



Ministry for the
Environment
Manatū Mō Te Taiao



STATEMENT OF INTENT 2010 – 2013



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Foreword: Minister for the Environment

The Government is committed to a carefully balanced agenda of both environmental and economic goals. The two are closely connected. New Zealand depends on the wise management of natural resources for its continuing prosperity; at the same time, a strong economy is essential to enable New Zealanders to protect and enjoy this country's abundant natural resources.

Environmental issues are intertwined with New Zealand's international trade and reputation, as well as with the legacy we leave for future generations – whether those issues are the response to climate change or the efficient management of natural resources such as fresh water.

When I set my priorities for the Environment and Climate Change portfolios in late 2008, it was in the expectation that these substantial and complex work areas would require attention over a number of years. Therefore, my priorities for 2010–2013 as set out below reflect the progress made to date in these areas and the next stage of action required to achieve the results I am seeking. My priorities are:

- *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 focus now moves to implementation, in particular allocation of emission units to trade-exposed, emissions-intensive sectors.
- *Ensuring that New Zealand constructively assists in achieving a successor agreement to the Kyoto Protocol on climate change* – Negotiations are expected to continue through 2010 (and potentially 2011). The Government's focus will be the design of the rules concerning forestry and land use, as well as ensuring that New Zealand's target reflects a fair share with respect to costs to the economy in comparison with other nations.
- *Improving New Zealand's freshwater management* – The Government wants to ensure that fresh water contributes to New Zealand's economic growth and environmental integrity. The Minister of Agriculture and Forestry and I will progress the *New Start for Fresh Water Strategy* through a work programme on water allocation, governance, quality, infrastructure and storage. The Land and Water Forum and iwi will be actively involved in this work.
- *Developing the Environmental Protection Authority* – The Environmental Protection Authority is being established to provide greater national leadership and to enable timely decisions on critical infrastructure and other major resource consents. It will operate as a statutory office under the direction of the Secretary for the Environment until the next phase of reforms is implemented. Legislation to establish the broader functions and responsibilities of the Environmental Protection Authority will be developed, along with consequential amendments to other legislation.
- *Resource management reforms* – The Government's resource management reforms are about ensuring that New Zealand manages its resources more effectively and efficiently to deliver both economic and environmental benefits. In addition to improving freshwater management and developing the Environmental Protection Authority, the second phase of reform focuses on sector-specific issues (including aquaculture, infrastructure and urban design) and better interaction between the Resource Management Act and other statutes.

In addition to these priorities, over the next three years I intend to progress work on improving environmental reporting, which is critical to good decision making, and on a National Policy Statement on Biodiversity.

While the issues are primarily environmental, they have economic, social and cultural implications to be considered. For this reason they require careful deliberation and expert

advice. As we move forward I will be seeking input from both technical experts and from the many interests that will be affected by the decisions, as well as from the government agencies charged with natural resource management.

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.

A handwritten signature in black ink, appearing to be 'N. Smith', written in a cursive style.

Hon Dr Nick Smith
Responsible Minister for Ministry for the Environment

26 April 2010

Introduction from the Chief Executive

The Prime Minister's Statement to Parliament in February 2010 and the Minister's priorities outlined in his foreword make clear the significance of environmental policy and legislation to New Zealand's economy and prosperity. The Ministry's focus during 2010-2013 will be to deliver the policy advice, regulatory reforms and programmes that the Government requires to ensure that resources are used productively while maintaining environmental values.

The Ministry for the Environment will continue to work closely with other central government agencies to give integrated and well-considered advice to the Government on its priorities related to natural resources.

To carry out our mission of environmental stewardship that supports New Zealand's prosperity, the Ministry must be able to provide sound and strategic advice that takes into account the connections between the environment and the economy. We will seek to develop environmental management systems that are durable and contribute to New Zealand's success.

In terms of the investment we will make in our organisation, we are focusing our attention in three key areas:

- establishing a clear strategic direction so that the Ministry can provide a long-term view on environment and resource management issues while responding to the priorities of the government of the day
- building capability to meet increasing and changing expectations, especially in relation to policy functions and leading strategic conversations
- strengthening our financial management and improving efficiency so that we deliver increased value for money within funding constraints.

The next three years will be a period of transition during which we will make enduring changes in the way we operate and our ability to deliver at a more strategic level.

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 (2010/11 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

Mission and vision

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

Our mission: Environmental stewardship for a prosperous New Zealand –
Tiakina te taiao kia tōnui a Aotearoa

'Environmental stewardship' requires taking the long-term view, so that the capacity of the environment to generate benefits is maintained. 'Prosperous' means that resources must be allocated efficiently, to generate the most benefit for New Zealanders.

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. Our advice includes both international and domestic matters related to the environment and climate change.

An important element of our role in environmental stewardship is providing advice on 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, including the state of New Zealand's environment. We implement government decisions by 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. This makes regional and district councils a critical part of environmental management in New Zealand. Central government 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.

An Environmental Protection Authority has been established as a statutory office within the Ministry for the Environment to administer and make recommendations to the Minister for the Environment regarding the processing of nationally significant consent applications, plan changes, notices of requirement and certificates of compliance.

The Ministry also 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.

Strategic direction

Our work programmes have three main drivers: 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 seeking to achieve.

Detailed information about the quality of New Zealand's environment and pressures on it can be found on the Ministry's website in *Environment New Zealand 2007* and recent environmental report cards and snapshots. Information about the Ministry's contribution to Government priorities and the Ministry's outcomes is provided below.

The Government's priorities 2010–2013

The Government's priorities and expectations outlined in the Prime Minister's Statement to Parliament (February 2010) and the Budget Policy Statement (December 2009) set the context for the ministerial priorities outlined on page 3. Along with our statutory obligations, these priorities determine the main focus of the Ministry's work over the next three years.

Government priorities relevant to the Ministry's activities and our contribution to those priorities are set out in the table below.

Government priority	Ministry contribution to priorities
Investing in productive infrastructure, removing 'red tape' and improving regulation.	Advise on and implement resource management reforms to: <ul style="list-style-type: none">• improve freshwater management so that it contributes to economic growth and environmental integrity (with Ministry of Agriculture and Forestry)• develop the broader functions and responsibilities of an Environmental Protection Authority that will efficiently handle proposals which need to be assessed at the national level• improve decision making processes related to infrastructure and urban planning• streamline the interaction between the Resource Management Act and other statutes• provide greater certainty for consent holders and applicants.
Supporting business innovation and trade.	Implement a workable and affordable emissions trading and climate change framework. Reform the aquaculture regime to remove barriers to development and streamline approval processes. Clarify the framework for environmental management in the Exclusive Economic Zone. Cooperate with partner countries on environmental priorities in free trade agreements.
Lifting productivity and improving services in the public sector.	Continue the drive for greater efficiency and better performance, to ensure that the Ministry can deliver Government priorities within a reducing baseline.

The Ministry's outcomes framework

The results that the Ministry is seeking are set out in our outcomes framework. This comprises four end outcomes (long-term results), four intermediate outcomes (pre-conditions for achieving the end outcomes), and the expected impacts of our work (short-term results) across 11 work programmes. They are summarised in the figure on page 10.

In early 2010 the Ministry began preparing a strategic plan to set out the broad direction we will follow in becoming a strategy-led organisation and the areas we will focus on for building competencies and desired behaviours.

The strategic plan recognises that there is an increasing need for the Ministry to advise on complex strategic issues and the interface between the economy and the environment. The Ministry must deliver robust environmental policy and design tools and institutions which create incentives that change behaviour. Our advice must be based on credible and authoritative evidence and effective engagement with stakeholders.

During the 2010/11 year the outcomes framework and grouping of activities into work programmes will be reviewed to ensure that they align strongly with the direction of the strategic plan.

Key concepts

Three key concepts underpin our outcomes and are at the heart of the Ministry's work:

- Environmental stewardship – Environmental policies need to deliver as many benefits as possible across all outcomes for all New Zealanders – including environmental, social, cultural and economic goals – while maintaining the capacity to generate benefits for future generations
- Behaviour change – New Zealand's prosperity and quality of life will be enhanced if more New Zealanders adopt environmentally responsible practices and efficient use of natural resources
- Shared responsibility for action – Government agencies, businesses, communities and individuals all contribute to leadership and action on environmental quality and resource efficiency.

End outcomes

The end outcomes represent the environmental conditions required to support long-term prosperity and quality of life for New Zealanders. These outcomes recognise that environmental health is not an end in itself – there are significant economic, social and cultural benefits for all New Zealanders from addressing environmental issues.

The end outcomes are interrelated. 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 for the Environment has a significant interest in how these end outcomes can be achieved, the activities of many others contribute (shared responsibility) because these outcomes are important for New Zealand as a whole.

A range of measures and indicators reported by central government agencies can be used to track progress towards the end outcomes. Using these measures and indicators, we are developing an overview of progress towards a healthy environment supporting a prosperous New Zealand. The diagram inside the back cover is an early example of this 'dashboard' approach that will be further developed for our future planning and reporting documents. It is

not an exhaustive summary of indicators and data related to each outcome, but uses selected measures that have a direct or indirect link to the Ministry's work. More detailed information about environmental indicators and trends can be found on the Ministry's website.

Intermediate outcomes

The end outcomes will not be achieved unless some essential pre-conditions are met. Essential elements include a high level of public support for efficient resource use and for addressing environmental problems and risks, along with a willingness to behave in environmentally responsible ways.

To encourage a preparedness to change, a range of appropriate incentives must be provided through legislation, regulations, economic measures, policies, strategies, guidelines and advice that will influence the decisions of communities, organisations and individuals.

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

Impacts of work programmes

The short-term results that the Ministry wants to achieve are set out in the outcomes framework as the 'impacts of work programmes'. The Ministry's activities are grouped into 11 ongoing work programmes that cover both outputs we are delivering for the Government and the corporate activities that support an efficient organisation to provide value for public funding.

Measures that will be used to report on the impacts of our work programmes are outlined in the next section.

Ministry funding

The Ministry's work is funded through Vote Environment and Vote Climate Change. The main appropriations under these Votes, and most of our outputs, are focused on policy advice and implementation of government decisions. In addition, there are some specific appropriations that are related to:

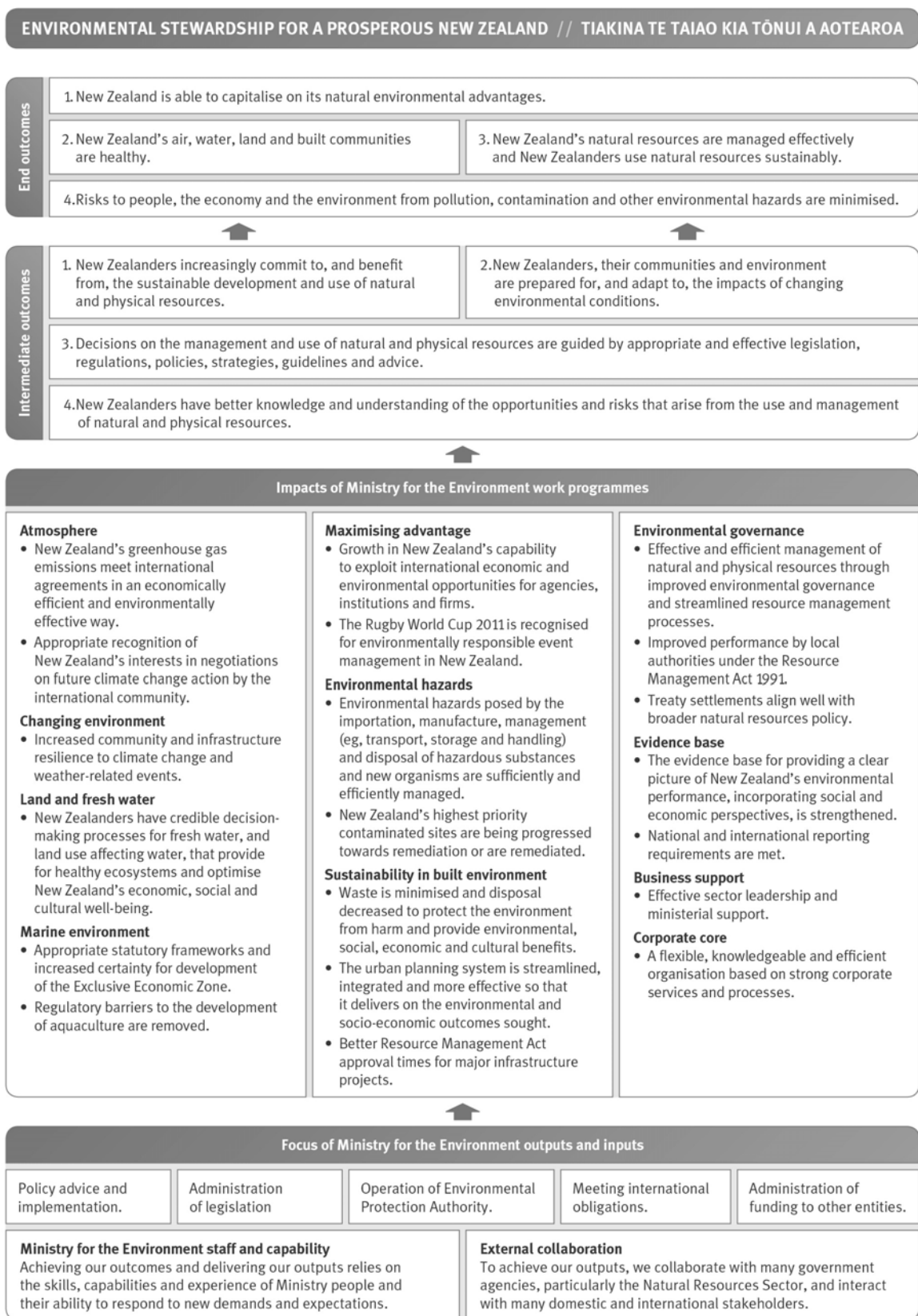
- administration of legislation and functions under that legislation
- operation of the Environmental Protection Authority
- meeting international obligations under environmental and free trade agreements
- administration of government funding to other organisations.

Further information about how the Ministry is carrying out its work within current fiscal constraints and a decreasing baseline is provided on page 34.

The diagram on the next page shows the outcomes framework and the main focus of our outputs, as well as how we will achieve the outputs through the use of staff skills and collaboration with others. Appendix 1 shows the linkages between our appropriations, outcomes, impacts and work programmes.

The next section then outlines the planned work for 2010–2013.

Ministry for the Environment outcomes framework



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. While the general themes of these work programmes continue from year to year, the outputs delivered through the work programmes are likely to change each year. At present the focus of the Ministry's work (and therefore, the major allocation of resources) is related to the Minister's priorities that are part of the *Atmosphere*, *Land and fresh water*, and *Environmental governance* work programmes, and the operation of the Environmental Protection Authority.

Our first two work programmes, focused on *Atmosphere* and *Changing environment*, cover activities under Vote Climate Change. The *Evidence base* programme also contributes to work under Vote Climate Change, particularly in relation to national and international reporting on greenhouse gas emissions and removals. All of the other work programmes are delivered with funding from Vote Environment.

Under each work programme we describe the issues we are working on, what we are seeking to achieve, measures of success and the outputs to be delivered. As the Ministry's direct involvement in environmental management is limited, we concentrate mainly on:

- robust policy advice that will enable the Government to create durable policy
- engagement with influential and affected stakeholders to gain their input into, and understanding of, policy options
- tools such as legislation, regulations, economic instruments and voluntary programmes that will create incentives for sustainable resource use
- authoritative data that gives early warning of problems, supports our policy advice, and informs New Zealanders about the state of our environment.

We also undertake statutory functions under current legislation and assist our Ministers in carrying out their statutory obligations.

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.

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. The cross-government work includes policy advice, implementation of the Emissions Trading Scheme, other initiatives to reduce emissions and to adapt to the likely impacts of climate change, international negotiations, international reporting, and science and research.

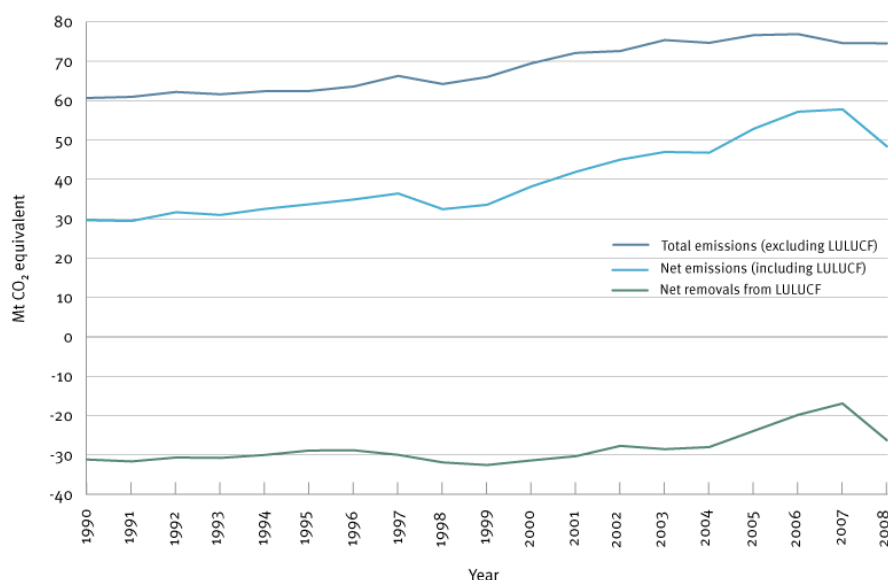
What do we want to achieve and how will we demonstrate success?

Through this work programme the Ministry is seeking to achieve the impacts shown below.

Impact	Performance measure	Target
New Zealand's greenhouse gas emissions meet international agreements in an economically efficient and environmentally effective way.	Trends in greenhouse gas emissions and removals as measured by the annual greenhouse gas inventory.	<p>New Zealand's Kyoto Protocol target is to reduce its greenhouse gas emissions back to 1990 levels on average over the period 2008 to 2012 or take responsibility for any emissions above this level if it cannot meet the target.</p> <p>New Zealand's long-term goal is a 50 per cent reduction of net greenhouse gases from 1990 levels by 2050.</p> <p>New Zealand is prepared to take a responsibility target for greenhouse gas emissions reductions of between 10 per cent and 20 per cent below 1990 levels by 2020, if there is a comprehensive global agreement.</p>
Appropriate recognition of New Zealand's interests in negotiations on future climate change action by the international community.	Ministers are satisfied that New Zealand's interests have been recognised.	Achieved.

Recent trends

The graph below shows recent trends in greenhouse gas emissions and removals. LULUCF is the land use, land-use change and forestry sector. The top line shows total emissions excluding LULUCF; the second line shows net emissions including LULUCF; and the bottom line shows net removals from LULUCF.



What will we do to achieve this?

The Ministry will:

- implement and operate the Emissions Trading Scheme (ETS) in conjunction with the Ministry of Economic Development and Ministry of Agriculture and Forestry and in accordance with the Climate Change Response Act 2002 (as amended in 2009)
- advise on New Zealand's international negotiating position under the United Nations Framework Convention on Climate Change and the Kyoto Protocol, including post-2012 commitments
- implement (non-ETS) climate change measures and other commitments.

Keeping pace with a changing environment

Likely changes in our climate pose environmental, economic and social risks and opportunities. These risks and opportunities relate to rising sea levels, increases in flood events and droughts, changing wind and rainfall patterns, increased temperatures, and reduced frosts.

Examples include heightened risks to human health and safety, buildings and infrastructure, primary production and ecosystems from more frequent and intense weather-related events. This can also lead to higher response and recovery costs for local and central government. Opportunities can arise from long-term shifts in climate patterns, for example, the ability to grow new crops and to develop new technologies.

New Zealand will benefit from planning for the effects of climate change and managing the risks to our environment, economy and communities, while also ensuring opportunities are realised.

What do we want to achieve and how will we demonstrate success?

Through this work programme the Ministry is seeking to achieve the impacts shown below.

Impact	Performance measure	Target
Increased community and infrastructure resilience to climate change and weather-related events.	Local government Resource Management Act planning documents address the need to adapt to the effects of climate change.	Upward trend.

Recent trends

A review of how local government includes sea-level rise in resource management planning documents was completed in 2009 as part of the work towards a national environmental standard on sea-level rise. The review found that approaches around the country were variable.

What will we do to achieve this?

Activity in this work programme will be limited while the Ministry focuses on implementation of the Emissions Trading Scheme. Over the next three years we will provide advice as required on mechanisms for adapting to the effects of climate change in New Zealand.

Looking after our land and fresh water

New Zealand’s ecosystems, primary producers, community health and cultural values depend on water. Abundant fresh water gives New Zealand a competitive advantage in primary production, energy generation and tourism. However, this advantage depends on maintaining the quality and supply of that water, which can be threatened in some areas by unmanaged growth in these same industries, by rapid land use change, by growth in urban areas, and by climate change.

Water quality and quantity is a regional story, with significant variations across New Zealand. This puts a premium on designing regional water solutions, within an overall national framework, that balance that region’s cultural, economic, social and environmental values and issues, and also give appropriate weight to national interests. These solutions need to reflect integrated choices around land and water use, and be carried and supported by local stakeholders. The Government has established the Land and Water Forum to try to get this balanced perspective to both the debate and the possible solutions.

The Land and Water Forum is a non-governmental group established in 2008, comprising a comprehensive range of stakeholders including industry groups, environmental and recreational non-governmental organisations, iwi groups and other organisations with an interest in land and water management. Feedback from the Forum will assist the Government to establish national goals and outcomes for water. These will ultimately inform Government in developing policies to address long-term needs as well as immediate problems.

Water governance and use, and the impacts on quantity and quality are significant issues for Māori. In addition to their significant cultural interest, Māori also have an interest in the economic allocation of water. The Government has established an iwi advisors group to work closely with officials to help reflect the Treaty relationship and Māori’s close interest in water. The implementation of the Waikato River co-governance arrangements represents one model of reflecting this interest in day-to-day decision-making in a key catchment.

The Ministry also has responsibility for supporting the implementation of elements of water policy. This includes the ongoing remediation of Lake Taupo and the Rotorua lakes, and scoping the Waikato River clean-up, which reflects the ongoing investment in dealing with water quality issues of importance to both local iwi and the wider community.

What do we want to achieve and how will we demonstrate success?

Through this work programme the Ministry is seeking to achieve the impacts shown below.

Impact	Performance measure	Target
<p>The Natural Resources Sector Network agreed common outcome in relation to water is:</p> <ul style="list-style-type: none"> <li data-bbox="207 1659 1329 1715">• New Zealand’s fresh water is well governed and sustainably managed to realise the maximum benefit possible for present and future environmental, cultural, social and economic values. <p>The Ministry’s contribution to the common outcome is shown below.</p>		
<p>New Zealanders have credible decision-making processes for fresh water, and land use affecting water that provide for healthy ecosystems and optimise New Zealand’s economic, social and cultural well-being.</p>	<p>Specific measures that more directly evaluate our policy interventions on fresh water will be determined as part of implementing Government decisions on the ‘New Start for Fresh Water’ programme.</p>	<p>Targets will be set once specific measures have been developed.</p>

Recent trends

Progress towards outcomes for fresh water and land, to which the Ministry contributes, is described by a number of key indicators monitored as part of the national environmental reporting programme. These indicators show national-scale changes over time in the condition of water and land. The diagram inside the back cover shows relevant indicators and trends. See our environmental reporting publications or our website for further information.

Note that 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.

What will we do to achieve this?

The Ministry will:

- advise on the recommendations for water management coming out of the Land and Water Forum
- develop and implement the Government’s New Start for Fresh Water policy programme to improve water management in New Zealand, covering water allocation, water quality, infrastructure, storage and governance (effective decision-making)
- continue engagement with Māori on the Treaty relationship and their close interest in water through the iwi advisors group
- implement the Waikato River co-governance agreements
- continue to support implementation by local government of the Lake Taupo Protection Programme and the Rotorua Lakes Protection and Restoration Action Programme, and advise on the scope and establishment of a clean-up fund for the Waikato River.
- assist the Minister with processing water conservation orders.

Fresh water policy work is jointly led by the Ministry for the Environment and the Ministry of Agriculture and Forestry.

Looking after our marine environment

Some activities in New Zealand’s Exclusive Economic Zone (for example fishing) are regulated by existing laws. There are, however, some gaps in the regulatory system – for example there is no provision for environmental assessment and consenting of some activities, including seabed mining, or carbon capture and storage. This creates uncertainty for investment in the development of resources and the risk of poor environmental outcomes.

Current aquaculture legislation is perceived to be a serious barrier to future development of the industry’s significant economic potential. Under the current legislation there is no prospect of new aquaculture development for several years. Reform of the legislation is required to remove barriers to aquaculture development and promote its economic potential.

The Ministry also contributes to significant marine-related policy initiatives led elsewhere in government to help ensure that a more coordinated and integrated approach to marine management is taken over time.

What do we want to achieve and how will we demonstrate success?

Through this work programme the Ministry is seeking to achieve the impacts shown below.

Impact	Performance measure	Target
Appropriate statutory frameworks and increased certainty for development of the Exclusive Economic Zone.	Cabinet is yet to set the policy direction for drafting of the Exclusive Economic Zone legislation. Measures for the impact of the legislative framework cannot be developed until its final scope and purpose are determined.	Not applicable.
Regulatory barriers to the development of aquaculture are removed.	The impacts of the aquaculture reforms will be measured by the Aquaculture Agency (once established under the Ministry of Fisheries).	Not applicable.

What will we do to achieve this?

The Ministry will:

- develop and (subject to approval) provide support for implementation of Exclusive Economic Zone legislation and subsequent regulations
- develop and (subject to approval) implement aquaculture amendment legislation.

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 our 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 trade and environment 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 do we want to achieve and how will we demonstrate success?

Through this work programme the Ministry is seeking to achieve the impacts shown below.

Impact	Performance measure	Target
Growth in New Zealand's capability to exploit international economic and environmental opportunities for agencies, institutions and firms.	Number of environmental cooperation agreements concluded.	4 new agreements over the next 3 years.
	Number of environmental cooperation agreements being implemented.	7 to 10 agreements over the next 3 years.

The Rugby World Cup 2011 is recognised for environmentally responsible event management in New Zealand.

Host regions report that they achieved the environmental objectives of their programmes.

80% of objectives achieved.

Recent trends

There has been recent growth in New Zealand negotiating and concluding new free trade agreements with associated environmental provisions. Six agreements (involving eight partner countries) have been concluded since 2005.

What will we do to achieve this?

The Ministry will:

- continue negotiating and implementing environmental provisions in free trade agreements as required by Cabinet to promote New Zealand's interests in the international trade and environment arena
- continue strategic engagement in international forums, such as the OECD and the United Nations Environment Programme, and host international visitors to both promote New Zealand's environmental expertise and to learn from others
- coordinate host regions' environmental programmes for Rugby World Cup 2011 through a national co-ordination framework and assist host regions in implementing their programmes.

Minimising environmental hazards

Environmental hazards result from the inappropriate importation, manufacture, management and disposal of hazardous substances, new organisms and contaminated lands. Such hazards have the potential to result in significant adverse effects on human and ecosystem health, surface and/or ground water quality, the productive capacity of our soils, and the integrity of buildings and infrastructure.

Economic growth is progressively dependent on chemical and biological innovations that test the community's comfort with risk versus opportunities lost. The Government has a role in ensuring safe work places and safe and stable communities; and at the same time has a role in encouraging economic growth. With our key environmental hazards legislation (the Hazardous Substances and New Organisms Act 1996) being 14 years old, the business community is questioning whether the degree of risk aversion provided by the legislation is now unnecessarily stifling business opportunities.

New Zealand is a party to a number of multilateral environmental agreements that help manage the risks posed by certain hazardous substances and new organisms (for example, the Basel and Waigani Conventions, Rotterdam Convention, Stockholm Convention, Montreal Protocol, and Cartagena Protocol). New Zealand's participation in such agreements offers both advantages to our trading environment (for example, consistency of classification and labelling) and to our management of environmental hazards.

In addition to hazards related to current use and management of hazardous substances, New Zealand has a legacy of contaminated sites resulting from unwise use and disposal of hazardous substances in the past. These pose a present and future risk to human and biological health if not managed or cleaned up appropriately.

What do we want to achieve and how will we demonstrate success?

Through this work programme the Ministry is seeking to achieve the impacts shown below.

Impact	Performance measure	Target
Environmental hazards posed by the importation, manufacture, management (eg, transport, storage and handling) and disposal of hazardous substances and new organisms are sufficiently and efficiently managed.	Monitoring of trends in incident, compliance and enforcement data compiled by the Environmental Risk Management Authority and the Department of Labour.	Downward trend.
New Zealand's highest priority contaminated sites are being progressed towards remediation or are remediated.	Progress is made in investigation, remedial planning or remediation of priority sites in conjunction with regional councils and/or landowners.	An increasing proportion of high priority contaminated sites managed or remediated.

Recent trends

The Environmental Risk Management Authority monitors and reports on the effectiveness of the Hazardous Substances and New Organisms Act. It notes that this is challenging because of data limitations and difficulties in attributing changes to interventions under the Act. The 2009 monitoring report shows that, over the period 2001/02 to 2005/06 the number of reported incidents relating to hazardous substances remained relatively constant at around 200–220 but then increased. The monitoring report suggests that this increase may be due to a combination of better reporting and fewer inspections, resulting in lower levels of compliance.

The Minister has indicated an interest in fully reviewing the Hazardous Substances and New Organisms Act in 2012. In 2010/11 we will commence evidence gathering and analysis to determine the appropriateness and effectiveness of the current risk management framework provided through the Act. This will provide baseline information for future performance measurement.

What will we do to achieve this?

The Ministry will:

- gather evidence and undertake analysis to determine the appropriateness and effectiveness of the current risk management framework provided through the Hazardous Substances and New Organisms Act and develop a process for full review (subject to Government approval, this will commence in 2012)
- support the Environmental Risk Management Authority and the Minister for the Environment in meeting their statutory obligations
- develop and maintain a comprehensive strategy for future funding allocation to priority contaminated sites
- contract, manage, monitor and audit contaminated site 'clean-up' projects delivered by third parties.

Putting sustainability into our built environment

Building and housing, the goods and services that households and businesses consume, the natural resources they use, and the waste and emissions they generate are all key elements of good environmental management delivering economic and social results. This makes the successful design and development of our cities and towns critical to all New Zealanders.

Many of New Zealand's major urban areas have experienced rapid population growth. Projections indicate that between 2006 and 2021, New Zealand's population will grow by another 586,000 people (14 per cent). Over 60 per cent of these people will be accommodated in Auckland. This growth has implications for how towns and cities develop. Improving the urban planning system that regulates, shapes and influences how our cities and towns develop and function is a core component in delivering the Government's overall objectives, environmental as well as economic and social.

Infrastructure will play a central role in delivering on Government objectives for our urban as well as our rural communities. Efficient, timely and well-targeted infrastructure development contributes directly to living standards, quality of life and economic growth and productivity.

As part of the resource management reforms (see page 20), the Government wants to improve urban planning and design, better integrate growth management and infrastructure development, and promote the efficient and timely delivery of high quality infrastructure, without compromising underlying environmental integrity.

Another aspect of environmental management under this work programme is the Waste Minimisation Act 2008, which provides a legislative framework for waste management and minimisation in New Zealand. The Act provides new tools, responsibilities and funding frameworks to improve waste minimisation.

What do we want to achieve and how will we demonstrate success?

Through this work programme the Ministry is seeking to achieve the impacts shown below.

Impact	Performance measure	Target
Waste is minimised and disposal decreased to protect the environment from harm and provide environmental, social, economic and cultural benefits.	Percentage of reductions in the monthly tonnage data of waste disposed of at waste disposal facilities.	Downward trend (As the Ministry has just begun collecting data it is not yet able to set a definite target, however, we intend to do so in the future.)
The urban planning system is streamlined, integrated and more effective so that it delivers on the environmental and socio-economic outcomes sought.	Refer to the <i>Delivering environmental governance</i> work programme for relevant measures.	Refer to the <i>Delivering environmental governance</i> work programme for relevant targets.
Better Resource Management Act approval times for major infrastructure projects.	Trend in time taken to process notices of requirement and outline plans.	Downward trend.

Recent trends

In July 2009, the Ministry began collecting waste disposal data from disposal facilities. This data is required under the Waste Minimisation Act 2008 and determines payments of the waste disposal levy. Over time, this data will assist us to build up a picture of waste disposal in New Zealand and enable us to report on trends.

At present we have no trend or current state information in relation to approval times for major infrastructure projects. This is a new measure to be included in the 2010/11 Resource Management Act survey of local government.

What will we do to achieve this?

The Ministry will:

- administer the Waste Minimisation Act, ensuring it is operating in an effective and efficient manner
- develop amendments to the Resource Management Act to remove some of the actual or perceived barriers to infrastructure planning and development
- provide advice on possible amendments/actions to simplify and make more effective the urban planning system
- engage in the development of the first Auckland Spatial Plan and other matters as part of the Auckland Governance reform.

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.

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.

National-level natural resource and environmental regulatory functions are currently performed across a number of agencies. As part of the reform of the Resource Management Act now under way, the Government established an Environmental Protection Authority (EPA) to efficiently handle proposals that need to be assessed at a national level. To achieve this aim the EPA will consolidate regulatory and technical skills, and build on synergies between similar national level functions and powers. The initial EPA has limited scope and functions. During 2010/11 the scope, functions and structure of the expanded EPA will be determined.

As an adjunct to the Resource Management (Simplifying and Streamlining) Amendment Act passed in October 2009, the Government has agreed to a further phase of resource management reforms. The work programme for Phase II comprises 10 inter-related work streams. In addition to the priority work on aquaculture, fresh water and the EPA, these reforms focus on greater central government direction and process streamlining, sector specific issues (improving infrastructure and urban planning) and streamlining the interfaces between the Resource Management Act and other legislation (for example, the Building Act).

The Government is committed to settling all historical Treaty of Waitangi grievances, with a target date of 2014. Changing governance arrangements for natural resources are emerging from settlement negotiations.

What do we want to achieve and how will we demonstrate success?

Through this work programme the Ministry is seeking to achieve the impacts shown below.

Impact	Performance measure	Target
Effective and efficient management of natural and physical resources through improved environmental governance and streamlined resource management processes.	Trend in local authority compliance with mandatory resource consent processing timeframes under the Resource Management Act 1991.	Upward trend.
	A review of the expanded Environmental Protection Authority three years after its establishment shows it provides for effective, efficient and transparent management of the regulation of New Zealand's environment and natural resources.	Achieved.
	Trend in efficient processing of applications of national significance that are called in.	100% compliance with statutory requirements.
	New national environmental standards are meeting their objectives as determined by a review of their effectiveness undertaken three years after coming into force.	Achieved.
Improved performance by local authorities under the Resource Management Act 1991.	Trend in local authority compliance with mandatory timeframes in the Resource Management Act 1991.	Upward trend.
	Trend in local authority decisions overturned by the Environment Court.	Downward trend.
	Number of interventions using statutory powers to address poor local authority performance.	Maximum of one per year.
Treaty settlements align well with broader natural resources policy.	Percentage of advice to Ministers on historical Treaty settlement redress packages reflects the Natural Resources Sector Network's integrated policy position on Treaty settlements (when agreed).	100%

Recent trends

The source of information for reporting on a number of measures in this programme is the Resource Management Act survey of local government. The next survey will cover the 2010/11 year.

The table below shows the trend in local authority compliance with mandatory resource consent processing timeframes under the Resource Management Act.

Processing of consent applications by local authorities

Survey period	1997/1998	1998/1999	1999/2000	2001/2002	2003/2004	2005/2006	2007/2008
Processed on time	78%	82%	82%	82%	77%	73%	69%

Source: 2007/2008 RMA survey data and published survey reports for the periods indicated.

At present we have no trend or current state information in relation to local authority decisions overturned by the Environment Court. This is a new measure, with information to be collected for the first time in 2010/11.

What will we do to achieve this?

The Ministry will:

- continue to reform the Resource Management Act to improve the economic efficiency of its implementation, without compromising underlying environmental integrity
- establish an expanded Environmental Protection Authority
- investigate interventions for improving the management of biodiversity on private land: this may include a national policy statement
- develop and gazette national environmental standards: this may include standards for ecological flows; sea-level rise; the management and assessment of soil contaminants; forestry harvesting activities; and the measurement and reporting of water takes
- review the PM₁₀ component of the National Environmental Standards for Air Quality
- assist the Minister, Boards of Inquiry and/or the Environment Court in the processing of matters where intervention powers are exercised under the Resource Management Act, including call ins
- provide best practice guidance and training for local government and practitioners including delivering, reviewing and updating the 'Making Good Decisions' training programme
- implement the Ministry's Treaty of Waitangi settlement obligations and support the Office of Treaty Settlements in the negotiation of historical Treaty of Waitangi settlements.

Legislation administered by the Ministry for the Environment

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

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

Operation of the Environmental Protection Authority

The Resource Management (Simplifying and Streamlining) Amendment Act 2009 directed the establishment of the Environmental Protection Authority (EPA). The EPA has been operational since 1 October 2009. It currently functions as a statutory office operating within the Ministry for the Environment, under the Secretary for the Environment.

The EPA has been established to administer and make recommendations to the Minister for the Environment regarding the processing of nationally significant resource consent applications, plan changes, notices of requirement and certificates of compliance under the Resource Management Act. Applications can be lodged directly with the EPA if they are considered to be of national significance.

The initial EPA has limited scope and functions. The broader functions, location and responsibilities of the EPA will be considered as part of the Phase II Resource Management Act reforms. The expanded EPA is due to be in place by 1 July 2011.

What do we want to achieve and how will we demonstrate success?

The impacts the Ministry is seeking to achieve as the direct result of its work are shown below.

Impact	Performance Measure	Target
Effective and efficient management of natural and physical resources through improved environmental governance and streamlined resource management processes.	Trend in efficient processing of applications of national significance to the Environmental Protection Authority.	100% compliance with statutory requirements.

What will we do to achieve this?

The Ministry will:

- assess the national significance of applications made to the EPA and make recommendations to the Minister on where they should be referred for consideration
- notify and call for submissions on applications of national significance referred to boards of inquiry and provide support services to those boards of enquiry.

Providing an evidence base

In all of its policy work, the Ministry for the Environment needs an evidence base to support good decision making and prioritise effort. It relies on developing and maintaining a rigorous evidence base from which sound policy options can be built. This is essential to ensuring the Ministry provides quality policy advice.

Because the Ministry recognises that good decisions must be supported by good evidence, it also publicly releases information to allow decision-makers (including local government, other stakeholders, and the general public) access to evidence to support their own decision-making. The Ministry does this through regular updates of national environmental indicators and regular topical reports. These regular reviews also allow the Ministry to assess whether policies and environmental management have been effective, and whether new ways are needed to deal with emerging environmental issues.

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. The Ministry will work with the Minister to give effect to his directions given in 2009/10, including any Cabinet decisions that may be required.

What do we want to achieve and how will we demonstrate success?

Through this work programme the Ministry is seeking to achieve the impacts shown below.

Impact	Performance measure	Target
The evidence base for providing a clear picture of New Zealand's environmental performance, incorporating social and economic perspectives, is strengthened.	Number of environmental domains that have indicators updated (in accordance with the principles of the Official Statistics System).	10 over the next 3 years.
National and international reporting requirements are met.	Relevant international institutions accept that New Zealand's reports meet all international requirements.	Achieved.

Best practice environmental information

In addition to working to achieve the impacts shown above, the Ministry's environmental information programme adheres to the principles of the Official Statistics System, as follows:

- **Relevance:** Focusing delivery on policy-relevant statistics
- **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?

The Ministry will:

- support regional councils to improve the consistency and quality of their data and reporting
- lead the Natural Resources Sector in improving public access to open data
- continue the report card series in the build up to a 2012 state of the environment report
- implement decisions for improving the assessment of New Zealand's environmental performance through the proposed Environmental Reporting Act
- project and report New Zealand's greenhouse gas emissions and removals for the first commitment period of the Kyoto Protocol and beyond.

Supporting our business

This work programme assists the Ministry to deliver all of our other externally focussed work programmes. It covers the work needed to provide sector leadership, strategic direction and

governance, support to our Ministers in their portfolio activities, cross-government networks, stakeholder relationships and Māori engagement.

Through this work programme the Ministry is seeking to achieve:

- effective sector leadership and ministerial support.

This includes:

- a focus on strategic leadership, relationships, linkages and issues across and influencing all of government
- timely, accurate and high quality information, advice, and communications support that meets the needs of Ministers in carrying out their portfolio responsibilities
- effective engagement with Māori on strategic direction-setting, policy development and programme implementation based on trust, confidence and respect
- collaborative relationships and partnerships with other agencies across central and local government and with identified stakeholders.

Natural Resources Sector

A key way the Ministry seeks to provide sector leadership and cross-government networks is through leadership of, and participation in, the Natural Resources Sector Network. This Network is made up of seven government agencies, including: Ministry of Agriculture and Forestry, Te Puni Kōkiri, Ministry of Fisheries, Department of Conservation, Ministry of Economic Development, and Land Information New Zealand. The Ministry for the Environment chairs the Network and hosts the support unit.

The Natural Resources Sector’s priorities are fresh water, climate change, environmental governance (resource management), Māori /Treaty of Waitangi issues and aquaculture. A joint outcome for water has been agreed (refer to the *Looking after our land and water* work programme) and further joint outcomes will follow.

Working together on these priorities ensures that a considered, coordinated and integrated approach is taken to policy development and programme implementation. The Ministry for the Environment will make a sustained and constructive contribution to the network. The Ministry will bring its own expertise and perspectives to the table, but its focus will be on developing a broader view of the issues, advancing shared goals and realising the value to be gained from collaborative effort. The agreed goals of the Natural Resources Sector are shown below.

Goals	Shared indicators
<p>Better analysis and advice Decision-making by Government is supported by high quality advice which provides an integrated Natural Resources Sector understanding of key issues.</p>	<p>Ministers report that joined-up advice is delivered to them in priority areas of water, aquaculture, environmental governance, climate change and Māori/Treaty issues.</p> <p>The quality and level of integration of policy advice shows improvement over time.</p> <p>The Economy and Environment Principles are reflected in Natural Resources Sector advice on key policy issues.</p>

Working together better

All seven agencies actively participate in the work of the Network, adopting a collaborative ethos which focuses on forming a common understanding of strategic issues and delivering on shared goals.

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

Each agency participates in the training programme on how to apply the Economy and Environment Principles in policy development.

Each agency contributes to resourcing the support unit.

Connecting to our corporate core

This work programme has an internal focus and provides the information, tools and resources for delivering the other work programmes. It covers the work needed to ensure that we have the people capability, systems and corporate support that are essential for the Ministry to be flexible and to function effectively and efficiently.

Through this work programme the Ministry is seeking to achieve:

- a flexible, knowledgeable and efficient organisation based on strong corporate services and processes.

This includes:

- an evidence-driven centre of knowledge that is focussed on organisational performance and development
- a skilled and motivated workforce which has the flexibility to adapt to changing goals and priorities over time
- efficient, practical and integrated internal processes and operating systems
- professional, timely and accessible corporate (legal, financial, human resources and information management) advice and support.

Further information is provided in the section on *Organisational health and capability*.

Assessing quality and cost-effectiveness

Quality of analysis and advice

The Ministry's work is expected to meet internal quality standards for policy analysis and advice. During 2010/11 the Ministry will be giving further consideration to its mechanisms for reviewing the quality of significant pieces of policy advice.

Assessing cost-effectiveness and implementation

The Ministry is continuing its efforts to improve efficiency and cost effectiveness. Our overall approach will include:

- emphasising delivery of the Government's priorities in all planning and performance documents
- investing in the right capability to ensure that we can meet increasing expectations
- identifying an appropriate balance between the use of internal and external resources – the costs of external resources are a significant component of the Ministry's expenditure
- adjusting to operating within a reducing baseline for core activities.

Developing cost-effective policy interventions

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

Delivering cost-effective programmes

We are developing an evaluation function that will assist us in evaluating some specific areas where the Ministry is responsible for operational functions or implementing Government decisions. In the short-term this is likely to focus on:

- the operation of the Environmental Protection Authority
- the effectiveness of the waste disposal levy (evaluation required by 2011 and then at three-yearly intervals) and the Waste Minimisation Act 2008
- the effect and implementation of national environmental standards and national policy statements.

Managing in a changeable operating environment

The operating environment

Pressure on natural resources

There is increasing recognition that New Zealand has hit 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. As a result more innovative solutions are being sought. They often include a need for increased governance arrangements to address the issues and work towards integrated solutions, rather than having a more technical focus.

The complex nature of some natural resource issues means that a broad view is needed in order to both understand and develop effective responses. We are increasingly coming up against constraints. This challenges us to find a smarter and more strategic way of working.

The Natural Resources Sector Network allows government agencies to take a considered, coordinated and integrated approach, in order to increase the overall strength and quality of its collective policy thinking.

Economy and environment

New Zealand’s environment and economy are becoming increasingly intertwined. Maintaining New Zealanders’ desired standard of living and achieving high environmental standards depends on continued prosperity. This, in turn, depends on careful management of natural resources to generate benefits now and in the future. The Ministry has a vital role in finding efficient ways to balance use of natural resources, including effectively managing growth while also relieving resource pressure.

While there is growing public awareness of issues such as climate change and the environmental impact of activities, the economic situation means that the Government and the public are demanding a smarter response from the Ministry to complex environment-economy issues. The Ministry will, therefore, need to develop innovative solutions, including the consideration of instruments other than regulation, to manage environmental impacts and address resource scarcity.

Treaty of Waitangi settlements

The pace of negotiation of historical Treaty of Waitangi settlements has increased in recent years, and the management of natural resources has been of increasing significance in settlement negotiations and redress. As a result, Treaty of Waitangi settlements and foreshore and seabed agreements now often contain provisions which provide for ongoing Māori involvement in natural resources management, including provisions for co-management or joint management involving both local authorities and iwi.

The Ministry is increasingly involved in Treaty of Waitangi negotiations, so that it can advise on redress options involving natural resources. The Ministry also works closely with other agencies in the Natural Resources and Treaty sectors to develop a stronger alignment between natural resources policy and Treaty settlement policy.

Proposed changes in the environment sector

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

- continuing resource management reforms including improving freshwater management
- developing the broader functions and responsibilities of the Environmental Protection Authority.

These proposals, once developed, 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 can contribute to developing effective advice and policy.

The Ministry has recently established, and continues to develop, a process for sharing 'environmental intelligence'. This provides high quality information for strategic planning and contributes to the evidence base for policy making. It also supports the activities of the Natural Resources Sector Network. The Ministry will participate in the wider scanning network being established through the 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 continuing to develop its approach to managing risk.

The Audit and Risk Committee provides independent assurance and advice to the Chief Executive. The committee consists of three independent external members: Sue Suckling OBE (Chair); Paul Carpinter, Principal Adviser to the Secretary of the Treasury and a former Chief Executive; and George Reedy, Chartered Accountant and businessman.

The committee considers that the Ministry has key risks in terms of leadership, reputation and effective management of key projects.

The Ministry's leadership team takes a structured approach to identifying key strategic risks they perceive the organisation faces over the three to five year planning horizon. These are not

operational risks of the day, but take a longer outward-facing view. The leadership team reviews these risks and mitigation strategies every six months.

Risk management activities are now becoming embedded in the way things are done at the Ministry. A new policy, guidelines and resources have been introduced in order to support high quality and consistent risk management practices by all staff.

Key risk	Mitigation strategy
Organisational strategy, leadership and reputation	
Growing delivery expectations exceed the resources available.	Links between planning and budgeting have been enhanced. Emphasis is being placed on priority setting and developing the right staff capability. We work with the Natural Resources Sector Network to ensure available resources are optimised.
The Ministry loses sight of or is unable to articulate its objectives.	The Ministry is developing a strategic plan and will become a strategy-led organisation.
We may not identify key external relationships or neglect those we know.	The Ministry's Tūhono Strategy is aimed at ensuring that we have effective and enduring relationships with Māori. The Natural Resources Sector Chief Executives Forum will ensure that central government is connected.
Delivery of key priorities, projects and programmes	
Management of key projects and programmes may not be effective.	A project management office is being established. The Ministry is implementing a standardised project management methodology which will build on lessons learned from throughout the public sector. We will ensure that all projects have appropriate quality assurance.
The way we communicate our expectations or intentions may not be clear or consistent.	Our communication of key messages will be clear, simple and aligned with our organisational objectives. These will always align with the direction articulated in our strategic plan and be easily communicated to external stakeholders. Delivery of internal communications will use multiple channels but will be through management.
Developing the right capability and capacity	
We may not be clear about working to role.	We are investing in capability development at all levels of the organisation. We will ensure that we understand our capability needs and constantly work towards fulfilling them.
Staff engagement with the strategic direction of the Ministry may be weak.	We are proactively engaging staff in the development and review of our strategic plan. We are committed to managing staff engagement, identifying what is going well and how we can improve. We will attract and retain the people we need with an engaging professional work environment.

Crown risk

Alongside the departmental risks mentioned above, there exists a significant financial risk with the Kyoto Protocol commitment. This relates to New Zealand's contribution under the Kyoto Protocol, through which it is committed to reduce its greenhouse gas emissions back to 1990 levels on average over the period 2008 to 2012 or take responsibility for any emissions above

this level if it cannot meet the target. The provision for this commitment is affected by key factors that include the exchange rate and the international price of carbon. At present New Zealand is projecting it will have a Kyoto asset, rather than a liability. Other factors influencing the final Kyoto position 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 as part of projecting and reporting on New Zealand's greenhouse gas emissions and removals for the first commitment period of the Kyoto Protocol and beyond. (refer to the *Providing an evidence base* work programme). The Emissions Trading Scheme is the main mechanism to manage and mitigate the risk.

Organisational health and capability

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

- focused on strategic issues and relationships, and 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. We have restructured the organisation to ensure the structure is clear internally and externally and provides a strong basis for taking the Ministry into the future.

As part of the process of developing our strategic plan, we have identified five behaviours that will be important in giving effect to our strategic direction:

Analyse – We need to be a centre of excellence for analysing the environmental/economic interface. We need to develop, promote and use robust frameworks to develop policy and design programmes and improve organisational performance and development. We also need to continually question these frameworks and be open to new ideas and ways of viewing problems.

Engage – We need to work with our stakeholders to achieve our objectives and improve outcomes. We need to actively engage with stakeholders early in policy and programme development, to listen to their views and to capture and incorporate their ideas and values.

We will continue to strengthen the Ministry’s relationships with Māori, in particular by implementing the strategy *Tūhono: Improving our Engagement with Māori*.

Learn – We need to focus on constantly improving the way we work and being confident in exploring and proposing new ways of doing things. We need to be able to assess options from different perspectives and to understand the different values that our stakeholders hold.

Validate – We need to justify what we do empirically. We need to know where to find the information we need and how to analyse it effectively using a variety of tools. We need to be comfortable using this data in our daily work and basing decisions and advice on facts and evidence.

Collaborate – We need to have a range of transferable skills which enable movement between work areas as priorities and workloads change over time. We need to smoothly move work between divisions at the appropriate time and provide an opportunity for evaluation and feedback between the Policy and Programmes divisions.

Objectives for organisational capability

The Ministry’s objectives based on these behaviours are outlined in the table below. The table also shows the indicators and measures that will be used for reporting to the senior leadership team to ensure the objectives are achieved. (Performance improvement actions are shown on page 37.)

Objective	Indicator	Measured by
Analyse		
To take an analytical approach to all tasks using consistent, robust frameworks to the highest standard.	Positive views of Ministers and central agencies about the Ministry's analytical ability.	Feedback from Ministers and central agencies.
	Positive feedback from the Ministry's internal Regulatory Impact Analysis Reference Panel about the standard of the Ministry's Regulatory Impact Statements.	Feedback from the internal Regulatory Impact Analysis Reference Panel and Regulatory Impact Statements that fully meet quality assurance criteria.
	Internal policies, procedures and systems are fit for purpose and consistently applied.	Internal audit and review based on an internal audit schedule.
Engage		
To engage stakeholders early, and understand and influence their perspectives from the beginning of the process.	Positive views of Ministers, central agencies, iwi leaders and advisors, and external stakeholders about the Ministry's ability to operate and engage effectively in a complex environment.	Feedback from Ministers, central agencies and iwi leaders and advisors. Survey of stakeholder perceptions of the Ministry.
	To develop and grow trust, confidence and respect between the Ministry and Māori.	Increased collaboration with Māori to share knowledge and work towards common outcomes.
Learn		
To adopt a learning and listening stance, continuously improving how we work and assessing new ideas.	Successful implementation of building people capability and culture initiatives that contribute to organisational learning.	Monitoring of initiatives to enhance people capability and culture. Feedback from management and staff.
	Positive change in staff engagement.	Gallup engagement survey.
Validate		
To use evidence to justify everything that we do.	Positive views of Ministers and central agencies about the Ministry's provision of evidence-based advice.	Feedback from Ministers and central agencies. Regular internal monitoring and Regulatory Impact Statements that meet evidence quality assurance criteria.
Collaborate		
To collaborate from project conception to final delivery, working where there is the greatest need and sharing a common purpose.	Successful implementation of building people capability and culture initiatives that contribute to internal collaboration.	Monitoring of initiatives to enhance people capability and culture.

Improving capability and performance

Strategy

The Ministry is focusing on becoming a strategy-led organisation so that advice is provided and planning undertaken in a strategic context. The strategic plan is being developed to provide a clear focus for the Ministry's direction and organisational development over the medium term.

Future work to ensure the Ministry is aligned with the strategic plan will include a review and alignment of our outcomes framework, work programmes and appropriations, and ongoing monitoring to ensure that we are focussed on delivering Government priorities. A number of supporting strategies and plans to assist implementation will be developed during 2010/11.

Ministry funding

The Ministry continues to face a significant decrease in its baseline over the next few years as short-term funding allocated for specific initiatives comes to an end. However, in many cases the work is not coming to an end. At the same time we face additional cost pressures from new and increased activities that are priorities for the Government, in particular implementation of the Emissions Trading scheme and expansion of the Environmental Protection Authority.

We have undertaken our planning for 2010/11 and beyond in the expectation that the Ministry will need to resource work on Government priorities and other core activities from the declining baseline. This has involved reprioritisation and scaling back in some areas to ensure that priorities can be delivered. Because there are still uncertainties about the costs involved in major new areas of work, we will continue to monitor expenditure and reprioritise as required during the period of this Statement of Intent.

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 – the Chief Executive, three Deputy Secretaries and Tumuaki – concentrates on identifying opportunities and risks in the national and international arena, and guiding the organisation to respond accordingly. The focus is on governance, leadership, strategic thinking, organisational capacity and capability building, organisational performance management, planning and organising for results, and relationship management.

The Directors lead the day-to-day functions of the Ministry. They are collectively responsible for implementing the direction from the senior leadership team. They guide and work with their managers to ensure their teams deliver the Ministry's agreed outputs and have the appropriate skills and resources to do so.

People capability and organisational 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. 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. Well defined 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 is under development. Once implemented, it will enable the Ministry to benchmark itself clearly against other public sector agencies.

We need to complement a collaborative and supportive internal culture with a strong emphasis on performance, learning, use of evidence and building relationships.

Policy function review

The Ministry has identified the need for significant change to its policy division in order to build the capability to advise on strategic, complex policy issues and the institutions and frameworks for environmental management. There is an increasing expectation that the Ministry will actively lead policy thinking and debate on key issues such as climate change and resource management, where economic issues are increasingly linked with environmental issues. A review of the policy function was carried out in early 2010 and will be implemented from 1 July 2010.

Relationships

The government agencies that are part of the Natural Resources Sector Network (see page 25) are the Ministry's key relationships in central government. The Network was established to enhance collaboration between government agencies on issues related to natural resources. Priority work areas include providing governance across major work programmes and implementing a set of economy and environment principles.

We also have significant relationships with local government, in particular with regional councils. The Chief Executives Environment Forum brings together the chief executives of regional councils and the relevant agencies in central government.

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. The Ministry is seeking to develop and deliver effective legislation, regulation, and policy that meets the Crown's responsibilities as a Treaty of Waitangi partner. Further, we want to ensure that the views of Māori and iwi are considered in the setting of strategic direction, development of environmental policy and implementation of programmes. The structure of the relationship with Māori will vary depending on the topic. In line with the Minister's priorities, the Ministry has established relationships to work with specific iwi on water and climate change at both the governance and the executive levels.

Processes and technology, and physical assets

The Ministry's review of policies, practices and procedures began in 2008. It made significant progress in 2009/10. Improved policies on procurement, delegations, recruitment, risk management, and sensitive expenditure policies, among others, were approved and implemented. The review continues to be a focus for action for the Ministry. A programme is in place to ensure that all remaining policies are updated over the next two years and regularly reviewed thereafter, ensuring a strong emphasis on good practice and continual improvement.

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

we will focus on improving communication, consultation and collaboration technology while continuing to explore opportunities for future shared services.

Structure

The Ministry for the Environment is led by the Chief Executive, Dr Paul Reynolds. The Chief Executive's office includes an internal auditor and Kāhui Taiao, led by Tumuaki Chappie Te Kani.

The Ministry is organised into three Divisions:

- Policy Division, including the Climate and Risk Policy Directorate, and the Natural and Built Environment Policy Directorate, led by Deputy Secretary Guy Beatson
- Strategy and Corporate Division, including the Sector Strategy Directorate, Organisational Performance Directorate, and corporate teams, led by Deputy Secretary Andrew Crisp
- Programmes Division, including the Environmental Protection Directorate, Operations Directorate and Information Directorate, led by Deputy Secretary Sue Powell.

The Deputy Secretaries' and Tumuaki's role is to focus on leadership, organisational performance, external relationships, and influencing the agendas of other agencies and sectors. Within each division, Directors and Managers have responsibility for leading aspects of the work programmes.

Equal Employment Opportunities

As part of the implementation of its strategic plan the Ministry is developing an internal strategy on capability and culture. It will include a number of elements that focus 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.

While 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 two 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 2010/11 is \$397,000. 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 is an application that combines geospatial information (maps) with a carbon calculation and reporting engine. A formal governance structure is in place to monitor and manage risks.

The second area of expenditure is an ongoing amount of about \$650,000 per annum. These 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.

Performance improvement actions

The Ministry for the Environment has identified two aspects of its operations where it intends to make a particular effort to improve performance. These are set out in the table below.

The Ministry is engaged in a major period of realignment and development of capability in addition to facing a declining baseline. During the 2009/10 financial year we carried out a baseline review to determine the level of sustainable resources, capabilities and services required for the Ministry to operate efficiently and effectively in delivering its work programmes.

The review identified the core components of expenditure where the Ministry would need to manage down costs over the next five years so as to adjust to the decline in baseline funding. It also identified the need to build capability so that the Ministry is better able to lead thinking and debate on strategic, complex policy issues. Building policy capability will also help reduce the reliance on, and costs of, using consultants and contractors (though there will be a continuing need to contract out specialist work).

The Ministry's performance improvement actions build on the findings of the baseline review to focus on actions that will reduce costs and improve our ability to deliver high-quality advice to the Government.

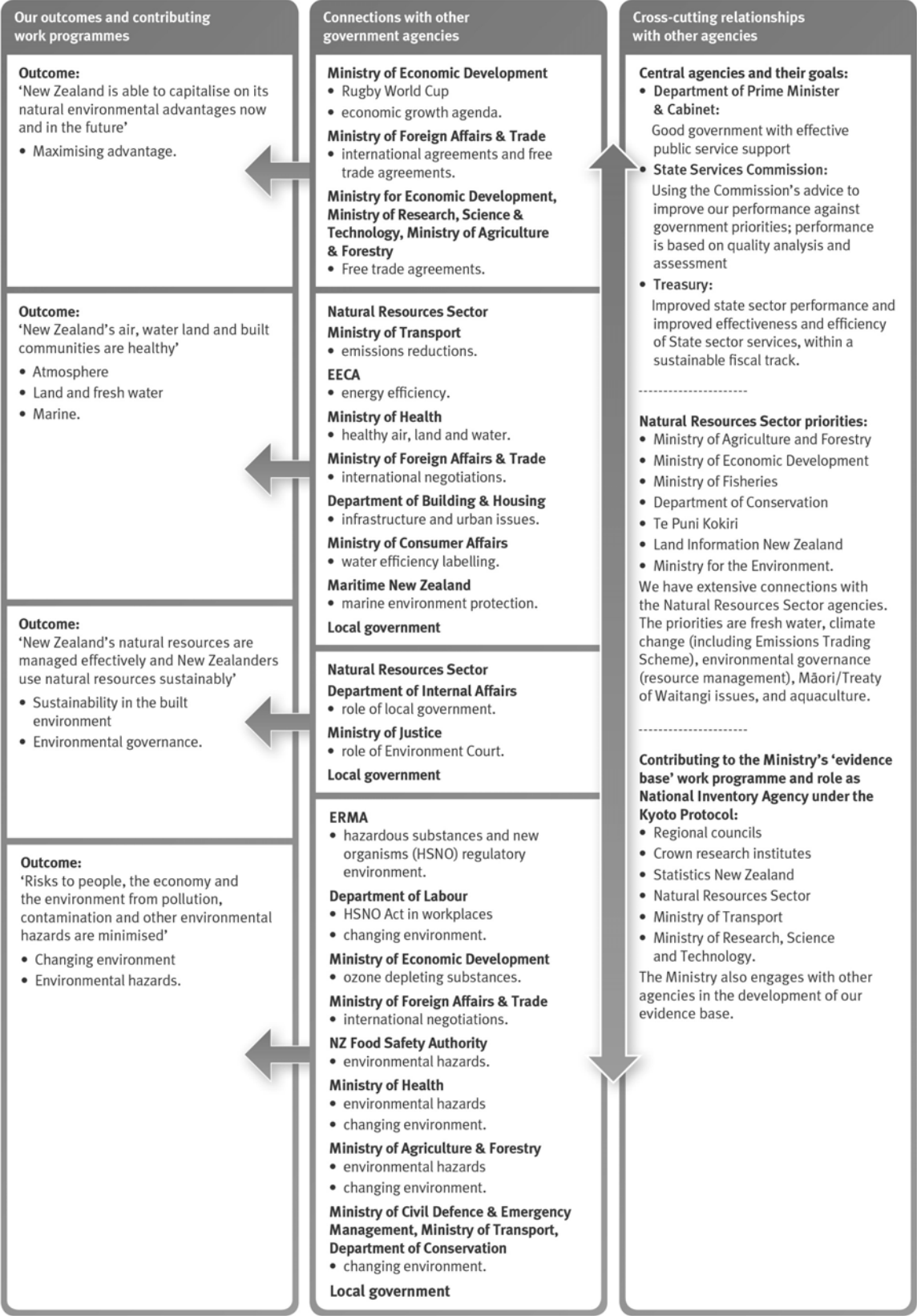
Objective	Indicator	Measure
Complete the adjustment to fiscal constraints and a reducing baseline while ensuring that Government priorities can be delivered.	Business as usual activities are funded through baseline annual appropriations. Appropriate balance between use of internal and external resources.	Clarity about annual funding required for statutory and essential functions. Expenditure on external resources reduces.
Build a high-performing and strategic policy advice function.	Positive feedback from the Minister and central agencies.	Feedback from the Minister, central agencies and Cabinet Office indicates improvement since the review of the policy function began.

Appendix 1: Links between outcomes, impacts, work programmes and departmental appropriations

Outcomes	Impacts	Work programmes	Vote	Appropriations
New Zealand is able to capitalise on its natural environmental advantages.	Growth in New Zealand's capability to exploit international economic and environmental opportunities for agencies, institutions and firms.	Maximising advantage	Environment	Environmental Policy Advice
	The Rugby World Cup 2011 is recognised for environmentally responsible event management in New Zealand.	Maximising advantage	Environment	Environmental Policy Advice
	Regulatory barriers to the development of aquaculture are removed.	Marine environment	Environment	Environmental Policy Advice
New Zealand's air, water, land and built communities are healthy.	New Zealanders have credible decision-making processes for fresh water, and land use affecting water, that provide for healthy ecosystems and optimise New Zealand's economic, social and cultural well-being.	Land and water	Environment	Environmental Policy Advice
	New Zealand's greenhouse gas emissions meet international agreements in an economically efficient and environmentally effective way.	Atmosphere	Climate Change	Policy Advice – Climate change
	Appropriate recognition of New Zealand's interests in negotiations on future climate change action by the international community.	Atmosphere	Climate Change	Policy Advice – Climate change
	National and international reporting requirements are met.	Evidence base	Climate Change	Land Use and Carbon Analysis System
New Zealand's natural resources are managed effectively and New Zealanders use resources sustainably.	Effective and efficient management of natural and physical resources through improved environmental governance and streamlined resource management processes.	Environmental governance	Environment	Environmental Policy Advice Resource Management Act Call-ins Applications to the Environmental Protection Authority
	Improved performance by local authorities under the Resource Management Act 1991.	Environmental governance	Environment	Environmental Policy Advice
	Treaty settlements align well with broader natural resources policy.	Environmental governance	Environment	Environmental Policy Advice

Outcomes	Impacts	Work programmes	Vote	Appropriations
	The evidence base for providing a clear picture of New Zealand's environmental performance, incorporating social and economic perspectives, is strengthened.	Evidence base	Environment Climate Change	Environmental Policy Advice Policy Advice – Climate Change
	Appropriate statutory frameworks and increased certainty for development of the Exclusive Economic Zone.	Marine environment	Environment	Environmental Policy Advice
	Waste is minimised and disposal decreased to protect the environment from harm and provide environmental, social, economic and cultural benefits.	Sustainability in the built environment	Environment	Waste minimisation
	The urban planning system is streamlined, integrated and more effective so that it delivers on the environmental and socio-economic outcomes sought.	Sustainability in the built environment	Environment	Environmental Policy Advice
	Better Resource Management Act approval times for major infrastructure projects	Sustainability in the built environment	Environment	Environmental Policy Advice
	Effective and efficient management of natural and physical resources through improved environmental governance and streamlined resource management processes.	Environmental hazards Land and water	Environment	Delivery of environmental management programmes
Risks to people, the economy and the environment from pollution, contamination and other environmental hazards are minimised.	Increased community and infrastructure resilience to climate change and weather-related events.	Changing environment	Climate Change	Policy Advice – Climate change
	Environmental hazards posed by the importation, manufacture, management (eg, transport, storage and handling) and disposal of hazardous substances and new organisms are sufficiently and efficiently managed.	Environmental hazards	Environment	Environmental Policy Advice
	New Zealand's highest priority contaminated sites are being progressed towards remediation or are remediated.	Environmental hazards	Environment	Environmental Policy Advice Delivery of environmental management programmes
	Waste is minimised and disposal decreased to protect the environment from harm and provide environmental, social, economic and cultural benefits.	Sustainability in the built environment	Environment	Environmental assistance to the Pacific Islands

Appendix 2: Linkages to other government agencies



Towards a prosperous New Zealand and a healthy environment – a dashboard approach ('prototype')

This diagram is intended to be a useful summary of key cross-government measures that have direct or indirect links to the Ministry for the Environment's end outcomes. It presents information on selected indicators and measures and is not an exhaustive summary of indicators and data related to each outcome. We recognise that some measures intersect more than one outcome. The measures and indicators include the Ministry's core set of environmental indicators and other cross-government measures that have a direct or indirect link to the Ministry's work. The key determinants of environmental quality listed in this diagram are publicly available on the Ministry's website and have been internally peer reviewed. This dashboard diagram is a work in progress and measures for the first outcome are currently under development.

A prosperous New Zealand where a healthy environment enhances social and economic well-being

Ministry for the Environment end outcomes



Key determinants of environmental quality (drivers, pressures): Increasing population, increasing competition for natural resources, increasing intensification of primary production, increasing national consumption and waste (*Environment New Zealand 2007*).

(1) Ministry of Economic Development (2) Ministry for the Environment (3) Ministry of Agriculture and Forestry (4) Local authorities (5) Regional councils (including unitary authorities) (6) Landcare Research (7) Statistics New Zealand (8) NIWA (9) GNS (10) Environmental Science and Research (11) Environmental Risk Management Authority.

New Zealand Government
