

# pce

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## **STATEMENT OF INTENT**

### **2006–2009**



PARLIAMENTARY COMMISSIONER FOR THE ENVIRONMENT  
Te Kaitiaki Taiao a Te Whare Pāremata

*Presented to the House of Representatives pursuant to Section 38 of  
the Public Finance Act 1989.*

**The Speaker of the House of Representatives is the Responsible Minister for the Parliamentary Commissioner for the Environment.**

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## Statement of responsibility

The information on future operating intentions of the Parliamentary Commissioner for the Environment for the year ending 30 June 2007 contained in this report has been prepared in accordance with section 38 of the Public Finance Act 1989.

The Parliamentary Commissioner for the Environment acknowledges, in signing this statement, that he is responsible for the information contained in it.

The financial performance forecast to be achieved by the Commissioner for the year ending 30 June 2007 is specified in the Statement of Intent.

The performance for the class of output forecast to be achieved by the Commissioner for the year ending 30 June 2007 is specified in the Statement of Intent.

We certify that the information contained in this report is consistent with the existing appropriations and the appropriations contained in the Estimates for the year ending 30 June 2007 that are being laid before the House of Representatives under section 13 of the Public Finance Act 1989.

Signed:



Dr J Morgan Williams  
Parliamentary Commissioner  
for the Environment

5 April 2006

Countersigned:



R A Farrant  
Manager, Corporate Systems  
Parliamentary Commissioner  
for the Environment

5 April 2006

# pce

## **PART A – Strategic direction**

## Commissioner's introduction

This Statement of Intent sets out the strategic direction for the medium term and the forecast financial statements for the coming year. My current term as Commissioner ends in 2007.

My primary focus continues to be on environmental sustainability as a critical factor in ensuring New Zealand's future well being. Global environmental concerns such as climate change and the decline of biodiversity are threatening ecosystem services and the natural resource base of human endeavour.

The key challenge for New Zealand early in the 21<sup>st</sup> century lies in adapting and responding to these global concerns, and redesigning the ways society's needs and wants are met within the capacity of the environment. My mandate under the Environment Act 1986 will assist this transition. Our ability to look ahead and identify environmental management issues that are coming over the horizon is critical.

My priorities for future work have been drawn from consideration of environmental systems at risk, the drivers placing pressure on these systems, and the environmental management response.

## About the Parliamentary Commissioner for the Environment

The Parliamentary Commissioner for the Environment (PCE) is an Officer of Parliament appointed for a five-year term by the Governor-General on the recommendation of the House of Representatives. The Environment Act 1986 establishes the office of the PCE and details the Commissioner's powers and functions.

The purpose of the Commissioner is to independently:

- assess the capability, performance and effectiveness of New Zealand's system of environmental administration
- provide advice and information that will assist public sector and local authority managers (and other persons and bodies) to maintain and improve the quality of the environment.

The Environment Act 1986 (Part I) establishes and sets out the PCE's role and functions. As an 'Officer of Parliament' the Commissioner is independent of the Executive (the Government of the day and its ministries and departments). The PCE's mission is "to provide independent scrutiny, advocacy and advice for a better environment". An essential part of the focus is the concept of environmental sustainability.

The Commissioner has a wide range of functions and powers. They include the capacity to investigate and report on any matter where the environment may be, or has been, adversely affected. The Commissioner also has powers to obtain information and to protect the confidentiality of that information

where appropriate, and to report the findings of his investigations and to make recommendations. This usually takes the form of reports that are tabled in Parliament, after which they become public documents. However, the Commissioner does not have the power to make any binding rulings and is unable to reverse decisions made by public authorities or the Courts. The Commissioner engages with other agencies to pick up his recommendations and to take action accordingly.

The independence, credibility, quality and timing of investigations are critical to the uptake and effectiveness of the Commissioner's advice.

## Key roles of the Commissioner

To fulfil our purpose we have defined five key roles. These are based on the Commissioner's functions described in section 16 of the Environment Act 1986. The Commissioner has wide discretion to exercise these functions. However, priority must be given to directions from Parliament to inquire into environmental matters.

The focus of the Commissioner has evolved considerably since the office was first established.

**Table 1: Key roles of the Commissioner**

<b>Environmental systems guardian</b>	Checking the ability of an environmental management regime (including institutional arrangements, legislation, policies, and the generation of necessary knowledge) to ensure environmental quality is maintained or improved.
<b>Information provider, facilitator and catalyst</b>	Disseminating information, engaging with the media, and speaking to a variety of groups and individuals to stimulate high-quality dialogue and action on environmental issues.
<b>Environmental management auditor</b>	Evaluating public authorities' performance to ensure that they are meeting their environmental responsibilities.
<b>Parliamentary Select Committee advisor</b>	Responding to Select Committee requests for advice and assistance.
<b>Environmental advocate</b>	Responding to enquiries and concerns from the general public and encouraging preventative measures and remedial actions to protect the environment.

**Independence** and **credibility** are essential to ensuring that the Commissioner is, and remains, effective in fulfilling his functions. The Commissioner's independence is protected by law, institutional arrangements and constitutional convention. Credibility arises from the Commissioner's reputation, integrity, commitment and achievements. In the absence of coercive powers, these factors are critical in persuading public authorities and others to make the changes aimed at improving environmental outcomes.

## Outcome and impacts statement

### Our primary outcome

As an Officer of Parliament, the PCE does not contribute directly to government policy but performs an important role in influencing and progressing key themes.

Our primary outcome is:

*A healthy environment, highly valued by people and managed responsibly for the current and future benefit of all.*

Achieving this is highly dependent on the actions and behaviours of others who also contribute to it. They include:

- central government agencies – the Ministry for the Environment and Department of Conservation are key agencies
- Officers of Parliament – the Office of the Auditor-General and the Ombudsmen
- local government agencies, NGOs, communities and individuals.

### Our building blocks

The following building blocks help to achieve this primary outcome:

- Parliament and the public know that environmental management regimes are operating in a way that maintains or improves the environment
- Parliament and the public know that public authorities are meeting their environmental responsibilities and know that if they are not, we will tell them
- There is high quality dialogue and action on environmental sustainability issues
- Select committees are advised on environmental sustainability matters.

In short, we seek to provide *independent scrutiny, advocacy and advice for a better environment*.

### Our output

We deliver our building blocks through one output, 'Reports and Advice'.

Reports and advice are provided on the capability of the government system for managing the environment. This includes independent advice on the performance of central and local government agencies with statutory and administrative responsibilities relating to the maintenance and improvement of environmental quality. Information is provided to the general public in response to enquiries and concerns about environmental management. The reports and advice arise from the exercise of our functions under the Environment Act 1986.

Activities within this output include:

- Investigations
  - environmental investigations
  - citizens' concern evaluations
  - outcome evaluations
  - advice to the House of Representatives and its committees.
- Information dissemination
  - information for stakeholders
  - communication of advice
  - statutory reporting.

### **Planned evaluation activity**

The Commissioner is seeking to influence a wide range of stakeholders – central and local government, private sector interests, and communities – about the importance of environmental sustainability. Much of his work aims to raise awareness that natural resources are an essential part of the capital base on which our economy depends. Ecosystem function and ecosystem services have been underestimated in our standard approach to considering opportunities for economic development and social progress. Given this very broad aim it is difficult to measure short-term progress.

A thorough evaluation of the effectiveness of the Commissioner's work over the first 10 years of the office was undertaken in 1997. An evaluation of the second 10 years is planned to coincide with the office's 20<sup>th</sup> anniversary. This will include an analysis of the recommendations that have been accepted, as well as a more qualitative assessment of changes in policy development and decision-making. The response of the business sector as well as NGO and community action will also be considered.

### **Performance measures and standards: Outcome and impacts**

#### **Environmental investigations and citizens' concern evaluations**

In the short-term, we measure the effectiveness of our reports through our outcome evaluation process. This is a qualitative evaluation of how we have shifted the system in terms of maintaining or improving the environment. This process assesses whether the findings of a selection of our environmental investigations and citizens' concern evaluations have been accepted and acted on.

We generally follow up on investigations six months after tabling in the House of Representatives, or after presentation to the relevant public authority. Some investigations are re-visited after two to four years for a full outcome evaluation.



All of our investigations are potential candidates for such an evaluation. The following criteria guide our selection:

1. The issue relates directly to significant areas in our strategic plan (which may link to future investigations)
2. The strategic importance of the environmental management issue to New Zealand
3. The extent to which a shift in the environmental management system was or is required (bearing in mind whether a follow-up would have a constructive outcome or not)
4. The need to establish an 'audit trail' with an agency
5. Timeliness.

A distinction needs to be made between the formal response from authorities and agencies to our recommendations, and effective action to remedy gaps and other deficiencies in management systems and programmes that the Commissioner has identified. In the absence of more measurable outcomes in terms of environmental quality and state of the environment information, the Commissioner may also evaluate changes in policy direction.

An evaluation typically involves contacting the recipient of our advice to enquire as to what action has been taken as a result of our recommendations. We may also write to the original complainants or to other stakeholders to check on their views of how the relevant agency has responded.

Outcome evaluations are summarised in our Annual Report, and significant reports are available through our website. During 2006/07 we will consider ways of introducing outcome reporting into our audited financial statements.

### **Advice to select committees**

The Commissioner is Parliament's agent responsible for providing it with an assessment of how well the Government is managing the environment. Regular work includes advising the Local Government and Environment Select Committee in their scrutiny of agencies' annual reports and estimates. The Commissioner may also be requested to advise on bills, petitions and inquiries. We retain an element of flexibility in our work programme so we can respond to these requests as they arise.

We intend to do further work in this area to determine a suitable outcome evaluation framework to include qualitative performance measures for our select committee work during 2006/07.

## Information and advocacy

The PCE receives, on average, between 200 and 250 public enquiries each year. Only six to ten of these result in a significant investigation and a report published by the PCE. Such investigations generally involve a focused study into the effectiveness of environmental management by public authorities. For example, as a result of community concerns an investigation into a local authority's management of its urban water system was completed in 2001. This led to the authority developing a long-term water services strategic plan.<sup>1</sup>

The role of communication is important for the Commissioner. In the absence of coercive powers, he relies on the ability to convince and persuade decision-makers to take particular courses of action. A common feature of our reports is not only to identify any necessary remedial action, but also to acknowledge good practices by the agencies investigated. The office focuses its communication on agencies and groups that have the capacity to amplify its findings to a wider audience – particularly practitioners who can turn them into effective results. Methods of communication include presentations to different groups and workshops, and articles and interviews for various media. All of the reports, information on current projects, newsletters, press releases and many of the presentations are placed on the PCE website.

It is a challenge to demonstrate specifically where our work contributes to high quality dialogue and action on environmental issues. We intend to do further work in this area.

## Performance measures and standards: Cost effectiveness of interventions

The office has a rigorous process of both strategic and operational planning to ensure that it is focusing efforts in the most important areas. We deliberately focus on issues of concern to communities as well as clear gaps in policy development and implementation. While these issues are important, they may not be popular or recognised for their potential impact on the environment. Much of our focus is on New Zealand's long-term environmental sustainability rather than direct interventions into discrete policy issues. So assessing the cost effectiveness of our work is a significant challenge. We will continue to explore ways to do this in the coming year.

<sup>1</sup> Whose water is it? The sustainability of urban water systems on the Kapiti Coast.

## The Commissioner's work programme

### Strategic planning

Since 1997, the PCE has operated under a strategic framework setting broad goals and areas of focus. The strategic plans were prepared after extensive consultation. That included a comprehensive survey of stakeholders as part of a 1999 initiative by the Commissioner to have a mid-term review of his office's performance and priorities. The supportive feedback from this review endorsed the PCE's roles and contributed to the current strategic plan for the period 2003 to 2007.<sup>2</sup>

The 2003 plan keeps the focus on environmental sustainability as a core component of sustainable development – the quest to meet environmental, social, cultural and economic goals in ways that can be continued into a distant future. It confirms the validity of the five roles (see Table 1) and revises the strategic priorities, building on the 1997 plan's priorities around ecosystems and management systems. The three broad areas identified in the 2003 plan are:

#### *Ecological systems*

- coastal seas – including estuaries
- rural lowlands – examining impacts on land and freshwaters
- urban environments – with a focus on mobility, land use planning, mobility and water management.

#### *Legislative and policy drivers*

- adapting to climate change
- energy – electricity focus
- environmental economic instruments
- marine and coastal – legislation effectiveness
- Resource Management Act outcomes
- transport – strategies.

#### *Agency performance and capacities*

- local government capacity
- the contribution of central government environment agencies
- linkages across central government environmental, social and economic agencies.

2007 will mark the end of the Commissioner's current term.

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<sup>2</sup> More background information can be found in our strategic plans for 1997–2001 and 2003–2007 and the Commissioner's 1999 mid-term review.

## **The environment we work in**

### **International influences**

Two major international trends – globalisation and climate change – are influencing New Zealand’s environmental sustainability. Overseas consumers are demanding higher environmental standards, and the movement of goods and people across our borders is growing. This brings increased biosecurity risks, and potential tensions over our commitments under multilateral environmental and free trade agreements. New Zealand’s environmental ‘futures’ depend on the environmental health of the planet and the way we, as a tiny trading nation, relate to the rest of the world.

Our economy is predominantly biological: land- and ocean-based. International visitors bring their own views on our environmental management. They expect high environmental standards, in a paddock to plate context, and in what they experience while here. Leading exporters recognise well this dimension of New Zealand’s global market competitiveness.

New Zealand has actively contributed to the development of international treaties for environmental management. Examples are the Montreal Protocol on Substances that Deplete the Ozone Layer (1987), and the Kyoto Protocol (1997). The Kyoto Protocol will have an increasing influence on the energy and transport sectors.

Climate change itself will have a growing impact on many aspects of our environment and the economy. Rainfall patterns are expected to change and may bring an increase in frequency of drought and flood events to parts of the country. Rising sea levels coupled with stormy weather patterns are likely to imperil low-lying districts and coastal communities. Adaptation to these effects is a significant challenge.

An emerging global issue is the matter of environmental rights. These include rights to clean air, to safe water, and to participate in environmental management. Environmental rights are considered inherently less individual and more collective than traditional human rights. This is because environmental degradation tends to be cumulative – it may not seriously affect one individual at one point in time but it can, and often does, impact on collective interests over time. The New Zealand Action Plan for Human Rights – *Mana ki te tangata* – addresses issues of environmental health.

## Key trends within New Zealand

### *Legislative shifts*

Since the Environment Act 1986, a series of environmental statutes and strategies have incorporated principles of environmental sustainability.

The Resource Management Act 1991 (RMA) is New Zealand's leading piece of environmental legislation. However, it has had mixed results and its contribution to sustainable management is difficult to determine in the absence of any comprehensive evaluation of its outcomes. It has helped raise awareness of environmental sustainability and resource use. Reviews of, and amendments to, the RMA are occurring on an almost continuous basis.

The emphasis in environmental legislation and policy initiatives has shifted noticeably in the last 10 years. Most of the initial focus was on legislation (with a few exceptions such as the Environment 2010 Strategy). From the late 1990s, the emphasis moved to strategies with an environmental focus or component. This indicated a more broadly based and strategic approach to environmental management and sustainability. However, it remains to be seen how well all the strategies (both implemented and under development) will be integrated into government activities.

The Commissioner has an ongoing interest in energy. Due to an amendment to the Electricity Act 1992, the Commissioner is required to examine the environmental performance of an Electricity Governance Organisation (the Electricity Commission). The Government's objective is to ensure that electricity is delivered in an efficient, fair, reliable and environmentally sustainable manner to all classes of consumer.

### *Local Government*

Local Government's role in environmental management was strongly shaped by:

- the local government reforms of 1989
- the RMA
- the development of case law through the Environment Court.

All regional and territorial authorities and the four unitary authorities have now developed regional and district plans under the RMA. Many of these, however, have not been fully implemented. RMA implementation has totally dominated the environmental management agenda throughout the 1990s.

Council plans varied and this, together with historical delays in Environment Court hearings, generated major frustrations in many communities - and numerous complaints to the Commissioner. These frustrations fostered a widespread perception that environmental management is a costly process that inhibits development and yields few positive benefits. This was regrettable, given the enormous value that high environmental management standards have for New Zealand.

Happily, with increased funding, the Environment Court is now perceived as providing a timely and effective service. A number of local authorities are well underway in developing, and in some cases implementing, second generation RMA plans. It is to be hoped that the 2000s will see a greater emphasis on environmental outcomes and a lesser concern with process.

Meanwhile, the Local Government Act 2002 has sustainable development at its heart. Local authorities need to “take into account

- (i) the social, economic, and cultural well-being of people and communities; and
- (ii) the need to maintain and enhance the quality of the environment; and
- (iii) the reasonably foreseeable needs of future generations.”<sup>3</sup>

The Act introduces a Long-Term Council Community Plan (LTCCP) to set out a community's vision for the future, to provide for integrated decision-making, and to coordinate council activities and resources over a 10-year period. It is envisaged that RMA plans and each LTCCP will be consistent with their goals aligned.

### ***The business sector***

Business has responded to environmental sustainability primarily through producing environmental components in annual reports, recycling ‘waste’, and improving energy efficiency. Involvement in local environmental business networks has grown and the New Zealand Business Council for Sustainable Development offers a business perspective on policy development.

### ***Communities***

In communities throughout New Zealand environmental awareness and action has been growing. This has been assisted by the work of the traditional environmental NGOs (such as Ecologic, Greenpeace, the Royal Forest and Bird Protection Society, and the World Wildlife Fund for Nature), and a number of new groups. Many landcare, coastcare, dunecare and associated groups now have the support of a variety of private and public (particularly regional council) interests. Groups inspired by Agenda 21 have also developed in a number of areas. Fostered by territorial authorities, these groups have initiated a range of environmental projects. They are now more likely to go beyond the traditional focus on indigenous flora and fauna (nature conservation matters), to an involvement in broader sustainability issues.

### ***Tangata whenua***

The Commissioner takes a full and balanced account of the principles of the Treaty of Waitangi, as required in the Environment Act 1986. This legislation recognises matters of importance for tangata whenua such as land, water, sites, fishing grounds, and physical or cultural resources which are part of the heritage of tangata whenua and contribute to their well-being.

<sup>3</sup> Section 14 (1)(h) of the Local Government Act 2002.

The important relationships between tangata whenua culture and traditions and their environment are recognised in other environmental statutes such as the RMA, the Conservation Act 1987 and the Hazardous Substances and New Organisms Act 1996. These statutes recognise the principles of the Treaty of Waitangi, while the RMA gives regard to kaitiakitanga.

Factors that influence the ability of agencies to fulfil their obligations under these statutes include:

- capacities and resourcing, both among tangata whenua and within agencies
- consultation and participation issues
- difficulties for some non-Maori in understanding and valuing the spiritual dimensions and cultural identity inherent in the natural environment for Maori
- recognition and valuing of matauranga Maori or traditional environmental knowledge.

Tangata whenua have been leaders in environmental matters in a range of areas. These include establishing iwi resource management units; iwi environmental management plans, taiapure and mataitai; and korero on such issues as genetically modified organisms, aquaculture, and marine reserves. There is potential for improved participation with Treaty claims settlements, co-management models, and innovative environmental management partnerships.

### **Environmental systems at risk**

There are four major systems at risk in various regions across the country:

- (a) *Indigenous ecosystems* that sustain biodiversity, the distinctive character of local and regional landscapes, and the identity and well being of communities and tangata whenua
- (b) *Fresh waters* as habitat for indigenous and exotic biota; as sources of potable water, irrigation and hydropower; for amenities, tourism and recreation; and as taonga for tangata whenua
- (c) *Coastal seas* as cherished areas to live beside, and for recreation; as habitat for marine biota; under pressure from aquaculture development; and as the rohe of Tangaroa, a source of kaimoana and other taonga
- (d) *Urban ecosystems* as patterns of settlement impact upon amenity values, air quality, water systems, and biosecurity.

These environmental systems are under pressure from drivers including:

- biosecurity breaches that establish alien species
- global warming and increasing climate variability
- economic incentives for unsustainable behaviour

- land use practices in agriculture and residential subdivision
- transport modes and patterns
- persistent chemical pollutants including historical contamination
- water demand, allocation and pricing.

## **Working with others**

### **Related agencies**

The Commissioner's work can overlap with the roles of three other organisations – the Office of the Auditor General, the Ombudsmen, and the Ministry for the Environment. Regular contact is maintained with these agencies to manage this.

Details of proposed investigations are shared with the Office of the Auditor General to check for common interests. Joint investigations may also be undertaken. Citizens' concerns are transferred between the Commissioner and the Ombudsmen when appropriate. The agencies share results of citizens' concern evaluations and assessments of complaints about environmental management.

The Commissioner's relationship with the Ministry for the Environment has been formalised via a Memorandum of Understanding (MOU) since 1997.

### **Other organisations and individuals**

The Commissioner recognises the need to work with others to achieve a better environment. Close contact with a wide range of individuals and organisations with an interest in the environment is maintained. The 2003 strategic direction was developed with the involvement of representatives from local and central government, environmental NGOs, tangata whenua groups, business organisations and academic institutions. Environmental Commissioners from Australia and Canada also contributed.

Dialogue with key stakeholders is an essential part of the scoping phase of major investigations. We seek views on the significance of the issues and the options for the Commissioner's involvement. Normally we do not investigate if substantive work is underway or proposed by other agencies. If the Commissioner does decide to investigate, the terms of reference are made available so that stakeholders are clear about why and how an investigation will proceed.

The Commissioner receives enquiries, comments and environmental information from individuals, groups, organisations and businesses. In return we provide resources, information and advice to assist people. All environmental concerns are assessed to determine the significance of the issues and the effectiveness of the action taken by the responsible agency. If an issue requires further attention, the Commissioner may refer it to the appropriate agency, undertake an investigation, or note the issue for ongoing monitoring.



## Work programme 2006/07

Our strategic plan provides the overarching framework for our work. Through the year, staff monitor environmental issues, analyse citizens' concerns and respond to Select Committee requests. Potential areas for investigation are assessed at an annual planning session involving all staff. All issues are screened to determine if we can make a significant and worthwhile contribution given the timing and resources available.

The scope of each investigation is determined following monitoring and research of key areas of concern, including analysis of complaints received by the office. The PCE's processes to plan and conduct a study, and subsequently to convey its findings, are essential to its success. Extensive interviews and discussions with a wide range of interested parties through the research phase, and post-publication engagement are key to ensuring uptake of the findings.

During 2006/07 the Commissioner's current term will end. While we move through this period of transition we will continue to pursue a mix of broad studies and very targeted investigations. Future operating intentions beyond 2006/07 will be shaped by planned 20<sup>th</sup> anniversary events (see below) and direction given by the new Commissioner.

Where opportunities exist, we will contribute:

- in association with other agencies (such as the Office of the Auditor General)
- through contracted pieces of work (such as 'think pieces')
- as commentaries linked to a particular event or Government initiative.

The following information outlines work due to be completed and work about to be carried out in 2006/07.

### Due to be completed by 30 June 2006

- Ongoing assessment of the electricity sector's environmental sustainability
- Development of indicators of progress towards sustainable development. This includes the Genuine Progress Indicator which factors in the social and environmental costs and benefits associated with growth
- Scoping issues relating to coastal seas and estuaries
- A study of economic incentives to encourage environmental sustainability. Management of waste will be used as a case study
- Scoping issues on transport and mobility in response to regulation of greenhouse gas emissions and the impact of peak oil
- A study on the future of wind power in New Zealand
- A study looking into New Zealand's distributed energy potential
- Public health impacts of the *Future currents* scenarios.

### **Proposed to start in 2006/07**

- A further review of New Zealand's sustainable development progress in 2006/07 – five years on from the release of *Creating our future: Sustainable development for New Zealand*.
- 20<sup>th</sup> Anniversary of the PCE
- An evaluation of the high country tenure review process.

### **20<sup>th</sup> Anniversary of the PCE**

To mark the PCE's 20<sup>th</sup> anniversary, a programme of events will be held in February and March 2007. Planning is now taking place with other stakeholders. The overall objective is to review the PCE's contribution to environmental sustainability over the last 20 years and consider what lies ahead in the next 20 years. The events will also be used to stimulate a wider dialogue on how to put sustainability thinking and action at the core of how New Zealand does things.

### **Communications planning**

A plan is close to completion to focus the PCE's communications activities by:

- analysing the strategic context within which the PCE works
- establishing the PCE's role and identity
- clarifying the audiences the PCE wishes to reach.

The media are increasingly seeing the Commissioner as an independent and authoritative commentator on environmental topics ranging from global themes such as climate change, to local environmental issues such as waste management. A media training programme for an expanded group of PCE staff is underway to share the workload of dealing with media inquiries.

In addition, work is beginning on a web strategy to update the PCE's website and to sharpen its focus.

The year 2007 will see increased communications around the organisation's 20th anniversary. A range of events will not only mark the anniversary but it will also be used as a platform to highlight the key environmental issues of the day.

## Improving our delivery

### Continuous improvement

We strive towards a culture of continuous improvement in the office, to build on our existing capability and to manage and minimise our risks. Continuous improvement activities take place through:

- regular monthly meetings
- financial and operational reporting
- an annual all-staff systems day
- a work programme of continuous improvement projects.

We also value greatly our annual engagement with our appointed auditor, Audit NZ. Their scrutiny of our office's financial and service performance feeds into our work programme.

Projects underway and planned for 2006/07 include:

- carrying out a review of our document template system which is used to create our corporate documentation
- further developing our office sustainability action plan (Govt<sup>3</sup>)
- implementing the recommendations of our financial systems review.

### Capability

We define capability as what our office needs, now and in the future, to deliver on our planned outputs to achieve our intermediate outcomes.

In 2005, Parliament gave our office additional funding to restore capability. This was used in 2005/06 to employ additional investigators and to contract out specific work. In 2006, Parliament provided funding to develop our information management capability so we can meet the requirements of the Public Records Act 2005 (see Information Management).

Our current capability challenges include:

- developing an information management culture throughout the organisation that is consistent with legislative requirements
- maintaining capacity and capability during the departure of key senior staff in early 2007.

Key capability objectives for 2006/07:

- reviewing the human resource manual and induction processes
- information management initiatives.

## Strategic risks

We have begun to develop a practical framework to help us identify, evaluate and treat risks, an unavoidable component of any corporate endeavour. In delivering our intermediate outcomes we continually manage several key strategic risks:

- failure to maintain independence and credibility
- loss of key staff
- failure to communicate our key messages
- failure to maintain our capability
- failure to respond to requests for Select Committee assistance.

### ***Failure to maintain independence and credibility***

Our key mitigation actions include:

- developing a legal compliance framework
- developing an office-wide corporate policies and procedures framework
- our internal and external peer review process.

### ***Loss of key staff***

Our key mitigation actions include:

- reviewing HR processes, including recruitment and retention.

### ***Failure to communicate our key messages***

Our key mitigation action is to:

- complete and implement our Communications Plan.

### ***Failure to maintain our capability***

Our existing mitigation actions include:

- a training and development programme
- a continuous improvement work programme.

### ***Failure to respond to requests for Select Committee assistance***

Our existing mitigation actions include:

- a flexible work force
- a business continuity plan.

Our discussion on risk and capability continues in two specific areas, *people and culture* and *systems and processes*.

***People and culture***

We seek and appoint qualified and competent people. The office has an inclusive culture, values diversity in background and experience, and supports ongoing learning. The Commissioner and his staff take care to ensure that their activities outside the office do not involve a conflict of interest with their work.

Our people must be able to work independently and are given considerable autonomy within a clear framework of values. The ability to function well within a team is also essential. The Commissioner is committed to ongoing training and development of all staff through coaching, in-house and external courses, conferences and seminars, and individual study programmes. Specialist expertise is contracted in when required.

Teamwork and good communication within and between teams is fostered through clear reporting relationships and regular team meetings. Project teams meet frequently as investigations proceed and report on progress against set milestones. Project team leaders meet regularly with the support team and management to resolve resource issues, negotiate and agree timelines, and keep each other informed on progress.

Key capability measures:

- do we have access to qualified and competent people (staff and consultants)?
- do we have a diverse workforce?
- do we offer a desirable place to work?

Work during 2006/07 to develop the capability of our people and culture includes:

- ongoing inhouse workshops and training events
- support for attendance at conferences and seminars
- secondment of staff to and from other agencies.

***Systems and processes***

The uptake of our advice depends on the credibility, quality and timeliness of our work. Our investigations are carefully scoped. Dialogue with stakeholders is essential but, to retain our independence, we must remain impartial to different interests, challenge existing thinking, and keep an open mind.

We look for clear gaps in knowledge and often contribute in areas that other agencies are not focusing on. We seek a balance between being proactive (delivering on areas identified in the Strategic Plan), and reactive as we respond to emerging issues and concerns.

Our written reports and findings are reviewed by appropriate agencies and are checked by a senior staff member. Major reports are subject to additional scrutiny through external peer review. Documents are released when the quality assurance process is complete.

Our corporate systems are the backbone of our operations. The corporate support team ensures that our administrative, financial and information management systems are maintained and are appropriate to our needs. We look for opportunities to improve our business systems and the technology that supports them.

Our priority areas to develop our capability and to mitigate the associated risks are:

- information technology
- information management
- operational and financial
- business continuity.

### **Information and communications technology (ICT)**

We rely on information and communications technology to deliver on our key areas of work. Our major risks are the loss of reputation, data or data confidentiality; fraudulent, malicious or accidental misuse of sensitive data or systems; and loss or damage to the organisation's hardware.

During 2005/06 policies and procedures have been developed to ensure we manage Information and Communication Technology (ICT) security risks, and that regular internal communication occurs to raise awareness of security issues and individual responsibilities.

Key capability measures are:

- do we have adequate ICT systems in place to effectively deliver on our intermediate outcomes?
- do our ICT systems run reliably and cost effectively?

Work in 2006/07 will continue to develop the capability of our ICT systems, specifically:

- the development of an ICT strategy to provide a decision-making and direction setting framework for the office, focusing on two areas:
  - network and infrastructure
  - value-added technology.
- further development of our contacts management system.

## Information management

Effective investigations by the office rely on good information and records management. We have various systems to manage our information and, as part of our capability improvement work, we have reviewed current systems and commissioned an independent audit of current practice. The audit included a gap analysis with recommendations for improvements to be phased in over the next two years.

Parliament has provided additional ongoing appropriation to bring the systems up to best practice, and to employ a part-time records officer to ensure that the office complies with the requirements of the Public Records Act 2005 and to meet the standards and guidelines issued by Archives New Zealand.

Key capability measures:

- do we have adequate Information Management systems in place to effectively deliver on our intermediate outcomes?
- do we maintain and enhance the skills of existing staff?

Work in 2006/07 to develop the capability of our information management systems includes:

- developing and adopting an Information Management Strategy to provide a decision-making and direction setting framework for the office
- reviewing and scoping user needs, content, and architecture requirements for the PCE website and intranet.

## Operational and financial

We strive to work in an efficient, sustainable and responsible manner. These values flow into how we operate and use resources. We aim to get the best value for money with minimal environmental impacts. This is a particular challenge for us as a small office and we work with others to share knowledge and practical solutions.

Govt<sup>3</sup> is a Ministry for the Environment programme to help government agencies become more environmentally sustainable. The Commissioner is committed to the programme and work is underway to progress it.

Key actions are:

- considering sustainability clauses, where relevant, when policies are reviewed or created
- reviewing our travel policy and incorporating sustainability principles
- considering ways to improve measurement of environmental impacts and develop strategies to reduce these impacts

- incorporating core measurement reporting into monthly operational meetings and staff communications
- working closely with other Govt<sup>3</sup> agencies of similar size to network and share information.

Key capability measures:

- do we have adequate operational and financial systems in place to effectively deliver on our intermediate outcomes?
- do we maintain and enhance the skills of existing staff?

Work in 2006/07 to develop our operational and financial systems is as follows:

- establish a legal compliance system
- deliver on our Govt<sup>3</sup> action plan
- provide assurance that we will be able to deliver opening International Financial Reporting Standard (IFRS) comparative figures for 2006/07.

### **Business continuity**

Business continuity assesses and manages risks to ensure that operations can continue if risks eventuate. These risks range from events that are out of our control, such as power failure, to deliberate or accidental damage to our systems. During 2005/06 a Business Continuity Plan was developed and implemented.

Key capability measure:

- is our Business Continuity Plan in place and working?

Work in 2006/07 to develop the capability of our Business Continuity Plan is as follows:

- establish a regular review and maintenance of it.



## Output overview

In 2006/2007 the Parliamentary Commissioner for the Environment expects to earn \$2.701M (GST exclusive) in revenue from the Crown for the supply of outputs detailed in the Statement of Objectives in this report. The Commissioner expects to incur expenses of \$2.704M (GST exclusive) in providing these outputs.

The Commissioner does not administer any non-departmental appropriations.

## Highlights: Key financial statistics

	2005/2006 Budgeted	2005/2006 Estimated Actual	2006/2007 Budgeted
	\$000	\$000	\$000
Revenue: Crown	2570	2570	2701
Revenue: Other	3	3	3
Output expenses	2573	2573	2704
Net surplus	0	0	0
Taxpayers' funds	172	172	172
Net cash flows from operating and investing activities	78	78	18

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## **PART B – Forecast Financial Statements**

## Introduction

These forecast financial statements contain the following statements:

- a statement of forecast financial performance
- a statement of forecast movement in taxpayers' funds
- a statement of forecast financial position
- a statement of forecast cash flows
- a reconciliation statement which provides further information on the movement in taxpayers' funds and enables analysis of significant differences between the net surplus/(deficit) in the operating statement and the operating cash flows in the cash flow statement
- details of forecast fixed assets by category
- departmental capital expenditure
- a statement of forecast service performance covering the Parliamentary Commissioner for the Environment's financial and output performance, including key financial measures and details of the nature, quantity, quality, timeliness and cost of the output classes to be supplied by the Parliamentary Commissioner for the Environment
- a statement of significant underlying assumptions and accounting policies to explain the basis on which the Parliamentary Commissioner for the Environment has compiled the forecast financial statements.

### Statement of forecast financial performance for the year ending 30 June 2007

	2005/2006 Budgeted <sup>4</sup>	2005/2006 Estimated Actual	2006/2007 Budget
	\$000	\$000	\$000
<b>Revenue</b>			
Crown	2570	2570	2701
Other	3	3	3
Interest	0	0	0
<b>Total revenue</b>	<b>2573</b>	<b>2573</b>	<b>2704</b>
<b>Expenses</b>			
<i>Output expenses:</i>			
Personnel	1622	1622	1634
Operating	865	865	985
Depreciation	72	72	72
Capital charge	14	14	13
<b>Total expenses</b>	<b>2573</b>	<b>2573</b>	<b>2704</b>
Surplus/(deficit) from operations	0	0	0
Profit on sale of physical assets	0	0	0
<b>Net surplus/(deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>

<sup>4</sup> This column incorporates both Main Estimates and Supplementary Estimates appropriations for 2005/06.

**Statement of forecast movement in taxpayers' funds as at year ending 30 June 2007**

	2005/2006 Budgeted	2005/2006 Estimated Actual	2006/2007 Forecast Position as at 30 June 2007
	\$000	\$000	\$000
Net surplus/(deficit) for the period	0	0	0
<i>Other recognised revenue and expenses</i>			
Increase/(decrease) in revaluation reserves	0	0	0
<b>Total recognised revenues and expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>
Capital contribution	0	0	0
Provision for payment of surplus to the Crown	0	0	0
Repayment of capital	0	0	0
<b>Movement in taxpayers' funds for the year</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Taxpayers' funds at start of period</b>	<b>172</b>	<b>172</b>	<b>172</b>
<b>Taxpayers' funds at the period end</b>	<b>172</b>	<b>172</b>	<b>172</b>

**Statement of forecast financial position as at 30 June 2007**

	2005/2006 Budgeted	2005/2006 Estimated Actual	2006/2007 Forecast Position as at 30 June 2007
	\$000	\$000	\$000
<b>Assets</b>			
<i>Current assets</i>			
Cash and bank balances	322	322	340
Short-term deposits with the Crown	0	0	0
Prepayments	0	0	0
Receivable and advances	0	0	0
<i>Total current assets</i>	322	322	340
<i>Non-current assets</i>			
Physical assets <sup>5</sup>	163	163	156
<i>Total non-current assets</i>	163	163	156
<b>Total assets</b>	<b>485</b>	<b>485</b>	<b>496</b>
<b>Liabilities</b>			
<i>Current liabilities</i>			
Payables and provisions	118	118	118
Capital charge payable	0	0	0
Provision for payment of surplus	0	0	0
Provision for employee entitlements <sup>6</sup>	104	104	206
<i>Total current liabilities</i>	222	222	324
<i>Term liabilities</i>			
Provision for employee entitlements <sup>6</sup>	91	91	0
<i>Total term liabilities</i>	91	91	0
<b>Total liabilities</b>	<b>313</b>	<b>313</b>	<b>324</b>
<b>Taxpayers' funds</b>			
General funds	172	172	172
<b>Total taxpayers' funds</b>	<b>172</b>	<b>172</b>	<b>172</b>
<b>Total liabilities and taxpayers' funds</b>	<b>485</b>	<b>485</b>	<b>496</b>

<sup>5</sup> Further details of physical assets are contained in a table on page 33 of this document.

<sup>6</sup> This includes leave and retirement entitlement provisions.

**Statement of forecast cash flows for the year ending 30 June 2007**

	2005/2006 Budgeted \$000	2005/2006 Estimated Actual \$000	2006/2007 Budgeted \$000
<b>Cash Flows from operating activities</b>			
Cash provided from:			
Supply of outputs to Crown	2569	2569	2701
Supply of outputs to other	3	3	3
Interest	0	0	0
Cash disbursed to:			
Cost of producing outputs:			
Output expenses	(2440)	(2440)	(2608)
Capital charge	(14)	(14)	(13)
<b>Net cash flows from operating activities</b>	<b>118</b>	<b>118</b>	<b>83</b>
<b>Cash flows from investing activities</b>			
Cash provided from:			
Sale of physical assets	0	0	0
Cash disbursed to:			
Purchase of physical assets	(40)	(40)	(65)
<b>Net cash flows from investing activities</b>	<b>(40)</b>	<b>(40)</b>	<b>(65)</b>
<b>Cash flows from financing activities</b>			
Cash provided from:			
Capital contribution from the Crown	0	0	0
Cash disbursed to:			
Payment of surplus to the Crown	(36)	(36)	0
<b>Net cash flows from financing activities</b>	<b>(36)</b>	<b>(36)</b>	<b>0</b>
<b>Net increase/(decrease) in cash held</b>	<b>42</b>	<b>42</b>	<b>18</b>
Opening total cash balances at 1 July	280	280	322
<b>Closing total cash balances at 30 June forecast</b>	<b>322</b>	<b>322</b>	<b>340</b>

**Reconciliation of forecast net cash flows from operating activities to forecast net surplus in the operating statement for the year ending 30 June 2007**

	2005/2006 Budgeted \$000	2005/2006 Estimated Actual \$000	2006/2007 Budget \$000
<b>Operating surplus/(deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Add/(deduct) non-cash expenses/ (revenue) from operating statement</i>			
Pension expenses			
Depreciation and amortisation	72	72	72
Other non cash items			
<b>Sub total</b>	<b>72</b>	<b>72</b>	<b>72</b>
<i>Add/(deduct) non cash working capital reductions/ (increases) from Balance sheet</i>			
(Increase)/decrease in receivables and advances	7	7	0
(Increase)/decrease in accrued interest	0	0	0
Increase/(decrease) in payables and provisions	17	17	(38)
Increase/(decrease) in provisions for employee entitlements	14	14	49
Increase/(decrease) in other accrued liabilities	8	8	0
<b>Sub total</b>	<b>46</b>	<b>46</b>	<b>11</b>
<i>Other operating activity cashflows</i>			
<i>Items classified as investing activities</i>			
Net (gain)/loss on sale of physical assets	0	0	0
<b>Net cash flows from operating activities</b>	<b>118</b>	<b>118</b>	<b>83</b>



**Details of forecast fixed assets by category as at 30 June 2007**

	2005/2006 Net Book Value	2006/2007 Cost	2006/2007 Accumulated Depreciation	2006/2007 Net Book Value
	Estimated Actual	Forecast Position as at 30 June 2007	Forecast Position as at 30 June 2007	Forecast Position as at 30 June 2007
	\$000	\$000	\$000	\$000
Furniture, fixtures and fittings	77	147	90	57
Office equipment	6	52	47	5
Computer equipment	80	392	298	94
<b>Total</b>	<b>163</b>	<b>591</b>	<b>435</b>	<b>156</b>

**Departmental capital expenditure as at 30 June 2007**

Year	01/02 Actual	02/03 Actual	03/04 Actual	04/05 Actual	05/06 Budgeted	05/06 Estimated Actual	06/07 Budgeted
	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Furniture, fixtures and fittings	1	2	112	10	0	0	0
Office equipment	1	0	5	6	0	0	0
Computer equipment	34	57	57	28	40	40	65
<b>Total</b>	<b>36</b>	<b>59</b>	<b>174</b>	<b>44</b>	<b>40</b>	<b>40</b>	<b>65</b>

**Statement of forecast service performance specifying the financial performance for the Parliamentary Commissioner for the Environment for the year ending 30 June 2007**

		2005/2006 Budgeted	2005/2006 Estimated Actual	2006/2007 Budget
	Unit			
<b>Operating results</b>				
Revenue: interest	\$000	0	0	0
Output expenses	\$000	2573	2573	2704
Operating surplus before capital charge	\$000	14	14	13
Net surplus	\$000	0	0	0
<b>Working capital</b>				
Net current assets <sup>7</sup>	\$000	100	100	16
Current ratio <sup>8</sup>	%	145	145	105
Liquid ratio <sup>9</sup>	no.	9.8:1	2.7:1	2.9:1
Average creditors outstanding <sup>10</sup>	days	25	25	7
<b>Resource utilisation</b>				
Physical assets:				
Total physical assets at year end	\$000	163	163	156
Value per employee	\$000	9	9	8
Additions as % of physical assets	%	25	25	42
Taxpayers' funds:				
Level at year-end	\$000	172	172	172
Level per employee	\$000	9	9	9
<b>Forecast net cash flows</b>				
Surplus/(deficit) operating activities	\$000	118	118	83
Surplus/(deficit) investing activities	\$000	(40)	(40)	(65)
Surplus/(deficit) financing activities	\$000	(36)	(36)	0
Net increase/(decrease) in cash held	\$000	42	42	18
<b>Human resources</b>				
Staff turnover	no.	1	1	1
Analyst to Support Staff ratio	no.	3.2:1	3.2:1	2.8:1
Total staff <sup>11</sup>	no.	18.4	18.4	19

<sup>7</sup> Current assets minus current liabilities.

<sup>8</sup> Current assets as a proportion of current liabilities.

<sup>9</sup> Cash and Bank Balance as a proportion of Payables and Provisions.

<sup>10</sup> Payables and provisions are adjusted to calculate trade creditors for this ratio.

<sup>11</sup> Full-time equivalents.

**Statement of forecast service performance for the year ending  
30 June 2007****Vote Parliamentary Commissioner for the Environment****Output class – Reports and advice*****Description***

Under this output class, reports and advice are provided on the capability of the government system for managing the environment. This includes independent advice on the performance of central and local government agencies that have statutory and administrative responsibilities for maintaining and improving environmental quality. The reports and advice arise from the exercise of functions under the Environment Act 1986.

When a concern comes to the office, enquires are made about whether it falls within the Commissioner's mandate and warrants investigation. Then a decision is made on whether it is a citizens' concern evaluation or an environmental investigation.

Each year the Commissioner receives between 130 and 250 concerns about:

- environmental management issues
- requests for information, including information about PCE investigations
- requests for addresses to conferences and articles for periodicals, newsletters and magazines.

A newsletter for Members of Parliament, local authorities, the media, and other interested parties, is published four times a year. Report summaries and some full reports are now published on the Commissioner's website.

The PCE is required under the Electricity Amendment Act 2001 to audit the Electricity Commission with respect to environmental objectives and outcomes, and has been funded accordingly. The role is an opportunity to add value to the electricity reforms and to work with all parties to achieve better environmental outcomes for the sector.

## Output performance objectives

### *Quality and Timeliness*

The Parliamentary Commissioner for the Environment will aim to ensure that:

- reports will clearly state their purpose, and address where relevant:
  - the requirements of Part I of the Environment Act 1986 and the terms of reference established for reviews, investigations and inquiries
  - questions raised by the House of Representatives and Select Committees
- assumptions behind the findings of reviews, investigations and inquiries, and behind advice on remedial action, and preventive measures for protecting the environment will be explicit, and arguments will be logical and supported by facts
- all known material facts relevant to findings and advice will be included in reports and accurately presented
- reports provide evidence of adequate consultation with interested parties, and that parties and public authorities which are the subject of investigations will be given the opportunity to examine and comment on reports before they are released
- technical information and analysis will be of acceptable scientific quality as measured by peer review
- material presented in reports will be:
  - summarised effectively
  - concise
  - written in plain language
  - free of spelling or grammatical errors
- responses to external enquires will provide information, or (where a concern has been raised about the adequacy of government agencies and processes to protect the environment) advice on action proposed by the Commissioner. These will be provided:
  - within 15 working days in 80% of cases
  - within 25 working days in 95% of cases.

**Quantity and cost**

	No.	Cost \$000
		2006/2007
<b>Investigations</b>		
Environmental investigations	5–10	1457
Citizens' concern evaluations (est)	40–80	314
Outcome evaluation reports (est)	5–8	24
Assistance to Select Committees (est)	5–10	68
<b>Total reports</b>	<b>55–108</b>	<b>1863</b>
<b>Information dissemination</b>		
Information for stakeholders (est)	30–50	42
Communication of advice (est)	50–70	733
Statutory reporting (est)	4–6	66
<b>Total information transfers</b>	<b>84–126</b>	<b>841</b>
<b>Total outputs</b>	<b>139–234</b>	<b>2704</b>

Outputs in this class will be provided within the appropriated sum of \$2,704,000 (GST exclusive). The GST-exclusive sum of \$2,701,000 (not including other Revenue) will be fully funded by revenue Crown.

The 2005/2006 final appropriation for this output class was \$2,573,000 (GST exclusive).

## **Statement of significant underlying assumptions**

These statements have been compiled on the basis of outputs agreed with the Speaker of the House of Representatives at the time the statements were finalised.

The forecast financial statements have been prepared in accordance with section 38 of the Public Finance Act 1989 and are consistent with generally accepted accounting practice. The measurement base applied is historical cost.

The accrual basis of accounting has been used for the preparation of these financial statements.

These statements have been prepared on a going-concern basis.

## **Statement of accounting policies**

### **Specific accounting policies**

#### ***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 the lessor retains all the risks and benefits of ownership, 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 and adopted as follows:

Furniture, fittings and fixtures	10 years
Furniture, fittings and fixtures (office fit-out)	5 years
Computer equipment	4 years
Other office equipment	5 years

***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.





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## **PART C – Additional information**

## **General information**

### **Location of Office**

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