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Report of the

**Parliamentary Commissioner  
for the Environment**

**Te Kaitiaki Taiao a  
Te Whare Pāremata**

for the year ended  
30 June 2000

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*Presented to the House of Representatives pursuant to Section 23 of the  
Environment Act 1986.*



*Office of the*  
PARLIAMENTARY COMMISSIONER FOR THE ENVIRONMENT  
Te Kaitiaki Taiao a Te Whare Pāremata

Rt Hon Jonathan Hunt  
Speaker of the House of Representatives  
Parliament Buildings  
WELLINGTON

Mr Speaker

I have the honour to submit, pursuant to section 23 of the Environment Act 1986 and section 39 of the Public Finance Act 1989, the annual report and financial statements of the Parliamentary Commissioner for the Environment for the year ended 30 June 2000.

Yours faithfully

A handwritten signature in black ink, reading "J Morgan Williams".

Dr J Morgan Williams  
Parliamentary Commissioner for the Environment

<b>Contents</b>	<b>Page</b>
<i>Directory</i>	5
<i>Role and Purpose</i>	6
<i>Outcomes</i>	6
<i>Commissioner's Preface</i>	7
- Strategic Plan Update	10
- Tangata Whenua and Environmental Management	11
<i>National Systems Issues Investigations</i>	13
♦ Marine Environmental Management	13
♦ Energy Efficiency and Renewable Energy	14
♦ Urban Water System Issues	15
<i>Environmental Management Audits</i>	17
♦ Local Government Environmental Management	17
♦ Biosecurity – <i>under action</i>	18
♦ Hazardous waste management audit report – <i>under action</i>	19
<i>Environmental Management Initiatives</i>	20
♦ Public Perceptions of Possum Biocontrols and Genetic Engineering – <i>under action</i>	20
♦ Advice to the Electricity Industry Inquiry	21
♦ Social and Environmental Sustainability and Social Science Research Seminar	21
<i>Assistance to Select Committees</i>	22
♦ Scrutinising Annual Reports and Estimates	22
♦ Walkway Access across Private Lands	22
♦ Economic Development (Industry New Zealand and Ministry of Economic Development) Bill 2000	22
<i>Citizens' Concerns Investigations</i>	24
♦ Odour Emissions from Poultry Broiler Houses	24
♦ Ohau River Fisheries Management	25
♦ Food Irradiation Standard Setting Process	26
♦ Cooks Beach Sewerage System Planning	26
♦ Investigations Under Action	27
<i>Information Dissemination</i>	28
♦ Information Requests Analysis	28
♦ Provision of reports and information	30
♦ Presentations	30

<i>Outcome Evaluations</i>	32
♦ Management of Environmental Effects Associated with the Tourism Sector	32
♦ Historic and Cultural Heritage Management	34
♦ The Management of Tailings' Dams	35
♦ Citizens Concerns Outcome Evaluations	37
♦ Landfill Management in Gisborne City	37
♦ Off-label Use of Herbicide	38
♦ Management of Porirua Harbour Water Quality	39
♦ Management of Groundwater – Oreti Plains	39
♦ Environmental Management of Orakei Basin	40
<i>Financial Statements for the Year ended 30 June 2000</i>	42
♦ Statement of Responsibility	42
♦ Report of the Audit Office	43
♦ Statement of Objectives And Service Performance	45
♦ Statement of Accounting Policies	48
♦ Statement of Financial Performance	51
♦ Statement of Movement in Taxpayers' Funds	52
♦ Statement of Financial Position	53
♦ Statement of Cash Flows	54
♦ Reconciliation of Net Surplus to Net Cash Flow from Operating Activities	55
♦ Statement of Commitments	56
♦ Statement of Contingent Liabilities	56
♦ Statement of Unappropriated Expenditure	56
♦ Statement of Departmental Expenditure and Annual Appropriations	57
♦ Notes to the Financial Statements	58
♦ Statement of Financial Performance Objectives	63
<i>Office Organisation and Management</i>	64
♦ Legal Responsibilities	64
♦ Management and Structure	64
♦ Operational Effectiveness	65
♦ Employment Policy	66
♦ Access and Promotion	66
♦ Publications and Papers	67

## **Directory**

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## **Role and Purpose**

The Parliamentary Commissioner for the Environment (PCE) is an Officer of Parliament appointed under section 4 of the Environment Act 1986 and has a five year term of appointment. The Environment Act establishes the office of the Parliamentary Commissioner for the Environment and details the Commissioner's powers and functions.

The purpose of the Parliamentary Commissioner for the Environment is to provide an independent check on the capability of the New Zealand system of environmental management and the performance of public authorities in maintaining and improving the quality of the environment.

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## **Outcomes**

Parliament and the public will be confident that the advice provided by the Commissioner will lead to:

- improved public authority accountability for decisions affecting the environment;
- improved public authority environmental management;
- improved capability of the New Zealand system for environmental management to deliver sound decisions; and
- improved quality of the environment in New Zealand.

## Commissioner's Preface

During 1999 I initiated a mid-term review of my 1997 strategic plan *Future Directions*. Feedback from the mid-term review has been progressively incorporated into my work plan and mode of operation. I also continued to focus my effort on defining and investigating environmental matters at a systems level; to seek underlying causes rather than focus on symptoms.

The year saw the release of three major systems issues reports and one environmental management audit. The systems issues included an overview of marine environmental management, a review of energy efficiency and renewable energy and a discussion paper on urban water/wastewater matters. The audit was of local government environmental management by unitary authorities – a study undertaken jointly with the Office of the Auditor-General. The specific findings of these investigations and responses to recommendations are outlined in the body of this annual report, as is information on the mid-term review.

I would like to highlight a few common themes. These require more focused attention if environmental management/sustainable development is to advance.

The *first* is the lack of strategic direction and shared vision for many areas of resource management and utilisation. There is too little focus on what sort of environmental futures we are trying to shape, what goals we are aiming to achieve and by when. We have, as a nation, become progressively preoccupied with putting (often elegant) legislative systems in place, e.g. the Quota Management System (QMS) and the Resource Management Act (RMA), without integrating them into our social “landscapes” in a way that the policy instruments are seen and valued as contributors to broader goals and targets. We have become seduced by the belief that, if we get the processes right, certain outcomes will follow. By conferring a property right on fishers (a right to take), there has been an expectation that we can sustainably manage our marine world. As valuable as the QMS is, this single policy tool cannot possibly guarantee sustainable management in such a complex ecological system as the ocean.

The *second* theme is the state of our knowledge about our biotic world and our ability to utilise it in decision-making. In my marine report I commented that our knowledge of marine ecology is akin to that of our terrestrial ecosystems at the turn of last century, yet we continue to harvest fish as though our ecological knowledge matches our ability to

locate and catch them. In the energy, water and local government sectors, the quality of our environmental management and strategic direction is not necessarily limited by the state of our knowledge but by our willingness or capacity to apply it. The application of energy efficiency measures is not usually impeded by lack of suitable technologies, but by lack of awareness, perceived economic barriers, etc. A similar picture is prevalent in the water/wastewater arena. Application of what we know now is sometimes constrained by community mistrust of motives for a particular goal, e.g. managing water more efficiently via metering and new pricing arrangements – a point I will expand on below.

So there are two elements to my concerns about the state of our knowledge: recognising where we simply do not know enough to manage resources sustainably and how to cope with this; and the barriers to the utilisation of knowledge that we do have. Both are of equal concern. Overcoming these problems requires research on barriers to change, whose knowledge is trusted and why.

This brings me to my *third* theme: who do we trust? In all the recent investigations and audits, the issue of whose knowledge or information is trusted was raised regularly. None of the stakeholders in the marine world appears to trust other groups. In the water/wastewater area there is much mistrust of attempts to improve the efficiency of water use via accurate pricing of supply or disposal. The mistrust here stems from community concerns that any focus on pricing is simply a first step to privatising the water/wastewater system. This community view is so widespread that it will impede most efforts to improve the management of our water and wastewater. In my urban water report, I said a “platform of trust” needed to be developed on which to advance the ecology and economy of water management. International research on trust indicates that, as the world around us becomes more complex, people increasingly accept or reject information on the basis of whether or not the conveyor or source is trusted.

During 1999/2000 I undertook fewer citizens’ concerns investigations, a product of the nature of concerns and staff resources. Increased investment was put into three national systems investigations and environmental initiatives (i.e. investigating environmental matters that are identified by my monitoring). A feature of citizens’ concerns of the last two years has been the number arising in districts where there are urban and peri-urban growth pressures. Rather than investigate the specifics of these concerns, a wider investigation of the generic issues behind these will be carried out in the next financial year.



Two to three years after completing an investigation, I follow up my recommendations to determine what, if any, action has been taken. This is one of my mechanisms for assessing if I am adding value to environmental management. This year I evaluated seven former investigations. In all cases it is pleasing to report that there has been, or there is, ongoing action on the matters investigated. In some cases, such as with my investigation of the environmental impacts of tourism, the action has been delayed and primarily initiated by the tourism industry association rather than the recipient of my recommendations, the former Minister of Tourism. This highlights an important aspect of evaluating the outcomes of recommendations: the extent of the contribution may not be apparent for several years.

I have continued my policy of accepting a wide range of speaking opportunities. The 34 addresses to conferences, industry associations, universities, community groups and professional bodies have drawn on my investigations, but have also been used to raise, for debate, wider environmental and sustainability challenges and opportunities facing New Zealand.

My policy of offering and providing assistance to select committees has continued. Briefings on my role and functions were provided to Parliament's new Local Government and Environment, and Primary Production Committees early in 2000.

In my last two annual reports I have commented on my financial resources. In my budget application for the 2000/2001 year I renewed my case for an increased investment in the work of the office to halt the steady decline in capacity. I also had to seek additional funding for the 1999/2000 year. I am pleased to report that the Officers of Parliament Committee approved a gross increase in my baseline of \$242,000 bringing my total budget for the 2000/2001 and out years to \$1.681M (GST exclusive). Whilst I still have the smallest vote of any independent Crown agency, this baseline increase will allow me to strengthen my team with two additional appointments and to purchase more specialist advice to assist my investigations. Both are crucial to maintaining the quality of investigations, of which I am now confident. My staff are a valued resource. A programme for maintaining professional development underpins all staff contracts and the strategic intent of the office. One component is fostering secondments. During April 2000 my solicitor took up an eight-month secondment with the Ministry for the Environment. In January 2001 one of my senior staff will start a 12-month secondment with the Australian Productivity Commission in Melbourne. In turn, I will host a member of their staff.

### ***Mid-term Review and Strategic Plan Update***

In 1997, following a symposium and other consultation, I produced a strategic plan for my five-year term. This plan has been the basis of my work programme since that time.

July 1999 marked the half-way point of my term of office, and it seemed an appropriate time to review the strategic plan. A 'mid-term review' workshop was hosted by the Speaker at Parliament in July 1999.

At the workshop, some 70 stakeholders, including a strong tangata whenua representation, considered the significant areas of the strategic plan, critical priorities and the effectiveness of my operations. In order to ensure that the office was continuing to add value to environmental management and the advancement of sustainability in New Zealand they were asked: "Is the PCE addressing the most important matters and making best use of the resources and powers of the office?" In addition, individuals from a wide cross-section of parties with environmental interests were independently surveyed through interviews. What were the key messages?

There was consensus that the significant systems identified in 1997 were still relevant areas of investigation by the PCE. Additional priority areas were suggested: transport, biosecurity and waste management (including solid, liquid and hazardous waste management).

There were several recommendations for improving the effectiveness of the PCE operations. These included: being a '*pathfinder*', identifying unexplored issues and problems without necessarily analysing the issues in detail; being a '*catalyst*', to stimulate debate and to identify where there are gaps or no multi-agency initiatives; and being an '*environmental defender*' – a public voice – to ensure that environmental management and sustainability issues are kept in the forefront of debate and discussion.

There were high expectations that the PCE can effect significant change in environmental management/sustainability issues. The profile given to the theme of sustainable development in relation to the urban environment over the last two years was noted. The messages included calls for PCE to:

- keep working strategically on the complex environmental management/sustainability issues that are important for New Zealand;

- work with Maori towards improved environmental management through improved tangata whenua participation in central and local government processes, and assist the development of a proposal for a Treaty-based environmental audit 'framework';
- develop the audit role as a means of improving environmental management;
- market the work of the PCE more actively; develop more outreach by establishing a Friends of the PCE network;
- do smaller targeted studies to put environmental management issues on the agenda; and
- revise the criteria for selection of subjects of investigations to ensure focus on long term issues, on issues that cannot be solved locally, on issues where significant change is needed and where nationally co-ordinated action is required.

The findings from the workshop were summarised in a December 1999 publication and have been included in the 1999/2000 and 2000/2001 work plans.

### ***Tangata whenua and environmental management***

The Environment Act includes provisions to ensure that, in the management of natural and physical resources, full and balanced account is taken of the principles of the Treaty of Waitangi, and that in the performance of the PCE's functions, regard is given to any land, water, sites, fishing grounds, physical or cultural resources, or interests associated with such areas, which are part of the heritage of the tangata whenua and which contribute to their wellbeing (s17(c)).

During the 1999/2000 year, I undertook a range of initiatives to give recognition to the interests, values, priorities and concerns of tangata whenua in the natural environment and environmental management, and to provide assistance to iwi, hapu and various individuals and organisations in their environmental work.

There was strong involvement of tangata whenua at the July 1999 workshop to review the PCE's Strategic Plan. Maori participants at the workshop assisted with advice on the PCE's overall kaupapa, and identification of future project priorities, particularly the proposal for exploration of the concept of a Treaty-based environmental audit framework (scheduled for the 2000/2001 work programme).

Other initiatives included:

- participation in and delivering presentations to hui, conferences and seminars covering a range of issues including the Treaty of Waitangi, kaitiakitanga, marine and fisheries management, water extraction and waterways, consultation processes, co-management, conservation, historic heritage management, and pest management;
- contribution of a chapter (“The Importance of Monsters: A Decade of RMA Debate”) to a book to be published later in 2000 by Oxford University Press on tangata whenua, the Treaty of Waitangi and local government;
- consultation with iwi, hapu and other Maori groups in order to recognise and report appropriately on tangata whenua priorities and concerns in the PCE's investigation reports, including the studies of water and wastewater management, biosecurity, and possum biocontrols and genetic engineering;
- provision of advice and assistance to iwi, hapu and other Maori groups; and
- provision of advice and assistance to local authorities.

## **National Systems Issues Investigations**

This category allows me to undertake investigations on broad topic areas within which there is a plethora of environmental management challenges. The intention is to undertake overview studies of these areas to better define critical environmental management needs. Some of these needs will then be addressed by some specific investigations.

### **Marine Environmental Management Overview**

This report addressed the critical issue in my Forecast Report concerning the ability of New Zealand's public authorities and their environmental management systems to ensure a sustainable future through the management of the marine environment. Additionally this report contributed to a significant area identified in my strategic plan *ecosystems: the marine environment*.

The investigation took an overview approach examining the continuum of values and expectations, the range of rights and responsibilities, and the adequacy of existing information, statutory and institutional frameworks to manage the large and complex systems that make up the marine environment.

#### *Key Messages*

Although the report identified some constructive initiatives by Government, tangata whenua and communities in working toward sustainable marine management, it also identified a number of areas for concern, namely:

- There is a lack of communication and a grave lack of trust among marine stakeholders that is severely inhibiting the advancement of sustainable management.
- New Zealand's lack of marine knowledge is a serious environmental and economic risk, and the willingness of Government to invest in attaining knowledge is crucial to achieving sustainable management.
- Current marine management structures are arbitrary, fragmented, and lacking a coherent overarching strategic focus that would integrate diverse interests and values.
- The current commercial fisheries rights regime cannot, by itself, ensure sustainable management of marine resources.

As a result of these findings I made several recommendations to the Ministers of Conservation, Fisheries and for the Environment on:

- reviewing the adequacies of the current legislative and policy framework to ensure integrated management of our coastal and marine areas;
- giving high priority to identifying and protecting a selection of seamounts for information and ecological research purposes; and,
- increasing investment in marine and coastal ecosystem sciences.

Given the need for active Government leadership to address current inadequacies and take a long-term view of marine management, I recommended that the Prime Minister establish a Coastal and Oceans Task Force to develop an overarching strategy for the sustainable management of New Zealand's marine environment.

#### *Responses*

I am pleased to report that my recommendations have been welcomed by key Ministers. The Hon Pete Hodgson will lead a cross departmental initiative, with the aim of formulating an Oceans Policy over the next two to three years. Early commitment by the Government to a strategic focus is very encouraging and will hopefully navigate us toward a brighter future for New Zealand's marine environment and all of its many users.

### **Getting More From Less a review of progress on energy efficiency and renewable energy initiatives in New Zealand**

This investigation was originally prompted by a request in September 1998 to assist the Transport and Environment Committee with its examination of the Energy Efficiency Bill. Subsequently in May 2000, the Bill became the Energy Efficiency and Conservation Act 2000.

My report addressed the critical issue in my Forecast Report of the ability of public authorities and their environmental management systems to ensure a sustainable future through the management of the urban environment. It links to the significant area identified in my strategic plan *ecosystems: the urban environment*, and was identified as an issue in my 1998 urban environment investigation.

#### *Key messages*

The way New Zealand utilises energy is a crucial determinant of progress towards being a more ecologically sustainable society, a more competitive world trader, and, in the greenhouse gas context, a more responsible global nation. There is increasing concern that New Zealand

is falling behind other OECD countries in improving energy efficiency and addressing new sources of renewable energy.

The most important issue identified in the report was the need for strong Government leadership to fully address energy efficiency, renewable energy and demand management issues in the energy and transport sectors. This will need to occur in partnership with all sectors, particularly industry, business and local government.

The report made a series of recommendations to the Ministers of Energy, Transport, Environment and Revenue on:

- establishing a Government energy efficiency and renewable energy agency;
- developing a new energy efficiency and renewable energy strategy;
- auditing the effectiveness of departmental and inter-departmental processes for reporting on the environmental impacts of energy and transport sector policy proposals;
- reviewing the adequacy of electricity and gas markets to address energy demand management and the impacts of fixed line pricing on energy efficiency;
- investigating and reporting on opportunities for addressing the environmental effects of transport patterns and the energy efficiency of the transport sector; and
- investigating and reporting on the use of consumption and pollution-based taxes.

#### *Responses*

I am pleased to be able to report considerable progress in implementing my recommendations. Highlights include the enactment of the Energy Efficiency and Conservation Act 2000 and the strengthening of the role of the Energy Efficiency and Conservation Authority.

### **Ageing Pipes and Murky Waters** **Urban water system issues for the 21<sup>st</sup> century**

This discussion paper addressed the critical issue in the Forecast Report of the ability of public authorities and their environmental management systems to ensure a sustainable future through the management of the urban environment. It links to the significant area identified in my strategic plan *ecosystems: the urban environment*, and was identified as an issue in my 1998 urban environment investigation.

*Key messages*

The discussion paper identified the key sustainability issues and significant risks affecting the sustainable management of urban water systems - the natural, modified and built water systems that exist in towns and cities. The supply of adequate drinking water, and the removal of polluted waters, are two of the most fundamental needs of towns and cities. Without these services, cities rapidly become uninhabitable.

The paper provided an overview of the state of water services and reviewed the existing legislative and management framework for urban water systems. It then raised a series of issues and questions by examining:

- the challenges for urban water systems (ie the key environmental, social and economic issues);
- opportunities for progress (eg integrated management, water demand management, and innovative solutions);
- what other water services reviews are being undertaken at present; and
- what is required for the future evolution of more ecologically sustainable and economically viable water services.

Comments will be sought on the paper, which has been widely distributed. Following analysis of responses, recommendations for future action by responsible public authorities will probably be developed.



## **Environmental Management Audits**

This category allows me to assess or check the performance of central or local government agencies with environmental management responsibilities, and offer advice on remedial action.

### **Local Government Environmental Management – A study of models and outcomes**

Together with the Auditor-General I undertook a joint study of the unitary authority<sup>1</sup> model of environmental management. We recognised that, while there were many opinions on the question of whether a unitary authority can adequately carry out both regional council and territorial authority functions, there was insufficient evidence-based information to properly inform any debate about whether the model could deliver on environmental outcomes.

The study focused on the functionality of the unitary authority model rather than on the performance of individual councils. It examined how unitary authorities undertook their environmental management responsibilities compared with those of a selection of regional councils and associated territorial authorities.

#### *Key messages:*

- There are other factors more significant in determining effective local government environmental management than the nature of the model. These include integrated management; environmental outcomes; separation of regulatory and service delivery functions; interaction with the public; and a number of general issues such as the need for a consistent approach to outcome setting and evaluation.
- The unitary authority model is as capable of delivering sound, integrated environmental management as any other model, provided that these other more significant factors are addressed.
- The actual model adopted by local government to achieve effective environmental management needs to reflect the diversity of environmental issues of the regions and the socio-economic, cultural

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<sup>1</sup>

A unitary authority is a territorial authority that also has responsibility for regional council functions within its district. There are currently four unitary authorities: Gisborne, Marlborough and Tasman District Councils and Nelson City Council.

and biophysical outcomes desired by the communities involved ('one size does not fit all').

We identified a number of innovative measures among unitary authorities and regional councils/territorial authorities to promote an integrated approach to environmental management and to work with others towards common environmental objectives.

Recommendations were made relating to the setting and evaluation of environmental outcomes to enable local authority performance to be assessed, and to encourage all councils to seek opportunities to improve the integration of their environmental management functions.

Examples of initiatives being taken to achieve more effective and efficient co-operation among councils include:

- forums on regional growth and land transport in the Auckland region; and
- recent proposals in Southland to develop a Local Government Forum to encourage, monitor and review opportunities for integrating local government services in the region.

### **Biosecurity – *under action***

During my strategic plan review in July 1999, concerns about aspects of New Zealand's biosecurity policies and practices were brought to my attention. The stakeholders involved considered that biosecurity arrangements in New Zealand warranted an investigation by the PCE.

Following some initial scoping inquiries, at the beginning of 2000 I decided to proceed with a review of the environmental management aspects of the biosecurity system. During the course of my investigations the Government released its Biodiversity Strategy and announced additional funding in related areas including \$9.8 million over 5 years on marine biosecurity, and \$2.7 million over the same period for the development of a biosecurity strategy. I will take a close interest in the subsequent implementation of these programmes and their influence on the management of biosecurity risks to the environment.

I intend to table a report on my findings in the House of Representatives around October 2000.

### **Hazardous Waste Management Audit Report – *under action***

In May 1998 I released a report on *Hazardous Waste Management* which, among other things, identified a number of deficiencies in New Zealand's system of managing hazardous waste and a consistent lack of action by successive Governments over a number of years to effectively tackle these issues. On a more positive note, the report also drew attention to the previous Government's commitment to funding a programme, developed by the Ministry for the Environment, intended to improve the management of hazardous waste.

On the basis of the Government's commitment, I decided to establish a process to monitor progress and assess the outcome of the Ministry's hazardous waste programme – essentially undertaking an audit of the programme announced by the Minister for the Environment in September 1997.

I completed a progress report on the hazardous waste programme up to the end of November 1999, in accordance with the review timetable and assessment criteria outlined in my 1998 report.

The Ministry for the Environment's hazardous waste programme has not achieved its goals within the initial 3-year timeframe for completion, but the programme has been extended. I will, therefore, adjust my own monitoring and reporting plans in order to continue to audit future progress over the life of the hazardous waste programme.

## **Environmental Management Initiatives**

This category has been established to allow me to report on a variety of proactive work undertaken during the year. The purpose of these initiatives is to add value to particular issues in a very targeted way.

### **Public Perceptions of Possum Biocontrols and Genetic Engineering - *under action***

This investigation addressed two critical issues in my Forecast Report: the ability of tangata whenua, community groups, non-governmental organisations and individuals to participate effectively in environmental management processes; and the ability of New Zealand's public authorities and the environmental management systems to provide adequate information for environmental managers in the public and private sectors.

The investigation, undertaken in association with Manaaki Whenua–Landcare Research and AgResearch, has explored the range of perceptions, views and values of the New Zealand public about the use of biocontrol methods to control possums. This study developed from New Zealand's experiences with the rabbit haemorrhagic virus-disease (a rabbit biocontrol), and the fact that most of the methods currently being researched by the Crown Research Institutes for possum biocontrol involve genetic engineering. The establishment of the Royal Commission on Genetic Modification occurred mid-way through this project; I have been granted "interested person" status in the proceedings of the Royal Commission, and will provide information from my study to them.

#### *Key findings*

- Addressing public concerns about biocontrol technologies will require researchers and decision-makers to recognise and take into account a broad range of factors – including social, philosophical, ethical and economic aspects, the values and rights of tangata whenua, and the wider global contexts – in addition to the quantification of benefits and risks by science.
- Issues raised in my consultation included: safety, specificity to the target pest, the extent of what is yet unknown in genetic science, perceived controllability of the technology, the risks of unforeseen adverse effects, humaneness and animal welfare, New Zealand's "clean, green" image in overseas markets, the need to protect taonga of tangata whenua including spiritual and metaphysical

dimensions, and the need to protect the integrity and viability of New Zealand's indigenous flora and fauna.

- The general public and tangata whenua expect to be involved and to have their concerns heeded in the evaluation and decision-making processes for such new technologies.
- There is enormous demand for information to help people understand the implications of genetic science and its possible applications in the New Zealand environment.
- Building trust between science and society is a critical imperative. There is urgent need for significantly increased investment in social research and communication.

My report will be finalised in September 2000.

### **Advice to the Electricity Industry Inquiry**

In March 2000 I provided advice to the Electricity Industry Inquiry by applying findings from my investigation into progress with energy efficiency and renewable energy initiatives (see National Systems Issues). My advice to the inquiry focused on improving 'demand side participation'<sup>2</sup> and information disclosure, and reducing barriers to entry, and fixed charges.

The inquiry report (June 2000) noted the issues and stated that the inquiry's recommendations substantially addressed many of my underlying concerns. Three key inquiry recommendations were the development of a real time wholesale market to enhance demand side participation, limits to fixed charges and encouragement of distributed generation. The Government has yet to respond to the inquiry's report.

### **Forging Links - social and environmental sustainability and social science research seminar**

I assisted in the organisation of this seminar, hosted by the Royal Society of New Zealand, in Wellington in August 1999. It brought together a range of people with social, environmental and economic backgrounds to explore common interests, promote integration and the application of social science research. The seminar reviewed the outcomes of the 1992 Rio Earth Summit and the 1995 Copenhagen Social Development Summit and assessed their relevance to New

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<sup>2</sup> This refers to the ability of electricity retailers and consumers to affect the market by reducing their demand through energy efficiency or using alternative sources of electricity.

Zealand. The seminar then discussed a series of case studies involving the application of social science research in addressing problems of social and environmental sustainability.

## **Assistance to Select Committees**

### **Scrutinising Annual Reports and Estimates**

In February, March and April 2000 I assisted the Local Government and Environment Committee in its scrutiny of the annual reports from the Ministry for the Environment, Department of Conservation and Environmental Risk Management Authority. In June 2000 I assisted the same committee in examining the estimates for the Ministry for the Environment and the Department of Conservation.

### **Walkway Access Across Private Lands**

In response to a request from a member of the Local Government and Environment Committee, during the examination of the Department of Conservation's annual report, I provided an update on policy and progress with walkways. The advice focused on accessibility to walkways from urban areas, Te Araroa 'the Long Pathway' from North Cape to Bluff, and liability considerations for landowners.

### **Economic Development (Industry New Zealand and Ministry Of Economic Development) Bill 2000**

I commented to the Commerce Committee on the use of the words "sustainable economic development" in clause 3 of this Bill. My three principal concerns were that:

- The use of the words "sustainable economic development" is inconsistent with international terminology.
- The use of the words "sustainable economic development" is inconsistent with the concept of "sustainable management" promulgated by the Resource Management Act 1991.
- The Bill should include a commitment to sustainable development at both a national and regional level.

I recommended that the words "sustainable economic development" be omitted from clause 3 of the Bill and replaced with the words "sustainable development"; or that the words "sustainable economic development" be defined in clause 5 of the Bill to include environmental,

social and economic concerns and be consistent with legislation defining sustainable management. I also recommended that the Bill include some commitment to developing the “sustainable development” concept at a national as well as regional level.

As at 30 June 2000 this Bill was still before the Commerce Committee.

## **Citizens' Concerns Investigations**

During the year ended 30 June 2000 I responded to 198 communications from private individuals and groups requesting my assistance on an environmental issue. Ten of these were the subject of citizens' concerns investigations. Reports of four investigations completed during the year are summarised below.

### **Odour Emissions from Poultry Broiler Houses**

Nuisance odour and dust emissions from chicken broiler houses have been subject to complaint from an affected resident at Waharoa. Since my preliminary report in March 1999, I have reviewed the on-going efforts of both the industry and public authorities (the Matamata-Piako District Council and Waikato Regional Council) to ensure compliance of poultry growing operations with resource consents.

The poultry industry has grown in recent years in response to increased demand for poultry meat products. This has meant an expansion in processing facilities and increased demand for land on which to site broiler houses. Coupled with technological developments in the industry these factors have led to a doubling in the size of economic broiler farm units and hence in the demand for resource consents to site additional broiler units on established farms. The Matamata-Piako Transitional District Plan has resulted in some of the established sheds being poorly sited with respect to their distance from the site boundary and from dwelling houses on adjoining properties.

In an examination by the Environment Court (in the case of appeal proceedings) in respect of the proposed expansion of a broiler farm near Te Aroha, one of the key issues was the identification (to the Court's satisfaction) of effective odour control technology and contingency plans.

In a June 2000 letter sent to public authorities, industry groups and the Matamata-Piako resident who drew my attention to the issue, I identified the following environmental management issues as having importance when odour and dust nuisance are being addressed:

- because odour is a complex phenomenon, best practice broiler house management is essential to minimise odour nuisance;
- a formal public authority policy of reporting the outcome of complaint investigations to all parties would provide feedback and information on remedial action;



- there is a need for a mechanism to activate poultry meat processors' involvement whenever nuisance odours are detected at a contract farm as feed material supplied by the processor can be an odour source;
- affected neighbours/local community members should be represented on the Rural Amenity Group as well as public authority and industry interests; and
- incentives for compliance with best practice such as lower consent renewal fees or monitoring costs could be employed by the consent authorities to "reward" good performance.

I am concerned that with a lengthy period of unabated odour and dust nuisance and a perceived difficulty of council enforcement staff determining whether or not the emissions were in breach of the RMA, there has been a hardening of attitudes by both broiler farm operators and residents. There are opportunities to improve dialogue and these need to be actively pursued as a "good neighbour" approach is more likely to produce sustainable results than expensive court action.

### **Ohau River Fisheries Management**

In 1999 I released a report into tangata whenua involvement in environmental planning for the Ohau River in the lower North Island. In particular, Ngati Tukorehe wanted access to information on flood protection and fisheries management in the river. This would help tangata whenua to have more say in the fisheries and ecosystem management of the Ohau River.

I referred Ngati Tukorehe to my June 1998 report *Kaitiakitanga and Local Government: Tangata Whenua participation in Environmental Management*. I also informed the public authorities with management responsibilities for the Ohau River (Manawatu-Wanganui Regional Council, Department of Conservation and Ministry of Fisheries) of Ngati Tukorehe's concerns.

I outlined to Ngati Tukorehe the environmental planning responsibilities of the different public authorities involved and gave an update on the timing of the various planning processes. I urged them to take advantage of all opportunities for being involved in the management of the Ohau River.

### **Food Irradiation Standard Setting Process**

I received two complaints about the public consultation process for the proposed food irradiation standard known as A17. The concern was that New Zealanders appeared to have received less time to make submissions than Australians had as joint parties to a common standards regime.

My enquiries revealed that extensions of 2 to 3 weeks had been granted to New Zealanders who applied for them on an individual basis, although there was not a generally notified extension of the submissions period. The period for public comment in Australia had preceded that in New Zealand, but it was clear that the New Zealand submissions period was in addition to the three years that New Zealand officials had had to consider the draft standard.

The A17 standard, which has now been adopted, provides for all irradiation applications to be considered and approved before the food is permitted to be sold. Irradiation is not to be allowed as a substitute for proper safe food handling. The public will be able to comment on new irradiation proposals as each will go through separate consultation rounds as well as a food safety assessment by the Australia New Zealand Food Standards Authority before being considered by the ANZ Food Safety Council. All irradiated foods will require specific labelling.

I concluded that provision of a substantially longer period for individual New Zealand submissions would have been unlikely to achieve a materially different outcome. I did suggest to ANZFA, however, that using the general pages of daily newspapers would inform more people about submission opportunities than relying exclusively on public notices columns. Taking the timing of the main summer holidays in New Zealand into account in advertising for submissions is also important, as many people spend the period outdoors and away from the news media. I suggested that ANZFA policy incorporate ways of maximising comprehensive public input since food safety is important to people and public consultation is a key component of standard setting.

### **Cooks Beach Sewerage System Planning**

In September 1999 I completed enquiries concerning the management of sewerage issues at Cooks Beach by the Thames-Coromandel District Council and Environment Waikato.

The Cooks Beach Ferry Landing Ratepayers' Association was concerned about the perceived loss of environmental amenity from increased subdivision and residential development. There were fears that if the

sewerage system were reticulated, residential development would increase.

In many parts of New Zealand capacity of septic tank systems is often tested during holiday periods and when people retire to live in their holiday houses permanently. Such events often lead to councils planning for sewerage reticulation.

I concluded that opposing sewerage reticulation was not the appropriate mechanism for protecting amenity values. I recommended the association survey its members to identify the landscape and other features they value. The association would then need to examine the Thames Coromandel District Plan to assess if the policies and rules enable satisfactory protection of the identified amenity values when decisions are taken on subdivision and residential development applications.

### **Investigations Under Action**

At 30 June 2000 five studies arising from citizens' concerns were in progress:

- The consultations carried out by Auckland City Council for changes to the Auckland District Plan permitting night events at Eden Park;
- The consultations carried out by the Mackenzie District Council with landowners and occupiers affected by district plan proposals for protecting sites of natural significance;
- The management of tannery effluent discharges into the coastal marine environment at Pukeuri, North Otago;
- The environmental planning carried out for the subdivision and development of land at Pirongia that includes the site of a New Zealand Wars redoubt; and
- Waitakere City Council policies for managing land subdivision in the Waitakere Ranges.

## Information Dissemination

During the year ended 30 June 2000 my office received 246 communications and provided 240 responses to stakeholders requesting an investigation, information or other service from the Parliamentary Commissioner for the Environment.

The following tables provide an analysis of this work in terms of:

- the sources of requests for assistance;
- the responses given to requests for assistance; and
- an analysis of the requests for assistance within the categories public authority environmental management performance (central and local government) and environmental management systems;

### *Sources of Requests for Assistance*

Source of Request	Under action at 1/7/99	Received 1999-2000	Actioned 1999-2000	Under Action at 30/6/2000
Citizens	21	201	198	24
Public authorities	2	35	32	5
Other	2	10	10	2
<b>TOTAL</b>	<b>25</b>	<b>246</b>	<b>240</b>	<b>31</b>

### *Responses Given to Requests for Assistance*

Output	Under action at 1/7/99	Received 1999-2000	Actioned 1999-2000	Under Action at 30/6/2000
Citizens Concerns Investigation	9	1	5	5
Information for Stakeholders	11	189	180	20
Communication of Advice	5	56	55	6
<b>TOTAL</b>	<b>25</b>	<b>246</b>	<b>240</b>	<b>31</b>

**Focus of Investigations and Information for Stakeholders**

Issue Category	Under action at 1/7/99	Received 1999-2000	Actioned 1999-2000	Under Action at 30/6/2000
Public authority Management	6	80	73	13
Environmental management systems	14	99	103	10
Other	-	11	9	2
<b>TOTAL</b>	<b>20</b>	<b>190</b>	<b>185</b>	<b>25</b>

**Focus of Public Authority Management Issues**

	Strategies, plans and policies	Consent application Processes	Compliance and enforcement	Treaty of Waitangi	Total
Central Govt.	10	-	-	-	10
Local Govt.	22	21	5	6	54
Generic	21	-	-	1	22
<b>TOTAL</b>	<b>53</b>	<b>21</b>	<b>5</b>	<b>7</b>	<b>86</b>

**Focus of Environmental Management System Issues**

	1997/98	1998/99	1999-2000
Air quality and Noise	13	24	10
Biota	11	14	26
Coastal and Marine environment	32	16	15
Energy and Mining	9	13	7
Fresh water allocation and quality	5	3	3
Hazards and Hazardous substances	10	11	6
Land use and protection	51	50	19
Transport and Communications	14	7	9
Solid waste, Sewage and Stormwater	14	18	18
<b>TOTAL</b>	<b>159</b>	<b>156</b>	<b>113</b>

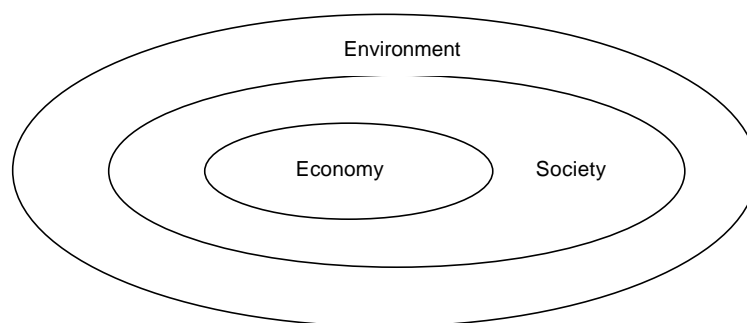
### **Provision of reports and information**

In addition to the provision of information noted above, my office responds to numerous requests for reports and information to support academic studies of school and university students. Reports, report summaries, news sheets and other information are provided in electronic form on my website.

### **Presentations – communication of advice**

During the year I continued my policy of accepting invitations to speak to a wide range of organisations, businesses and community groups, giving 34 addresses including two in Australia. My presentations are used to encourage awareness of the roles, functions and work of the PCE, 'market' the results of specific investigations and to raise, for debate, environmental/sustainability challenges and opportunities facing New Zealand.

In my general addresses I have focused on what sustainable development means for New Zealand in environmental/ecological terms. I have endeavoured to raise awareness of the reality that improving the management of our natural environment (the ecosystems that support us all) cannot take place in isolation from our social and economic systems and goals. The three large "systems" need to be seen as totally interdependent but with ecological sustainability representing the ultimate bottom line. I have simplistically portrayed below the inter-relationships to highlight the order of the interdependence.



I have also spoken to several groups about the sorts of questions we need to be asking as New Zealand researchers, business, society and regulatory agencies grapple with where and how genetic sciences and technologies fit into our biotic and economic futures. I have no doubt that the field of genetic science, and its resultant technologies, will be as important to New Zealand's future as any other nation. We are a

unique biotic economy with the added challenge of protecting the biodiversity of an equally unique Gondwanan remnant. Capturing the benefits and managing the inevitable risks of gene technologies requires a very much more strategic approach to the whole field than we have had so far. I therefore look forward to the findings of the Royal Commission on Genetic Modification.

In three invited addresses to university audiences I have, in the context of discussing how New Zealand becomes a more sustainable nation, raised the issue of the decline in the percentage of graduates which could be expected to be scientifically/ ecologically literate. I believe there are grounds for suggesting that more of our future decision-makers need to be fully literate in the environmental sciences if we are to ensure that New Zealand continues to pursue sustainable development goals.

## **Outcome Evaluations**

It is my policy to check on the actions taken by public authorities two to three years after advice has been given by my office. The responses of public authorities are used to assist in evaluating the effectiveness of my office in improving public authority accountability for decisions affecting the environment.

I decided this year to check on two major investigations: one carried out in 1997 regarding the management of the environmental effects of tourism, and my 1996 study on historic and cultural heritage management.

I also undertook an outcome evaluation of my 1997 report on the management of tailings' dams, and looked at progress on issues arising from five citizens' concerns.

## **Management of the Environmental Effects Associated with the Tourism Sector**

This report addressed widespread concerns about the effects of tourism on the environment. It identified the loss of quality of some parts of New Zealand's natural environment as a significant potential adverse environmental effect associated with tourism.

The principal recommendation to the Minister of Tourism called for the development of a strategy for sustainable tourism. Other recommendations addressed research of environmental effects associated with tourism and the development of industry standards, codes of practice and branding mechanisms for the tourism industry, with particular emphasis on the environment.

### *Responses*

I received formal acknowledgement of the report from a number of Ministers. An inter-departmental officials' committee met with the intention of addressing the recommendations, but this intention was not followed through and there was no formal response to the report. The Minister of Tourism at the time, Hon Murray McCully, in responding to a Question for Written Answer in Parliament stated, "I will not be announcing a response to the report as this Government by its actions has responded to the report and shown its commitment to a sustainable tourism industry" (February 1999).



Nevertheless, the report achieved considerable support from major stakeholders, both industry and non-industry. The report provided a comprehensive overview of the sector, a useful reference document and a point of leverage for other initiatives.

In the past six to eight months there has been encouraging progress including action towards three specific recommendations.

Progress towards the principal recommendation has seen the release of The Tourism Industry Association's 'Tourism 2010: a Strategy for New Zealand Tourism' at the Tourism Conference in September 1999. This document has since become a background document to a wider initiative by the Minister of Tourism, Hon Mark Burton. He has called for a New Zealand strategy to be developed in partnership with the private and public sectors.

An important initiative has been the funding, through the Foundation for Research Science and Technology, of several pieces of tourism research. These have included the development of a Tourism Satellite National Account, a domestic travel survey, a forecasting programme and the establishment of the Tourism Research and Forecasting Clearinghouse.

In May 2000 the Tourism Industry Association was able to secure money through the Ministry for the Environment's Sustainable Management Fund and the Office of Tourism and Sport for developing the first step in adopting Green Globe 21. This international programme involves the preparation of an environmental policy statement and the introduction of an environmental certification programme.

Two of my recommendations appear to have been rejected. One was for research into limits of acceptable change for ecological and biological systems on which tourism depends. The other was to provide compulsory membership of an industry organisation in sections of the tourism industry where critical environmental, health, or safety considerations are at stake, with powers to impose minimum standards or codes of practice.

Generally it must be concluded that improved management of the environmental effects associated with the tourism sector has not yet been achieved, but encouraging signs are now developing that New Zealand will be environmentally better off in the future than it was three years ago. There are definite signs that the industry has moved

from polite acknowledgement of the issues to a pro-active effort to advance and build a sustainable sector.

## **Historic and Cultural Heritage Management**

My predecessor's 1996 report on the management of historic and cultural heritage concluded that the government system was performing poorly and permanent losses of all types of historic and cultural heritage were continuing. Sixteen recommendations were made for improving the system. These included: establishing a specific ministerial portfolio for historic and cultural heritage; developing a national heritage strategy; and addressing the protection of Maori heritage.

### *Responses*

In response to my report, the former Minister of Conservation, Hon Dr Nick Smith established a Ministerial Advisory Committee to undertake a wide-ranging review of the management of historic heritage. This resulted in the implementation of the principal recommendation in the report with the establishment in 1999 of a new Ministry for Culture and Heritage.

Two other recommendations have also been, or are close to being implemented. These are the review of funding of core statutory heritage functions, i.e. the recent budget allocations to the Ministry for Culture and Heritage and the New Zealand Historic Places Trust; and the proposal to add heritage values to section 6 'matters of national importance' in the RMA.

The key recommendation on the protection of Maori heritage has been partially implemented with a series of hui having been held, but implementation is slow, and likely to be delayed until Te Puni Kokiri has finalised the Taonga Maori Review.

Eight recommendations are "in progress" including the development of a national heritage strategy; and review of the New Zealand Historic Places Trust register. The recommendation to move the archaeological site protection provisions of the Historic Places Act 1993 (HPA) into the RMA is also being reviewed.

Three recommendations have been rejected. The recommendation to reinstate government earthquake insurance to non-residential heritage buildings was rejected in 1996. The recommendation to consider making the NZ Archaeological Association File a database of national significance, funded by the Public Good Science Fund, was also rejected.

This was because this database underpins legislation (RMA and HPA), and is therefore “operational”, and falls outside the funding criteria. The establishment of a national fund for purchase of nationally significant historic places has not been adopted by the Government.

Four years on, it would appear that the 1996 report is still valued and used as an important “neutral” assessment of the issues.

### **The Management of Tailings’ Dams**

The purpose of my August 1997 report was to highlight issues associated with the long-term management of mine tailings’ dams – structures used for the disposal and long-term storage of ground-up waste rock and water which forms a slurry containing high levels of acid, metals and cyanide. I focused on the need to manage environmental effects long after the mining operation ceased and consents had expired.

Recommendations were made to the Minister for the Environment, the Minister of Internal Affairs, local government and the mining industry. These covered issues such as the need for legislative changes clarifying responsibilities of consent holders; funding arrangements; risk assessment; potential liabilities for the Crown and local government of sites being abandoned; dam safety; management of contaminated sites; regional and district plan provisions; and an industry code of practice.

#### *Responses*

The previous Minister for the Environment, in an interim response, acknowledged gaps in the transitional regime (from the previous Mining Act 1971 to the Resource Management and Crown Minerals Acts). The Minister was, however, reluctant to commit to all the recommendations until he had an opportunity to consult with local government. Liability, including long-term monitoring costs, was to be addressed in proposed legislative changes relating to contaminated sites.

In April 2000 I wrote to the current Minister for the Environment to seek an update on the response to my recommendations. In her reply she outlined that amendments to section 108 of the Resource Management Act are intended to address issues about bonds and liabilities for long-term effects. The Resource Management Amendment Bill, currently before the House, contains clauses (42 and 43) relating to bonds to ensure the performance of consent conditions, and liability for on-going, long-term effects on the environment after the expiry of consents. Responses to other recommendations are to be addressed in

consultation with other Ministers or are still at the policy development stage.

My recommendations to the Minister of Internal Affairs referred to proposals for dam safety measures in the Building Act 1991. The previous Minister pointed out that the Government had agreed to introduce dam safety provisions under the Building Act, but more work was needed to draft suitable criteria. The current Minister of Internal Affairs has now advised that the previous government was unable to secure agreement on a new dam safety assurance regime. Difficulties in identifying costs and benefits mean that this aspect still has to be satisfactorily concluded.

Two district councils (Matamata-Piako District Council and Hauraki District Council) and one regional council (Environment Waikato) were consulted in the course of my investigation. They generally responded in support of my recommendations to local government.

The NZ Minerals' Industry Association (NZMIA) disagreed with my recommendation for a code of practice suggesting instead that long-term management of tailings' dams is best addressed on a case-by-case basis through specific resource consent hearing processes. The point of my recommendation, however, was that irrespective of the site specific conditions required, there will be some fundamental good practices in constructing, maintaining, rehabilitating and monitoring a tailings' storage area that should be encouraged and supported by the industry as a whole. I continue to see this as useful.

Overall I am heartened by the responses received from local government and the mining industry who seem to be genuinely interested in seeking solutions to the long-term management of the environmental effects of tailings' dams. I am also encouraged by the Government's response in the form of a Bill to amend the sections of the Resource Management Act relating to bonds and long-term liabilities for environmental effects. However, I remain concerned about the delay in developing dam safety legislation.

## **Citizens' Concerns Outcome Evaluations**

### **Landfill Management in Gisborne City**

In 1995 my predecessor received representations from a Gisborne resident expressing concern about delays in the examination of resource consent applications for the extension of the Paokahu landfill. Subsequent enquiries appeared to show that the applicant, Gisborne District Council (GDC) had not been properly prepared for the hearing on the applications to extend the landfill, causing lengthy delay to resumption of the hearing.

When invited to comment on this assessment GDC advised that the delay was due to legal issues associated with a submitter's request for the landfill to accept hazardous wastes, and related private negotiations between GDC and Maori landowners of the Paokahu site. GDC also advised it was undertaking investigations into waste management methods and the identification of future possible waste disposal sites. My predecessor decided not to investigate the issue further and requested GDC keep her informed on progress with the consent application proceedings.

Enquiries conducted in June 2000 show that GDC has obtained consents for a small extension of the Paokahu landfill and reviewed its waste management strategy. The reviewed Solid Waste Management Strategy was released in March 2000 and proposed:

- closing the Paokahu landfill and having the replacement site operational by 31 December 2002;
- a landfill site selection process involving site selection criteria, consultation with tangata whenua and the community, identification of areas to be excluded from examination, and identification of a short list of preferred sites for further consultation and investigation; and
- the development and implementation of a monitoring programme to assess whether the objectives and policies of the strategy are being achieved.

I will monitor implementation of the GDC Strategy as part of a wider programme monitoring central and local government solid waste management activities.

### **‘Off-Label Use’ Of Herbicide<sup>3</sup>**

In 1996 a concern was raised about a resource consent issued by Northland Regional Council (NRC) to allow Kaipara District Council (KDC) to trial the use of a herbicide to control aquatic weeds in waterways. The Pesticides Board had not approved the herbicide for use over water, as the active ingredient, metasulfron, is persistent in the environment. However, NRC could legally issue a resource consent for the trial.

My predecessor recommended NRC amend the Proposed Northland Regional Water and Soil Plan to ensure off-label use of herbicides without an Experimental Use Permit was a prohibited activity. NRC declined to implement this recommendation on the basis that it would be too restrictive. However, it acknowledged that a more rigorous process, taking into account the views of the Pesticides Board, would be appropriate when considering the assessment of effects of any off-label use of herbicides.

NRC has recently advised that under the Proposed Northland Regional Water and Soil Plan the discharge of herbicides into water is a permitted activity provided that the Environmental Risk Management Authority (ERMA) approves the herbicide for aquatic use. In addition, the product label must be complied with, the applicator must be suitably qualified, and in certain circumstances the application may be notified. Discharge of herbicides not approved by ERMA for aquatic use is a discretionary activity and becomes non-complying where the other conditions are not complied with.

The Pesticides Board has still not approved the herbicide for use over water. Under the Proposed Plan NRC may still grant a resource consent for the discharge of a herbicide not approved by ERMA. However, the hazardous substances provisions of the Hazardous Substances and New Organisms Act 1996 are not yet in force and control over hazardous substances has not yet been transferred to ERMA. Thus the Proposed Plan rule remains hypothetical.

KDC advised that it only carried out part of the trial due to the expense incurred and the trial has now ceased. The resource consent expired on 30 June 2000.

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<sup>3</sup> ‘Off Label Use’ refers to the use of herbicides for purposes not specified on the label.

### **Management of Porirua Harbour Water Quality**

In 1997 a concern was raised about the deteriorating water quality of Porirua Harbour including the lack of a cohesive strategy by Wellington Regional Council (WRC) and Porirua City Council (PCC) to protect and enhance the harbour, and clarify the respective roles of both authorities in its management. My enquiries found that WRC was aware of the issue and would be addressing it in a monitoring strategy then being developed. WRC has since undertaken a number of initiatives to address the matter as follows:

- a Memorandum of Understanding between WRC and PCC stating clearly the respective roles and responsibilities of each authority in relation to coastal management matters;
- continued monitoring of the water quality in and around Porirua Harbour as part of its baseline coastal water quality monitoring programme. (Water quality has improved although water at five of seven sites continues to fail to meet the standard necessary to be suitable for contact recreation);
- poor water quality is believed to be the result of stormwater discharges, currently a permitted activity under the regional plan. The current WRC provisional budget provides for an investigation into the effects of stormwater discharges to be undertaken over the next two years;
- WRC and PCC are currently in the process of seeking tenders for an investigation to determine how to minimise the adverse effects on the environment from erosion and sediment run-off associated with sub-division development.

### **Management of Groundwater – Oreti Plains**

In 1997 a concern was raised by a Southland rural property owner that the quality of water at Oreti Plains was deteriorating due to the impact of rapid land use changes to intensive dairy farming. My enquiries found that the Southland Regional Council (SRC) was aware of the issue and had initiated a programme of studies.

Three studies carried out in Southland in 1998 showed:

- patches of groundwater in the Oreti Plains had elevated nitrate-nitrogen levels but the nitrate-nitrogen levels of the Central Southland Plains were not otherwise significantly elevated;
- 4% of all samples had nitrate-nitrogen levels above the NZ Drinking Water Standards;
- 40% of all samples had faecal coliform levels above the NZ Drinking Water Standards;

- local contamination by inappropriate well-siting and poor wellhead protection and maintenance were probably the most common source of degraded groundwater quality in domestic supplies; and
- there was a widespread lack of awareness of groundwater and good groundwater management practices.

Environment Southland is addressing these concerns by developing Dairy Effluent Guidelines for the region and initiating a risk assessment and mapping project due for completion in July 2000.

Environment Southland is also contributing to nation-wide projects such as Well Drilling and Maintenance Guidelines due to be completed in 2001, development of an internal environmental information strategy, and piloting of a region-wide information management system.

### **Environmental Management of Orakei Basin**

In 1997 the Orakei Basin Protection Group raised concerns about the management of sewage and stormwater in the Orakei Basin and the resultant poor water quality. This group was concerned about Auckland City Council's lack of progress in implementing the recommendations in the Orakei Basin Environmental Study initiated by the council in 1996.

I decided not to investigate the concern as the council had accepted the key recommendations of the environmental study and the issue at contention appeared to be the priority given to implementation of the recommendations in the council's work programme. I have, however, continued to monitor the council's progress.

Since 1997 the council has developed an Environmental Management Strategy Plan with the assistance of public consultation. A multi-pronged approach has been adopted to deal with the complex environmental problems associated with the basin: dredging; sewer separation; algae removal; stormwater quality control; emergency and variable sediment flushing. These programmes receive ongoing monitoring.

Three seasons of the algae removal programme have been carried out and the first stage of the dredging programme was completed in May 2000. Intensive catchment analysis for the stormwater control and sewer separation programmes is due for completion in July 2000. This will allow alternatives to full sewer separation to be reviewed. Resource consents were granted in 1999 to construct sediment ponds and



discharge stormwater into the Orakei Basin. There are currently two appeals against these consents from local residents' and interest groups.

Sedimentation has been either constant or declining over the last 18 months. This has been attributed to the increased sediment flushing frequency instigated in 1996. The nuisance algae growth has been reduced. However, odour problems still occur sometimes due to organic matter decomposition. Continued dredging of organic material and algae removal aim to reduce these odours. Water quality decreases significantly during rain, with indications of sewage contamination of stormwater. The sewer separation programme aims to prevent this problem and is due for completion by June 2001.

Monitoring by Auckland City Council indicates that works carried out during the past two and a half years have achieved significant improvement in the water quality of Orakei Basin. Whether this can be sustained, however, will not be known until after completion of the sewer separation programme.

## **FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2000**

### **STATEMENT OF RESPONSIBILITY**

In my opinion the financial information presented in these statements and notes fairly reflects the position and operations of the Parliamentary Commissioner for the Environment.

A system of internal control has been established which provides reasonable assurance that public money and assets entrusted to the Commissioner are being efficiently and economically managed.

As Parliamentary Commissioner for the Environment I accept responsibility for the preparation of the financial statements and the associated judgements.



Dr J. Morgan Williams  
Parliamentary Commissioner  
for the Environment



Countersigned by:  
Julie Haggie  
Manager, Corporate Systems



## **REPORT OF THE AUDIT OFFICE**

### **TO THE READERS OF THE FINANCIAL STATEMENTS OF THE PARLIAMENTARY COMMISSIONER FOR THE ENVIRONMENT FOR THE YEAR ENDED 30 JUNE 2000**

We have audited the financial statements on pages 45 to 63. The financial statements provide information about the past financial and service performance of the Parliamentary Commissioner 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 50.

#### **Responsibilities of the Parliamentary Commissioner**

The Public Finance Act 1989 requires the Parliamentary Commissioner to prepare financial statements in accordance with generally accepted accounting practice which fairly reflect the financial position of the Parliamentary Commissioner 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**

It is our responsibility to express an independent opinion on the financial statements presented by the Parliamentary Commissioner and report our opinion to you.

The Controller and Auditor-General has appointed John O'Connell, 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 Parliamentary Commissioner in the preparation of the financial statements; and
- whether the accounting policies are appropriate to the Parliamentary Commissioner 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.

Other than in our capacity as auditor acting on behalf of the Controller and Auditor-General, we have no relationship with or interests in the Parliamentary Commissioner for the Environment.

### **Unqualified Opinion**

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

In our opinion, the financial statements of Parliamentary Commissioner for the Environment on pages 45 to 63:

- 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 26 September 2000 and our unqualified opinion is expressed as at that date.



John O'Connell  
Audit New Zealand  
On behalf of the Controller and Auditor-General  
Wellington, New Zealand

**STATEMENT OF OBJECTIVES AND SERVICE PERFORMANCE**  
***For the Year Ended 30 June 2000***

**Output: Reports and Advice**

This output involves the provision of reports and advice to the House of Representatives and public authorities on reviews, investigations, inquiries and petitions concerning environmental issues. The reports provide two categories of advice:

1 *Advice on the legal and other systems governing the environment*

This is advice on the nature and adequacy of environmental laws and regulations and on government systems for managing natural and physical resources. It includes advice on new legislation or other action required for improving the effectiveness of resource management systems.

2 *Advice on the performance of local and central government agencies*

This is advice on how well central and local governments are undertaking their environmental management functions and includes advice on any necessary preventive measures or remedial action.

**Outcome**

Outputs produced by the Commissioner contribute to:

- Improved public authority accountability for decisions affecting the environment.
- Improved public authority environmental management.
- Improved capability of the New Zealand system of environmental management to deliver sound decisions.
- Improved quality of the environment in New Zealand.

**Resources Employed**

30/06/1999		30/06/2000	30/06/2000	30/06/2000
<i>Actual</i>		<i>Actual</i>	<i>Main Est</i>	<i>Supp Est</i>
\$		\$	\$	\$
1,464,000	Crown Revenue	1,502,000	1,458,000	1,502,000
861	Other Revenue	5,145	3,000	3,000
<b>1,464,861</b>	<b>Total Revenue</b>	<b>1,507,145</b>	<b>1,461,000</b>	<b>1,505,000</b>
1,461,665	Total Expenses	1,501,800	1,461,000	1,505,000
<b>3,196</b>	<b>Net Surplus</b>	<b>5,345</b>	<b>0</b>	<b>0</b>

*Explanation of major variations***Financial performance**

The appropriation for this output class was increased by \$40,000 (gst exclusive) in the Supplementary Estimates. This provided for a one-off payment to meet unanticipated recruitment and investigation costs.

**Service Performance****Quantity and Cost**

<i>Output</i>	<i>Target</i>		<i>Performance Achieved</i>		
	No.	Budget \$000	No.	Under Action	Cost \$000
<b>Investigations</b>					
- Environmental Mgmt Audits	1-2	236	1	2	199
- National Systems Issues	2	505	3	0	399
- Citizens' Concern Investigations	20-25	194	5	5	85
- Outcome Evaluation Reports	5	26	7	1	21
- Environmental Mgmt Initiatives	Up to 5	158	6	3	298
- Select Committee Assistance	Up to 8	78	10	5	44
	<b>28-47</b>	<b>1,197</b>	<b>32</b>	<b>16</b>	<b>1,046</b>
<b>Information Dissemination</b>					
- Information for Stakeholders	300-350	160	180	20	239
- Communication of Advice	35-40	90	56	12	169
- Information for Parliament	5-8	58	6	0	47
	<b>340-398</b>	<b>308</b>	<b>242</b>	<b>32</b>	<b>455</b>
<b>Totals</b>	<b>368-445</b>	<b>1,505</b>	<b>274</b>	<b>48</b>	<b>1,502</b>

**Timeliness**

Target	Performance Achieved
Provide a response to external requests for services and indicate action to be taken by Commissioner.	External requests received: 286
- Within 15 working days in 80% of cases.	Responses within 15 days: 90%
Provide a response to external requests for services and indicate action to be taken by Commissioner.	Responses within 25 days: 96%

**Quality**

All project reports of investigations and reviews, and all documents providing advice from the Parliamentary Commissioner for the Environment included a preface or letter of transmission signed by the Commissioner. A designated member of the Commissioner's staff prepared each document (or part of a report) in draft in accordance with terms of reference or guidelines approved by the Commissioner. For some investigations additional expert advice was purchased from both the public and private sectors. Drafts were peer reviewed, either internally or by an external reviewer, before being released for publication and/or dispatch to the House of Representatives and public authorities.

**STATEMENT OF ACCOUNTING POLICIES**  
***For the Year Ended 30 June 2000***

**Reporting Entity**

The Parliamentary Commissioner for the Environment was established under the Environment Act 1986 and is designated as an Officer of Parliament by section 2 of the Public Finance Act 1989.

The financial statements of the Parliamentary Commissioner for the Environment are prepared pursuant to section 40 of the Public Finance Act 1989.

**Measurement System**

The measurement base adopted is that of historical cost unless otherwise stated.

**Accounting Policies**

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

*Budget Figures*

The Budget figures are those presented in the Budget Night Estimates (Main estimates) and those amended by the Supplementary Estimates.

*Revenue*

The Parliamentary Commissioner for the Environment derives revenue through provision of outputs to Parliament and from sale of publications. Such revenue is recognised when earned and is reported in the financial period to which it relates.

*Cost Allocation Policy*

The Parliamentary Commissioner for the Environment has one output only. All costs are allocated directly to that output.

*Debtors and Receivables*

Receivables are recorded at estimated realisable value after providing for doubtful and uncollectable debts.

*Operating Lease*

The Parliamentary Commissioner for the Environment leases its office premises. As all the risks and benefits of ownership are retained by the lessor, this lease is classified as an operating lease.

Operating lease costs are expensed in the period in which they are incurred.



*Fixed Assets*

All fixed assets, or groups of assets forming part of a network or which are material in aggregate, costing more than \$1,000 are recorded at historical cost less accumulated depreciation.

*Depreciation*

Depreciation is provided on a straight line basis so as to write off the cost or valuation of fixed assets over their expected useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Estimated useful lives adopted are as follows:

Furniture, fittings and fixtures	5 years	(20%)
Computer equipment	4 years	(25%)
Other office equipment	5 years	(20%)

*Employee Entitlements*

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

*Statement of Cash Flows*

Cash means cash balances on hand and held in bank accounts.

Operating activities include cash received from all income sources of the Parliamentary Commissioner for the Environment 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.

*Financial Instruments*

The Parliamentary Commissioner for the Environment is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, debtors and creditors.

All financial instruments are recorded in the Statement of Financial Position. Revenues and Expenses in relation to all financial instruments are recognised in the Statement of Financial Performance. All financial instruments are shown at their estimated fair value.

*Goods and Services Tax (GST)*

The Statement of Departmental Expenditure and Appropriations is inclusive of GST. The Statement of Financial Position is exclusive of GST except for Creditors and Payables, and Debtors and Receivables. All other statements are GST exclusive. The amount of GST owing to or from the Inland Revenue Department at balance date, being the difference between Output GST and Input GST is included in Creditors and Payables, or Debtors and Receivables (as appropriate).

*Taxation*

The Parliamentary Commissioner for the Environment is not liable for the payment of income tax in terms of the Income Tax Act 1994. Accordingly no charge for income tax has been provided for.

*Commitments*

Future expenses and liabilities to be incurred or contracts that have been entered into at balance date are disclosed as commitments to the extent that they are equally unperformed obligations.

*Contingent Liabilities*

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

*Taxpayers' Funds*

This is the Crown's net investment in the Parliamentary Commissioner for the Environment.

**Changes in Accounting Policies**

There have been no material changes in accounting policies since the date of the last audited financial statements. All policies have been applied on a basis consistent with other years.

**STATEMENT OF FINANCIAL PERFORMANCE**  
**For the Year Ended 30 June 2000**

30/06/1999			30/06/2000	30/06/2000	30/06/2000
Actual			Actual	Main Est	Supp Est
\$		(Note)	\$	\$	\$
<b>REVENUE</b>					
1,464,000	Crown	(1)	1,502,000	1,458,000	1,502,000
228	Other	(2)	5,145	3,000	3,000
633	Interest	(3)	0	0	0
<b>1,464,861</b>	<b>Total revenue</b>		<b>1,507,145</b>	<b>1,461,000</b>	<b>1,505,000</b>
<b>EXPENDITURE</b>					
1,013,631	Personnel costs	(4)	983,814	982,000	997,000
395,906	Operating costs	(5)	466,129	424,000	455,000
45,638	Depreciation		45,957	49,000	47,000
6,490	Capital charge	(6)	5,900	6,000	6,000
<b>1,461,665</b>	<b>Total expenses</b>		<b>1,501,800</b>	<b>1,461,000</b>	<b>1,505,000</b>
<b>3,196</b>	<b>Net surplus</b>		<b>5,345</b>	<b>0</b>	<b>0</b>

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

For information on major variances against budget, refer to Note 14 (page 62)

**STATEMENT OF MOVEMENT IN TAXPAYERS' FUNDS**  
**For the Year Ended 30 June 2000**

30/06/1999		30/06/2000	30/06/2000	30/06/2000
Actual		Actual	Main Est	Supp Est
\$		\$	\$	\$
<b>59,491</b>	<b>Taxpayers' funds as at 1 July</b>	<b>59,491</b>	<b>59,000</b>	<b>59,000</b>
3,196	Net surplus	5,345	0	0
<b>3,196</b>	<b>Total recognised revenue and expenses for the year</b>	<b>5,345</b>	<b>0</b>	<b>0</b>
(3,196)	Provision for repayment of surplus to the Crown	(5,345)	0	0
<b>59,491</b>	<b>Taxpayers' funds as at 30 June</b>	<b>59,491</b>	<b>59,000</b>	<b>59,000</b>

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

**STATEMENT OF FINANCIAL POSITION**  
**As at 30 June 2000**

30/06/1999		30/06/2000	30/06/2000	30/06/2000
Actual		Actual	Main Est	Supp Est
\$	(Note)	\$	\$	\$
<b>TAXPAYERS' FUNDS</b>				
59,491	General funds	59,491	59,000	59,000
<b>59,491</b>	<b>Total taxpayers' funds</b>	<b>59,491</b>	<b>59,000</b>	<b>59,000</b>
Represented by:				
<b>CURRENT ASSETS</b>				
232,578	Cash	216,868	139,000	126,000
7,078	Prepayments	4,534	0	0
247	Debtors and receivables	(7) (1,389)	0	0
<b>239,903</b>	<b>Total current assets</b>	<b>220,013</b>	<b>139,000</b>	<b>126,000</b>
<b>NON CURRENT ASSETS</b>				
137,572	Fixed assets	(8) 117,950	105,000	106,000
<b>137,572</b>	<b>Total non current assets</b>	<b>117,950</b>	<b>105,000</b>	<b>106,000</b>
<b>377,475</b>	<b>Total assets</b>	<b>337,963</b>	<b>244,000</b>	<b>232,000</b>
<b>CURRENT LIABILITIES</b>				
186,662	Creditors and payables	(9) 166,046	59,000	59,000
3,196	Provision for repayment of surplus to the Crown	5,345	0	0
59,465	Provision for employee entitlements	(10) 51,708	54,000	59,000
<b>249,323</b>	<b>Total current liabilities</b>	<b>223,099</b>	<b>113,000</b>	<b>118,000</b>
<b>NON CURRENT LIABILITIES</b>				
68,661	Provision for employee entitlements	(10) 55,373	72,000	55,000
<b>68,661</b>	<b>Total non current liabilities</b>	<b>55,373</b>	<b>72,000</b>	<b>55,000</b>
<b>317,984</b>	<b>Total liabilities</b>	<b>278,472</b>	<b>185,000</b>	<b>173,000</b>
<b>59,491</b>	<b>NET ASSETS</b>	<b>59,491</b>	<b>59,000</b>	<b>59,000</b>

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

**STATEMENT OF CASH FLOWS**  
**For the Year Ended 30 June 2000**

30/06/1999		30/06/2000	30/06/2000	30/06/2000
Actual		Actual	Main Est	Supp Est
\$		\$	\$	\$
<b>CASH FLOWS - OPERATING ACTIVITIES</b>				
<b>Cash provided from:</b>				
1,465,625	Supply of Outputs to Parliament	1,502,374	1,458,000	1,501,000
50	Sale of Publications	3,652	3,000	3,000
2,057	Interest	0	0	0
<b>1,467,732</b>		<b>1,506,026</b>	<b>1,461,000</b>	<b>1,504,000</b>
<b>Cash disbursed to Produce outputs</b>				
(997,106)	- Personnel	(1,010,246)	(1,394,000)	(1,035,000)
(375,031)	- Operating	(453,900)	0	(516,000)
(2,006)	- Net GST paid	5,401	0	0
(6,490)	- Capital Charge	(5,900)	(6,000)	(6,000)
<b>(1,380,633)</b>		<b>(1,464,645)</b>	<b>(1,400,000)</b>	<b>(1,557,000)</b>
<b>87,099</b>	<b>Operating activities net cash flows</b>	<b>41,381</b>	<b>61,000</b>	<b>(53,000)</b>
<b>CASH FLOWS - INVESTING ACTIVITIES</b>				
<b>Cash provided from:</b>				
178	Sale of fixed assets	1,493	0	0
<b>Cash disbursed for:</b>				
(68,308)	Purchase of fixed assets	(55,388)	(47,000)	(51,000)
<b>(68,130)</b>	<b>Investing activities net cash flows</b>	<b>(53,895)</b>	<b>(47,000)</b>	<b>(51,000)</b>
<b>CASH FLOWS - FINANCING ACTIVITIES</b>				
<b>Cash disbursed for:</b>				
(8,986)	Repayment of Net Surplus	(3,196)	(1,000)	(3,000)
<b>(8,986)</b>	<b>Financing activities net cash flows</b>	<b>(3,196)</b>	<b>(1,000)</b>	<b>(3,000)</b>
9,983	Net Increase in cash held	(15,710)	13,000	(107,000)
222,595	Add opening cash	232,578	126,000	233,000
<b>232,578</b>	<b>Closing cash</b>	<b>216,868</b>	<b>139,000</b>	<b>126,000</b>
<b>Cash comprises</b>				
232,578	Cash	216,868	139,000	126,000

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

**RECONCILIATION OF NET SURPLUS TO NET CASH FLOW FROM  
OPERATING ACTIVITIES**  
***For the Year Ended 30 June 2000***

30/06/1999		30/06/2000	30/06/2000	30/06/2000
Actual		Actual	Main Est	Supp Est
\$		\$	\$	\$
<b>3,196</b>	<b>Net surplus</b>	<b>5,345</b>	<b>0</b>	<b>0</b>
	Add/ Less non-cash items			
45,638	Depreciation	45,957	49,000	47,000
3,634	Other non-cash items	0	0	0
	Inc/(Dec) in non-current employee			
4,276	entitlements	(13,288)	0	(14,000)
<b>53,548</b>	<b>Total non-cash items</b>	<b>32,669</b>	<b>49,000</b>	<b>33,000</b>
	<b>Add/ Less Working Capital Movements</b>			
4,434	(Inc)/Dec in debtors and receivables	1,636	0	0
(1,979)	(Inc)/Dec in prepayments	2,544	0	7,000
23,062	Inc/(Dec) in creditors and payables	8,147	2,000	(93,000)
5,016	Inc/(Dec) in current employee entitlements	(7,467)	10,000	0
<b>30,533</b>	<b>Working capital movements-net</b>	<b>4,860</b>	<b>12,000</b>	<b>(86,000)</b>
	Add/ less investing activities			
<b>(178)</b>	Net loss/ (gain) on sale of fixed assets	<b>(1,493)</b>	<b>0</b>	<b>0</b>
<b>(178)</b>	<b>Total Investing activities</b>	<b>(1,493)</b>	<b>0</b>	<b>0</b>
<b>87,099</b>	<b>Net cash flow from operating activities</b>	<b>41,381</b>	<b>61,000</b>	<b>(53,000)</b>

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

**STATEMENT OF COMMITMENTS*****As at 30 June 2000***

As at 30 June 2000 the Parliamentary Commissioner for the Environment had no capital commitments. (1999: Nil)

The Parliamentary Commissioner for the Environment is currently in the two-year lease renewal period of its long-term lease on Wellington premises. The annual lease payments are subject to review at the end of the renewal period. The amounts disclosed below as future commitments are based on the current rental rate.

30/06/1999		30/06/2000
<i>Actual</i>		<i>Actual</i>
\$		\$
<hr/>		
	Operating lease commitments	
103,000	Less than one year	101,700
0	One to two years	97,000
0	Two to five years	0
0	Over five years	0
<hr/>		<hr/>
<b>103,000</b>	<b>Total operating lease commitments</b>	<b>198,700</b>

**STATEMENT OF CONTINGENT LIABILITIES*****As at 30 June 2000***

At 30 June 2000 the Parliamentary Commissioner for the Environment had no contingent liabilities. (1999: Nil)

**STATEMENT OF UNAPPROPRIATED EXPENDITURE*****For the year ended 30 June 2000***

The Parliamentary Commissioner for the Environment incurred no unappropriated expenditure. (1999: Nil)



**STATEMENT OF DEPARTMENTAL EXPENDITURE AND  
APPROPRIATIONS**

**For the year ended 30 June 2000**

**(Figures are GST inclusive where applicable)**

30/06/1999		30/06/2000	30/06/2000
Expenditure		Expenditure	Appropriation
Actual		Actual	*Voted
\$		\$	\$
<b>VOTE: PARLIAMENTARY COMMISSIONER FOR THE ENVIRONMENT</b>			
<b>Appropriation for class of output</b>			
1,450,040	D1 - Reports and Advice	1,490,425	1,495,000
<b>1,450,040</b>	<b>Sub-Total</b>	<b>1,490,425</b>	<b>1,495,000</b>
<b>Appropriation for other expenses</b>			
173,000	Permanent Legislative Authority	177,000	177,000
<b>173,000</b>	<b>Sub-Total</b>	<b>177,000</b>	<b>177,000</b>
<b>1,623,040</b>	<b>Total</b>	<b>1,667,425</b>	<b>1,672,000</b>

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

\* This includes adjustments made in the Supplementary Estimates

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 30 June 2000**

**Note 1: Crown Revenue**

This is revenue earned for the supply of outputs to the Crown.

**Note 2: Other Revenue**

30/06/1999		30/06/2000	30/06/2000	30/06/2000
Actual		Actual	Main Est	Supp Est
\$		\$	\$	\$
50	Sale of publications	3,652	3,000	3,000
178	Net gain on sale of assets	1,493	0	0
<b>228</b>	<b>Total other revenue</b>	<b>5,145</b>	<b>3,000</b>	<b>3,000</b>

**Note 3: Interest Revenue**

The Parliamentary Commissioner for the Environment no longer invests surplus cash with the New Zealand Debt Management Office (NZDMO).

**Note 4: Personnel Costs**

30/06/1999		30/06/2000	30/06/2000	30/06/2000
Actual		Actual	Main Est	Supp Est
\$		\$	\$	\$
1,009,355	Salaries and wages	997,102	982,000	1,011,000
4,276	Retirement and long service leave	(13,288)	10,000	(14,000)
<b>1,013,631</b>	<b>Total personnel costs</b>	<b>983,814</b>	<b>992,000</b>	<b>997,000</b>

**Note 5: Operating Costs**

The principal items of expenditure are as follows:

30/06/1999		30/06/2000	30/06/2000	30/06/2000
Actual		Actual	Main Est	Supp Est
\$		\$	\$	\$
28,661	Stationery, Publications and Software	22,902	20,309	27,779
29,731	Telecommunication, Postage & Freight	29,060	25,640	32,439
57,703	Travel	57,625	84,202	67,400
102,954	Operating Lease Rental	102,858	102,960	102,960
15,211	Property and Equipment Maintenance	20,068	33,112	20,112
76,170	Professional Services	124,402	59,066	89,650
28,574	Printing	50,575	39,320	57,200
	Fees paid to Auditor for the audit of the			
8,000	Financial Statements	8,000	8,000	8,000
48,902	Other Operating Costs	50,639	51,391	49,460
<b>395,906</b>	<b>Total</b>	<b>466,129</b>	<b>424,000</b>	<b>455,000</b>

**Note 6: Capital Charge**

The Parliamentary Commissioner for the Environment pays the Crown a capital charge on the average level of Taxpayers' Funds recorded in the Statement of Financial Position. The capital charge rate for the current year was 10% (1999: 11%).

**Note 7: Debtors and Receivables**

30/06/1999		30/06/2000
Actual		Actual
\$		\$
1,262	Trade Debtors	0
(1,015)	Debtor Crown	(1,389)
<b>247</b>	<b>Total debtors and receivables</b>	<b>(1,389)</b>

**Note 8: Fixed Assets**

30/06/1999		30/06/2000
Actual		Actual
\$		\$
<b>Furniture and fittings</b>		
95,064	At cost	95,064
76,773	Accumulated depreciation	83,324
<b>18,291</b>	<b>Furniture and fittings - net book value</b>	<b>11,740</b>
<b>Computer equipment</b>		
215,819	At cost	189,676
114,006	Accumulated depreciation	94,965
<b>101,813</b>	<b>Computer equipment - net book value</b>	<b>94,711</b>
<b>Office equipment</b>		
47,339	At cost	47,339
29,871	Accumulated depreciation	35,840
<b>17,468</b>	<b>Office equipment - net book value</b>	<b>11,499</b>
<b>137,572</b>	<b>TOTAL CARRYING AMOUNT OF FIXED ASSETS</b>	<b>117,950</b>

**Note 9: Creditors and Payables**

30/06/1999		30/06/2000
Actual		Actual
\$		\$
84,125	Trade Creditors	81,558
62,565	Accrued Expenses	65,154
146	Provisions	436
5,046	GST Payable	13,171
34,780	Fixed Asset Creditors	5,727
<b>186,662</b>	<b>Total creditors and payables</b>	<b>166,046</b>

**Note 10: Provision for Employee Entitlements**

30/06/1999		30/06/2000
<i>Actual</i>		<i>Actual</i>
\$		\$
<b>NON CURRENT LIABILITIES</b>		
68,661	Retirement and long service leave	55,373
<b>68,661</b>	<b>Total non-current portion</b>	<b>55,373</b>
<b>CURRENT LIABILITIES</b>		
59,465	Annual leave	51,708
<b>59,465</b>	<b>Total current portion</b>	<b>51,708</b>
<b>128,126</b>	<b>Total provision for employee entitlement</b>	<b>107,081</b>

**Note 11: Financial instruments**

The Parliamentary Commissioner for the Environment is party to financial instrument arrangements as part of everyday operations. These include instruments such as banking, investments, accounts receivable and creditors.

*Credit Risk*

Credit risk is the risk that a third party will default on its obligations to the Commissioner, causing the Commissioner to incur a loss. In the normal course of business the Parliamentary Commissioner for the Environment incurs credit risk from trade debtors, and transactions with financial institutions.

The Parliamentary Commissioner for the Environment does not require any collateral or security to support financial instruments with financial institutions that the Commissioner deals with, as these entities have high credit ratings. For its other financial instruments the Commissioner does not have significant concentrations of credit risk.

*Fair Value*

The fair value of 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.

Interest rate risk is the risk that return on funds invested will fluctuate due to changes in market interest rates.

The Commissioner has no significant exposure to currency risk or to interest rate risk on financial instruments.

**Note 12: Contingencies**

The Parliamentary Commissioner for the Environment does not have any contingent assets as at 30 June 2000. (30 June 1999, Nil)

Contingent liabilities are separately disclosed in the Statement of Contingent Liabilities.

**Note 13: Related Party Transactions**

The Parliamentary Commissioner for the Environment is a wholly owned entity of the Crown. All transactions entered into with other Government Departments and State Owned Enterprises are conducted 'at arms length' on normal business terms. These transactions are not considered to be related party transactions.

**Note 14: Major Budget Variations**

Explanations for major variations from the initial Budget Night Estimates were outlined in the Supplementary Estimates. They were:

*Output D1 - Reports and Advice*

The annual appropriation for this output class was increased by \$45,000 (inc GST). This reflects a one-off payment to meet unanticipated recruitment and investigation costs.

The other appropriation for this output class was increased by \$4,000. This reflects the movement in the Commissioner's salary and allowances as determined by the Higher Salaries Commission.

**STATEMENT OF FINANCIAL PERFORMANCE OBJECTIVES**  
**For the Year Ended 30 June 2000**

**PERFORMANCE INDICATORS**

	Unit	Actual 2000	Budget 2000
<b>Operating Results</b>			
Revenue: interest	\$000	0	0
Output expenses	\$000	1,501,800	1,505,000
Operating surplus before capital charge	\$000	11,245	8,000
Net surplus	\$000	5,345	2,000
<b>Working Capital</b>			
Net current assets	\$000	(3,086)	8,000
Current ratio	%	99	107
Liquid Ratio	no.	1.3 :1	2.2 :1
Average creditors outstanding	days	278	19
<b>Resource Utilisation</b>			
Physical assets:			
Total physical assets at year end	\$000	117,950	106,000
Value per employee	\$000	8,306	7,000
Additions as % of physical assets	%	22	48
Taxpayers' funds:			
Level at year-end	\$000	59,491	59,000
Level per employee	\$000	4,190	4,000
<b>Forecast Net Cash Flows</b>			
Surplus/(deficit) operating activities	\$000	41,381	(52,000)
Surplus/(deficit) investing activities	\$000	(53,895)	(51,000)
Surplus/(deficit) financing activities	\$000	(3,196)	(3,000)
Net increase/(decrease) in cash held	\$000	(15,710)	(105,000)
<b>Human Resources</b>			
Staff turnover	no.	2	3
Analyst to Support Staff Ratio	no.	2.7:1	2.6:1
Total staff (FTE)	no.	14.6	14.2

## OFFICE ORGANISATION AND MANAGEMENT

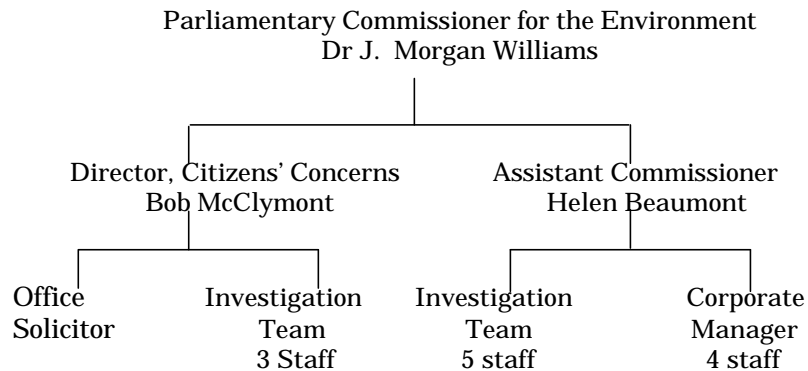
### Legal Responsibilities

The Environment Act 1986 established the office of Parliamentary Commissioner for the Environment and outlines the Commissioner's functions, powers and responsibilities.

The Commissioner is an Officer of Parliament and reports directly to the House of Representatives through the Speaker.

### Management and Structure

The current management and structure of the office with staffing levels at 30 June 2000, is as follows:



Five staff are employed part-time giving a total of 14.6 full-time equivalents. The comparative figure at 30 June 1999 was 14.2 full-time equivalents.

During the 12 months to 30 June 2000 two vacancies were filled and two staff members resigned.



## Operational Effectiveness

Details of output performance for the year are shown in the Statement of Objectives and Service Performance (page 45). The significant variances are:

<i>Output</i>	Objective \$000	Performance Achieved \$000	%	Variance Over/ (Under) \$000
Cost of national systems issues	505	399	79	(106)
Cost of outcome evaluation reports	26	21	80	(5)
Cost of environmental management initiatives	158	298	189	140
Cost of information for stakeholders	159	239	150	80
Cost of communication of advice	90	169	187	79
Cost of information for Parliament	58	47	81	(11)

The principal reasons for these variances are:

1. Resources were diverted from national systems issues to environmental management initiatives in response to the increasing public debate and more extensive research and consultation with regards to biocontrols and genetic engineering.
2. In the area of 'cost of information for stakeholders' a higher proportion of more complex issues were raised by members of the public, requiring more indepth information gathering and analysis by staff.
3. Demand for presentations from the Commissioner and his staff continued (cost of communication of advice).

## **Employment Policy**

At 30 June 2000 all of my staff were employed on individual employment contracts, with the majority having terms of between three and five years.

I subscribe to the Good Employer concept and the principle of equal employment opportunity. My organisation is a member of the EEO Employers' Group. At 30 June 2000, nine women and seven men were employed in my office.

Staff with unexpected and unavoidable child care commitments during normal working hours are entitled to work at home or receive reimbursement of reasonable child care costs. Employment contracts include provision for essential care givers' leave entitling a staff member to go on leave without pay and guaranteeing job protection.

I encourage all staff, with the active support of their managers, to plan for their own professional and personal development. The office contributes to relevant training and, where possible, offers flexible working hours in order to facilitate personal study programmes.

## **Access and Promotion**

A brochure and/or a copy of the Commissioner's strategic plan *Future Directions* (and its update) is available to those seeking information about the office of the Parliamentary Commissioner for the Environment. Information about the office is provided in a number of public and private directories. The Commissioner's website, located at [www.pce.govt.nz](http://www.pce.govt.nz) contains electronic reports and report summaries, news sheets and other relevant information. During each year the Commissioner provides three news sheets to parliamentarians and other interested parties.

## **Publications**

The following publications were produced during the year ended 30 June 2000:-

*PCE News Sheet – August 1999, December 1999, April 2000.*

*Annual Report 1998-1999, October 1999.*

*Strategic Plan Update: December 1999.*

*Forecast Report 2000-2001, April 2000.*

*Local Government Environmental Management, A Study of Models and Outcomes, August 1999.*

*Setting Course for a Sustainable Future: The Management of New Zealand's Marine Environment, December 1999.*

*Getting More from Less, A Review of progress on energy efficiency and renewable energy initiatives in New Zealand, February 2000.*

*Local Agenda 21 in the United Kingdom – a review of progress and issues for New Zealand, February 2000.*

*Ageing Pipes and Murky Waters, Urban Water System Issues for the 21<sup>st</sup> Century, June 2000.*

## **Significant Conference Papers**

*Sustainable development for multiple land use – utopian vision or realistic goal? Address given at Fenner Conference on the Environment, Canberra 1999, Australian Academy of Science.*

*The Contribution of the Resource Management Act 1991 to Sustainability: a report card after 8 years. Paper presented at the Water 2000 Conference, March 2000, Auckland.*

*Sustaining Biodiversity – a public or private function? Paper given to the International Landcare 2000 Conference, March 2000.*

*Towards Sustainable Development – Environmental Policies in New Zealand, Water Environment Federation Annual Conference, New Orleans, October 1999.*

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