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1 Overview

Chief Executive's overview

Our natural and physical environment is one of New Zealand's greatest strategic assets. Much of our economy depends on the natural world – on soil, water, air, and eco-systems. New Zealanders want to live and bring up their families in a clean and healthy environment.

The Ministry for the Environment works to ensure that those aspirations and needs are matched by sound solutions to environmental problems. The gap between aspiration and reality can be significant. Biodiversity, waste management and water quality are important examples, and they were also focal points for the Ministry over the last year.

Over the 1999/2000 financial year, much of our work continued to be founded on collaboration and partnerships to find solutions and share good practice. The relationship with local government is a critical one, especially in achieving effective implementation of the Resource Management Act. The latest annual survey of local government performance indicates improvements on aspects of consent processing. Our work on legislation – the Resource Management Amendment Bill, and the Hazardous Substances and New Organisms Act – was a major part of our activities.

Providing for the effective involvement of iwi in resource management remains a challenge, and the Ministry has completed reviews of current practice and guidance on improving iwi/local government relationships, with consultation hui held around the country.

Good environmental policy relies on good information about the health of the environment. Our work on environmental indicators and reporting progressed to its next phase, with a significant amount of information now available on the Ministry website. The collaboration of local government and iwi has been important in our work, which is complemented by an increasing commitment to local state of the environment reporting.

Increasingly, the environmental agenda is a global one. The Ministry played a lead role in the expanding work on climate change policy, and participated in international discussions on issues ranging from hazardous wastes to sustainable development.

Practical tools are another essential ingredient, and over 95 applications were made to the Sustainable Management Fund. The Ministry continued an active role in developing and supporting guidance and case studies, covering issues from waste management to sustainable land and water management. The business contribution to this work has been vital. In industry and elsewhere, sharing knowledge, and education for sustainability makes it possible to translate environmental aspirations into reality.



Denise Church
Chief Executive

Statement of objectives

The Ministry's **vision** is:

- a healthy environment which sustains nature and people.

We see our **mission** as

- making a difference through environmental leadership.

The Ministry's **role** is:

- to advise the Government on the health of the environment; and on policies and on their impact on the environment
- to work with others to achieve effective environmental management.

Minister's priorities for 1999/2000

The Minister for the Environment seeks to protect and enhance the New Zealand environment in a manner consistent with maintaining environmental values in a growing market economy. Priority areas for 1999/2000 were:

- support for the monitoring framework for the Resource Management Act and development of practical initiatives for improved performance under the Act
- implementation of the outcomes of the Resource Management Amendment Bill process
- completion of the technical development and consultation processes necessary to develop new regulations under the Hazardous Substances and New Organisms Act
- provision of advice in support of the ratification of the Kyoto Protocol
- effective contribution to the completion and implementation of the biodiversity strategy
- development of waste management and minimisation policies
- further development of the Environmental Indicators Programme
- review of human resource management policies to ensure that high performance leadership by appropriately qualified staff is secured across the organisation.

Progress towards these outcomes is outlined in the following section. Work on individual outcomes is typically covered under several output headings.

The year in review

Priority issues

Waste and pollution management

Improving the management of landfills and hazardous waste are priorities for the Ministry. Work towards establishing a regulatory basis for improving waste management practice continued. We made progress on the development of a guide to the management of closed landfills, and on reviewing the waste analysis protocol. Working in partnership with Local Government New Zealand, we have established the foundations for a major waste minimisation programme in New Zealand.

The second landfill census was completed, published and launched this year. The census surveys council and private landfill operators throughout New Zealand, following upon the findings of the first census in 1995. It showed some improvement in landfill management but not to the standard that either the government or the public expects.

We published a technical paper proposing a draft hazardous waste definition. During the year we released an inventory of dioxin emissions and a report on concentrations of organochlorines in estuaries.

See output 1.4 on page 18 for more information.

Urban environmental issues

The Ministry has been involved in a range of work addressing urban environmental issues. Issues surrounding managing urban growth were explored in *Curbing the Sprawl: Urban Growth Management in the US - lessons for New Zealand*, published by the Ministry and launched at the New Zealand Planning Institute Conference this year. We also sponsored the visit to New Zealand of US urban growth expert John Kari, who spoke to some councils on ways of sustainably managing growth.

Work continued on the development of urban amenity indicators for reporting on the state of the environment. Urban issues are also addressed in the Ministry's work on waste minimisation, air, land and water management, transport and state of the environment reporting.

See outputs 1.4 (pg 18); 1.8 (pg 22); 1.11 (pg 26); and 1.12 (pg 28) for more information.

Air, water and land

The Ministry is working with local government and resource users to identify priorities, provide information and encourage best practice in environmental management for air, water and land.

Visibility degradation, offensive odours and dust nuisance are important air quality issues for New Zealand. This year, the Ministry and NIWA cooperated to explore the management of these issues and review the Ministry's national air quality guidelines.

A collaborative effort between the Ministry for the Environment, regional councils, local authorities and a number of health agencies made information about water quality at many popular beaches available through our website.

We conducted a publicity campaign to warn boaties of the new requirements for sewage treatment on recreational boats, which came into effect on 1 July 2000. We began consulting on ways to improve the regulations.

The draft national agenda for water management was completed and released for comment. The agenda identifies water allocation, lowland stream quality, groundwater quality and quantity, estuaries and harbours, microbiological contamination and lakes as water management priorities.

In partnership with the Ministry of Agriculture and Forestry and Environment Waikato, we published a draft guide to managing waterways and riparian strips on farms.

See outputs 1.11 (pg 26) and 1.12 (pg 28) for more information.

Biodiversity

Biodiversity has been one of the Ministry's major areas of investment over 1999/2000. We supported the launch of the Biodiversity Strategy in March 2000, and we have actively involved in interdepartmental work on implementing it.

The Ministry's major interest has been in biodiversity on private land. The launch of the *Biowhat* report in March 2000 led to one of the most extensive consultation programmes for the year. The Ministry supported the Ministerial Advisory Committee in these meetings, and in collating information from submissions and presentations.

The Ministry has also been active in work on marine ecosystems management, and the initial thinking on development of an oceans strategy.

See outputs 1.6 (pg 20) and 1.7 (pg 21) for more information.

Climate change

In the light of the Government's commitment to reduce greenhouse gas emissions in order to ratify the Kyoto Protocol, the Ministry has revised its work programme, advised the Government on the work needed to ratify the protocol, and jointly led interdepartmental work on addressing climate change. Our climate change team continued to work on

inventories and reporting, and participated in a number of international meetings.

The Ministry organised workshops to identify key research priorities for methane and nitrous oxide, and participated in an international review of the regime for monitoring carbon absorption in indigenous forests and soils. We developed and contributed to submissions on issues such as compliance, and coordinated an extensive review of a report on land use change and forestry.

See output 1.9 on page 24 for more information.

Maori and Treaty of Waitangi issues

We continued to work on treaty settlements related to natural resources, meeting Te Runanga O Ngai Tahu to discuss options relating to their claim.

We published a report on *Iwi and Local Government Interaction Under the RMA: Examples of Good Practice* and a guide to mediation between iwi and council titled *Talking Constructively*.

Consultation hui were held with eight iwi groups throughout New Zealand, to build better understanding of the Ministry's work programme, and build a better foundation for iwi input to the Ministry's work. We are using the lessons learned from the hui to develop a communications action plan for managing the Ministry's relationships with iwi.

See outputs 1.1 (pg 14) and 1.10 (pg 25) for more information.

Foundations for good environmental management

An essential part of the Ministry's work is building sound foundations for environmental management and sustainable development.

Resource Management Act

We continued our ongoing work of monitoring, supporting, providing advice and improving practice under the Resource Management Act 1991

The Resource Management Amendment Bill was introduced to Parliament in July 1999. To assist interested parties in making submissions on the Bill we released a clause-by-clause explanation in September 1999. In early 2000 we briefed the Local Government and Environment Select Committee, provided information about the Bill to the Minister, stakeholder groups, and the public, and prepared the departmental report on the Bill.

As part of our work on best practice we produced a number of guides, including *Striking a Balance*, *A Practice Guide on Consultation and Communication for Project Advocates* and guidelines on dairy shed

effluent and forestry land clearance. Other work to improve practice under the Resource Management Act included holding workshops on topics such as financial contributions under the Act, and publishing guides for private plan changes, proposed plan submission analysis, the impact of rural subdivision on landscape values and best practice in iwi-local government interaction. We made good progress on the collaborative work with local government and professional organisations to improve the quality of regional, district and city plans.

There was a generally positive response to the July launch of the annual report on resource management practice. Work on the annual report on 1998/99 performance was completed, ready for release at the local government conference in July 2000.

A comprehensive review of the requirement and designation procedures under the Resource Management Act was commenced.

See output 1.1 on page 14 for more information.

Hazardous Substances and New Organisms Act

Our major effort in this area during the year was working towards the completion of the Hazardous Substances and New Organisms Act reforms, including finalising the regulations. All advice necessary for completing regulations defining threshold properties and the classification system was completed.

The Ministry was also involved in developing the proposals for amendment to the Hazardous Substances and New Organisms Act. The amendment work required extensive coordination with departments, Ministers' offices and the Environmental Risk Management Authority (ERMA). We also advised the Select Committee on the Amendment Bill.

With ERMA, we started developing user-friendly guidance material to support the commencement of the hazardous substances part of the Act.

We also monitored ERMA operations, and provided the Minister with advice, in particular relating to approvals for genetically modified organisms. Advice was given on the establishment of the Royal Commission on genetic modification and on the agreement of a voluntary moratorium on the applications to release and field test genetically modified organisms.

See outputs 1.2 (pg 17) and 1.3 (pg 18) for more information.

Monitoring the state of the environment

We continued to make good progress with the development of environmental performance indicators to monitor the state of the environment. Monitoring helps us to understand if environmental quality

is improving or deteriorating and if current laws and policies are effective.

Over the year, we have moved from development to implementation of indicators of air quality, climate change, ozone and water. We made considerable progress with the piloting of stage one indicators for fishstocks and marine bathing, proposed indicators for the environmental effects of energy and confirmed indicators for waste.

An extensive round of discussions with local government showed active interest in the indicators, and a commitment to state of the environment reporting at local level.

See output 1.11 on page 26 for more information.

Ozone layer protection

In November we submitted New Zealand's report on ozone consumption to the Ozone Secretariat. The Ministry also contributed to the country briefing and attended the 11th Meeting of the Parties to the Montreal Protocol. The Halons Management Strategy was completed.

See output 1.5 on page 19 for more information.

Promoting environmental awareness and action

World Environment Day was marked at a function at Parliament in June, at which the Green Ribbon Awards were presented. The awards recognise the outstanding contributions made by individuals, organisations and businesses to protecting and improving the quality of the environment. We celebrated World Day for Water with an event focussed on reducing stormwater pollution. We worked with other sectors, especially local government, in implementing the Environmental Education Strategy.

During the year we held a round of discussions with stakeholders to identify views on emerging environmental policy issues. We have used these to plan our work for the year, and to develop our advice to the incoming Government. The Ministry's briefing for the new Government, released in January, has been positively received by stakeholders, who have seen it as a succinct and readable statement of New Zealand's current environmental problems.

We continued our efforts to ensure that stakeholders have a good understanding of the Ministry's priorities and achievements, through regular liaison meetings, functions in Auckland and Wellington, and publications on our work (*Making a Difference for the Environment* and a profile of the Ministry were both published this year).

Our web site continued to grow, we continued with the publication of a monthly electronic newsletter, and all of the Ministry's publications are now published on the web site as well as in hard copy.

See output 1.13 on page 30 for more information.

Sustainable Management Fund

The Sustainable Management Fund provides financial support for community initiatives that help achieve the Government's environmental management principles.

The fund focuses on projects which are practical, have national benefit, consult with stakeholders, and demonstrate community demand. In 1999/2000 the fund allocated \$4.8 million to 48 new projects.

See output 2.1 on page 37 for more information.

2. Statement of service performance for the year ended 30 June 2000

Introduction

Quality of policy advice for output classes 1 and 2

The general performance standard for all policy outputs is that the output meets the standards for quality, quantity, coverage, timeliness, and cost as defined below.

Quality

All policy advice is required to:

- be clear and concise in both purpose and presentation
- offer a logical argument supported by facts and consistent with the Ministry's purpose
- identify issues, impacts, costs, benefits, and assumptions
- cover all relevant and practicable options
- be factually accurate
- be discussed with relevant officials and key interested or affected groups.

Drafting instructions for Orders in Council and regulations are required to be:

- intra vires
- in accordance with principal statutes
- of quality acceptable to Parliamentary Counsel.

Quantity

The Ministry is required to produce policy advice as detailed in the 1999/2000 Estimates and the Purchase Agreement (subject to amendments by agreement with the Minister to take account of changing Government priorities).

Coverage

A comprehensive service must be provided to the Minister which:

- includes the capacity to react urgently

- provides regular evaluations of the impacts of Government policy
- provides timely briefings that anticipate issues
- provides support for the Minister as required in Cabinet Committees, Caucus Committees, Select Committees and in the House.

Because the implications of environmental management are global, the Ministry, on behalf of the Government, has a key role in working with international agencies such as the United Nations, the Organization for Economic Cooperation and Development (OECD) and the Asia-Pacific Economic Cooperation (APEC) forum.

Timeliness

The Ministry is required to meet the agreed deadlines specified in the Estimates and the Purchase Agreement, or as amended by agreement with the Minister.

Cost

All policy should be produced within budget.

Quality assurance

The Ministry provides policy advice on resource management and environmental issues of a quality that meets the needs of the Minister. The performance standard is that 95 percent or more 'products' will be satisfactory or better.

The Ministry provides for quality assurance and peer review in all project plans and for all analytical work and statutory/legal work.

Changes to the purchase agreement

Performance standards in the purchase agreement may be amended to accommodate changing circumstances, following approval of the Minister.

Changes to performance standards in the 1999/2000 Purchase Agreement were approved by the Minister and recorded in writing.

Non-departmental revenue and receipts

The Ministry is required to ensure that all Crown revenue and receipts are appropriately accounted for and collected.

Output Class 1: Environmental Policy Advice

Output class 1 covers the provision of advice to the Minister on environmental policies and issues, and includes:

- advice to users of the Resource Management Act 1991 on cost effective implementation and best practice
- the preparation of a national policy statement on habitats and biodiversity
- completion of regulations to enable the Hazardous Substances and New Organisms Act 1996 to come into full operation
- completion of a framework for the management of hazardous wastes
- advice on liability for the clean-up of contaminated sites
- completion of a national strategy for management of halons
- advice on the final New Zealand Biodiversity Strategy
- further development of a climate change strategy addressing all greenhouse gases, and contribution to international negotiations on Kyoto Protocol implementation
- development of environmental quality standards and guidelines for air and water
- implementation of a framework of environmental performance indicators, to effectively monitor the state of New Zealand's environment
- implementation of the Sustainable Land Management Strategy.

Performance measures

Outputs in this class were provided within the appropriated sum and within the time frames specified (unless otherwise stated). Performance measures were specified for each output as appropriate.

Resources employed

Actual 30/06/1999 \$000		Actual 30/06/2000 \$000	Main estimates 30/06/2000 \$000	Supp. Estimates 30/06/2000 \$000
	Revenue:			
14,644	Crown	15,276	15,865	15,218
19	Other	11	78	25
14,663	Total revenue	15,287	15,943	15,243
14,535	Total expenses	14,395	15,943	15,243
128	Net surplus	892	-	-

Service performance

The 1999/2000 Estimates and the Purchase Agreement (and subsequent amendments approved by the Minister) contain 17 outputs in Output Class 1: Environmental Policy Advice.

Quality

Outputs were delivered to the Minister's specifications.

Orders in Council and regulations were intra vires and in accordance with principal statutes.

Time frame

Outputs were produced within agreed time frames as specified in the Estimates and the Purchase Agreement, except where amended by agreement with the Minister.

Drafting instructions were completed subject to time frames set in the Government's Legislative Programme.

Costs

Outputs were provided within the appropriated sum.

Review of output achievements

Output 1.1 - Resource Management Act (I MA) administration

Undertake as required, support and advice on the Resource Management Amendment Bill 1999.

Achieved. The amendment Bill was introduced on 13 July 1999 and we released a clause-by-clause explanation of the Bill for the public in September 1999.

We provided advice to the Minister and the Local Government and Environment Select Committee as required.

Undertake as required an implementation programme for any amendments to the RMA, including regulations passed into law.

Achieved. We promulgated Resource Management (Infringement Offences) Regulations. The Resource Management (Marine Pollution) Regulations come into force on 1 July 2000. We distributed posters and pamphlets on marine pollution and published information notices in the major boating publications.

Provide advice to users on cost effective implementation and good practice, and studies and investigations. This will include:

- Conducting the annual survey of local authority performance

Achieved. We completed the survey in March 2000 and published the final report in June 2000. The report will be launched at the Local Government New Zealand conference on 10 July 2000.

<ul style="list-style-type: none"> • Organising local authority quality management seminars in partnership with the Ministry of Commerce 	<p>Achieved. We delivered four workshops to local authorities in Dunedin, Wellington, Hamilton and Auckland in May and June 2000. These were attended by over 60 participants from 25 local authorities.</p>
<ul style="list-style-type: none"> • Conducting two or more case studies on resource management implementation issues including case studies into the effect of the development of regional plans on the need for resource consents, and a case study of time delays and costs associated with iwi consultation in obtaining resource consents 	<p>Achieved. We conducted three case studies on: the effect of regional plans on resource consents; the term and review provisions of regional consents; and the use of global consents.</p>
<ul style="list-style-type: none"> • Disseminating best practice guidance on two or more practice issues. 	<p>Achieved. We conducted a workshop in Auckland on financial contributions under the RMA. We also published guidance on dairy shed effluent and forestry land clearance.</p>
<p>Release the review of the RMA designation provisions discussion document.</p>	<p>Not achieved. We prepared a draft, however consultation is required before this can be considered by Cabinet and released to the public.</p>
<p>Undertake as required the monitoring and reporting on treaty settlements as they relate to RMA obligations.</p>	<p>Achieved. We held hui with Nga Runanga o Ngai Tahu to determine an appropriate process for monitoring the performance of local authorities.</p>
<p>Prepare a proposed national policy statement to sustain habitats and biodiversity for public notification, by 30 May 2000, and present related work on incentives.</p>	<p>Deferred to the 2000/2001 year.</p>

<p>Develop an analytical framework to evaluate the performance of plans against environmental outcomes prepared under the Resource Management Act.</p>	<p>Achieved. We have developed an internal strategy around plan monitoring and effectiveness. Several projects are underway on good practice and we have completed a survey of local councils.</p>
<p>Complete the hazardous facilities screening procedure guideline within nine months of the promulgation of the Hazardous Substances and New Organisms Regulations.</p>	<p>On track. We completed the draft hazardous facilities screening procedures guidelines and the substance database. We are currently considering the first draft of the model plan section rewrite.</p>
<p>Promote good practice in iwi/local government relationships by:</p>	
<ul style="list-style-type: none"> • undertaking and promoting case studies of good practice 	<p>Achieved. We published <i>Iwi and Local Government Interaction Under the RMA: Examples of Good Practice</i> in February 2000.</p>
<ul style="list-style-type: none"> • providing guidance to iwi and councils on good practice (eg on incorporation of iwi management plans, mediation guidance, and resourcing iwi) 	<p>Achieved. We published the report: <i>Talking Constructively: A Practical Guide to Building Agreements for Iwi, Hapu and Whanau and Local Authorities</i>.</p>
<p>Review all proposed local authority regional policy statements and regional and district plans, and undertake appropriate action (eg advice, submissions, evidence at hearings and appeals and references).</p>	<p>Achieved. We reviewed all proposed local authority regional policy statements and regional and district plans and took action as necessary.</p>
<p>Provide advice to allow the Minister to undertake statutory responsibilities.</p>	<p>Achieved. We provided advice as required.</p>

Output 1.2 - Hazardous Substances and New Organisms (HSNO) reform

Provide advice to enable the HSNO Act to be implemented for hazardous substances including:

- advice and drafting instructions for the necessary orders and regulations

Achieved. We provided all advice necessary for completing regulations defining threshold properties and the classification scheme for hazardous substances. The regulations will be available for Cabinet approval as soon as a commencement date is available.

We have also delivered drafting instructions for all of the hazardous substance control regulations required for commencement of the Act for hazardous substances.

- Advice on the Act's expected operation for users of the Act

Achieved. We provided advice as required.

- Advice on amendments to the Act.

Achieved. We provided briefings to the Local Government and Environment Select Committee and assistance with hearings which are expected to be completed early in the new financial year.

Develop and disseminate guidance material for those managing hazardous substances under the Act.

Partly achieved. We produced guidance material. This will be disseminated closer to the commencement date for hazardous substances.

Provide advice on regulations and orders required subsequent to the Act being commenced for hazardous substances.

No advice was required. The Act has not been commenced for hazardous substances.

<p>Transfer to the Environmental Risk Management Authority (ERMA), as required, any information necessary to enable the start up of hazardous substances management by the ERMA.</p>	<p>On track. We provided the ERMA with advice on the establishment of the transfer programme.</p> <p>No further action was required as the Act has not been commenced for hazardous substances.</p>
<p>Support the establishment of the Royal Commission on Genetic Modification.</p>	<p>Achieved. We provided advice as required.</p>

Output 1.3 - Monitoring of the Environmental Risk Management Authority (ERMA)

<p>Process ERMA budget approvals.</p>	<p>Achieved.</p>
<p>Provide advice on approval of ERMA's Statement of Intent and Purchase Agreement.</p>	<p>Achieved. We provided advice as required.</p>
<p>Undertake monitoring and provide advice on quarterly and other reports.</p>	<p>Achieved. We met with the ERMA on a monthly basis to discuss emerging issues and to facilitate a smooth working relationship.</p>
<p>Provide general advice on the performance and activities of the ERMA.</p>	<p>Achieved. We provided advice as required.</p>

Output 1.4 - Pollution and waste

<p>Publish a technical paper proposing a draft hazardous waste definition.</p>	<p>Achieved. We made the paper available for public comment in the second quarter.</p>
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<p>Establish a strategy for developing hazardous wastes management policy.</p>	<p>Partly achieved. We produced and disseminated an outline of the Ministry's strategic approach to its Hazardous Wastes Management Programme.</p>
<p>Produce a discussion paper outlining issues and options for the management of used oil.</p>	<p>Achieved. We produced a discussion paper. Publication was delayed pending Cabinet approval to release the paper.</p>
<p>Publish the results of the landfill census.</p>	<p>Achieved. We published and circulated the results of the landfill census.</p>
<p>Develop and implement a programme of activities to improve landfill management practices and their outcomes, including the development of standard consent conditions and appropriate acceptance criteria under the Resource Management Act.</p>	<p>Achieved. The Landfill Management Programme has been established and several projects are already underway. The Ministry is leading the programme; this is being given guidance by the Landfill Review Group (a group of local government and industry representatives).</p>

Output 1.5 - Ozone layer protection

<p>Agree a national strategy for the management of halons.</p>	<p>Partly achieved. The strategy was submitted to the Minister in early June 2000, following consultation with key stakeholders. We are awaiting finalisation of this document.</p>
<p>Develop regulations for an export licensing system as required under amendments to the Montreal Protocol.</p>	<p>Achieved. We submitted regulations to Cabinet early in the second quarter. Cabinet approved these in October 1999.</p>

Advise on the implementation of an accreditation scheme for those working with ozone depleting substances.

Achieved. We submitted a preliminary report to the Ministers for the Environment and Economic Development in early June 2000.

Output 1.6 - Biodiversity

In conjunction with the Department of Conservation (DoC), submit the final New Zealand Biodiversity Strategy for approval.

Achieved. This was approved in the third quarter.

Since then we have worked on implementation issues, including budget bids for the \$18m biodiversity package announced in the May 2000 budget and a round of meetings and discussions to coordinate activities between agencies involved in the strategy.

Provide advice on other policies impacting on biodiversity including treaty issues, increased education/awareness programmes, and the establishment of effective local action by facilitators.

Achieved. We provided advice as required, including on:

- planning and budget bids on programmes for education, information (terrestrial and marine), regulation, improved marine planning, marine biosecurity and the protection of biodiversity on private land
- *Bio-What?* (the report of the Ministerial Advisory Group on a national policy statement under the RMA).

Provide advice on New Zealand's policies on protection of biodiversity in international fora, in particular the Biodiversity Convention.

Achieved. We provided advice and comments for meetings of the Subsidiary Body on Scientific Technical and Technological Advice (of the Convention on Biodiversity).

<p>Provide advice on coordinated science research to address priority biodiversity management gaps.</p>	<p>We also contributed to Cabinet papers on signing the Biosafety Protocol and on regulating toothfish catch in the area covered by the Convention on the Conservation of Antarctic Marine Living Resources.</p> <p>Achieved. We discussed this with the Foundation for Research, Science and Technology in the context of preparing the Budget bids for the information and marine information programmes.</p>
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Output 1.7 - Fisheries and marine issues

<p>Provide ongoing advice to the Minister on:</p> <ul style="list-style-type: none"> • a discussion paper on aquaculture • a discussion paper on recreational fishing • options for co-management. 	<p>Achieved. We provided substantial input into the development of this document (a joint Environment/ Fisheries initiative). The draft has been submitted to Cabinet.</p> <p>Achieved. We provided advice to the Ministry of Fisheries on its discussion document.</p> <p>Deferred by MFish. This was consistent with our advice that further analysis of the implications is required.</p>
<p>Provide advice on possible changes to the Marine Reserves Act.</p>	<p>Achieved. We provided advice to DoC on the development of a discussion document on the reform of the Marine Reserves Act. DoC has delayed presenting the paper to Cabinet and now plans to do so in late July 2000.</p>

Provide advice on the development of standards and specifications for changes to the biomass for sustainable yield for some species and on the development of standards and specifications for fisheries sustainability plans.

No advice was required. We were not required to provide advice on this matter as the Ministry of Fisheries has not considered any proposals on this issue during the year.

Output 1.8 - Major reforms affecting the environment: transport, energy and trade

Transport:

Provide advice on road reform focusing primarily on those aspects that impact on the environment and the Resource Management Act.

Achieved. We provided advice as required, particularly on public transport issues.

Provide advice on the development of the methodology for assessing the contribution of motorists for passenger transport.

Achieved. We provided detailed comments on Transfund New Zealand's Project Evaluation Manual, including evaluation procedures for alternatives to roading.

Provide advice on the implementation of the Vehicle Fleet Emissions Control Strategy.

Achieved. We assisted the Ministry of Transport (MOT) with drafting amendments to the smoky vehicle regulations and a new land transport rule for vehicle fleet exhaust emissions.

Provide advice on the magnitude of and methods to minimise the impact of water pollution from transport.

Achieved. We provided the MOT with advice as required.

Energy:

Provide advice on wholesale, transmission and retail energy sectors.

Achieved. We participated in the officials' process following the release of the Electricity Inquiry report in June 2000.

Provide advice on energy efficiency including the Energy Efficiency and Conservation Authority (EECA) governance review.

Achieved. We provided advice in relation to the Energy Efficiency Bill and on the implications for EECA.

Trade:

Provide advice on key policy positions to pursue in international fora, in particular for the 2000 World Trade Organisation (WTO) Round.

Achieved. We provided input to Cabinet papers on the New Zealand position for, and attended, the third WTO Ministerial Conference in December 1999.

We also provided input to the Ministry of Foreign Affairs and Trade (MFAT) briefings for the WTO and OECD meetings on trade and environment issues (including the removal of fisheries subsidies, food safety and classification of environmental services).

Provide advice to the Government on analysis of border issues for trade that could impact on the environment.

Achieved. We worked with MFAT and other agencies on advice on the Biosafety Protocol negotiating position and the subsequent Cabinet decision on the signing of the protocol.

Output 1.9 - Climate change

<p>Update the annual greenhouse gas inventory and report to the United Nations Framework Convention on Climate Change (UNFCCC) secretariat.</p>	<p>Achieved. The national inventory report, including inventory data for 1990 to 1998 in the new common reporting format was submitted as required by the UNFCCC.</p>
<p>Reduce uncertainties in the national greenhouse gas inventory, by further development of the national reporting system, including ongoing development of a system to monitor carbon absorption in indigenous forests and soils, and improving data for non-CO₂ greenhouse gases.</p>	<p>Achieved. We let contracts to improve soil nitrous oxide data. An international review of the carbon monitoring system has been conducted and the resulting recommendations have been integrated into the further development of the system.</p>
<p>Conduct further analysis of potential national and international greenhouse gas emissions trading regimes, including design work on international and domestic trading regimes.</p>	<p>Achieved. We attended key international meetings on emissions trading. Domestic trading is being covered by the interdepartmental domestic policy programme working groups.</p>
<p>Make analytical and other input to New Zealand's international negotiating stance in relation to Kyoto 'follow-up', including on emissions trading and other flexibility mechanisms, the treatment of sinks, and monitoring and compliance issues.</p>	<p>Achieved. With other officials we attended key international meetings and workshops on these topics and further developed New Zealand's position on these issues. A senior analyst from the Ministry has been selected to co-chair an UNFCCC group on monitoring, reporting and review.</p>
<p>Provide input to UNFCCC bodies and related international processes, including the Intergovernmental Panel on Climate Change (IPCC), in relation to fulfilling New Zealand's ongoing UNFCCC commitments.</p>	<p>Achieved. Ministry officials attended the IPCC plenary meeting in early May which approved the special report on sinks. We supported New Zealand scientific input and review of the special report.</p>

<p>Coordinate the inter-departmental climate change policy programme.</p>	<p>Achieved. We worked closely with the Department of Prime Minister and Cabinet to co-convene this process.</p>
<p>Provide advice on developments in climate change science.</p>	<p>Achieved. We attended the National Science Strategy Committee on Climate Change and began planning for the 2000 annual report.</p>

Output 1.10 - Treaty claims and the environment

<p>Provide ongoing advice on the development and refinement of Crown policy on the use and redress options involving natural resources in the settlement of historical Treaty of Waitangi claims, including advice on specific treaty claims involving natural resources.</p>	<p>Achieved. We provided advice on Te Arawa, Tainui, Ngati Tama, Ngati Mutunga and Ngati Ruanui Treaty claims.</p> <p>The Government has signalled a change to its Treaty claims policy framework. We will provide advice into the development of this framework as it relates to resource management and the participation of iwi in the management of natural resources.</p>
<p>Assess and report on how well the RMA is working in meeting the Crown's Treaty obligations and Maori interests in resource management.</p>	<p>Achieved. We have completed an internal working document <i>Treaty Analysis Of Environmental Legislation</i> which assesses both how well the RMA and legislative and policy frameworks are working in meeting the Crown's Treaty obligations and Maori interests in resource management.</p>

Assess and report on how well key legislative and policy frameworks are working in meeting the Crown's Treaty obligations and Maori interests in resource management.	Achieved. See above.
Report on different types of collaborative management arrangements, including on barriers to collaborative management under the RMA.	Achieved. We have completed a report on case studies of collaborative management arrangements between iwi and councils.

Output 1.11 - Environmental quality standards and Environmental Performance indicators

Complete the review of the Ambient Air Quality Guidelines and (depending on decisions) prepare new ambient air quality guidelines or prepare an analysis of cost and benefits of a national environmental standard.	Delayed. Revising reports in response to reviewers' comments took longer than expected. The discussion document is currently being reviewed by officials from other departments and we expect to seek the Minister's and Cabinet's approval to release the document in October 2000.
Develop a training programme and promote the guide to visibility assessment and monitoring.	Achieved. We held a workshop to discuss the guide in Auckland in May 2000. This highlighted the need to revise the report and to undertake further training.
Prepare a guide to assessing the environmental effects of air discharges from 'industrial and trade premises', including the effects on ecosystems.	Delayed. This has become part of the review of the Ambient Air Quality Guidelines (see above).

Prepare an organochlorines management plan including draft national environmental standards under the RMA for dioxins and PCBs.

Provide advice on reports on New Zealand's obligations under the United Nations Environment Programme convention on Persistent Organic Pollutants and on emissions of persistent pollutants to air, water and land.

Administer the Global Environmental Monitoring Sites for air quality in New Zealand.

Develop and, where appropriate, implement indicators for air, climate change, ozone, fresh water, land, waste, hazardous substances, toxic contaminants, the marine environment, biodiversity, transport, pests, weeds, diseases, energy and urban amenity.

Consult iwi on proposed indicators.

Delayed. We have almost completed the technical work but the draft plan and draft standards are still under preparation.

Achieved. We attended international meetings and provided advice as required. We also completed and published a scientific report: *New Zealand inventory of dioxin emissions to air, land and water, and reservoir sources* in March 2000.

Achieved. A comprehensive monitoring report for 1999 was completed and is available over the Ministry's website. All relevant data was sent to the World Health Organisation.

Achieved. We developed indicators; trialled draft indicators; and undertook pilot work and commenced implementation of completed indicators.

Achieved. The Ministry held a hui on proposed indicators at the end of 1999. Following on from that consultation iwi and hapu groups continue to develop their indicators through a case study approach.

Evaluate and trial ecosystem classification methods for monitoring water, land, the marine environment and biodiversity.	Achieved. We completed trials of the Freshwater Environments Classification System; completed the first Landcover Database; confirmed the method for a classification system for the marine environment; and completed an Environmental Domains System trial for biodiversity.
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Output 1.12 - Sustainable land and water management

Confirm the Government's outcomes and actions for hill country erosion.	Due to changed priorities this work has been deferred with the agreement of the Minister.
Implement the programme specified in the action plan for the hill country erosion.	Due to changed priorities this work has been deferred with the agreement of the Minister.
Develop a monitoring framework for hill country erosion.	Due to changed priorities this work has been deferred with the agreement of the Minister.
Complete, in conjunction with MAF, two projects under the Best Management Practices programme which address hill country erosion issues.	Achieved. We established focus farms in the Gisborne and Whanganui hill country areas. We also prepared guidelines for a publication for visual soil quality monitoring for pastoral farmers.
Finalise the National Agenda for Sustainable Water Management.	Due to changed priorities this work has been deferred with the agreement of the Minister.
Develop, in conjunction with MAF, a discussion paper on water allocation.	Achieved. We produced a stocktake of regional council water allocation practices and a discussion paper on policy issues.

Prepare for publication a handbook on managing ecological, riparian, and Maori values associated with water.

Partly achieved. We have completed a values handbook for ecological values of rivers; the management of riparian values was included in the programme item on riparian management guidelines above, this has been completed; and a contract has been let for a case study on Mahinga Kai and Maori values and indicators in two Otago rivers.

Develop an implementation programme for the draft River Ecosystem Management Framework and values handbook.

Achieved. The river ecosystem management framework is being implemented in tandem with the river environment classification. The first River Environment Classification project has been completed in the Canterbury Region. We are now beginning work in the Otago and Southland regions.

Complete a discussion paper on a lake management framework.

Achieved. A process for updating the *New Zealand Lake Manager's Handbook* has been developed in conjunction with lake experts. Contracts for the first two updated sections have been let and a restoration case study has been completed.

Complete the data collection phase of the freshwater microbiological research programme.

Achieved. We have completed the data collection phase.

Develop an implementation strategy for the Australia New Zealand Environment and Conservation Council (ANZECC) Water Quality Guidelines.

Deferred. ANZECC has delayed the finalisation of the guidelines until October 2000.

Output 1.13 - Public information and education

Environmental education:

Convene two meetings of the Environmental Education Coordinating Group and Maori Focus Group.

Achieved. The meetings were held over two consecutive days in October 1999.

Promote the Directory of Environmental Education Resources; The Guidelines and Case Studies for Strategy Development and Evaluating the Effectiveness of programmes; and the Guidelines for Environmental Education for Schools.

Achieved. The directory, guidelines and case studies have been completed and are publicly available.

Conduct a local authority environmental education workshop.

Achieved. We conducted a two-day workshop for local authorities on 6 and 7 April 2000. We have produced a report which is now publicly available.

Organise a teacher training/tertiary institution workshop (in partnership with New Zealand Association of Environmental Education and the Ministry of Education).

Achieved. We held a three-day workshop on 3, 4 and 5 April 2000. We have produced a report that is now publicly available.

Investigate and report on opportunities for the business and industry group initiatives - Industry Training Organisation (ITO) unit standards, and other related issues.

Achieved. We organised a workshop in December 1999 to discuss cleaner production waste minimisation initiatives. We held meetings in December 1999 to investigate opportunities for the development of ITO unit standards. In conjunction with the ITO we have worked out the outline of a project for the development of unit standards.

Public information:

Produce five issues of *Environment Update*, in July/August 1999, September/October 1999, November/December 1999, March/April 2000, and May/June 2000.

Achieved. We published issues in July 1999, October 1999, December 1999, March 2000 and May 2000.

Publish eleven issues of a short newsletter on the Ministry's website (during each month except January.)

Achieved.

Provide support for the promotion of the Green Ribbon Award (February-June 2000), assessment of nominations (May 2000), and the presentation of the awards.

Achieved. We provided support as required.

Expand the range of material on the website each quarter and update existing material where necessary.

Achieved. We have regularly added new material to the website, and have carried out essential updates.

Output 1.14 - Strategic environmental issues

Carry out the third annual stocktake of progress toward the Environment 2010 Strategy goals, and report to the Cabinet Economic Committee.

Achieved. The Strategic Advice Team completed the stocktake by 30 September 1999. Unfortunately there was not an opportunity for the Minister of the time to take the stocktake to Cabinet before the election.

<p>Co-ordinate New Zealand's report for 2000 to the Commission for Sustainable Development (CSD).</p>	<p>Achieved. The report was forwarded in December 1999 to the New York Mission to the United Nations, for forwarding to the CSD secretariat.</p>
<p>Report on progress in understanding determinants of environmental behaviour.</p>	<p>Due to changed priorities this was deleted from the purchase agreement with the agreement of the Minister.</p>
<p>Report on key sustainable consumption and production issues relevant to New Zealand.</p>	<p>Delayed. The report is in draft form but completion was delayed by work to establish the Royal Commission and the Moratorium.</p>
<p>Report on progress toward the review of the Environment 2010 Strategy (including the scope of the strategy and preliminary assessments and consultation).</p>	<p>Superseded. We have completed some preliminary work on developing an environmental strategy, but further work is now likely to be superseded by broader work for the Minister on sustainable development.</p>

Output 1.15 - General Ministerial and environmental advice

<p>Prepare speech notes as required by the Minister.</p>	<p>Achieved.</p>
<p>Provide general advice to the Minister as required.</p>	<p>Achieved.</p>

Output 1.16 - Ministerial correspondence and Parliamentary questions

Ministerial correspondence

	Expected performance	Actual performance
Quantity	925	910
Timeliness	100% of draft replies completed within 20 working days.	58% of draft replies were completed within 20 working days.
Quality	95% of first drafts accepted by the Minister.	94% of first drafts were accepted by the Minister.

Parliamentary questions

	Expected performance	Actual performance
Quantity	160	105
Timeliness	100% of answers to be provided by the stipulated deadline.	98% of the answers were provided by the stipulated deadline.
Quality	95% of answers to be provided to the satisfaction of the Minister.	100% of the answers were provided to the satisfaction of the Minister.

Output 1.17 - Other Departments' reviews

The work programme for the year involved providing support and advice as required for the following:

- | | |
|--|---|
| <ul style="list-style-type: none"> • Local Government Act (Internal Affairs) | Achieved. We held regular meetings with Internal Affairs and provided feedback. |
| <ul style="list-style-type: none"> • Heritage review (DoC) | Achieved. We took part in discussions with DoC and the Ministry for Culture and Heritage on this issue. |
| <ul style="list-style-type: none"> • East Coast Forestry Project (MAF) | Achieved. We prepared advice for the Minister and Cabinet on administrative and operational changes required to implement the new goal of the modified East Coast Forestry Project. |
| <ul style="list-style-type: none"> • Biosecurity Risk Assessment Project (MAF) | Achieved. We completed a green package project. MAF is working on an operational protocol for risk assessment on which we have provided comment. |
| <ul style="list-style-type: none"> • Crown Pastoral Land Reform (LINZ) | No action was required. |
| <ul style="list-style-type: none"> • Public Health review (Ministry of Health) | No action was required. |
| <ul style="list-style-type: none"> • Agricultural Compounds and Veterinary Medicines Act regulations and implementation (MAF) | Achieved. We assisted MAF in ensuring that the necessary regulations under the Agricultural Compounds and Veterinary Medicines Act were complete and consistent with the HSNO Act. |

• Import Prohibitions Review (Commerce)	Achieved. We provided advice to Commerce in relation to the HSNO Act. We are awaiting a rewrite of the draft Cabinet paper.
• Trans-Tasman Mutual Recognition Arrangement implementation (Commerce)	Achieved. We provided advice as required.
• Ratings Power Act (Internal Affairs)	Achieved. We provided advice to Internal Affairs on the implications of the proposed changes to the RMA and on the relationship with the financial contributions provisions of the RMA.

Output Class 2: Administration of Sustainable Management Fund and Residual Catchment Grants

Output class 2 covers policy advice on the allocation of funds to other parties, and the administration and management of contracts to supply the following non-departmental outputs:

- Development and implementation of sustainable development
- Residual catchment works
- Sustainable land management: promotion and training.

The Ministry's administrative work under this output class includes:

- advice on the size of allocations and payments to approved providers in accordance with criteria in the 1999/2000 Sustainable Management Fund *Guide for Applicants*
- monitoring expenditure, including completion of technical audits.

Performance measures

Outputs in this class were provided within the appropriated sum and specified time frames (unless otherwise stated). Performance measures were specified for each output as appropriate.

Resources employed

Actual 30/06/1999 \$000		Actual 30/06/2000 \$000	Main estimates 30/06/2000 \$000	Supp. Estimates 30/06/2000 \$000
	Revenue:			
585	Crown	617	440	675
585	Total revenue	617	440	675
585	Total expenses	617	440	675
-	Net surplus	-	-	-

Service performance

The 1999/2000 Estimates and the Purchase Agreement (and subsequent amendments approved by the Minister) contain one output in Output class 2: Administration of Sustainable Management Fund and Residual Catchment Grants.

Review of output achievements

Output 2.1 - Administration of Sustainable Management Fund (SMF), Landcare Trust and Residual Catchment Grants

<p>Assess applications from a range of providers, and peer review applications with the Specialist Advisory Group, (100 applications anticipated).</p>	<p>Achieved. The 98 applications submitted to the SMF for consideration in the August 1999 and February 2000 funding rounds were assessed by the Specialist Advisory Group.</p>
<p>Advise the Minister on grant allocations to successful applicants for two funding rounds in October (for 1999/2000) and April (for 2000/2001).</p>	<p>Achieved. The Minister was advised of the decisions taken for the year's two funding rounds.</p>
<p>Develop the 2001 <i>Sustainable Management Fund Guide for Applicants</i>.</p>	<p>Achieved in the second quarter. The guide was published in December 1999.</p>
<p>Purchase through tendering and then manage no less than 10 projects that have been targeted as priorities for SMF funding.</p>	<p>Achieved. We tendered contracts for 11 projects.</p>
<p>Complete 10 performance and financial audits of projects.</p>	<p>Achieved. We undertook 11 project audits.</p>
<p>Complete in-depth audits of a sample of SMF projects.</p>	<p>Achieved. Two independent reports were completed. One on a review of the outputs of a selected number of SMF projects, and the other on the evaluation of the outcomes achieved by three SMF projects.</p>
<p>Make payments to the one remaining residual catchment work, according to the agreement with the Crown.</p>	<p>Achieved. We made payments as required.</p>
<p>Make payments to the Landcare Trust, according to the Purchase Agreement between the Trust and the Minister for the Environment.</p>	<p>Achieved. We made payments as required.</p>

3. Crown revenue and receipts

**Crown revenue and receipts for the year ended
30 June 2000**
(GST inclusive where applicable)

Actual 30/06/1999 \$000		Actual 30/06/2000 \$000	Main estimates 30/06/2000 \$000	Supp. estimates 30/06/2000 \$000
	Current revenue			
	Non-tax revenue			
59	Catchment Works Loans – interest	42	60	60
745	Coastal royalties	425	400	430
6	Resource Management Act fees and charges	6	11	11
810	Total non-tax revenue	473	471	501
	Capital receipts			
1,236	Catchment Works Loans – principal	1,220	1,004	1,004
1,236	Total capital receipts	1,220	1,004	1,004
2,046	Total Crown revenue and receipts	1,693	1,475	1,505

This statement is provided to give readers a better understanding of the nature and scope of the Crown activities undertaken by the Ministry for the Environment. For a full understanding of the Crown's financial position and the results of its operations for the year reference should be made to the consolidated audited Crown Financial Statements for the year ended 30 June 2000.

4. Financial statements

Performance indicators for the year ended 30 June 2000

	Unit	Actual 30/06/2000	Supp. estimates 30/06/2000
Operating results			
Revenue: Crown	\$000	15,893	15,893
Revenue: Departments and other	\$000	11	25
Revenue: interest	\$000	38	34
Output expenses	\$000	15,012	15,918
Other expenses	\$000	-	-
Gain on sale of assets	\$000	17	23
Net surplus	\$000	947	57
Working capital			
Net current assets	\$000	(214)	(144)
Liquid ratio	%	94	95
Resource utilisation			
Fixed assets			
Total fixed assets at year-end	\$000	1,062	1,049
Value per employee	\$000	9.3	9.1
Additions as % of fixed assets	%	28.5	33.3
Fixed assets as % of total assets	%	22.4	27.4
Taxpayers' funds			
Level at year-end	\$000	343	343
Level per employee	\$000	3.0	2.9
Net cash flows			
Surplus from operating activities	\$000	1,121	434
Deficit from investing activities	\$000	(282)	(342)
Deficit from financing activities	\$000	(189)	(292)
Net increase/(decrease) in cash held	\$000	650	(200)
Human resources			
Staff turnover	%	23	22
Average length of service	Years	5.56	5.71
Total staff	No.	114	115

The accompanying accounting policies and notes form part of these financial statements **39**

Statement of financial performance for the year ended 30 June 2000

Actual 30/06/1999 \$000		Notes	Actual 30/06/2000 \$000	Main estimates 30/06/2000 \$000	Supp. estimates 30/06/2000 \$000
	Revenue				
15,229	Crown		15,893	16,305	15,893
45	Other	1	28	101	48
35	Interest	2	38	50	34
15,309	Total revenue		15,959	16,456	15,975
	Expenditure				
6,650	Personnel		6,415	6,759	6,572
8,054	Operating	3	8,162	9,150	8,906
335	Depreciation		401	400	406
81	Capital charge	4	34	74	34
15,120	Total output expenditure		15,012	16,383	15,918
397	Other expenses		-	-	-
15,517	Total expenses		15,012	16,383	15,918
(208)	Net surplus/ (deficit) from operations		947	73	57

40 The accompanying accounting policies and notes form part of these financial statements

Statement of financial position as at 30 June 2000

Actual 30/06/1999 \$000		Notes	Actual 30/06/2000 \$000	Main estimates 30/06/2000 \$000	Supp. estimates 30/06/2000 \$000
343	Taxpayers' funds		343	290	343
343	Total taxpayers' funds		343	290	343
	Represented by:				
	Current assets				
1,428	Bank		2,578	1,717	1,728
1,500	Short-term deposits	5	1,000	1,000	1,000
29	Prepayments		40	30	30
24	Debtors and receivables	6	55	20	20
2,981	Total current assets		3,673	2,767	2,778
	Non-current assets				
1,187	Fixed assets	7	1,062	1,225	1,049
4,168	Total assets		4,735	3,992	3,827
	Current liabilities				
2,709	Creditors and payables	8	2,623	2,730	2,528
189	Provision for repayment of surplus to the Crown	10	947	73	57
342	Employee entitlements	9	317	337	337
3,240	Total current liabilities		3,887	3,140	2,922
	Non-current liabilities				
585	Employee entitlements	9	505	562	562
3,825	Total liabilities		4,392	3,702	3,484
343	Net assets		343	290	343

The accompanying accounting policies and notes form part of these financial statements 41

Statement of movements in taxpayers' funds for the year ended 30 June 2000

Actual 30/06/1999 \$000		Note	Actual 30/06/2000 \$000	Main estimates 30/06/2000 \$000	Supp. estimates 30/06/2000 \$000
740	Taxpayers' funds brought forward as at 1 July		343	290	343
(208)	Net surplus/ (deficit) from operations		947	73	57
(208)	Total recognised revenues and expenses for the year		947	73	57
(189)	Provision for repayment of surplus to the Crown	10	(947)	(73)	(57)
343	Taxpayers' funds as at 30 June		343	290	343

42 The accompanying accounting policies and notes form part of these financial statements

Statement of cash flows for the year ended 30 June 2000

Actual 30/06/1999 \$000		Actual 30/06/2000 \$000	Main estimates 30/06/2000 \$000	Supp. estimates 30/06/2000 \$000
	Cash flows from operating activities			
	Cash provided from:			
15,229	Supply of outputs to Crown	15,893	16,305	15,899
18	Supply of outputs to others	(18)	78	25
35	Interest	36	50	32
	Cash disbursed to:			
(6,094)	Personnel expenses	(6,669)	(6,889)	(6,889)
(8,927)	Operating expenses	(8,087)	(9,137)	(8,599)
(81)	Capital charge	(34)	(74)	(34)
180	Net cash flows from operating activities	1,121	333	434
	Cash flows from investing activities			
	Cash provided from:			
26	Sale of fixed assets	21	29	8
	Cash disbursed to:			
(948)	Purchase of fixed assets	(303)	(400)	(350)
(922)	Net cash flows from investing activities	(282)	(371)	(342)
	Cash flows from financing activities			
	Cash disbursed to:			
(79)	Repayment of surplus to Crown	(189)	(53)	(292)
(79)	Net cash flows from financing activities	(189)	(53)	(292)
(821)	Net increase/(decrease) in cash held	650	(91)	(200)
3,749	Opening cash balance at 1 July	2,928	2,808	2,928
2,928	Closing cash and deposits as at 30 June	3,578	2,717	2,728
	Cash and deposits comprise:			
1,428	Cash	2,578	1,717	1,728
1,500	Short-term deposits	1,000	1,000	1,000
2,928	Closing cash and deposits as at 30 June	3,578	2,717	2,728

Reconciliation of net operating surplus to net cash flow from operating activities for the year ended 30 June 2000

Actual 30/06/1999 \$000		Actual 30/06/2000 \$000	Main estimates 30/06/2000 \$000	Supp. estimates 30/06/2000 \$000
(208)	Net surplus/(deficit) from operations	947	73	57
	Add non-cash items			
335	Depreciation	401	400	406
-	Other	-	-	180
	Add non-cash provision			
342	Increase/(decrease) in provisions for employee entitlements	(105)	-	(28)
	Add/(less) movements in working capital items			
15	Decrease/(increase) in prepayments	(11)	-	(1)
(1)	Decrease/(increase) in debtors and receivables	(31)	-	4
(293)	Increase/(decrease) in creditors and payables	(86)	(121)	(181)
	Add/(less) investing activity			
(10)	Net loss/(gain) on sale of fixed assets	6	(19)	(3)
180	Net cash flow from operating activities	1,121	333	434

44 The accompanying accounting policies and notes form part of these financial statements

Statement of commitments as at 30 June 2000

The Ministry has long-term leases on its premises in Wellington, Auckland, and Christchurch. The amounts disclosed below include amounts for both accommodation and operating leases.

Operating leases include lease payments for premises, telephones and photocopiers. Accommodation leases are disclosed at current rental rates.

	30/06/2000 \$000	30/06/1999 \$000
Operating and accommodation lease commitments (GST exclusive)		
Not later than 1 year	1,171	1,119
Later than 1 year but not later than 2 years	1,096	1,037
Later than 2 years but not later than 5 years	2,977	2,935
Later than 5 years	1,061	2,037
Total operating and lease commitments	6,305	7,128
Capital commitments	-	-
Total commitments	6,305	7,128

Statement of contingencies as at 30 June 2000

At 30 June 2000 there was one known contingent liability and no contingent assets or guarantees given under section 59 of the Public Finance Act 1989 in relation to the activities of the Ministry.

	30/06/2000 \$000	30/06/1999 \$000
Legal proceedings	50	50
Total contingent liabilities	50	50

Statement of unappropriated expenditure for the year ended 30 June 2000

Departmental appropriations

Departmental output classes were produced within appropriation (30 June 1999: nil).

Non-departmental appropriations

Non-departmental output classes were produced within appropriation (30 June 1999: nil).

Other expenses to be incurred by the Crown were produced within appropriation (30 June 1999: nil).

Statement of departmental expenditure and appropriations for the year ended 30 June 2000 (figures are GST inclusive where applicable)

	Actual 30/06/2000 \$000	Appropriation* 30/06/2000 \$000
Vote: Environment		
Appropriations for classes of outputs		
D1 Environmental policy advice	16,306	17,149
D2 Administration of Sustainable Management Fund and Residual Catchment Grants	694	759
Total	17,000	17,908

* This includes adjustments made in the supplementary estimates and transfers under Section 5 of the Public Finance Act 1989.

Statement of non-departmental expenditure and appropriations for the year ended 30 June 2000
(figures are GST inclusive where applicable)

	Actual 30/06/2000 \$000	Appropriation* 30/06/2000 \$000
Vote: Environment		
Appropriations for non-departmental output classes		
O1 Development and implementation of sustainable management	4,436	4,444
O2 Hazardous Substances and New Organisms assessment and management	4,728	5,330
O3 Residual Catchment Works	200	200
O4 Sustainable land management: promotion and training	450	450
O5 Topoclimate mapping	1,800	1,800
Sub-total	11,614	12,224
Appropriations for other expenses to be incurred by the Crown		
Framework Convention on Climate Change	64	64
Montreal Protocol on Ozone Protection	20	20
Subscription to Basel Convention	9	14
United Nations Environment Programme	136	136
Sub-total	229	234
Total	11,843	12,458

* This includes adjustments made in the supplementary estimates and transfers under Section 5 of the Public Finance Act 1989.

Statement of accounting policies for the year ended 30 June 2000

Reporting entity

The Ministry for the Environment is a government department as defined in section 2 of the Public Finance Act 1989. The financial statements incorporate the following output classes:

- Output Class 1: Environmental policy advice
- Output Class 2: Administration of the Sustainable Management Fund and Residual Catchment Grants.

The financial statements have been prepared in accordance with section 35 of the Public Finance Act 1989.

In addition, the Ministry has reported the Crown activities which it administers.

Measurement system

The financial statements have been prepared on the basis of historical cost with the exception of certain items for which specific accounting policies are identified.

Accounting policies

The following particular accounting policies which materially affect the measurement of financial results and financial position have been applied.

(i) Budget and appropriation figures

The Budget and Appropriation figures are those presented in the Budget Night Estimates (Main Estimates) and those amended by the Supplementary Estimates and any transfer made by Order in Council under section 5 of the Public Finance Act 1989 (Supplementary Estimates).

(ii) Revenue

The Ministry derives revenue through the provision of outputs to the Crown, for services to third parties and interest on its deposits with the New Zealand Debt Management Office (NZDMO). Such revenue is recognised when earned and is reported in the financial period to which it relates.

(iii) Cost allocation

The Ministry derived the costs of outputs using a cost allocation system, which is outlined below.

Cost allocation policy

Direct costs are charged directly to the Ministry's outputs. Indirect costs are charged to outputs based on specified cost drivers. These cost drivers include hours, floor space and staff numbers.

Criteria for direct and indirect costs

'Direct costs' are those costs directly attributed to an output. 'indirect costs' are those costs that cannot be directly associated with a specific output.

Direct costs assigned to outputs

Direct costs are charged directly to outputs. Personnel costs are charged by actual time incurred based on a time recording system.

For the year ended 30 June 2000, direct costs accounted for 66% of the Ministry's costs (1999: 68%).

Indirect costs assigned to outputs

Indirect costs are assigned to outputs based on a series of cost drivers. Support area costs are first assigned to output groups using cost drivers such as staff numbers and floor space. These are then combined with other indirect costs and allocated to outputs based on a proportion of direct hours incurred for each output.

For the year ended 30 June 2000, indirect costs accounted for 34% of the Ministry's costs (1999: 32%).

(iv) Debtors and receivables

Debtors and receivables are recorded at estimated realisable value, after providing for doubtful debts.

(v) Operating leases

Leases where the lessor effectively retains all the risks and benefits of ownership of the leased items are classified as operating leases.

Payments under these leases are charged as expenses in the periods in which they are incurred.

(vi) Fixed assets and depreciation

All fixed assets are recorded at cost less accumulated depreciation. Fixed assets are recognised as individual items costing \$1,000 (GST exclusive) or more, which have a useful life greater than one year.

Depreciation of fixed assets is calculated on a straight-line basis so as to allocate the cost of the assets, after recognising residual values, over their useful lives.

The estimated useful lives of the assets are:

	Depreciation rate (%)	Residual rate (%)	Useful life (Years)
Furniture and fittings	20	10	5
Partitions	20	-	5
Motor vehicles	25	-	4
Office equipment	20	20	5
Computer software	33	-	3
Computer hardware	33	-	3

The cost of leasehold improvements (included in furniture and fittings) is capitalised and depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is shorter.

Losses and gains on disposal of fixed assets are taken into account in determining the operating result for the year.

(vii) Employee entitlements

Provision is made in respect of the Ministry's liability for annual leave, long-service leave and retirement leave. Annual leave has been calculated in an actual entitlement basis at current values of pay. The other provisions have been calculated on an actuarial basis based on the present value of expected future entitlements.

(viii) Statement of cash flows

Cash means cash balances on hand, held in bank accounts and deposits with the New Zealand Debt Management Office.

Operating activities include cash received from all income sources of the Ministry and record the cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise capital injections by, or repayment of capital to, the Crown.

(ix) Financial instruments

The Ministry for the Environment is party to financial instrument arrangements as part of its normal operations. All financial instruments are recognised in the Statement of Financial Position and all revenues and expenses relating to financial instruments are recognised in the Statement of Financial Performance. The Ministry for the Environment has not entered into any off-balance sheet transactions.

The following methods and assumptions were used to value each class of financial instrument:

- Accounts receivable are recorded at expected realisable value
- All other financial instruments including cash and bank, short-term deposits and accounts payable are recognised at their estimated fair value.

(x) Goods and Services Tax (GST)

All Statements are GST exclusive, except where otherwise stated. Creditors and Payables and Debtors and Receivables in the Statement of Financial Position are stated inclusive of GST.

GST payable at balance date is included in Creditors and Payables.

(xi) Taxation

The Ministry is exempt from income tax in terms of the Income Tax Act 1994. Accordingly, no charge for income tax has been provided for.

(xii) Commitments

Future expenses and liabilities to be incurred on contracts that have been entered into at balance date are disclosed as commitments at the point a contractual obligation arises, to the extent that they are equally unperformed obligations.

(xiii) Contingencies

Contingent liabilities and contingent assets are disclosed at the point at which the contingency is evident.

(xiv) Taxpayers' Funds

Taxpayers' Funds is the Crown's net investment in the Ministry.

(xv) Changes in accounting policies

There have been no changes in accounting policies, including cost allocation accounting policies, since the date of the last audited financial statements.

All policies have been applied on a basis consistent with other years.

Notes to the financial statements for the year ended 30 June 2000

1. Other revenue

Actual 30/06/1999 \$000		Actual 30/06/2000 \$000	Main estimates 30/06/2000 \$000	Supp. estimates 30/06/2000 \$000
19	Publication sales	11	78	25
26	Gain on sale of fixed assets	17	23	23
45	Total other revenue	28	101	48

2. Interest revenue

The Ministry invests surplus cash with the New Zealand Debt Management Office (NZDMO) and earns interest at variable rates.

3. Operating expenses

Actual 30/06/1999 \$000		Actual 30/06/2000 \$000	Main estimates 30/06/2000 \$000	Supp. estimates 30/06/2000 \$000
1,907	General and administration	1,920	2,270	1,995
991	Other operating costs	1,152	1,479	1,572
1,116	Rental and leasing	1,156	855	855
3,975	Consultancy	3,856	4,517	4,438
26	Audit fees for financial statements	28	25	26
23	Other services provided by Audit NZ	27	-	-
16	Loss on sale of fixed assets	23	4	20
8,054	Total operating expenditure	8,162	9,150	8,906

4. Capital charge

The Ministry pays a capital charge to the Crown on its average Taxpayers' Funds as at 31 December and 30 June each year. The capital charge rate for the year ended 30 June 2000 was 10% (1999: 11%).

5. Short-term deposits

As at balance date the Ministry had placed the following term deposit with the New Zealand Debt Management Office (NZDMO).

Actual 30/06/1999 \$000	Counterparty	Interest rate %	Term	Actual 30/06/2000 \$000
1,500	NZDMO	6.25	30 days	1,000
1,500	Total term deposits			1,000

6. Debtors and receivables

	Actual 30/06/2000 \$000	Actual 30/06/1999 \$000
Trade debtors	55	25
Less provision for doubtful debts	-	(1)
Total debtors and receivables	55	24

7. Fixed assets

	Cost 30/06/2000 \$000	Accumulated depreciation 30/06/2000 \$000	Net book value 30/06/2000 \$000
Furniture and fittings	926	290	636
Motor vehicles	51	51	-
Office equipment	346	205	141
Computer software	209	202	7
Computer hardware	644	366	278
Total fixed assets	2,176	1,114	1,062

(Fixed assets cont'd)

	Cost	Accumulated depreciation	Net book value
	30/06/1999	30/06/1999	30/06/1999
	\$000	\$000	\$000
Furniture and fittings	825	148	677
Partitions	74	74	-
Motor vehicles	89	89	-
Office equipment	350	190	160
Computer software	215	177	38
Computer hardware	863	551	312
Total fixed assets	2,416	1,229	1,187

8. Creditors and payables

	Actual	Actual
	30/06/2000	30/06/1999
	\$000	\$000
Trade creditors	1,731	2,333
Accruals	778	203
GST	114	173
Total creditors and payables	2,623	2,709

9. Employee entitlements

	Actual	Actual
	30/06/2000	30/06/1999
	\$000	\$000
Current employee entitlements		
Annual leave	317	342
Total current employee entitlements	317	342
Non-current employee entitlements		
Retirement and long-service leave	505	585
Total non-current employee entitlements	505	585
Total employee entitlements	822	927

10. Provision for repayment of surplus to the Crown

The balance in the provision for repayment of surplus to the Crown for the current year is the amount of the interest earned by the Ministry, together with the gain on sale of fixed assets and surplus from operations.

11. Related party transactions

The Ministry is a wholly-owned entity of the Crown. The Government significantly influences the roles of the Ministry as well as being its major source of revenue.

The Ministry enters into numerous transactions with Government departments, Crown agencies and State-owned enterprises. These transactions are not considered to be related party transactions.

Apart from those transactions described above, the Ministry has not entered into any related party transactions.

12. Financial instruments

The Ministry is party to financial instrument arrangements as part of its everyday operations. These include instruments such as bank balances, investments, accounts receivable and accounts payable.

Credit risk

Credit risk is the risk that a third party will default on its obligations to the Ministry, causing the Ministry to incur a loss. In the normal course of business, the Ministry incurs credit risk from accounts receivable and transactions with financial institutions and the New Zealand Debt Management Office.

The Ministry does not require collateral or other security to support financial instruments with credit risk, as the Ministry deals with financial institutions and the New Zealand Debt Management Office which have high credit ratings. For its other financial instruments, the Ministry does not have significant concentrations of credit risk.

Fair value

The fair value of all financial instruments is equivalent to the carrying amount disclosed in the Statement of Financial Position.

Currency and interest rate risk

Currency risk is the risk that debtors and creditors due in foreign currency will fluctuate because of changes in foreign exchange rates. The Ministry has no significant exposure to currency risk on its financial instruments.

Interest rate risk is the risk that the Ministry's return on the funds it has invested will fluctuate due to changes in market interest rates. Under section 46 of the Public Finance Act the Ministry cannot raise a loan without Ministerial approval and no such loans have been raised. Accordingly, there is no interest rate exposure on funds borrowed.

The Ministry has no significant exposure to interest rate risk on its financial instruments.

13. Contingencies

The Ministry does not have any contingent assets as at 30 June 2000. (1999: nil).

Contingent liabilities are disclosed separately in the Statement of Contingencies.

14. Major budget variations

(i) Statement of financial performance

The operating expenses figure at 30 June 2000 is \$8,162,000. The variation against the supplementary estimates figures is a result of a shift in the focus of the work programme. This resulted in a reduction of expenditure on consultants, travel and administration costs.

(ii) Statement of financial position

The flow-on effect of the operating expenses variations resulted in a higher bank account balance.

15. Subsequent events

No significant events, which would materially affect the financial statements, occurred between 30 June 2000 and the date of signing the financial statements (1999: nil).

Statement of Responsibility

In terms of sections 35 and 37 of the Public Finance Act 1989, I am responsible, as Chief Executive of the Ministry for the Environment, for the preparation of the Ministry's financial statements and the judgements made in the process of producing those statements.

I have the responsibility of establishing and maintaining, and I have established and maintained, a system of internal control procedures that provide reasonable assurance as to the integrity and reliability of financial reporting.

In my opinion, these financial statements fairly reflect the financial position and operations of the Ministry for the year ended 30 June 2000.



Denise F Church
Chief Executive

31 August 2000

Countersigned by:



Fiona C M Morgan
Finance and Corporate Business Manager

31 August 2000

Report of the Audit Office

To the readers of the financial statements of the Ministry for the Environment for the year ended 30 June 2000

We have audited the financial statements on pages 10 to 56. The financial statements provide information about the past financial and service performance of the Ministry for the Environment and its financial position as at 30 June 2000. This information is stated in accordance with the accounting policies set out on pages 48 to 52.

Responsibilities of the Chief Executive

The Public Finance Act 1989 requires the Chief Executive to prepare financial statements in accordance with generally accepted accounting practice which fairly reflect the financial position of the Ministry for the Environment as at 30 June 2000, the results of its operations and cash flows and the service performance achievements for the year ended 30 June 2000.

Auditor's responsibilities

Section 38(1) of the Public Finance Act 1989 requires the Audit Office to audit the financial statements presented by the Chief Executive. It is the responsibility of the Audit Office to express an independent opinion on the financial statements and report its opinion to you.

The Controller and Auditor-General has appointed Paul D Helm, of Audit New Zealand, to undertake the audit.

Basis of opinion

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Chief Executive in the preparation of the financial statements; and
- whether the accounting policies are appropriate to the Ministry for the Environment's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards, including the Auditing Standards issued by the Institute of Chartered Accountants of New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from

material misstatements, whether caused by fraud or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

We have carried out an assurance related assignment for the Ministry for the Environment involving the accurate reporting of Resource Management Act data provided by Local Authorities. Other than this assignment and in our capacity as auditor acting on behalf of the Controller and Auditor-General, we have no relationship with or interests in the Ministry for the Environment.

Unqualified opinion

We have obtained all the information and explanations we have required.

In our opinion the financial statements of the Ministry for the Environment on pages 10 to 56:

- comply with generally accepted accounting practice; and
- fairly reflect:
 - the financial position as at 30 June 2000;
 - the results of its operations and cash flows for the year ended on that date; and
 - the service performance achievements in relation to the performance targets and other measures set out in the forecast financial statements for the year ended on that date.

Our audit was completed on 29 September 2000 and our unqualified opinion is expressed as at that date.



Paul D Helm

Audit New Zealand

On behalf of the Controller and Auditor-General

Wellington, New Zealand

5. Management of the Ministry

Business planning

During 1999/2000 we reviewed our five-year Strategic Business Plan. This gave us the opportunity to focus on the new Government's environmental intentions and aspirations. The process has renewed our focus on the Minister's priorities within the context of the new Government's overall objectives – not only those objectives which relate explicitly to the environment, but also wider objectives such as 'closing the gaps', re-establishing a healthy civic society and revitalising regional economies.

In developing the Strategic Business Plan, we focused on longer-term goals as well as what can be done to advance the Government's goals in the short term. Many of the Government's goals require a reorientation of some of our programmes that may take some years to have real effect. For example, our work with the Energy Efficiency and Conservation Authority to support activities involving increasing the energy efficiency of low-income housing will take some time to implement, but it will yield ongoing benefits over years to come. Work in this area will not only reduce greenhouse gas emissions through reduced energy consumption, but will also give benefits in terms of health and social equity.

We have worked to involve other organisations in our thinking, through meetings with business, non-governmental organisations, professional groups and local government. A particular initiative has been undertaken to share strategic environmental thinking with the top levels of local government, bearing in mind the Government's wish to encourage stronger central-local government partnerships.

Risk management

As part of the development of our Strategic Business Plan, the Ministry developed a risk management strategy, based on a risk analysis covering all areas of the Ministry's activities. A risk management system was introduced to implement this strategy, involving assessment of risks in the following areas:

- policy quality
- credibility
- funding
- human resources capability
- accountability

- security and integrity
- health and safety.

The overall goal of the risk management system is:

Strategic and operational risks are managed effectively so as to meet statutory requirements, meet or exceed the Minister's expectations, maintain the integrity of the Ministry, and avoid or minimise asset loss.

The Ministry's Treaty and Maori Environmental Policy Group, Maruwhenua, is actively involved in identifying risks associated with Treaty implications and in ensuring that the Ministry's policy advice acknowledges and responds to those risks.

The Ministry considers that risk communication is a vital part of managing risk effectively. Communicating the existence of significant risks and the way that they are managed provides the primary means of ensuring that there is a culture of risk awareness within the Ministry. For a policy agency dealing with issues surrounded by ongoing political, economic and other risks, this is essential.

In addition to internal communication, the Ministry reports potential risks to the Minister through the weekly status report and regular meetings with the Minister.

Our programme of ongoing communication with stakeholders and other government agencies provides opportunities to identify and prepare for risks and consider how they can best be managed, either jointly or unilaterally.

Human resources

Two major initiatives that were the primary focus of 1998/99, the Human Resources Capability Strategy and the review of the human resources unit, were implemented last year. The Human Resources Capability Strategy has been a useful guiding document for managers and staff over the past year and our "new" human resources unit has made an excellent start repositioning human resources as a key resource for the organisation.

Some major examples of action taken by the human resources unit include:

- an intranet was developed to disseminate human resources policies and guidelines
- the first stages of a major re-write of the collective employment contract were completed
- a Ministry-wide informal staff survey was carried out
- leadership and mentoring programmes were developed

- extensive reviews of performance management system, induction, recruitment processes and human resources reporting structures were completed.

Equal Employment Opportunities

The Ministry's Equal Employment Opportunities (EEO) plans and objectives were reviewed in 1999/2000. The review identified:

- the desired direction and next steps for EEO
- how EEO initiatives could be integrated into core business practice through the Human Resources Capability Plan
- the corresponding EEO monitoring and reporting processes, evaluation criteria and targets.

The objective of the review was to integrate EEO planning and monitoring into the Human Resources Capability Plan. EEO is increasingly becoming a part of how the Ministry works, especially as the Ministry has a majority of women and attracts a large number of women candidates. Other highlights that have contributed to EEO include:

- Leadership development programmes are developing leaders at all levels of the organisation. The leadership project involved a Ministry wide opportunity for staff to have input into defining desired leadership models
- An informal survey gave staff an opportunity to be heard on issues around motivation and desired culture, and gathered people's views about working at the Ministry
- The Ministry joined the EEO Employers Group and is using the logo on recruitment advertisements
- A parental leave resource has been developed
- A policy on working from home provides greater flexibility in work arrangements
- The Mauiroa ki te Ao scholarships continue to be led by the Ministry and attract a large number of applicants.

Communications

Relationships with stakeholders

The Ministry cannot solve New Zealand's environmental problems by itself. Raising awareness of environmental issues and building partnerships with others to achieve environmental goals are important elements of the way we work.

Early in the year we held a round of discussions with stakeholders to gather their views on emerging environmental policy issues. These discussions helped in the review of our business plan and in developing our advice to the incoming Government. Our briefing papers, released in January 2000, were regarded as a succinct and readable statement of New Zealand's current environmental problems.

Ministry staff work to maintain good relationships with local government, iwi, business, environmental and professional groups, and many other organisations. A major effort this year was the round of consultation hui with eight iwi groups throughout New Zealand. The aim of the hui was to build better understanding of the Ministry's work programme and a foundation for iwi input to the Ministry's work.

We have regular meetings with local government at both national and local levels. We have recently established a liaison group with regional councils to agree on a shared view of critical environmental issues for New Zealand and identify priorities for action. Joint projects are under way with local government, for example, to reduce waste in New Zealand and, working also with professional organisations, to improve the quality of council plans. We have had regular contact with business organisations, and have continued our work with industry groups on issues such as hazardous substances, definitions of hazardous waste, and used oil.

Public information

We continued our efforts to ensure that stakeholders have a good understanding of the Ministry's work through regular liaison meetings, functions in Auckland and Wellington, and publications about our work. For example, *Making a Difference for the Environment: Recent achievements and plans for 1999/2000* is a simple overview for our key audiences of progress with our work and proposed work programmes. We also published *Working for the Environment*, a "profile" of the Ministry.

Work to update and expand the information on the Ministry's website, www.mfe.govt.nz, is ongoing. We have added a range of simple information for the public on what they can do to protect and improve the environment. All new publications are available to be downloaded. The major sections of the website dealing with the Environmental Indicators Programme and the Resource Management Act have been reorganised and updated.

Five issues of our newsletter, *Environment Update*, were published during the year in print and on our website. In addition, we produced a monthly website newsletter. A wide range of discussion documents, summaries of submissions, reports, guidelines and information sheets were also published. Printed copies of publications can be obtained from the Communications Group at Head Office and from the Northern

Regions Office, Auckland. The South Island Office stocks free publications only.

Information management

Information strategy

The Ministry's key driver on information management policy and risk management is the Information Management Policy and Strategy Group (IMPS). It is chaired by the Deputy Chief Executive and its purpose is to develop and oversee the implementation of a three-year rolling strategy to ensure that information management aligns with the Ministry's business plan. The strategy is developed from, consistent with and referenced to the Ministry's business plan.

The strategy is based on seeing the Ministry as a knowledge-based organisation, rather than a data-based one. The emphasis on knowledge takes the strategy beyond simply dealing with information technology and into the core business of the Ministry. The strategy classifies knowledge as an asset that increases the more it is used, communicated and shared. In order to enhance the knowledge within the Ministry, the strategy aims to have policies for managing information designed in ways which maintain corporate memory; coordinate collection, storage and access to the Ministry's documents; and which in turn provide information, which contributes to consistent policy advice.

Information management policies

The Ministry's information management policies, protocols and guidelines are derived from the information strategy. During the 1999/2000 year the programme for the development and release of operational guidelines was continued. Work was completed on bringing together all internal policy documents and work was initiated on a database project, the objective of which is to provide the Ministry with a centralised, up to date database system that is easy to use and simple to update. The Ministry's intranet site was developed, trialed and launched.

Year 2000 issue

We have not suffered any impacts from the Y2K technology issue.

We are confident that the Y2K technology issue will not adversely affect the Ministry's business. We will continue to monitor and assess our systems for Y2K problems and ensure that our contingency plans are ready should unforeseen problems arise.

Crown entity monitoring

The Environmental Risk Management Authority

During the 1999/2000 financial year we continued to hold our monthly liaison meetings with the executive of the Environmental Risk Management Authority (ERMA) to discuss emerging issues, potential risks and progress on matters of relevance to ERMA. The Deputy Chief Executive of the Ministry also maintains continuous contact with the Chief Executive and senior management of the ERMA and additional meetings are held as and when needed.

The Energy Efficiency and Conservation Authority

The Ministry managed the transition of the Energy Efficiency and Conservation Authority (EECA) to a Crown agency. This involved chairing an interdepartmental transition steering group; advising the Minister of Energy on appointments to the Board; and managing the appointment process. We will begin monitoring the EECA in the 2000/2001 financial year.

Effectiveness in Closing the Gaps

Responsiveness to the needs of Maori and the principles of the Treaty of Waitangi

The Ministry has a Treaty and Maori Environmental Policy Group, Maruwhenua. This group comprises three full time staff and will soon be expanded to four. Maruwhenua's role involves advising the Ministry on how it should address Treaty and Maori environmental issues and providing strategic advice and support to other Ministry groups.

The Ministry has a Treaty Strategy in place. The strategy is intended to ensure that we have the processes and guidelines to ensure that the Treaty of Waitangi is incorporated across all Ministry strategies, output and support service work, and to ensure that we have the resources and capability to do this effectively.

We also have a Treaty checklist for programme and project planning, which is designed for our analysts and intended to ensure the Treaty of Waitangi is recognised in all work areas.

Our Iwi Communication Strategy outlines how we go about building an effective two-way dialogue with iwi to ensure that their concerns and issues are taken into account in our work. An important objective of this strategy is to co-ordinate our communication and consultation effort across the Ministry and with other government agencies. We have an analyst assigned to lead the implementation of this strategy with the support of a group drawn from across the Ministry.

During 1999/2000 we increased our investment in improving and building the capacity of Maori to both participate in resource management processes and to develop their own iwi management planning, monitoring and evaluation systems. We also started work on the development of indicators of Maori environmental values.

The following expenditure comes under category one: *expenditure targeted solely at improving outcomes for Maori.*

Improved iwi participation

In an effort to improve iwi participation in resource management, particularly under the Resource Management Act, we invested \$23,596 (\$20,000 budgeted) as part of the iwi/local government programme. The effectiveness of this investment will be monitored through the annual survey of councils; direct feedback from iwi through annual regional hui, and specific monitoring programmes established under Treaty settlement legislation.

Environmental Performance Indicators

The Ministry's Environmental Performance Indicators Programme (EPIP) invested \$51,000 (\$55,000 budgeted) in the development of indicators significant to Maori. Conducted at the iwi and hapu level, this work not only covers the development of indicators but will also build capacity within iwi and hapu to effectively participate in resource management processes. The success of this programme will be monitored through iwi contract reports; EPIP hui and workshops; and through the monitoring processes that form part of the EPIP.

Maintaining and enhancing the exercise of kaitiakitanga

One of the key areas for investment that has been identified for the Sustainable Management Fund (SMF) is maintaining and enhancing the exercise of kaitiakitanga by:

- encouraging Maori to develop ways of incorporating matauranga Maori (knowledge which derives from Maori tradition and custom) into environmental planning
- developing working models for resource management training for Maori
- developing innovative models for iwi management planning and monitoring.

In 1999/2000 the SMF invested \$334,000 in projects under this programme. No specific amount was budgeted for projects under this programme.

The performance of all funded projects is monitored by the SMF on an individual basis and is reported in: *Sustainable Management Fund Summary of Funded Projects*, as well as on the Ministry's website.

Summary

In 1999/2000 the Ministry invested the following expenditure solely in order to implement measures to improve outcomes for Maori:

Output Class D1:	\$ 74,596
Output Class O1:	\$334,000
Total:	\$408,596

The Ministry did not invest any money in expenditure intended to improve outcomes for at-risk groups but not targeted specifically at Maori; or into other expenditure on Maori not covered by the categories above. The expenditure outlined above does not include staff or overhead costs.

Management structure

The organisational arrangement and numbers shown below are those current at 30 June 2000.

Secretary for the Environment (Chief Executive), Denise Church Deputy Secretary, Lindsay Gow

Responsible for providing advice to the Minister for the Environment and for ensuring the efficient, effective and economical management of the Ministry to achieve the functions defined in the Environment Act 1986 and the delivery of the outputs specified in the Purchase Agreement as approved by the Minister. Denise Church oversees the work of: Human Resources; Communications; Strategic Policy; and Standards and Indicators. Lindsay Gow oversees the work of Finance and Corporate Business; Resource Management; Legal; Land and Water; and Hazardous Substances and New Organisms. (Staff: one full-time.)

Resource Management Group Manager: Ray Salter

Responsible for Resource Management Act (RMA) statutory consultation and administration; ministerial statutory responsibilities; monitoring of performance under the RMA; development of best practice initiatives; and policy and legislative responses. Treaty of Waitangi claims and

associated environmental issues are dealt with in conjunction with Maruwhenua. Ray Salter oversees the work of the Northern Regions Office and the South Island Office. (Staff: eight full-time and three part-time.)

Hazardous Substances and New Organisms Project

Manager: Steve Vaughan

Responsible for hazardous substances and new organisms law reform; genetically modified organisms; and monitoring of the Environmental Risk Management Authority. (Staff: three full-time and one part-time.)

Pollution and Waste Group

Manager: Paddy Gresham

Responsible for pollution prevention; waste management; hazardous waste management; ozone layer protection; and environmental education. Paddy Gresham also manages the Sustainable Management Fund. (Staff: six full-time and one part-time.)

Environment Policy Group

Manager: Matthew Everett

Responsible for environmental policy work on biodiversity, biosecurity, fisheries and marine issues, including coordinating the Ministry's input into New Zealand's biodiversity and biosecurity strategies and ocean policy development. Also responsible for environmental issues arising out of transport, energy and trade policy. (Staff: two full-time and one part-time.)

Sustainable Management Group

Team leader: Murray Bell

Responsible for administration of the Sustainable Management Fund. (Staff: four full-time.)

Land and Water Group

Manager: Bob Zuur

Responsible for the development and implementation of strategies, standards, guidelines and other tools to promote sustainable land and water management. Also responsible for supporting the Landcare Trust. (Staff: five full-time and one part-time.)

Strategic Policy Group

Manager: Ralph Chapman

Responsible for two areas of work, climate change policy advice and strategic advice on longer-term emerging or strategic policy issues, including sustainable development and strategic business planning for the

Ministry. Ralph Chapman oversees the work of the Environmental Policy Group and Maruwhenua. (Staff: five full-time and two part-time.)

Standards and Indicators Group

Manager: Dave Brash

Responsible for reporting on the state of the environment, including the development of environmental performance indicators for New Zealand and the development of guidelines, standards and other tools, in particular for air quality, organochlorines and contaminated sites. Dave Brash oversees the work of the Pollution and Waste Group. (Staff: eight full-time and one part-time.)

Maruwhenua

Manager/Tumuaki: Terry Smith

Responsible for providing advice on how Maori and Treaty of Waitangi issues are taken into account in environmental and resource management policies. (Staff: two full-time.)

Legal Group

Manager: Marilyn Bramley

Responsible for providing legal advice to the Minister and the Ministry on environmental and other issues. (Staff: three full-time.)

Communications Group

Manager: Kathy McNeill

Responsible for public information on environmental policies; corporate communications; and the provision of communication services for the Ministry, including the production and distribution of publications. (Staff: four full-time.)

Human Resources Group

Manager: Mark Broadbent

Responsible for Human Resources policies and strategy development. (Staff: three full-time.)

Finance and Corporate Business Group

Manager: Fiona Morgan

Responsible for the provision of financial management systems and services to the Ministry. Also responsible for property management and accountability processes. (Staff: seven full-time.)

Library and Information Technology

Team leader: Mike Badcock

Responsible for the provision of library and information technology services to the Ministry. (Staff: three full-time and two part-time.)

Business Support Services

Manager: Julia Risk

Responsible for the processing of ministerial correspondence and advice. Also responsible for records; mail services; reception and telephone services; tea services; and the coordination of business administration support. (Staff: ten full-time and one part-time.)

Regional Offices

Responsible for liaison with councils and other stakeholders as well as statutory input into plans and policy statements.

Northern Regions Office, Auckland

Manager: Kathleen Ryan

(Staff: five full-time and one part-time.)

South Island Office, Christchurch

Manager: Alisdair Hutchison

(Staff: six full-time and one part-time.)

External consultants

External consultants were retained for work in a number of areas, including:

- Resource Management Act administration, including:
 - summary of submissions on *Bio-What?*
 - Resource Management Amendment Bill
 - consent duration project
 - rural amenity conflicts
 - hazardous facilities screening procedure.
- Hazardous Substances and New Organisms (HSNO) reform, including:
 - HSNO Act amendments
 - regulations development

- guide to the Act
- training modules.
- Environmental Performance Indicators Programme
- Global Environmental Monitoring System project
- Sustainable land management, including
 - visual soil assessment tool
 - topoclimate mapping for Southland and West Otago
 - hill country community plan
 - erosion risk maps and erosion risk trends for New Zealand
- Sustainable water management, including:
 - freshwater microbiology research programme
- Climate change, including:
 - nitrous oxide emissions
 - inventory of non CO₂ greenhouse gas emissions
 - carbon monitoring.
- Pollution and waste, including:
 - environmental effects of used oil
 - landfill assessment project
 - hazardous waste management programme.
- Y2K audit and report
- intranet project
- facilitation of workshops.

Acts administered

- 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

Property administration

The Ministry leases all its office accommodation. The locations are set out below:

Location	Date lease commenced	Term of lease	Area leased (m ²)
Wellington	August 1985	21 years	2,559.27
Wellington	February 1997	3 years	51.70
Auckland	April 1988	12 years	265.15
Christchurch	January 1998	4 years	212.00

Area occupied

Occupancy and m² space allocation as at 30 June 2000

Location	Area leased (m ²)	Number of occupants	m ² per occupant
Wellington	2,610.97	90	29.01
Auckland	265.15	6.5	37.88
Christchurch	212.00	6.5	30.29

The Ministry for the Environment does not have any vacant space.

Cost of leases

All figures for leases are in dollars. Contractual operating expenses cover cleaning, power, security and rates when they are not paid by the lessor.

Property statistics

Location	Operational expenses			Total
	Rent office	Landlord	Contracts	
Wellington	740,479	224,404	67,204	1,032,087
Auckland	55,614	8,765	16,551	80,931
Christchurch	26,500	8,819	9,893	45,213
Total	822,593	241,988	93,648	1,158,231

Analysis of data				
Location	Rental (\$ per m2)	Rental (\$ per occupant)	Utility cost (\$ per occupant)	Total costs (\$ per occupant)
Wellington	284	8,228	266	11,468
Auckland	210	8,556	632	12,451
Christchurch	125	4,077	671	6,956

Energy information

The Ministry's electrical usage over the past three years is as follows:

1997/1998	192,097 units
1998/1999	169,938 units
1999/2000	174,367 units

Contact information

Head Office

Grand Annex Building
84 Boulcott Street
PO Box 10-362, Wellington, New Zealand
Phone (04) 917 7400, Fax (04) 917 7523

Northern Regions Office

8-10 Whitaker Place
PO Box 8270, Auckland
Phone (09) 913 1640, Fax (09) 913 1649

This office is responsible for liaison with local government, other interest groups, and the public in the northern part of the North Island, including Northland, Auckland, Waikato, Bay of Plenty and Gisborne.

Central Regions Unit, Wellington

Based in Head Office, the unit is responsible for liaison in the areas covered by the Taranaki, Manawatu-Whanganui, Hawke's Bay and Wellington Regional councils.

South Island Office, Christchurch

Level 3, West Park Towers
56 Cashel Street
PO Box 1345, Christchurch
Phone (03) 365 4540, Fax (03) 353 2750

This office is responsible for liaison with local government and interest groups in the South Island and the Chatham Islands.