:

- appropriate statutory frameworks, including legislation and regulations
- national direction, including through national policy statements and strategies
- training and guidance on best practice
- information based on research, science, and knowledge about the issues.

The work programmes are grouped into three streams that reflect our mission and outcomes: environmental stewardship, prosperity, and underpinning support.

The 'environmental stewardship' programmes contribute to New Zealand effectively managing natural and physical resources and the impacts of changing environmental conditions, and contributing to international action. The programmes focus on the atmosphere, land, fresh water, the marine environment, and changing environmental conditions.

The 'prosperity' work programmes are concerned with the economic development, well-being, and overall quality of life of New Zealanders. They contribute to New Zealanders getting the economic and social benefit from the sustainable development and use of resources, and living in a sustainable built environment. This also requires minimising environmental hazards. Our efforts within these work programmes focus on:

- encouraging sustainable business practices
- improving resource efficiency
- avoiding and dealing with pollution and contamination.

The 'underpinning support' programmes contribute to environmental governance, the evidence base needed for quality policy advice and decision making, supporting our business and corporate functions. The priority projects are concerned with:

- effective legislation, standards and guidance
- knowledge and understanding about use and management of natural and physical resources
- an efficient organisation that provides value for public funding.

Looking after our atmosphere

New Zealand must both adapt to changes in climate and contribute to a coordinated international response to reduce greenhouse gas emissions in the atmosphere. If greenhouse gas emissions are not reduced significantly over the coming decades, the impacts of climate change (which are already visible) would more than likely get steadily worse and the costs could be severe.

Informed by the Intergovernmental Panel on Climate Change, New Zealand supports the lowest feasible global goal of long-term stabilisation of all greenhouse gases in the atmosphere at no higher than 450 parts per million CO₂-equivalent. New Zealand's long term goal is '50 by 50' – a 50 per cent reduction of net greenhouse gases from 1990 levels by 2050.

What are we seeking to achieve?

Through this work programme, the Ministry is seeking to achieve:

- New Zealand's greenhouse gas emissions meet international agreements in an economically efficient and environmentally effective way
- appropriate recognition of New Zealand's interests in negotiations on future climate change action by the international community.

Our work includes leading policy development, primary responsibility for the Emissions Trading Scheme, contributing to international negotiations, and developing the necessary tools for effective international reporting on New Zealand's emissions.

International negotiations are scheduled to conclude in Copenhagen at the end of 2009, though there may be outstanding details to be resolved in 2010. Once the negotiations have concluded, a domestic ratification process will be required. This could be in 2010 or 2011, depending on when agreement is reached internationally.

Climate change is a 'whole of government' issue. Though the Ministry for the Environment leads cross-government activity in relation to addressing climate change, it is supported by work in many other government agencies.

How will we demonstrate success?

The following table indicates trends in relation to greenhouse gas emissions:

Outcome	Indicators/trends
<p>New Zealand's greenhouse gas emissions meet international agreements</p>	<p>Emissions and removals of greenhouse gases.</p> <p>State: In 2007, New Zealand's total greenhouse gas emissions were 75.6 million tonnes of carbon dioxide equivalent (Mt CO₂-e). Removals via forest sinks were 23.8 Mt CO₂-e.</p> <p>Trends: Total emissions in 2007 were 22 per cent higher (13.7 Mt CO₂-e) than the 1990 level of 61.9 Mt CO₂-e. This increase reflects our growing population, agricultural productivity and economy. Between 2006 and 2007, gross emissions decreased 2 Mt CO₂-e due to a drought reducing agricultural production and reduced coal-fired electricity generation with the commissioning of a combined cycle gas turbine.</p> <p>Removals and emissions of greenhouse gases in the land use, land use change and forestry (LULUCF) sector were 23.8 Mt CO₂-e in 2007. Deforestation was based on provisional data for 2007 of 10,000 hectares of deforestation. Updated information indicates that the estimated area of deforestation in 2007 was 15,000–20,000 hectares, thereby decreasing LULUCF net removals to approximately 21 to 19 Mt CO₂-e. The recalculation for the updated area will be included in the 2010 inventory submission.</p> <p>Target: New Zealand remains committed to its Kyoto Protocol target of reducing its greenhouse gas emissions back to 1990 levels, on average, over the period 2008 to 2012 or to take responsibility for any emissions above this level if it cannot meet this target.</p>

Reducing greenhouse gas emissions is not wholly attributable to the Ministry for the Environment, as it requires action by government agencies, business, industry and households. What is directly attributable to the Ministry is, for example, the provision of good policy and an appropriate statutory framework, and their effectiveness in changing behaviours and practices.

The greenhouse gas inventory under the Kyoto Protocol compiled by the Ministry measures progress against New Zealand's obligations under the United Nations Framework Convention on Climate Change (UNFCCC) and under the Kyoto Protocol. The inventory reports emissions and removals since 1990.

The inventory must conform to strict guidelines to ensure information is transparent, accurate, complete, consistent over time and comparable between Parties to the UNFCCC. It is reviewed annually by a team of international experts.

The Ministry also compiles the 'net position' report, which projects New Zealand's balance of Kyoto Protocol units over the first commitment period of the Protocol. The net position incorporates, to the fullest extent possible, all government decisions and all other circumstances that may have a material effect on the projection, and that can be quantified with reasonable certainty. The net position does not report the effects of individual policies, but projects emissions and removals from each sector.

The net position report is required for the Financial Statements of the Government of New Zealand and is reviewed annually by Audit New Zealand to ensure it meets the required standard for accounting.

The Ministry also undertakes a range of policy analysis which can help evaluate the impact of climate change policies. For example, in consultation with Local Government New Zealand and other government departments, we are scoping the potential for a study on assessing the socio-economic impacts of New Zealand's existing and proposed climate change mitigation policies on rural communities over the period 2012–2022.

What will we do to achieve this?

Legislation passed in September 2008 introduced an Emissions Trading Scheme, as a key mechanism to reduce greenhouse gas emissions by putting a price on those emissions. The Parliament is now undertaking a review of New Zealand's policy response to climate change and the Emissions Trading Scheme through a special Select Committee inquiry. The Government aims to build a broader consensus about how to make progress on climate change issues. It is also investigating the possibility of harmonising schemes with Australia.

The Ministry will:

- advise and support the special select committee established to review climate change policy and the Emissions Trading Scheme
- advise and support Ministers' consideration of the potential to harmonise carbon pollution reduction schemes with Australia
- provide support to Ministers in legislating for amendments to the Climate Change Response Act and making the regulations necessary for implementation.

While only a small player in terms of total global greenhouse gas emissions (contributing less than 0.3 per cent), New Zealand has the 12th highest level of emissions per capita in the developed world. By doing its fair share in reducing greenhouse gas emissions, New Zealand seeks to influence major emitting countries in post-2012 negotiations.

The Ministry will:

- contribute to New Zealand's efforts to negotiate a comprehensive post-2012 international agreement to reduce greenhouse gases under the United Nations Framework Convention on Climate Change and its Kyoto Protocol
- meet international and domestic reporting obligations and build and implement the Land Use and Carbon Analysis System to meet the reporting requirements of the Kyoto Protocol
- provide science and communications support for climate change policy, implementation and negotiations
- provide consistent and high quality greenhouse gas data, modelling and analysis
- develop a clear and efficient purchasing strategy to ensure Crown obligations under the Kyoto Protocol are achieved with minimal risk and costs
- lead and develop the all of government climate change work programme.

Looking after our land and fresh water

New Zealand's ecosystems, primary producers, community health and cultural values depend on water. Abundant fresh water (if not always when and where we want it) gives New Zealand a competitive advantage in primary production, energy generation and tourism. But having abundant, relatively good quality water by international standards may not be enough for long-term prosperity and quality of life.

Water use, allocation and quality are significant issues for Māori. In addition to their significant cultural interest, Māori also have an interest in the economic use of water.

Deteriorating water quality and problems in managing water demand are significant issues in some parts of urban and rural New Zealand. Addressing water quality is not simple, because environmental deterioration is closely linked to urban and rural land use intensification, and so to economic growth. Poor water quality will be a constraint on economic opportunities, create additional costs (e.g. for treatment of drinking water), and be a continuing focus of community concern.

What are we seeking to achieve?

The Ministry is seeking to achieve:

- Water quality, levels and flows that provide for healthy ecosystems and optimise New Zealand's social, cultural and economic well-being
- New Zealanders have credible decision-making processes for fresh water, having regard for all competing values of water.

Our focus for achieving these is on a broad programme of tools to reduce the effects of land use on water quality and on policies that aim to achieve efficient water use, better planning for water demand and allocation of water to its best use.

To improve freshwater management, the Ministry for the Environment needs to work with other central and local government agencies with key roles in water and land management, Māori, land and water users, and the wider community.

In relation to land, the Ministry is seeking to achieve:

- Healthy and productive soils, contamination avoided or mitigated, and erosion by human activities minimised.

The focus for achieving this outcome is on contaminated land policy (see page 22) and climate change adaptation (see page 18).

How will we demonstrate success?

Progress towards the outcomes for fresh water and land is described by a number of key indicators monitored as part of the Ministry's national environmental reporting programme. These indicators show national-scale changes over time in the condition of water and land.

However, the lag times between change in land use practice and consequential changes in water quality can be considerable (for example, 50–80 years in the Lake Taupo catchment) and this needs careful consideration when drawing conclusions from the indicators. The indicators and trends are summarised in the following table:

Outcome	Indicators/trends
<p>Water quality, levels and flows that provide for healthy ecosystems and optimise our social, cultural and economic well-being</p>	<p>Lake water quality</p> <p>State: Small shallow lakes surrounded by farmland have the poorest water quality. Two-thirds of lakes are considered to be in good to excellent condition.</p> <p>Trends: Two-thirds of lakes with sufficient monitoring data to determine trends have stable water quality (ie, are neither deteriorating nor improving).</p> <p>Nutrient concentration in Lake Taupo</p> <p>State: Some evidence of gradual deterioration.</p> <p>Ground water quality</p> <p>State: 61 per cent of the ground waters in New Zealand that are monitored have normal nitrate levels; the remainder have levels that are higher than the natural background levels, and five per cent have nitrate levels that make the water unsafe for infants to drink. Twenty per cent of monitored ground water bodies have bacteria levels that make the water unsafe to drink.</p> <p>Trends: Three-quarters of monitored ground waters have stable nitrate levels.</p> <p>River water quality</p> <p>Trends: Nitrogen and phosphorus levels in rivers have increased over the past two decades. Nitrogen levels have increased most rapidly in rivers that are already nutrient enriched.</p> <p>Recreational (swimming) water quality</p> <p>State: In the 2006/07 summer, 60 per cent of 230 monitored freshwater swimming spots (in lakes and rivers) met national guidelines for bacteria almost all of the time.</p>

	<p>Trends: Between the summers of 2002/03 and 2006/07 there was an increase in the number of sites complying with guidelines. It is too early to say if this pattern constitutes a trend.</p> <p>Volume of water allocated to human uses</p> <p>State: Several eastern regions have surface water catchments that are highly allocated (20–50 per cent of river flow is allocated to users). It is estimated that total water use in New Zealand currently equates to two to three times more water per person than in most other OECD countries.</p> <p>Trends: The volume of water allocated (ie, consented to be taken) in New Zealand increased 50 per cent between 1999 and 2006. The increase in allocation is mainly the result of an increase in the area of irrigated land. Irrigation now uses almost 80 per cent of all water allocated.</p> <p>Measured water take</p> <p>State and trends: Actual take is rarely equal to consented maximum take (varies between 20–80 per cent of consented take). There is currently insufficient national data on the volume of actual water taken. The National Environmental Standard for the Measurement of Water Takes will ensure more data becomes available.</p>
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As required under the Resource Management Act, the Ministry will monitor the implementation of national tools it has developed after these come into force, to assess their effectiveness in improving water management.

Over the next few years the Ministry will continue a national programme of water quality monitoring in dairy farming catchments (the first report is due in 2009). This will help the Ministry to judge whether best practice management actions (including the Dairying and Clean Streams Accord) are effective in reducing the undesirable effects of intensive land use on water quality.

What will we do to achieve this?

The Ministry will:

- progress and implement a broad programme of tools to improve the quality and allocation of fresh water
- support implementation by local government of the Lake Taupo Protection Programme and the Rotorua Lakes Protection and Restoration Programme, and the restoration and protection of the Waikato River
- implement the National Environmental Standard for Human Drinking Water Sources
- monitor the impacts of intensive land use on water quality
- implement the water efficiency labelling scheme
- assist the Minister with processing water conservation orders.

The primary focus over the next three years will be progressing and implementing work on both water quality and allocation. Freshwater policy work is jointly led by the Ministry for the Environment and Ministry of Agriculture and Forestry.

Looking after our marine environment

New Zealand administers one of the largest marine environments in the world. This is made up of three components: a Territorial Sea out to 12 nautical miles, an Exclusive

Economic Zone (EEZ) extending from 12 to 200 nautical miles, and a newly added Extended Continental Shelf area beyond this. New Zealand's marine areas are around 23 times larger than its land area.

Many activities in New Zealand's marine environment are regulated by existing laws. Current laws, however, do not provide for proper assessment of the environmental effects of some activities in the Exclusive Economic Zone such as seabed mining, or carbon capture and storage. This creates uncertainty for investment in the development of EEZ resources and the risk of poor environmental outcomes.

While there are low levels of environmental pressure from unregulated or partially regulated activities in the EEZ, the pressure is increasing. In October 2006, the regulatory gap in the EEZ was identified as the priority issue for oceans policy development.

What are we seeking to achieve?

The Ministry is seeking to achieve:

- appropriate statutory frameworks and better integrated policy and legislation for the marine environment.

Our activities also contribute to work across government to ensure that the state of the sea floor and quality of marine waters support healthy and functioning ecosystems. The Ministry works collaboratively with other agencies responsible for managing New Zealand's marine environment.

How will we demonstrate success?

The success of the legislation can be measured against some of its proposed functions, including:

- the development and implementation of a consenting regime that produces timely and quality decisions
- development applications, that meet environmental requirements, are being processed and consented in a timely and efficient manner
- the consistency of activities managed under the legislation with the objectives set out in it.

The Ministry may also use other evaluation techniques to help answer this question, for example by undertaking a survey of key stakeholders.

What will we do to achieve this?

An appropriate statutory framework will be achieved mainly by introducing into Parliament an Environmental Effects (Exclusive Economic Zone and Extended Continental Shelf) Bill and supporting the Bill through all stages of consideration.

The Bill proposes new controls for currently unregulated environmental effects (such as disturbance of the sea floor through mining activities) and dealing with conflict between activities (such as effects of a petroleum platform on existing fishing activities). The proposed legislation will provide for development and use of the EEZ's natural and physical resources, and regulate the effects of those uses, in order

to protect the environment and ensure that uses (or the effects of those uses, in the case of non-renewable resources) are environmentally sustainable.

Subject to the Bill being passed into law over the next three years, implementation of the new law will require the Ministry to:

- communicate obligations under the new law to interested parties and respond to public enquiries
- support the Minister for the Environment in the exercise of new statutory functions, powers and obligations set out under the law; for example, preparing priority policies, rules or regulations against which proposed activities would be assessed (and then approved or declined as appropriate)
- work with other agencies to maximise coordination and integration of the EEZ legislation with other legislation and government functions in the marine area
- monitor the effectiveness of the new law and the functions of the proposed consent authority as they relate to the law.

Keeping pace with a changing environment

Our environment is constantly changing and can be unpredictable.

Climate change will exacerbate the risks of weather-related natural hazards and disasters and, therefore, the potential costs to the New Zealand economy and society. It will not generally create new climate-related risks, but it may change the frequency and intensity of existing risks and hazards, as well as introducing some long-term shifts in climate patterns across the country.

Climate change is likely to result in rising sea levels, an increase in floods and droughts, changing wind and rainfall patterns, increased temperatures, reduced frosts, more pressure on our ecosystems, and an increased threat from pest species.

There will also be opportunities as the result of climate changes – for example, the ability to grow new crops and to develop new technologies.

New Zealand needs to become more resilient to the future economic and social impacts of climate change, while ensuring it can take advantage of the opportunities.

What are we seeking to achieve?

The Ministry aims to increase community and infrastructure resilience through encouraging adaptation to climate change. Increasing resilience will also help to reduce New Zealand's vulnerability to weather-related natural hazards and disasters, such as floods.

Our efforts to increase resilience and adaptation to the impacts of climate change and other natural hazards focus on working with local government and professionals such as engineers, planners, surveyors and civil defence, to improve their knowledge and enhance their planning.

The Ministry will also continue to work with other government agencies to ensure climate change impacts are appropriately provided for and dealt with in national strategies and policies.

How will we demonstrate success?

The following table outlines progress towards the intermediate outcome:

Outcome	Indicators/trends
<p>New Zealanders, their communities and environment are prepared for, and adapt to, changing environmental conditions</p>	<p>Planning for climate change</p> <p>Government and local government planning and decision making considers risks associated with the impacts of climate change. This interim indicator helps show progress in implementing changes in decision making required to move towards the longer term outcome.</p> <p>Progress will be measured through informal feedback and reviewing trends against plan reviews of climate change in planning (2008) and planning for sea-level rise (2009). These reviews found that approaches around the country were variable.</p>

The costs and benefits of a draft National Policy Statement on Flood Risk Management are being evaluated and the alternatives considered. We will also prepare a regulatory impact statement and cost-benefit analysis to assess the appropriateness of a national environmental standard on coping with sea-level rise.

What will we do to achieve this?

Over the next three years the Ministry will:

- develop and (subject to approval) implement a national environmental standard on coping with sea-level rise, to increase certainty about the level of sea-level rise for which local government and professional groups should plan
- provide guidance and information on climate impacts and adaptation targeted at a technical audience, to underpin our work on climate change adaptation and flood risk management
- continue engagement and partnerships with priority stakeholders to encourage action on climate change adaptation and facilitate bottom-up solutions for local needs
- develop and (subject to approval) implement a national policy statement on flood risk management. This could require local authorities to adopt policies and decision-making practices that reduce flood risk by keeping people and property away from areas prone to flooding.

Our work is intended to help local government and professionals understand how their communities and activities might be affected by climate change and what they can do to adapt. Professional development, decision support tools, case studies and practical techniques to use in infrastructure development and urban design are part of this work programme.

We are also investigating opportunities to reduce flood risk through integrated legislative, regulatory, policy and practical approaches. This work is being undertaken in collaboration with the Insurance Council, Earthquake Commission (EQC), local government and other government departments.

Maximising New Zealand's advantage

New Zealand earns its living from the environment, particularly in the primary production and tourism sectors. It is, therefore, critical to this country's prosperity that New Zealand maintains an international reputation for a healthy and well-managed environment. Being smarter, more innovative and more sustainable in the use of natural resources will protect the environment for future generations and enhance New Zealand's point of difference with trading competitors.

New Zealand's natural resources are increasingly affected not only by what is done within our borders, but also by what other countries do within and beyond their borders. The Ministry needs to be involved in international negotiations and action on environmental matters. In addition, New Zealand can share with, and learn from, other countries about best practice in environmental management.

What are we seeking to achieve?

Our focus is on environmentally responsible business practices, particularly where they affect New Zealand's reputation with international visitors, and on environment cooperation agreements related to free trade agreements. This work programme contributes to wider government priorities.

Sustainable business practices

The Ministry works with other government agencies and the private sector to help achieve:

- increased financial return for New Zealand from a tourism industry that protects and restores the environment
- international visitors showing increased satisfaction that New Zealand is looking after its environment
- an international reputation for New Zealand as a host of world-class, environmentally responsible major events, including the Rugby World Cup 2011.

International engagement on environment

The Ministry also works with other countries through multilateral environmental agreements and bilateral partnerships on specific issues, and through environment cooperation agreements in the context of free trade agreements. Environment cooperation agreements incorporate provisions to maintain high standards for environmental protection, support sustainable development and build capacity to more effectively address environmental issues, including those that have economic impacts.

The Ministry is seeking to achieve increased cooperation with partner countries on environmental priorities in Free Trade Agreements.

International engagement also provides opportunities for New Zealand to influence the policies and practices of other countries, and to learn from their experience so we can adopt international best practices.

The Ministry aims to influence key economic and environmental outcomes through:

- improved knowledge about international best practice related to environmental laws, policies, regulations and practices
- sharing research information, scientific knowledge and technical know-how related to management of the environment and natural resources
- effective cooperation on environmental priorities with partner countries.

How will we demonstrate success?

The Ministry will be able to demonstrate success in this work programme through:

- environmental reporting on the tourism industry indicating increasing numbers of tourism operators promoting their environmental credentials and reporting increased revenue as a result
- evaluation and reporting after the Rugby World Cup 2011 shows that environmental targets and standards for managing the environmental impacts and opportunities were met.

The Ministry currently undertakes a range of cooperation projects with Thailand, Singapore, Brunei and Chile. These involve other departments, Crown Research Institutes and private sector organisations. Informal feedback from participants indicates that these projects:

- share valuable information and knowledge related to environmental management
- contribute to trade development by facilitating contact with New Zealand suppliers of environmental goods and services
- support foreign policy objectives by establishing and building links between New Zealand government agencies, research organisations and businesses, and their counterparts in our trade partner countries.

During the next three years the Ministry expects to undertake cooperation programmes with new trade partners, including Indonesia, Philippines, China, Malaysia, Korea, United States of America, Peru, Vietnam, Australia and India.

The Ministry will seek feedback from Ministers and key stakeholders as to the quality of advice provided in preparation for international environmental meetings.

What will we do to achieve this?

The Ministry will work with partner organisations to:

- provide expert evidence-based advice on tourism's impact on the environment and the economy
- prepare an environmental report card that identifies, monitors and reports against sustainability measures for the tourism industry
- focus on increasing market benefit for tourism businesses that protect and restore the environment
- contribute to a national major events strategy that recognises the importance of environmental sustainability to New Zealand's 'clean and pure' brand

- develop a sustainable tourism destination management programme
- contribute to the development and implementation of a national environmental management plan that sets clear targets and standards for managing the environmental impacts and opportunities from Rugby World Cup 2011
- contribute to establishing an environmental monitoring and evaluation framework for Rugby World Cup 2011 that can be independently audited
- contribute to development and implementation of a 'green' accommodation and transport strategy for the Rugby World Cup 2011.

Through our international engagement work the Ministry will:

- subject to Cabinet decisions, negotiate and implement environment cooperation agreements in the context of new and existing free trade agreements, including agreements with Thailand, with Chile, Singapore and Brunei, and with China and with the Philippines, and any new agreements approved by Cabinet
- contribute to the work of relevant international environmental organisations and meet New Zealand's international reporting obligations
- contribute to debate in the development of international protocols and other agreements, and implement aspects of these agreements in line with domestic policy
- support our Ministers and senior officials with international environmental meetings, visits to other countries, and visits by foreign dignitaries and officials.

Minimising environmental hazards

Exposure to hazardous substances, new organisms and contaminated land can have significant adverse effects on human and ecosystem health, and on soil, surface water, groundwater, and the environment generally. Also, the inadequate management of hazardous substances and wastes can limit the use of land, cause corrosion that may threaten building structures, reduce land value and have a negative impact on the ozone layer.

Hazardous substances need to be managed and disposed of in ways that protect the environment and the health and safety of people.

Unwise use of hazardous substances and disposal of hazardous wastes in the past has left New Zealand with a legacy of contaminated sites. These sites may be a risk to human health and the environment if not managed or cleaned up appropriately.

Reductions in the ozone layer can cause problems to human health and have negative impacts on climate change. Therefore, reductions in the use of ozone depleting substances will be beneficial to people and the environment.

New organisms, whether genetically modified or not, provide opportunities for innovation as well as potential risks to human health and the environment. Sound management of new organisms, including the domestic implications of international negotiations under the Cartagena Protocol, is important in providing the appropriate balance.

What are we seeking to achieve?

The Ministry is seeking to minimise the risks associated with contaminated land, hazardous substances, hazardous wastes and new organisms by ensuring that:

- contaminated sites are cleaned up or managed appropriately
- the Hazardous Substances and New Organisms Act operates effectively
- information-keeping on the generation and treatment/safe disposal of hazardous waste is improved
- the use of ozone-depleting substances decreases.

How will we demonstrate success?

The Environmental Risk Management Authority is responsible for the implementation of the Hazardous Substances and New Organisms Act. It monitors and reports regularly on hazardous substances and new organisms, using a core set of indicators. The following table summarises current information for hazardous substances drawing on the Authority's latest monitoring report².

Outcomes	Indicators/trends
The Hazardous Substances and New Organisms Act operates effectively	<p>Over 9.3 million tonnes of hazardous substances were imported in 2006/07, a slight increase on the previous year. This continues a trend over the past 15 years, although the rate of increase has levelled off in the past two years.</p> <p>312 incidents involving hazardous substances were reported to the Environmental Risk Management Authority in 2006/07, considerably higher than in previous years. Most were in the workplace or public places, and most were classified as low risk. Petroleum products (which comprise up to three-quarters of all hazardous substances imports) were involved in almost half of these incidents. In addition, the New Zealand Fire Service attended 1,891 incidents that involved hazardous substances, an increase from 2005/06.</p>

The Ministry will be able to demonstrate success if:

- adequate and consistent controls are incorporated into all district plans through the implementation of a national environmental standard for the assessment of soil contaminants
- council information systems that record and report information about hazardous substances in or on land are shown by a review to be adequate
- projects funded by the Contaminated Sites Remediation Fund meet specified outcomes
- high level indicators of effectiveness and baseline indicators for industry compliance with the Hazardous Substances and New Organisms Act are agreed and relevant data sources determined
- New Zealand's domestic legislation and regulations in relation to hazardous substances and new organisms are in line with international agreements that we are a signatory to, or with other international systems we have adopted
- import data indicates a decrease in the use of ozone-depleting substances

² Environmental Risk Management Authority. 2008. *Monitoring the Effectiveness of the Hazardous Substances and New Organisms Act 1996*. Wellington: Environmental Risk Management Authority.

- the number of contractors signed up to WasteTRACK increases and data shows improved management of hazardous wastes.

What will we do to achieve this?

To achieve the above, the Ministry will:

- develop and implement a national environmental standard for the assessment of soil contaminants, and support councils and industry in implementing it
- assist councils to set up good systems to manage the information needed for decision making on contaminated or potentially contaminated land
- support (including funding) the investigation and remediation of contaminated sites that present a risk to health and the environment
- improve levels of compliance with the Hazardous Substances and New Organisms Act regulations and controls and determine appropriate indicators of effectiveness
- review policy relating to post-border regulation and management of new organisms
- represent New Zealand's interests at international forums
- support the Environmental Risk Management Authority (ERMA) and the Minister in meeting their statutory obligations
- determine policy and regulations needed to decrease the use of ozone-depleting substances
- identify appropriate tools for managing hazardous wastes.

Putting sustainability into our built environment

Most of New Zealand's population lives and works in cities and towns. Building and housing, the goods and services that households and businesses use, and the waste and emissions they generate, are key elements of good environmental management.

While New Zealand enjoys a relative abundance of natural resources, a 'business as usual' approach that focuses on short-term interests is not sustainable in the long term for the environment or the economy. The Ministry seeks to influence business and consumers to adopt more environmentally responsible practices, such as maximising resource efficiency across the whole product life cycle and reducing waste.

The Waste Minimisation Act 2008 provides a new legislative framework, with new tools and responsibilities for solid waste management and minimisation in New Zealand. The Act addresses the legislative and institutional issues raised in the 2007 OECD Environmental Performance Review of New Zealand and provides tools and funding to improve waste minimisation.

What are we seeking to achieve?

The results that the Ministry is seeking to achieve are:

- resource efficiency, including more efficient use, reuse and recycling of materials

- a reduction in the disposal of waste to protect the environment from harm and provide environmental, social and economic benefits.

How will we demonstrate success?

The following table summarises progress with waste minimisation:

Outcomes	Indicators/trends
<p>Resource efficiency, including more efficient use, reuse and recycling of materials</p>	<p>State: An estimated 329,000 tonnes of paper, plastic, card, glass, steel and aluminium collected through municipal recycling were diverted from being sent to landfills in 2005. When commercial waste is included, the total amount diverted from landfills is estimated to be about 2.4 million tonnes.</p> <p>Trend: In 1996, 20 per cent of New Zealanders had access to kerbside recycling. This increased to 73 per cent in 2006. Recovery rates of packaging material increased significantly between 1995 and 2007, with recovery of both glass and paper increasing by over 30 per cent³.</p>
<p>A reduction in the disposal of waste to protect the environment from harm and provide environmental, social and economic benefits</p>	<p>State: In 2008, over a quarter of the waste disposed of at landfills was organic waste. Potentially hazardous waste (16 per cent), rubble (15 per cent), timber (11 per cent), plastic (8 per cent) and paper (7 per cent) were the next most significant types of waste. Glass and metals each made up roughly 4 per cent of the waste stream.</p> <p>Trend: Total waste to landfill is about 3.1 million tonnes a year and appears to have slightly reduced between 1995 and 2006. Between 2004 and 2008 the following trends were observed:</p> <ul style="list-style-type: none"> ▪ the proportion of paper, metal, and construction and demolition waste sent to landfill reduced ▪ the proportion of textiles, rubber and potentially hazardous waste stayed roughly the same ▪ the proportion of plastic, organic, glass, nappies and sanitary waste increased. <p>In 1995 there were 327 landfills in use, many of which had poor environmental controls. Today there are around 60 landfills in use. Many of these have good environmental controls, including over half with engineered liners, more than three-quarters with leachate collection systems, and more than one-fifth with landfill gas recovery.</p>

Targets for waste minimisation and management in New Zealand are set out in the New Zealand Waste Strategy 2002. A 2006 review of progress towards the targets found that good foundations had been laid, but that some of the targets were out of date or not measurable. To ensure that targets are relevant and reflect the Government's waste policies, the Ministry will review them as part of implementing the Waste Minimisation Act and use them to assess the effectiveness of policies.

The Ministry will also:

- review the effectiveness of the waste disposal levy by 2011
- collect information on waste disposal and materials diverted from landfill to assess progress towards the targets and inform further policy development

³ Packaging Council of New Zealand. 2008. *New Zealand Packaging Accord 2004 year Four Progress Report*. Retrieved from www.packagingaccord.org.nz/documents/pcnz_accord_report_year_four.pdf (10 March 2009)

- collect information about voluntary product stewardship schemes to evaluate the success of these schemes in reducing waste and assess the need for mandatory schemes.

What will we do to achieve this?

Over the next three years, the Ministry will:

- implement the Waste Minimisation Act 2008 so as to ensure it does not cut across existing successful waste programmes
- review the targets in the New Zealand Waste Strategy 2002 and republish the Strategy in 2009
- work with key stakeholders to improve diversion from landfill and encourage recycling, especially of priority wastes
- scope measures for the safe management of priority products through product stewardship schemes, so providing mechanisms that encourage better resource and waste management by producers, importers, retailers, and consumers.

A waste levy of \$10 per tonne of waste disposed of in council landfills (taking effect from 1 July 2009) will raise revenue for promoting and achieving waste minimisation. It will also increase the cost of waste disposal, to recognise some of the costs that disposal imposes on the environment and society. Distribution of levy funds will commence in December 2009.

Delivering environmental governance

Credible and effective environmental governance is essential for achieving good environmental outcomes. Environmental governance is shared between central and local government and is shaped by the participation of a range of resource managers and users, including land owners, Māori, business and industry groups, and community groups.

For environmental governance to be effective, a shared commitment to sustainable development is required and this is reflected in New Zealand's legislation – the concepts of sustainability, sustainable management, and sustainable development are found in legislation covering resource management, local government, land transport, civil defence, energy efficiency and conservation, fisheries and building.

Although environmental management is highly devolved, central government still has a strong role. In recent years, central government has been called upon to make greater and more effective use of Resource Management Act instruments that offer stronger national direction, involvement and guidance to councils and communities.

As part of the reform of the Resource Management Act now under way, the Government plans to establish an Environmental Protection Authority to efficiently handle decisions that need to be assessed at a national level.

What are we seeking to achieve?

The work programme will help achieve the intermediate outcome: 'Decisions on the management and use of natural and physical resources are guided by appropriate and effective legislation, regulations, policies, strategies, guidelines and advice'.

The focus for the next three years in this work programme is on:

- the role of the Resource Management Act in providing for environmental and socio-economic outcomes and allocating natural resources
- improving resource allocation in the coastal marine area
- environmental policy and resource management arrangements that better reflect the Crown-Māori relationship under the Treaty of Waitangi.

How will we demonstrate success?

Resource Management Act

To demonstrate progress towards 'appropriate and effective legislation, regulations, policies, strategies, guidelines and advice' in resource management, the Ministry carries out some specific evaluations:

- the biennial survey of regional, territorial and unitary councils which examines key aspects of processes under the Resource Management Act and also provides a measure of comparative performance between local authorities (The latest survey covers the 2007/08 year. Results will be reported in 2009)
- monitoring the effect and implementation of national environmental standards as required under section 24 of the Resource Management Act
- participant feedback from the Making Good Decisions Programme workshops
- surveys of participants' views on training, so that this can be tailored to people's needs
- research reports and ideas papers to provide timely and relevant information on how the Resource Management Act is implemented and identify areas for potential legislative and non-legislative change.

Research in 2008 on consent processing, plan preparation and plan changes, enforcement and the purpose and principles of the Act was used to inform the policy work behind the Resource Management (Simplifying and Streamlining) Amendment Bill.

Aquaculture Law Reform

Aquaculture is managed under the Resource Management Act and the Fisheries Act, through provisions introduced by an overarching Aquaculture Reform Act in 2005.

There are concerns about the general workability of aquaculture law, particularly in relation to investment certainty and the costs and delays associated with planning and assessing proposals. For this reason, the Aquaculture Forum (representing the Ministry for the Environment and Ministry of Fisheries, together with the aquaculture industry) has commissioned an independent review of the current law.

The management of aquaculture involves decisions over the allocation of space in the coastal marine environment. Options for change will need to be considered within a wider context, as part of the Resource Management Act review (phase two).

Māori participation in resource management and the Crown-Māori relationship

The biennial survey of local authorities includes feedback on councils' provision for Māori involvement in decisions about resource management. We also monitor the implementation of the Ministry's obligations under Treaty of Waitangi settlements.

What will we do to achieve this?

Over the next three years the Ministry will:

Resource Management Act

- reform the Resource Management Act to reduce costs, delays and uncertainties
- create an Environmental Protection Authority to efficiently handle proposals of national significance under the Resource Management Act, as a transitional measure towards creation of an entity with more extensive functions
- develop national policy statements on urban design and flood risk management for consideration; progress the national policy statement on renewable electricity generation
- develop and/or implement national environmental standards for air quality, sources of human drinking water, low impact telecommunications facilities, and electricity transmission; consider the need for national environmental standards for on-site wastewater systems, contaminated land and sea-level rise; and review the air quality standards
- assist Ministers with their statutory functions under the Resource Management Act, including processing call-ins, and other interventions on projects of national significance
- provide advice to the government on ways to improve the Resource Management Act, backed by research and sound data on the operation of the Act (including costs of processes) and local government performance
- provide best practice advice and training for local government and practitioners, targeted assistance for councils, and guidance for the public, business and iwi to improve their understanding of the Act.

Aquaculture law reform

- work with the Ministry of Fisheries, other government agencies and the industry in developing and implementing proposals for the reform of aquaculture-related legislation, including as part of the Resource Management Act reform.

Māori participation in resource management and the Crown-Māori relationship

- provide advice on ways for improving Māori engagement in decisions about the management of natural resources

- provide input into Treaty of Waitangi settlements and foreshore and seabed agreements, and implement the obligations that arise from these
- continue engagement and wide-ranging dialogue with iwi leaders on major policy areas
- develop principles and outcomes to ensure that we take an appropriate and consistent approach to policy relating to Māori interests in natural resources.

Legislation administered by the Ministry for the Environment

A number of the Ministry's work programmes, particularly *Delivering Environmental Governance*, 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.

Providing an evidence base

In all of its policy work, the Ministry for the Environment needs an evidence base to help it make the right decisions and prioritise effort. It relies on developing and maintaining a rigorous evidence base from which sound policy options can be built.

Environmental reporting provides key information to people who make decisions about natural resource use and management. It also helps the Ministry to assess whether policies and environmental management have been effective, and whether new ways are needed to deal with emerging environmental issues. In particular, the five-yearly national state of the environment report and regular updates of the national environmental indicators are used to both inform policy development and raise public awareness about New Zealand's environment.

The Government has indicated its intention to review options for improving assessment of New Zealand's environmental performance, as part of alignment of environment sector roles and functions to meet government objectives.

What are we seeking to achieve?

The results that the Ministry is seeking to achieve are:

- policy is evidence-based, using quantitative environmental information, and incorporates social and economic perspectives
- national and international reporting requirements are met.

The Ministry will also work to ensure that good environmental outcomes are achieved by influencing the science and research sector.

How will we demonstrate success?

An independent review of the *Environment New Zealand 2007* report on the state of our environment found that 66 per cent of survey respondents considered the information in the report was adequate for their needs. The review provided some specific suggestions for improving the Ministry's national environmental reporting programme.

The core set of national environmental indicators was reviewed against OECD indicators and other national indicator sets to ensure greater alignment. Wherever possible, the indicator reporting now includes an international comparison. The national environmental reporting programme was also benchmarked against regional council state of the environment reporting to ensure greater integration.

The Ministry can demonstrate that it is meeting international reporting requirements in relation to climate change. There is a well-established process through which international experts review National Communications, and the annual National Inventory Report under the United Nations Framework Convention on Climate Change (UNFCCC) and supplementary information under the Kyoto Protocol.

Best practice environmental reporting

The Ministry's environmental reporting programme adheres to the principles of the Official Statistics System as follows:

- *Relevance*: Focusing delivery on policy-relevant statistical reporting
- *Integrity*: Documenting underlying principles, methodologies and data constraints, and applying consistent business processes for peer review
- *Quality*: Applying consistent business processes for project management, data analysis and data audit, and adopting formal procedures for sign-off
- *Coherence*: Adoption of commonly used frameworks, standards and classifications
- *Accessibility*: Delivering a range of reporting products to meet user needs.

What will we do to achieve this?

To achieve the results set out above, the Ministry will carry out the following activities:

- promote evidence-based policy through increasing access to environmental science and technology, including support to the Natural Resources Sector Network
- work closely with the Ministries of Social Development, Economic Development, and Culture and Heritage to ensure integration of national environmental reporting with its economic, social and cultural counterparts; and with Statistics New Zealand on sustainable development reporting
- provide advice on options for improving the assessment of New Zealand's environmental performance through the proposed Environmental Reporting Act

- in the interim, prepare for the next five-yearly national state of the environment report, scheduled for 2012
- produce regular (in many cases, annual) updates of the national environmental indicators and other occasional reports and surveys
- strengthen data-sharing arrangements with regional government and other reporting partners, enhance data quality and share best practice
- quantify New Zealand's greenhouse gas emissions and removals by producing the annual National Inventory Report under the United Nations Framework Convention on Climate Change (UNFCCC) and supplementary information under the Kyoto Protocol
- develop projections of New Zealand's greenhouse gas emissions and removals for the first commitment period of the Kyoto Protocol and beyond
- meet New Zealand's obligation under Article 4 and 12 of the UNFCCC to produce a National Communication by 1 January 2010.

Supporting our business

The *Supporting our Business* work programme covers the work needed to invest in leadership and governance, strategic direction, supporting our Ministers in their portfolio activities, cross-government networks, stakeholder relationships and change management.

Information about the activities in this work programme is provided in the sections on 'Managing in a Changeable Operating Environment' and 'Organisational Health and Capability'.

Connecting to our corporate core

The *Connecting to our corporate core* work programme focuses on ensuring that we have the people capability, systems and corporate support that are essential for the Ministry to function.

Information about activities covered by this work programme is provided in the section on 'Organisational Health and Capability'.

Assessing quality, cost-effectiveness and impact

Quality of analysis and advice

The Ministry's work is expected to meet internal quality standards for policy analysis and advice. Feedback on the quality of analysis and advice will be requested from the Minister. A regular independent external audit and review process will be used to assess compliance with the expected standards and to benchmark the Ministry's advice against standards in other agencies.

Assessing cost-effectiveness, impact and implementation

There are a number of requirements that the Ministry must meet in relation to legislation, regulations, national policy statements and national environmental

standards. Because these requirements apply in all cases, they are not identified separately where they affect the work programmes described above.

The Ministry must assess the likely benefits, costs and effects of new or changed legislation and regulations, including national environmental standards. This Cabinet requirement is intended to improve the quality of regulation making and to ensure that regulatory proposals are cost-effective and justified.

In addition, the Resource Management Act requires evaluation of the impact that national policy statements and national environmental standards will have on government objectives (in other words, longer term outcomes). The Act also requires us to monitor the effect and implementation of national environmental standards, national policy statements and water conservation orders.

Managing in a Changeable Operating Environment

The operating environment

Pressure on natural resources

There is increasing recognition that New Zealand risks hitting environmental limits in some areas (for example, water allocation in dry provinces) or effects that are irreversible or costly to remedy (for example, water quality in some regions). There are also many 'legacy' issues such as land contamination to be addressed.

The critical issues for environmental policy in New Zealand are complex and interconnected, with economic, social and cultural dimensions as well as environmental. Potential solutions, too, are often complex, costly and/or contentious, due to the public and private interests that will be affected.

The environmental challenges facing New Zealand are greater than one agency can solve alone. They require an understanding of economic, social and cultural perspectives and awareness of the adaptation required if New Zealand is to meet higher environmental standards.

The Ministry for the Environment is now collaborating more closely on key issues with other government departments through the Natural Resources Sector Network. This central government network will complement the Chief Executives Environment Forum, through which central government engages with regional councils.

Treaty of Waitangi settlements

Treaty of Waitangi settlements and foreshore and seabed agreements often contain provisions which allow for Māori involvement in natural resources management.

Recent settlements and agreements have included tools such as requirements for the Minister to engage with iwi when using his Resource Management Act powers, provision for co-management or transfer of powers from local authorities to iwi authorities, and provision for the settled group to give feedback to the Ministry about local authorities and their implementation of the Resource Management Act.

The Ministry for the Environment is increasingly involved in Treaty of Waitangi negotiations, so that we can advise on redress options involving natural resources, and in implementing settlement arrangements.

Fiscal situation

In recent years there has been a growing awareness in the wider community of issues such as climate change and an increasing willingness by households and businesses to reduce their environmental impacts. The current world economic situation, however, could make the Ministry's task more difficult.

Environmental regulation may be seen by some as a costly blockage on their activities, which could increase the pressure to minimise requirements. Local government may have less funding available for environmental action and awareness-raising in their communities. Business and households may be less motivated to reduce their environmental impacts if they are under pressure

financially. Environmental non-government organisations may struggle to attract funding for their activities.

The Ministry will, therefore, need to focus on cost-effective regulation and to encourage environmental action that also improves efficiency and reduces costs.

Proposed changes in the environment sector

The Government has indicated its intention to make some significant changes to roles and functions in the environment sector, in particular:

- establishing an Environmental Protection Authority
- introducing a new Environmental Reporting Act to amend the roles and functions of the Parliamentary Commissioner for the Environment and the Ministry for the Environment.

These proposals mean that further changes for the Ministry can be expected, and must be planned for, during the period covered by this Statement of Intent.

Environmental scanning

Because the Ministry's work is so interconnected with economic, social, and cultural issues, it is important for us to have a good understanding of the wider environment in which we operate. For example, changing or emerging international trends – not just those directly related to the environment – can affect our priorities and activities.

Being aware of the bigger picture can help the Ministry take account of varying influences on, and by, environmental issues. This in turn can contribute to developing effective advice and policy.

The Ministry has recently established, and is further developing, a process for sharing 'environmental intelligence'. This is intended to provide high quality information for strategic planning and contribute to the evidence base for policy making. It will also support the activities of the Natural Resources Sector Network.

In essence, the environmental intelligence process gathers, analyses and interprets useful and timely information. It involves synthesising information from the national environmental reporting programme and other external monitoring, identifying emerging issues and changes in the wider environment, and integrating environmental, social, cultural and economic perspectives. The process then draws out potential implications of the intelligence for the Ministry.

Risk management framework

The Ministry for the Environment is developing more strategic, integrated and systematic approaches to risk assessment and risk management.

An Audit and Risk Committee has been appointed to provide independent assurance and advice to the Chief Executive. The committee consists of three independent external members: Sue Suckling (Chair), Paul Carpinter and George Reedy. The committee considers that the Ministry has key risks in terms of leadership, reputation and effective management of key projects.

Risks will be considered at an organisational level, a programme level and a project level. This will link to our investment in building strong project management and

programme management skills and capabilities. The key organisational risks and mitigation strategies are set out in the table below.

Key risks		Mitigation strategies	
Organisational strategy and leadership			
We may not meet the higher expectations being placed on the Ministry or have sufficient influence to achieve our outcomes		The Ministry is investing in strategic processes centred on identifying the key outcomes that should drive our work and the future capabilities that will be essential to our effectiveness.	
Growing delivery expectations exceed the resources available		Links between planning and budgeting have been enhanced. Emphasis is being placed on priority setting so that the Ministry focuses effort where it will make the biggest difference. We will work with the Natural Resource Sector Network organisations to ensure that use of the available resources is optimised.	
Key project and programme delivery			
Key projects and programmes run by the Ministry may not deliver expected outcomes within constraints of time and cost		A focus is being placed on effective project management disciplines and the use of second or third party Independent Quality Assurance to provide confidence in project delivery. The Ministry is using lessons learnt to expand our body of knowledge of project management and establish consistent expectations around project governance, planning and implementation.	
Recruitment, retention and development of staff			
Insufficient understanding of roles and responsibilities of public servants may result in situations that impact on the Ministry's reputation		Staff development will increase understanding of the role of a public servant and the Standards of Integrity and Conduct for the State Services.	
Systems and processes			
Internal policies, procedures and practices may not adequately support business needs and provide good external accountability		The Ministry is continuing its systematic review of the control environment. An organisational policy team has formed and is tasked with improving the structure of our control environment. The Audit and Risk Committee has been established. An internal audit schedule is agreed annually and is being executed.	

Crown risk

Alongside the departmental risks mentioned above, there exists a significant financial risk with the Kyoto Protocol liability. This relates to our contribution under the Kyoto Protocol, through which New Zealand committed to reduce emissions in the period 2009–2012 down to the levels in 1990 or take responsibility for the excess emissions. The provision for this liability is affected by key factors that include the exchange rate and the international price of carbon. Other factors influencing the position of this liability include changes in oil prices, the weather, economic growth and changes in forestry activities, all of which are outside of the Ministry's control.

The Ministry monitors this risk through the annual inventory of greenhouse gas emissions and the net position report (see page 13). The Emissions Trading Scheme is the main mechanism to manage and mitigate the risk, subject to Government decisions on implementation and possible amendment by Parliament.

Organisational Health and Capability

The Ministry for the Environment of the future will need to be:

- focused on strategic issues and relationships; able to work across and influence all of government
- focused on linkages across environmental, economic and social development
- understanding other sectors – fully engaged and networked
- a centre of knowledge, evidence-driven, a learning organisation
- focused on organisational performance and development.

In response to changes in expectations and our operating environment, and the need to develop a Ministry that has these capabilities in the future, we are engaged in a significant period of internal change. This includes restructuring the organisation to ensure greater clarity for our staff and our stakeholders.

The Ministry's strategic business plan, *Towards 2013*, sets out the broad direction we will follow in building capability and improving performance. This is supported by the following six strategies for change, linked to a series of projects that will improve our effectiveness:

- *Capability: Developing our People* – We attract, retain and develop appropriately skilled people, providing clearly defined roles and expectations in conjunction with challenging opportunities for innovation, creativity and learning. The projects that support this strategy will help to achieve the State Services Development Goals of becoming an employer of choice and trusted state services.
- *Value: Developing Quality Operating Systems* – Our operating systems support and add value to our work, by providing information that informs organisational development and raises the quality of our decisions. The projects that support this strategy will help to achieve the State Services Development Goal of value for money state services.
- *Alignment: Working Effectively across the Ministry and Government* – We collectively provide coherent, consistent, credible and comprehensive advice on government actions that support environmental sustainability. The activities related to this strategy will help to achieve the State Services Development Goal of coordinated state agencies.
- *Results: Setting and Achieving Longer Term Goals* – We ensure that the Ministry, our partners and our stakeholders value and realise longer term environmental goals.
- *Tūhono: Improving our Engagement with Māori* – We strengthen the Ministry's relationships with Māori, building a Ministry that engages effectively with Māori on strategic direction-setting, policy development and programme implementation.
- *Connections: Working Effectively with Sectors* – People know who we are, trust us and want to work with us. This will help to achieve the State Services Development Goal of accessible state services.

Objectives for organisational health and capability

The Ministry's objectives, based on the six strategies for change, are outlined in the table below. This also shows the indicators and measures that will be used for reporting to the Senior Leadership Team to ensure the objectives are achieved.

Objective	Indicator	Measured by
Capability strategy: Developing our people		
Develop and maintain a skilled and motivated workforce which has the flexibility to adapt to changing goals and priorities over time	Positive feedback from staff about their perceptions of working at the Ministry Staff length of service and turnover	Gallup Q12 Employee Engagement Survey. A survey in September 2008 showed similar levels of engagement to other state sector organisations. It will be repeated in 2009. Monitoring human resources statistics
Value strategy: Developing quality operating systems		
Operate efficient, practical and integrated internal systems	Internal policies, procedures and systems are fit for purpose and consistently applied	Internal audit and review based on internal audit schedule – a combination of strategically placed reviews and compliance checks. Reports from external audits
Alignment strategy: Working effectively across the Ministry and government		
Strengthen internal working arrangements and collaboration with other agencies across central and local government	Positive views of Ministers, central agencies and external stakeholders about the Ministry's ability to operate effectively in a complex environment	Feedback from Ministers and central agencies Survey of stakeholder perceptions of the Ministry. A sample survey in 2008/09 indicated the need for alignment of stakeholder engagement approaches with strategic direction
Results strategy: Setting and achieving longer term goals		
Ensure that the Ministry is clear about the results it needs to deliver and that advice is underpinned by good information	Positive views of Ministers, central agencies and external stakeholders about the Ministry's strategic capacity and use of evidence	Feedback from Ministers and central agencies that the strategic direction is clear and advice is evidence-based Regular internal monitoring
Tūhono strategy: Improving our engagement with Māori		
Develop and grow trust, confidence and respect between the Ministry and Māori	Increased collaboration with Māori to share knowledge and work towards common outcomes	Feedback from Ministers, iwi leaders and iwi resource managers about the Ministry's ability to engage effectively
Connections strategy: Working effectively with sectors		
Build and maintain strong relationships and partnerships with those who affect environmental sustainability	Positive views of external stakeholders on the department's performance in managing key relationships	Survey of stakeholder perceptions of the Ministry (as above)

Improving capability and performance

Strategy

The Ministry is focusing on developing its strategic capabilities, as encapsulated in the strategic business plan, *Towards 2013*. A successful Ministry for the Environment in 2013 will be recognised and respected as a key central government agency that provides strong leadership on environmental issues.

Recent work to clarify our strategic direction has included development of the mission statement and outcomes framework reflected in this Statement of Intent, and alignment of our activities with the mission, outcomes and government priorities.

Leadership

The Ministry's success will be based on strengthening our capability to work at a more strategic level and to influence and deliver on interventions that have the greatest long-term benefit for New Zealand.

The Ministry's senior leadership team will step back from day-to-day operational activities. In future it will concentrate on identifying opportunities and risks in the national and international arena, and guiding the organisation to respond accordingly. The focus will be on governance, leadership, strategic thinking, organisational capacity and capability building, organisational performance management, planning and organising for results, and relationship management.

People

In order to strengthen performance and continue to attract, retain and develop appropriately skilled people, we will clearly articulate our expectations of employees and managers and support their development.

The Ministry will provide clear career paths for staff. Clarification of the competencies, skills and expectations for each role will enable our people to identify suitable career steps and development to enhance their skills and experience. Structured development will help staff to gain the necessary skills and experience.

A new remuneration system, due to be completed in 2009, will enable the Ministry to benchmark itself clearly against other public sector agencies. Good performance will be recognised and rewarded.

Culture

The Ministry recognises that our people are our greatest asset – they are dedicated, supportive and enthusiastic about their work and in meeting current and future challenges.

While the Ministry is technically strong, we need to enhance understanding of the roles and responsibilities of public servants. We also need to complement a collaborative and supportive internal culture with a strong emphasis on performance, learning, use of evidence and building relationships.

Relationships

A Natural Resources Sector Network has been established to enhance collaboration between government agencies. The network is chaired by the Ministry for the Environment's Chief Executive and includes the Ministries of Agriculture and

Forestry, Economic Development, and Fisheries; the Departments of Conservation, and of Prime Minister and Cabinet; Land Information New Zealand; Te Puni Kokiri, The Treasury, and the State Services Commission. The network will ensure that a strategic, coordinated and integrated approach to natural resource policies and management occurs across the sector in relation to both long term issues and policy priorities of the government of the day. Priority work areas include resource management, water (including allocation) and Māori issues.

The Ministry recognises that Māori are key stakeholders in natural resources management. The Ministry is working with Māori groups to further its understanding of their perspectives and to help improve outcomes for Māori as individuals and as members of whānau, hapū and iwi. We want to ensure that the views of Māori and iwi are considered in the development of environmental policy. The first priority for the Ministry is to develop partnerships with Māori to explore their aspirations.

The Ministry's stakeholder engagement strategy is based on improving the quality, quantity and consistency of the Ministry's project management. Guidance materials, toolkits and processes will help to ensure that engagement is effective and that stakeholder expectations are appropriately managed.

Processes and technology, and physical assets

The review of policies, practices and procedures, commenced in 2008, continues to be a focus for action. The review enabled us to set priorities for a programme of continual improvement over the next two to three years, linked with a strong emphasis on good practice.

Information and communications technology are the major physical assets owned by the Ministry. We are working to ensure that the information management work programme and priorities are well linked to business needs and government priorities.

The review of policies, practices and procedures will extend to usability, user satisfaction and user support in relation to information technology and applications.

The Ministry's main web site is being reviewed, which is expected to result in an enhanced version being completed during the 2009 year.

Structure

The Ministry for the Environment is led by the Chief Executive, Dr Paul Reynolds.

The Ministry is currently undergoing a significant restructuring that will enable us to meet the challenges of our work programmes and to align our structure with arrangements in similar government agencies. Our goal is to have a management structure that is readily understood internally and externally. From 1 July 2009 the Ministry will be organised into three Divisions:

- Policy Division, including the Climate and Risk Policy Directorate, and the Natural and Built Environment Policy Directorate
- Strategy and Corporate Division, including the Sector Strategy Directorate, Organisational Performance Directorate, and corporate teams
- Programmes Division, which includes the Environmental Protection Directorate, Operations Directorate and Information Directorate.

Each division will be led by a Deputy Secretary whose role will be focused on leadership, organisational performance, external relationships, and influencing the agendas of other agencies and sectors. Within each division, Directors and Managers will have responsibility for leading aspects of the work programmes.

As the Government has indicated its intention to establish an Environmental Protection Authority, the new structure will group together the relevant functions within the Programmes Division to help us prepare for this change.

Equal Employment Opportunities

The Ministry's strategic business plan includes a priority strategy focused on developing our people. In doing this, we will provide equality of access to opportunities and value people with different ideas, skills and perspectives. This will enhance our advice and decision making on environmental matters.

Whilst integrating equality and diversity at a strategic planning level, work programmes will continue around positive ageing, pay and employment equity and disability. We will also collect information on our workforce profile and report on information and trends to measure and support equality and diversity.

Departmental capital intentions

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

The first area of expenditure is continuing the development of the Land Use and Carbon Analysis System. The expected cost in 2009/10 is \$537,000. This is a multi-faceted programme of work to meet New Zealand's obligations as a signatory to the Kyoto Protocol. The outcome of this capital expenditure will be an application that combines geospatial information (maps) with a carbon calculation and reporting engine. As this is a substantial multi-year project that has been subject to some delays, a formal governance structure has been put in place to monitor and manage risks.

The second area of expenditure is developing a waste levy collection system and customising the Ministry's customer relationship system to manage the statutory obligations under the Waste Minimisation Act 2008. The system will manage the collection of the waste levy and the subsequent distribution to territorial authorities and approved projects, as provided for under the Waste Minimisation Act 2008. The customer relationship system will enable the recording of product stewardship schemes and contact information, Waste Minimisation Fund applications, enforcement and audit management, and the management of territorial authority waste obligations.

The third area of expenditure is an ongoing amount of about \$650,000 per annum. The funds are mainly spent on updating the Ministry's desktop and server hardware. The remainder is allocated to the purchase/development of software in accordance with the priorities set and determined by senior management.