

Statement of Intent

2013-2016

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section 39 of the Public Finance Act



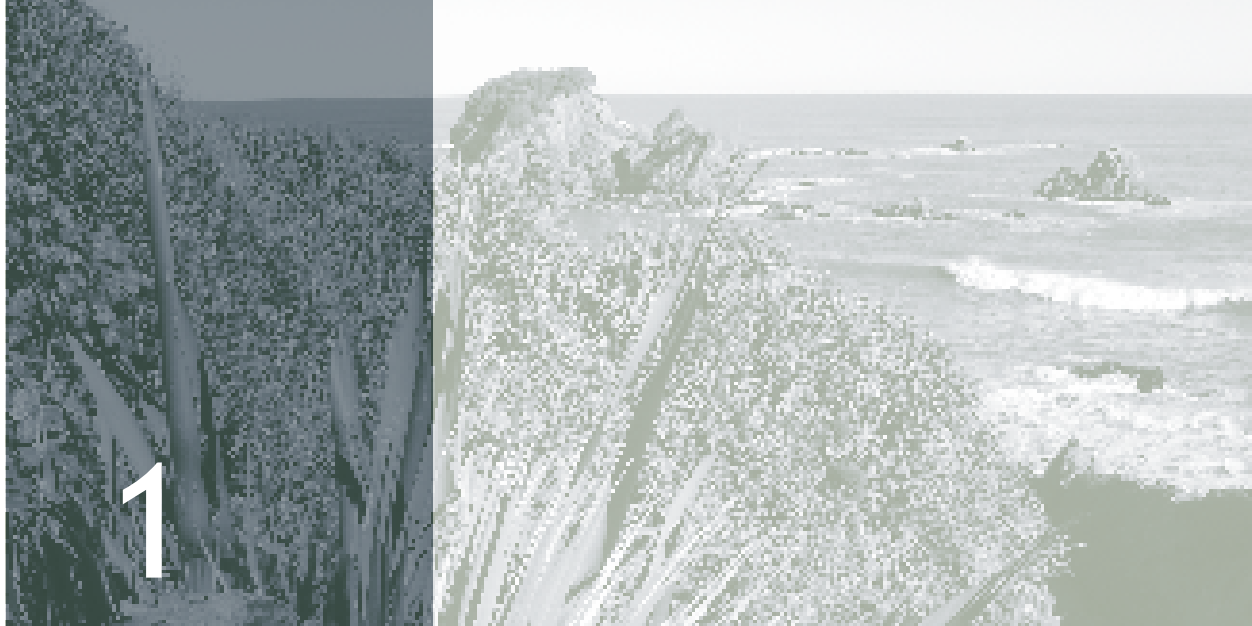
Parliamentary Commissioner
for the **Environment**
Te Kaitiaki Taiao a Te Whare Pāremata

Contents

1	Introduction	1
2	About the Commissioner	3
	2.1 Statutory functions	3
	2.2 Strategic planning and risk management	4
	2.3 Mission and values	6
3	Outcome: a high quality natural environment	7
4	Impact: Response to advice	9
5	Output: Reports and advice	10
	5.1 Environmental issues for future work	11
6	Input: Resources	12
	6.1 Cost-effectiveness	12
	6.2 Organisational health	13

Tables

Table 1	Managing strategic risks	5
Table 2	Impact performance measures and targets	9
Table 3	Output performance measures and targets	10
Table 4	Value for money performance measures and targets	13
Table 5	Organisation health performance measures and targets	14



Introduction

The year ahead proves to be another busy one. As environment issues are becoming ever more complex, so the work of my office becomes increasingly complicated – there are no easy answers. Environmental problems are multifaceted, with many interconnected relationships all requiring analysis.

There is no shortage of environmental issues that are worthy of investigation and the challenge remains balancing these issues with capacity. It is therefore critically important that investigations and advice add real value by leading to better decision-making and understanding.

Work during the past year has ranged across a wide variety of topics. In July 2012 I released a report entitled *Evaluating solar water heating: Sun, renewable energy and climate change*. This report investigated the merits of heating household water using the sun compared with traditional electric water heating systems. The major conclusion from this investigation surprised me and runs counter to what we would instinctively feel is right.

In November 2012 I released my report *Evaluating the environmental impacts of fracking in New Zealand*. I was particularly pleased with how well this interim report into hydraulic fracturing was received. Providing advice to Members of Parliament, as well as the general public on difficult matters is where my independence is especially valuable. I look forward to releasing my final report on this issue later in 2013.

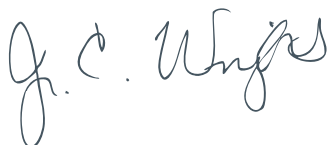
In April this year I completed my investigation into the endangered longfin eel. This extraordinary creature is found nowhere else in the world and we are failing to protect it adequately.

An investigation into the effects on water quality from land use change is another major project planned for completion in 2013. Preparing submissions on the many proposed amendments to the Resource Management Act is also will continue to be a focus.

I am looking forward to a very busy year ahead. It remains of critical importance to me that the analysis and advice flowing from the work of my office is independent, accurate, and practical.

In preparing this Statement of Intent, I have consulted the Speaker of the House of Representatives in his capacity as the "Responsible Minister" for Vote Parliamentary Commissioner for the Environment.

Dr Jan Wright

A handwritten signature in black ink, appearing to read "J. C. Wright". The signature is written in a cursive style with a large initial 'J' and 'W'.

Parliamentary Commissioner for the Environment



2

About the Commissioner

The position of the Parliamentary Commissioner for the Environment was created by the Environment Act 1986. The Commissioner is appointed for a five-year term. The current Commissioner, Dr Jan Wright, was appointed in 2007 and has been re-appointed for a second term.

As an independent Officer of Parliament, the Commissioner has wide-ranging powers to investigate a broad range of environmental concerns. 'Independent' means independent of the government of the day, so the Commissioner reports not to a Minister but to Parliament through the Speaker of the House.

The Commissioner's job is to provide all Members of Parliament with high quality, independent advice about the environment. When the role was established, words such as "*watchdog*", "*environmental auditor*", "*Parliament's person*", and "*without fear or favour*" were used by Members of Parliament in the debate. They are still relevant today.

The Commissioner is quite separate from environmental agencies such as the Ministry for the Environment and the Environmental Protection Authority.

The Parliamentary Commissioner for the Environment has a total of 16.9 FTE staff and a budget of \$2.4 million.

2.1 Statutory functions

The Commissioner has seven statutory functions granted under the Environment Act. These are wide-ranging and form the basis of her ability to investigate environmental issues, processes, and public agencies. The Commissioner is able to define her own topics, choose the methods by which investigations are undertaken, and identify the questions and information sources that are relevant.

The legislative functions of the Commissioner are listed in section 16(1) of the Environment Act 1986, and are to:

- a) review the system of agencies and processes established by the government to manage the allocation, use, and preservation of natural and physical resources, and report to the House of Representatives
- b) investigate the effectiveness of environmental planning and environmental management carried out by public authorities, and advise them on remedial action
- c) investigate any matter where the environment may be or has been adversely affected, advise on preventive measures or remedial action, and report to the House of Representatives
- d) at the request of the House of Representatives or any select committee, report on any petition, bill, or other matter which may have a significant effect on the environment
- e) on the direction of the House of Representatives, inquire into any matter that has had or may have a substantial and damaging effect on the environment and report to the House
- f) undertake and encourage the collection and dissemination of information relating to the environment
- g) encourage preventive measures and remedial actions for the protection of the environment.

2.2 Strategic planning and risk management

Because the functions of the Commissioner are very broad, and there are many environmental issues worthy of investigation, prioritisation of projects is key to strategic planning. Projects generally fall into two categories – investigations and advice to select committees on bills and inquiries.

Several criteria are used to prioritise projects.

First, not all environmental problems are equally important. Three aspects of an environmental problem are assessed when determining whether to undertake an investigation. An environmental problem is considered to be of particularly high priority if it is irreversible, cumulative, and growing fast.

Second, there must be an opportunity to add value. It is important to avoid duplicating the work of others. And a project where the independence of the Commissioner will allow progress to be made on difficult or contested topics or which is likely to lead to practical recommendations will be ranked ahead of one that does not.

There are limits on the ability of a small office to respond to opportunities as they arise. Whether or not there is adequate capacity and capability to undertake a project must also be addressed.

With the potential role for the Commissioner to undertake state of the environment reporting at a national level, a new criterion for prioritising projects has been incorporated into decision-making. Potential projects are examined to see whether they can usefully contribute to knowledge or understanding that would be needed in preparing a report on the state of the environment.

As part of the strategic planning process it is also necessary to identify future risks, and put appropriate mechanisms in place to counter those risks. Table 1 below describes the processes by which these risks are managed.

Table 1 Managing strategic risks

Risk	Management
<p>1. Loss of independence Independence is crucial to the Commissioner’s work. A loss or a perceived loss of that independence would undermine the trust in the Commissioner’s work.</p>	<p>The Commissioner places significant emphasis on maintaining her independence. In addition to her providing leadership, the office has processes in place to support the management of risk. These include an oath of secrecy taken by all staff (as required by the Environment Act), a Code of Practice for interacting with Parliament, a Code of Conduct, and a register for potential conflicts of interest.</p>
<p>2. Report failure The risk that a technical error is used in a material way that results in a conclusion or recommendation that is significantly wrong in nature.</p>	<p>External peer reviews of technical content are undertaken and internal reviews are an intrinsic part of the project team approach. Information taken from references is double-checked. These procedures are specified in the Project Guidelines Policy.</p>
<p>3. Loss of capability The risk that we are unable to retain, recruit, or access people with the technical talent and skills required.</p>	<p>The Commissioner’s staff undertake individual and cross-office training to ensure they are able to deliver high quality reports and advice to Parliament. All staff members have a professional development plan incorporated into their performance agreements to provide the opportunity to continue to expand their skills and knowledge.</p>
<p>4. Loss of reputation The risk of the Commissioner losing credibility could happen because of failings in one of the three risk areas listed above, or by failing to communicate clearly and fairly the results of her work.</p>	<p>Communicating effectively about the Commissioner’s role and results of investigations is part of managing this risk. This includes briefing affected parties before a report is released. Another is ensuring adequate coverage of sources that could be relevant to an investigation. For instance, in the investigation into 1080, groups and individuals from across the spectrum were consulted.</p>

2.3 Mission and values

The mission of the Commissioner is derived from her functions which are all intended to help maintain or improve the quality of the environment in New Zealand. The values of the office describe the qualities that staff seek to bring to investigations and the development of advice.

Mission

To maintain or improve the quality of the New Zealand environment by providing robust independent advice that influences decisions

Values

Excellence	The questions we raise and the solutions we propose are based on sound science and reasoned argument. We are accountable to the people of New Zealand and deliver value for the funding we receive.
Determination	We bravely and constructively question the status quo. We persist in communicating the results of our work in different ways to maximise its usefulness.
Generosity of spirit	We work together in an open collegial way, sharing our expertise, listening carefully, and not rushing to judgment. We actively acknowledge decisions and actions that benefit the environment.
Innovation	Our independence empowers us to think freely and creatively. We strive to get beyond describing problems to proposing solutions.
Effectiveness	Others trust and respond to our advice. Our work has a lasting and tangible impact on the New Zealand environment.



3

Outcome: a high quality natural environment

The quality of New Zealand's natural environment is very important to New Zealanders. It is central to our quality of life, our international reputation, and our economy. We take pride in our 'clean and green' image and it is a key part of our identity.

The outcome sought by the Commissioner is that the quality of New Zealand's natural environment is maintained or improved. Through investigations and advice, environmental issues are examined and solutions proposed in the form of recommendations. The impact of these recommendations is measured by the extent to which recommendations are taken up by decision makers. Figure 1 illustrates the relationship between the input of resources into the office of the Commissioner and the outcome sought.

Figure 1 Outcome

**Outcome framework:
Parliamentary Commissioner for the Environment**



4

Impact: Response to advice

The Commissioner produces one output, Reports and Advice. The measurable impact of this output is the response to the recommendations made by the Commissioner in reports tabled in Parliament and in submissions and advice to select committees.

There are two indicators of impact as shown in Table 2. The first relates to the acknowledgement of the recommendations and the second to the uptake of the recommendations in their entirety or in part.

The wheels that turn public policy can move slowly. It is therefore expected that the uptake of recommendations will change over time as proposals work their way through the political system.

The Commissioner is alert to the perverse incentive of making recommendations trivial and 'easy' to adopt. She will continue to give advice without fear or favour.

It is important to note that this measure of impact is only partial. The Commissioner's work has many impacts that are not directly related to recommendations. For instance, the report on understanding the science of water quality contained no recommendations, yet there was extensive media coverage and very positive feedback from both Members of Parliament and the general public. Increasing public understanding of environmental issues such as water quality makes an important contribution to raising the level of debate, and thus supports more informed decision-making as a result.

Table 2 Impact performance measures and targets

Measure	Target for 2013-16	Est. Actual 2012/13	Actual 2012	Actual 2011	Actual 2010
Proportion of recommendations from investigations that were:					
• responded to	100%	100%	100%	100%	100%
• adopted or partially adopted	65%	65%	62%	60%	51%

5

Output: Reports and advice

The Commissioner provides advice in a variety of forms.

Reports of investigations are tabled in Parliament and, under Standing Orders, are referred first to the Local Government and Environment Committee for consideration. A report may be referred on to a different select committee should the topic better fall within its responsibilities. Following a presentation on the report by the Commissioner, the select committee considers the findings and subsequently reports back to Parliament.

Written advice on bills and inquiries is given to select committees and generally followed up with a presentation. The Commissioner also sometimes provides feedback on government discussion documents.

Responses to investigations and advice are followed up to establish what progress is being made. This includes monitoring comments from political parties and sector groups as well as seeking clarification from Ministers regarding the implementation of recommendations. These are reported in summary form through the Annual Report and in more detail through Update Reports.

Table 3 Output performance measures and targets

Measure	Target for 2013-16	Est. Actual 2012/13	Actual 2012	Actual 2011	Actual 2010
Number of reports on investigations	2-5	4	2	4	2
Number of presentations to select committees	5-7	4	4	1	3
Update reports	2-4	2	2	4	N/A

5.1 Environmental issues for future work

There is an inexhaustible number of environmental issues worthy of investigation. The strategic planning process has identified the following as areas of focus.

Climate change is the most important environmental issue facing the world, and as such is a constant in the thinking of the office. It is an issue that spans most of the work of the office, directly or indirectly. Preliminary work is underway on adaptation to climate change.

Energy is a vast topic, ranging from electricity through to transport and mining. Following an interim report, work is underway on an investigation into hydraulic fracturing. Other work on electricity and fossil fuels may be undertaken in the future, building on the expertise gained during investigations in recent years.

Water and Land management remains one of New Zealand's greatest environmental challenges. Work is underway which builds on the report on understanding the science of water quality, and explores the relationship between land use and its effects on water quality. The reduction in planned forestry caused by the weakening of the Emissions Trading Scheme is a related concern. Also, some initial work is planned on how reporting on the state of the country's soil might be done.

Biodiversity will continue to feature in a number of projects in different ways. For instance, the investigation into the pesticide 1080 revealed the great inadequacy of current pest control, and the investigation on water quality recognises the importance of freshwater ecosystems. Biodiversity also features in the work underway on aspects of commercial use of the conservation estate.

The marine environment is deserving of more investigation. Some initial work has been undertaken on how reporting on the state of our oceans and coasts might be done. While most of their life is spent in freshwater, the investigation into longfin eels has developed expertise within the office on the ways in which fisheries are managed, and is likely to provide a basis for future work. Marine mammals are a possible topic for future investigation.

Environmental agencies and processes are a significant area of work for the Commissioner. To some extent virtually all reports and advice examine the systems and processes which are in place.



6

Input: Resources

With a budget of \$2.4 million, the Commissioner delivers one output 'Reports and Advice'. The Commissioner is assisted by a small office of 18 staff (16.9 FTEs).

6.1 Cost-effectiveness

Cost-effectiveness is a guiding principle that is incorporated into day-to-day operations as well as the wider work of the office.

The procurement policy states that a "value for money" approach should be taken when procuring goods or services. Although not required to do so, the procurement policy follows guidelines provided by the State Services Commission. Consideration is also given to environmental issues such as the use of energy efficient products and technologies where relevant. The office is participating in the 'All of Government' procurement process which has resulted in reduced expenditure on a number of items.

A value for money approach also underlies a culture of actively pursuing continuous improvement - continually evolving the way things are done and looking for ways to do it better. Producing reports which are clear and well-presented is an ongoing priority. The office now has the internal capability to lay out reports, reducing the costs associated with printing, and streamlining the production process. Similarly, illustrations such as figures and maps are developed 'in-house', making fine-tuning of material quick and easy.

The Commissioner actively engages with Members of Parliament and others on her reports and continually strives to present material in a way that is useful and relevant, so as to extract the most value from the work that has been done.

However, while there are many ways the activities undertaken in the office are tested to ensure they are as cost-effective as possible, establishing value for money at the high level is a much more difficult prospect.

As described in section 4, the impact of the Parliamentary Commissioner for the Environment is measured in terms of the response to her recommendations. Therefore, dividing the budget by the number of recommendations adopted can be considered an indicator of cost-effectiveness, although it is far from perfect.

As in the measurement of impact, this measurement of cost-effectiveness can incentivise the making of recommendations that are 'easy' to adopt. However, this would be completely at odds with the strong internal and external quality control, and indeed contrary to the values of the organisation. Additionally, much of the work of the Commissioner is debated in the public domain, within the parliamentary process, and through the media. All recommendations, and arguments presented to support them, are made in a very transparent manner, providing its own accountability for the quality of recommendations.

The performance measures used to assess cost-effectiveness are below.

Table 4 Value for money performance measures and targets

Measure	Target for 2013-16	Est. Actual 2012/13	Actual 2012	Actual 2011	Actual 2010
Supplier contracts consistent with procurement policy	100%	100%	100%	100%	100%
Remuneration increases consistent with public sector expectations	100%	100%	100%	100%	100%
Cost per recommendation adopted ¹	\$25,000 or less	\$29,000	\$33,000	\$35,000	\$56,000

6.2 Organisational health

Staff must have the right skills in order for the Commissioner to deliver reports and advice that are of high quality. That means retaining top performing staff and attracting high calibre applicants. It also means the office is recognised as a workplace in which achievement, challenge, and results are expected and delivered. Over recent years increasing emphasis has been placed on working in a supportive, collegial style which fosters leadership skills within project teams, as well as providing greater opportunities for staff to learn from their colleagues.

An active programme of performance management is undertaken to ensure staff continue to grow and expand their professional skills. Activities undertaken include mentoring and career coaching, conferences and seminars, and further tertiary study.

Measures of staff satisfaction can be challenging for a small office. However, it is clear when things are working well because low staff numbers make interactions transparent. Undertaking formal engagement surveys is not a priority for expenditure.

¹ One difficulty is that the uptake of recommendations is measured cumulatively because, while recommendations are made within a year, the response to them inevitably occurs over time. This means that the indicator 'cost per recommendation adopted' in Table 5 can be expected to fall over time, if the budget remains the same. The budget for: 2010: 2,490,000; 2011: 2,340,000; 2012: 2,340,000; 2013: 2,440,000

Staff turnover may be regarded as another indicator of job satisfaction. However, low numbers of staff mean that comparatively few departures can quickly inflate the statistics. Exit interviews are undertaken to ensure there is a good understanding of the reasons for departure and whether there are aspects of organisational performance that need addressing.

Measures for assessing organisational health are below.

Table 5 Organisation health performance measures and targets

Measure	Target for 2013-16	Est. Actual 2012/13	Actual 2012	Actual 2011	Actual 2010
Performance management plans in place and annual performance reviews undertaken	100%	100%	100%	100%	100%
Annual unplanned staff turnover	Equal or better than public service ²	0%	18%	23%	18%

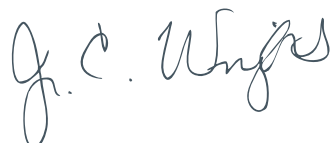
² Average as reported by the State Services in their most recent *Human Resource Capability Survey of Public Service Departments*

Chief Executive's Statement of Responsibility

Parliamentary Commissioner for the Environment

In signing this statement, I acknowledge that I am responsible for the information contained in the *Information Supporting the Estimates* relating to the Parliamentary Commissioner for the Environment, Vote: Parliamentary Commissioner for the Environment.

The information has been prepared in accordance with the Public Finance Act 1989. It is also consistent with the proposed appropriations set out in the Appropriation (2012/2013 Estimates) Bill, and with existing appropriations and financial authorities.



Dr Jan Wright
Chief Executive
Parliamentary Commissioner
for the Environment

Date: 8 April 2013



Sarah Clark
Chief Financial Officer

Date: 8 April 2013