



ANNUAL REPORT
for the financial year
2022-23



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LIST OF ABBREVIATIONS

ADB	Asian Development Bank
AEA	Aitutaki Environment Authority
AF	Adaptation Fund
BCI	Bank of the Cook Islands
BSG	Budget Support Group (MFEM)
BTOR	Back to Office Report
CBD	Convention on Biological Diversity
CIIC	Cook Islands Investment Corporation
CITES	Convention of International Trade in Endangered Species
EC	NES' Environmental Compliance department
ECS	NES Environmental Communications Strategy 2022-27
eDM	Electronic direct mail
EIA	Environmental impact assessment
EP	NES' Environmental Partnerships department
EPP	NES' Environmental Policy & Planning department
ES	NES' Environmental Stewardship department
FAD	fish aggregating device (fisheries)
FMIS	MFEM's Financial Management Information System
GCF	Green Climate Fund
GDP	Gross domestic product
GEF	Global Environment Facility
GEF-7	Global Environment Facility's 7th funding cycle
GEF-8	Global Environment Facility's 8th funding cycle
HAC	High Ambition Coalition
HR	Human Resources
ICI	Infrastructure Cook Islands
IEA	Island Environmental Authority
IEMP	Island Environment Management Plan
IVS	International Visitor Survey
JD	Job Description
KO	Korero o te Orau (NGO)
KPI	Key Performance Indicator
KRA	Key Results Area
M&E	Monitoring & Evaluation
MEA	Mauke Environment Authority
MFAI	Ministry of Foreign Affairs and Immigration



MFAT	New Zealand’s Ministry of Foreign Affairs and Trade
MFEM	Ministry of Finance & Economic Management
MFEM-DCD	MFEM’s Development Coordination Division
MMR	Ministry of Marine Resources
MOA	Ministry of Agriculture
MOU	Memorandum of Understanding
MWLR	Manaaki Whenua – Landcare Research (NZ)
NBSAP	National Biodiversity Strategy & Action Plan
NEP	National Environment Policy 2022-32
NES	National Environment Service
NES-SMT	NES Senior Management Team
NES-STAC	NES Science, Technical & Advisory Committee
NGO	Non-government organisation
NHT	Natural Heritage Trust
NZ MfE	NZ’s Ministry for Environment
NZDOC	NZ’s Department of Conservation
OECM	Other Effective Conservation Measures
OPM-CCCI	Office of the Prime Minister – Climate Change Cook Islands division
OPM-CPPO	Office of the Prime Minister – Central Policy & Planning division
OPSC	Office of the Public Service Commissioner
PMR	Performance Management Review
POLP	Pacific Ocean Litter Project
SBMA	Seabed Minerals Authority
SDGs	Sustainable Development Goals
SIDS	Small Island Development State
SOE	State of Environment
SPREP	Secretariat of the Pacific Regional Environment Programme
STAR	GEF’s System for Transparent Allocation of Resources
TIS	Te Ipukarea Society (NGO)
TMO	Te Marae Ora/Ministry of Health
TOR	Terms of Reference
TTV	To Tatou Vai
UNCCD	United Nations Convention to Combat Desertification
UNDP	United Nations Development Programme
UNEP	United Nations Environment Programme
UNFCCC	United Nations Framework Convention on Climate Change
VSA	Volunteer Services Abroad

30th September 2023

Te Marae Akarau Vananga O Te Kuki Airani
Parliament of the Cook Islands
RAROTONGA

Kia Orana,

I am pleased to present to you, as required under Section 6 of the Environment Act (2003), the Annual Report for the National Environment Service, in relation to its activities and performance for the financial year period from 1 July 2022 to 30 June 2023.

In this Report, I have provided a summary of:

- The annual performance of the National Environment Service
- The work of the National Environment Service during the financial year
- Any other matter that the National Environment Service considers necessary to report

To ensure the report is widely available, I have instructed the Director of the National Environment Service to make the Report available to the following:

- Chairperson of each Island Environment Authority (IEA)
- Upload the Report on the National Environment Service website
- Media Release of the Annual Report is added to the National Environment Service's Te Kura Tavake electronic direct mail (eDM)

I take full responsibility for this Report and provide my reassurance with respect to the accuracy and reliability of the information contained within this Report.

Kia manuia



Honourable Albert Nicholas

Minister for the National Environment Service, Infrastructure Cook Islands, Cook Islands Investment Corporation and the Business Trade & Investment Board

Government of the Cook Islands

Rarotonga

Cook Islands

2 EXECUTIVE SUMMARY

The National Environment Service (NES) herein reports on its activities and performance for the financial year period 2022-23.

An outline of NES's key highlights and achievements during the financial year shows a range of activities aligned with its mandate to protect, conserve and manage the environment. From the launch of NES's Environmental Communication Strategy 2022-27 and its National Environment Policy 2022-32 to the issuing of warrants and MOUs, NES achieved many goals set in its 5-year strategic framework.

The annual report elaborates on NES's mandate and the 5-year strategic framework that sets out key goals and measures for institutional strengthening of its operations, governance, policy, compliance, research, communication and building of partnerships. The reorganisation of NES's human resources plan resulted in a new organisational structure that is fit-for-purpose to meet its current needs. In 2022-23, NES received Government appropriation of \$1.6 million and a donor partner portfolio balance of \$158,419. NES is on track to receive \$18.5 million from 2023 to 2029 in notable projects like the GEF-7 and GEF-8 through the Global Environment Facility (GEF).

In this report, NES provides an update on the environment focusing on the marine, terrestrial and coastal areas. The Marae Moana Outlook Report 2021 was tabled with the Marae Moana Council to draw on the current health, risks and resilience of ecosystems, status of biodiversity, uses and measures in place and the long-term outlook of the Marae Moana. Further notes were provided on funding of projects in the marine environment, Pa Enuā, and the implementation plans to support the application of the Environment (Seabed Mineral Activities) Regulations passed in June 2023.

The terrestrial and coastal environment is also covered in the annual report. The challenges faced from land-use activities and particularly with the post-COVID19 economic recovery of the Cook Islands, means that terrestrial and coastal activities must be managed carefully to ensure the environment is protected. In 2022-23, 130 applications were received on development activities and 37 complaints were attended by NES staff. The current work plans on a new Environment Bill and Environment (Consents & Permits) Regulations will address the many gaps in the Environment Act 2003.

Environmental baseline data is identified to be a limitation due to the lack of data available, limited systems, resources and capacity. However, NES's 5-Year Strategic Framework built a foundation that will lay the building blocks towards achieving sound environmental baseline data in the Cook Islands. This led to the development of the Monitoring and Evaluation (M&E) Framework and Monitoring Indicators as part of the National Environment Policy 2022-32. This data will be used to build the next State of the Environment Report while ensuring accuracy, timeliness and relevance of data is obtained.

The annual report focuses on the performance of NES in 2022-23, as a central part of the report that will inform future strategies and plans to strengthen organisational performance. The performance of NES is assessed in this report by using four key methodologies and the traffic lights system. Firstly, the analysis of NES's first performance management review of its staff. NES' average performance is rated as a 3B with key strategies on how it can enhance performance. Secondly, is to measure the critical success factors for NES's leadership. The indicators were taken from the Director's six key results areas required to strengthen NES. Thirdly, is to measure how NES is tracking against the 5-Year Strategic Framework it set in 2022. By using the traffic lights system, NES has completed 73% of its 33 indicators in its first two years of the strategy. Lastly, NES measured its performance based on the key outcomes of its Business Plan 2022-32 submitted to Government. From a total of 22 Key Policy Outcome indicators across the 5 Outputs, NES has successfully completed 64%.

Finally, NES provided its draft financial statements as at 30 June 2023. NES continues to strengthen its financial systems to ensure the Cook Islands Government and international partners are confident in its systems and internal controls.

This annual report provides a comprehensive review of NES's performance and activities in 2022-32, with recommendations provided on how NES can continue to build momentum and strengthen its performance and public awareness of its programmes.

3 KEY HIGHLIGHTS AND ACHIEVEMENTS

July 2022

- Launched Environmental Communications Strategy (ECS 2022-27)
- Launched NES Assessment Sheet for Environmental Compliance
- Refurbished the Aitutaki office conference room
- Palmerston Island Rat Eradication scouting visit by NZ-DOC
- Emergency provision applied to properties damaged by sea surge
- Cross-agency training on the permitting authority (SBMA, TMO, ICI, CIIC and NES)
- New data centre for NES to increase file storage
- MOU with the University of Newcastle, Australia
- Partnered with TIS for rat eradication in Suvarrow
- Completed first Performance Management Review cycle for all staff

September 2022

- Workplace induction completed for all NES staff
- Launched two new videos on Wetlands and Mangroves
- Recruitment of the Environment Officer for Aitutaki
- World Clean Up day collected 751kg of waste
- Commemorated Ozone and World Clean Up Day
- Relaunched the Cook Islands Environment Magazine
- Finalise consultation with ICI on the Solid Waste Management Plan

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August 2022

- Executed new social media posts as part of the ECS 2022-27
- VSA Communications Advisor started with NES
- NES received a high score for OPSC's Health & Wellbeing survey
- Launched the Environment Compliance & Monitoring Registry
- All staff completed the signing of their employment agreements
- Completed stocktake of all Island Environment Authority members for all the islands
- Training of Customs Officers for Montreal Protocol licencing
- First calibration of all staff Performance Management Review results by the Management team

October 2022

- VSA Data Management Advisor started with NES
- All Pa Enea staff (except Aitutaki) completed their induction time
- First Island Government MOU signed with the Cook Islands Administration
- Induction programme run for the first time
- Training of Pa Enea staff from Aitutaki on compliance processes and data management
- NES provided input to ICI's Urban Planning Policy
- NES provided input to SBMA's Environmental Compliance Strategy
- Training of CITES signatories with NES
- NES joined the Cook Islands Government Support Group for the first time

EVENTS FROM 2022-23

2022
 S staff
 and Recycling
 or Atiu
 Waste on Rarotonga
 up Day in Mangaia
 nt Data Portal with SPREP
 & Hazardous Waste bill

November 2022

- EIA advertised for the Avarua Wharf Wastewater Improvement Project
- In-country training by SPREP on environmental compliance and multilateral environment agreements
- Issued TOR for drafting of the new Environment Bill 2023
- SBMA & NES reviewed stakeholder submissions for the Environment (Seabed Minerals Activities) Regulation
- NES attended Araura Career Expo to create more awareness in Aitutaki
- Final stakeholder consultation for the National Environment Policy 2022-23
- NES Employee Tohoa Puna made international headlines for her national statement for the 1st Intergovernmental Negotiation Committee on the new Plastic Pollution treaty

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er 2022
 r started with NES
 ki) changed from full-time to part-
 signed with the Atiu Island
 e Rarotonga Environment Authority
 Atiu, Mitiaro and Mauke on new NES
 a collection
 an Planning Development
 Standards & Guidelines Tranche 1
 within NES
 overnement and Tarai Vaka Budget

December 2022

- Honourable Albert Nicholas appointed as the new Minister for the National Environment Service and other portfolios
- Cook Islands became the first Pacific member state to join the High Ambition Coalition (HAC) to end Plastic Pollution
- NES Science & Technical Advisory Committee (NES-STAC) formally established by issuing TOR
- Technical Experts sourced for water resource management in the Cook Islands
- Global Biodiversity Framework at the CBD is endorsed
- Cook Islands confirmed to receive US\$250k for its new National Biodiversity Strategy and Action Plan (NBSAP)

3 KEY HIGHLIGHTS AND ACHIEVEMENTS

March 2023

January 2023

- Director's message in the Te Kura Tavake electronic mail commits to 2023 milestones - overhaul environment legislation, improve financial performance, technical capacity, communications and explore new legacy waste projects
- Issued TOR for completion of documentation forms, letters and guidelines for the Environment (Seabed Minerals Activities Regulation) 2023
- GEF meeting confirmed the allocation of US\$8 million for the Cook Islands in its 8th Replenishment Cycle
- Cabinet approved the National Environment Policy 2022-32
- Other Effective Area-based Conservation Measures (OECM) workshop carried out with key stakeholders

- NES staff Eva Patai joins MMR in a mission for reef surveys, microalgae sampling, marine debris and beach rubbish data collection and an island clean-up
- NES staff Hayley Weeks is the only SIDS member on the committee to review UNCCD's global strategy
- New warrants issued for the Mauke Environment
- MOU signed between NES and the Mauke Environment
- NES staff Tekura Moeka'a and Junior Tapoki attend training for new MEA members and upskilling
- New warrants issued for the Aitutaki Environment
- NES staff Roselyn Strickland and Benjamin Maxwell attend induction training for new AEA members and upskilling Aitutaki staff
- EIA issued for the 'Te Tau Papa o Avarua' and Punanga Nui Reorganisation
- Successful launch of the National Environment Tereora College. Government Internships from Tereora College - from NES, ICI, MMR

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February 2023

- NES Strategy Day conducted to strategise on communication skills, performance management and fostering a high-performance culture
- Guest speakers present at NES Strategy Day: Vaine Arioka (BCI), Addrienne Hosking-Tinirau (Air New Zealand) and Claire Wilson (Kia Orana Collective)
- Business Plan submitted to the Cook Islands Government Budget Support Group with a total new initiative proposed for \$1.2 million
- NES completed the first national submission made to the Intergovernmental Negotiation Committee for the Plastics Treaty
- NES completed a full reconciliation of its financial statements and accounts and submitted to MFEM and Audit
- NES obtains a high transparency rate of 81% and a high staff engagement rate of 86% in OPSC's Public Sector Leadership Survey
- New digital business cards launched for NES - an initiative by its own staff Cailean 'K-man' Henderson
- NES Employees Vavia Tangatataia, Benjamin Maxwell and Junior Tapoki enrolled with the University of Newcastle for a Graduate Diploma in Environment Management & Sustainability - a milestone for NES's capacity building and investment in its staff's technical capacity

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April 2023

- New CITES database and website launched
- New MOU signed between NES and the Tereora College (TIS)
- New MOU signed between NES and the Tereora College
- NES co-plans first meeting of the Tereora College Group approved the rules of procedure
- NES runs the Kopapa Ao Ora National Environment meeting to update on key biodiversity
- Wheelie bins and waste stations installed on the outcomes of the NES island clean-up
- NES completed its first Basel Convention submission
- Cook Islands hosted the Pacific Islands Intergovernmental Negotiation Committee meeting
- Cook Islands celebrated SPRE 2023
- NES hosted the GEF-8 National Environment meeting
- NES Employee Siana Whatarau encourages youth to participate in the SDG

EVENTS FROM 2022-23

May 2023

on to Mitiaro that included
e sediment sampling,
nd clean up

representative to join
tegric framework 2018-30

onment Authority (MEA)

e Island Government

oki deliver induction
lling of NES Mauke staff

onment Authority (AEA)

in Maxwell deliver
and upskilling of NES

- Panama Beautification

ment Policy 2022-32 with
ffered to six students
MR, TTV, CCCI & MOA

- Three new staff join to operate the GEF7 programme: Lydia Sijp, Terena Koteka-Wiki and Fred Nicholas
- NES runs its Inception Workshop with key stakeholders to launch the GEF7 programme
- The National Environment Week is run by NES to include a full programme on biodiversity, waste and marine conservation
- Launch of NES's new video on plastic pollution to celebrate National Environment Week
- World Ocean Day is celebrated with the launch of a new video by NES to conserve and protect our oceans
- NES completed its first Marae Moana Agency Report that captures data and policy work relating to the marine environment
- NES completed a full waste audit of Manihiki Island
- NES calls for a reduction in global plastic production at the 2nd Intergovernmental Negotiation Committee Plastic Pollution Treaty
- Two rangers placed in Suwarrow to manage island for 6-7 months

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June 2023

2023

site (microsite) launched

S and NGO Te Ipukarea Society

S and NGO Korero o te Orau (KO)

the Marae Moana Technical Advisory
cedures and work plan

atura (Biodiversity Committee)
iversity activities and CBD milestones

s provided to Mauke Island as one
nd mission

onvention Reporting

Preparatory meeting for the 2nd
Committee Plastic Pollution Treaty

P's 30 year anniversary

l Dialogue

u selected as one of evelen global
Arctic Voyage

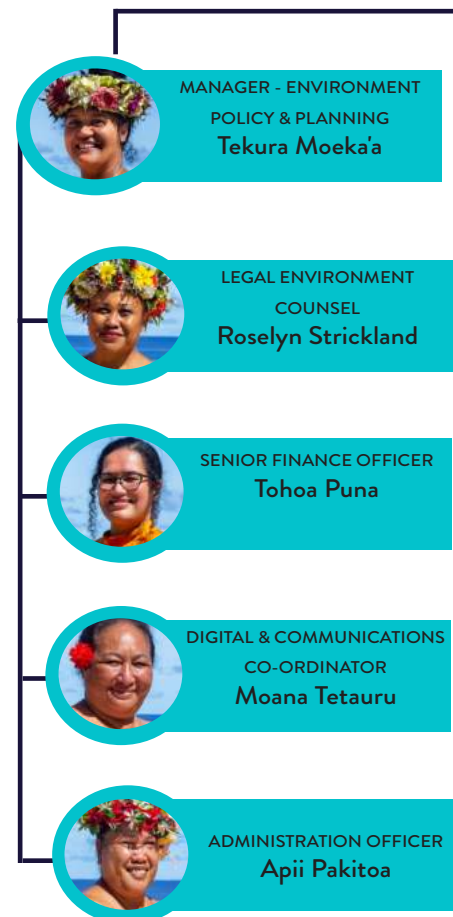
- GEF8 Integrated Program Circular Solutions for Plastic Pollution was approved by the GEF Council for US\$7 million (deducting \$3 million from the Cook Islands STAR allocation of its GEF8)
- NES completed policy discussion paper on Protected Areas and Species, to start the work on Regulations
- NES joined the Career Expo 2023
- Cook Islands Government announced additional funding approved for NES Budget Appropriation in 2023/24 totaling \$1 million. This represents 83% of its new initiatives put forward being approved. The new funding will go towards removal of legacy waste (e-waste, whiteware and end of life vehicles), feasibility study for coastal management, funding of Pa Enea staffing, implementation of the NEP 2022-32 and obtaining technical expertise to build NES's technical capacity
- TOR for the Coastal Management project completed
- Cabinet approved the Environment (Seabed Minerals Activities) Regulation 2023 under the Environment Act 2003
- Research Expedition to Penrhyn with NES, MMR, Sharks Pacific and National Geographic

4 ABOUT US

4.1 NES ORGANISATIONAL STRUCTURE



NATIONAL ENVIRONMENT SERVICE



DEPT	FULL TIME	PART TIME
EPP	6	
EC	8	
ES	4	9
EP	7	
TOTAL	25	9
GRAND TOTAL	34 staff count or 29.5 FTE	

4.1 OUR ORGANISATIONAL STRUCTURE

4.2 OUR MANDATE

4.3 OUR STRATEGIC FRAMEWORK

4.4 OUR FUNDING

STRUCTURE AS AT 30 JUNE 2023



DIRECTOR
Halatoa Fua




MANAGER - ENVIRONMENT COMPLIANCE
Vavia Tangatataia



SENIOR ENVIRONMENTAL COMPLIANCE OFFICER
Phillip Strickland



SENIOR ENVIRONMENTAL COMPLIANCE OFFICER
Matthew Rima



SENIOR ENVIRONMENTAL COMPLIANCE OFFICER
Benjamin Maxwell



SENIOR ENVIRONMENTAL COMPLIANCE OFFICER
Junior Tapoki



ENVIRONMENTAL COMPLIANCE OFFICER
Hugh Henry



ENVIRONMENTAL COMPLIANCE OFFICER
Cailean Henderson



ENVIRONMENTAL COMPLIANCE OFFICER
Eva-Moana Patai



MANAGER
ENV. STEWARDSHIP
Elizabeth Munro



RESEARCH & PA ENUA CO-ORDINATOR
Tearki Tearetoa



BIODIVERSITY CO-ORDINATOR
Jessie Nicholson



AITUTAKI ENVIRONMENT OFFICER
Avele Simona




PA ENUA ENVIRONMENT PART TIME OFFICERS
Northern Group x5
Southern Group x4



MANAGER
ENV. PARTNERSHIPS
Hayley Weeks



SENIOR ENVIRONMENTAL PARTNERSHIPS COORDINATOR
Muraai Herman



SENIOR ENVIRONMENTAL PARTNERSHIPS COORDINATOR
Mii Herman



ENVIRONMENTAL PARTNERSHIPS CO-ORDINATOR
Siana Whatarau



GEF7 SENIOR PROJECT OFFICER
Lydia Sijp



GEF7 PROJECT OFFICER
Terena Koteka-Wiki



GEF7 PROJECT OFFICER
Fred Nicholas

4 PART A: ABOUT US



4.2 OUR MANDATE

The National Environment Service is mandated under the Environment Act 2003, of which the main functions of NES include:

(1) To protect, conserve and manage:

- sustainable use of natural resources;
- wildlife, in particular protected species;
- the Cook Islands waters;
- pollution of air, water, and land;
- damage to any beach, land, internal waters, inland waters, drain, building, market place and public spaces;
- safe disposal of toxic chemicals and wastes.

(2) To monitor and evaluate activities that significantly affect the environment. This includes reporting and investigating areas relevant to the protection and conservation of natural resources.

(3) To enforce the Environment Act 2003 and recommend new regulations under the Act.

(4) To implement, coordinate and recommend regional or institutional conventions, treaties, protocols or agendas relating to the environment.

(5) To provide secretarial and administrative services to each Island Environment Authority and the National Environment Council. The institutional strengthening of the Service through training and development will provide a strong support system.

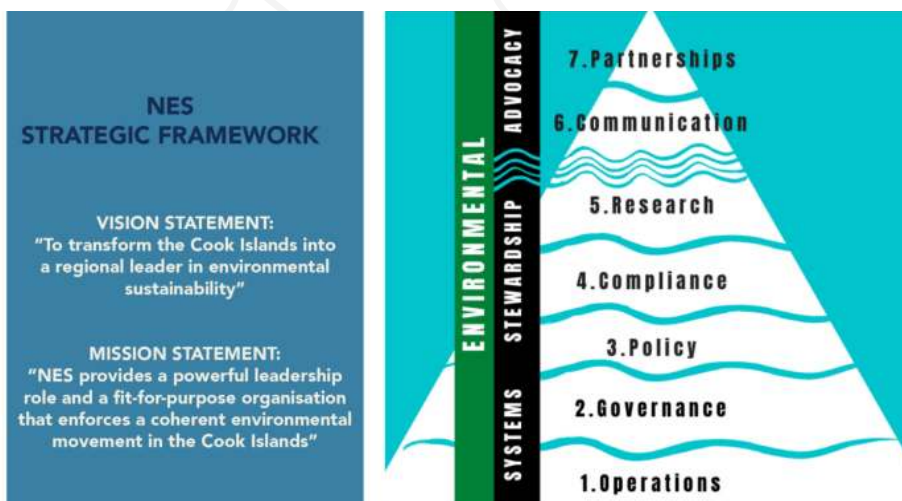
Under the Environment Act 2003, there are regulations passed to support the operationalisation of the main Act:

- Environment (Seabed Minerals Activities) Regulation 2023;
- Environment (Montreal Protocol) Regulation 2021;
- Prohibition on Importation of Plastic Shopping Bags Regulation 2012;
- Environment (Atiu and Takutea) Regulation 2008;
- Environment (Application to Mauke) Order 2007;
- Environment (Takuvaive Water Catchment Management Plan) Regulation 2006;
- Environment (Mitiaro) Order 2004;

4.3 OUR STRATEGIC FRAMEWORK

In March 2022, NES completed its Strategic Framework to set the tone and pace for the next five years. This Strategy is a top-down approach that will strengthen NES to deliver on a raft of current and emerging environmental challenges in the Cook Islands.

The Strategic Framework is based on a 7-Goal tiered approach that addresses the key areas of Operations (Finance & Human Resources), Governance, Policy, Compliance, Research, Communication and Partnerships. The Strategic Framework is depicted in the diagram below together with the Vision and Mission Statement:





From the 7-Goals, a set of strategies were developed to underpin each goal under the Strategic Framework. These strategies are noted as follows:

1. OPERATIONS

GOAL 1: TO ESTABLISH A STRONG FOUNDATION WITHIN NES IN FINANCIAL PRUDENCE AND HUMAN RESOURCE DEVELOPMENT

1. Centralise all financial information into a standardised system that can produce transparent and robust reporting to its staff and external stakeholders.
2. Develop and implement a clear Financial Policy and Procedures document that will guide all Head Office and Pa Enua staff its financial and HR principles.
3. Achieve an unqualified auditor's opinion with zero management issues through thorough reconciliations, guidelines, training and internal audits.
4. Reorganise the Organisational Structure and overhaul the Human Resource framework to include effective processes in recruitment, clear job descriptions, KPIs & targets, staff training and performance review.
5. Develop a robust Performance Management Framework for all its staff that incorporates performance objective & ratings, performance calibration, staff development plans and succession planning

2. GOVERNANCE

GOAL 2: TO STRENGTHEN ENVIRONMENTAL LEADERSHIP AND GOVERNANCE

1. Review of the NES Governance framework and establish a Board policy that will introduce control mechanisms to eliminate conflict of interest or nepotism.
2. Engage with central Government and external partners to increase environmental funding and GDP% contribution significantly - **NES is severely underfunded and is below 1% of GDP.** Business cases will be developed to increase funding. Focus on the most significantly impacted areas with public scrutiny - notably the Muri Lagoon algae bloom.
3. Establish technical support groups (private and public sector intelligence) based on environmental needs to support NES work and provide peer review for internal decision making and institutional strengthening.
4. Bring Environment into the heart of Government decision-making by nationalising its annual forum to include political leadership & messaging, technical advisory (guest speakers) and sectoral development (connecting all sectors).
5. Forming MOUs with Government agencies to elevate environmental goals and responsibilities. Prioritise on Pa Enua and its escalating waste problem.

3. POLICY

GOAL 3: TO ESTABLISH A ROBUST NATIONAL ENVIRONMENT POLICY FRAMEWORK AND STRATEGIC GOALS FOR THE COOK ISLANDS

1. Redevelop a National Environment Policy Framework (NEPF) that is well-structured and focused on streamlining all projects to align to the overarching Goals of Land, Marine, Biodiversity, Water, Waste, Air and Climate Change.
2. Develop a 5-Year National Environment Strategy(NES22-27) derived from the NEPF, that includes an implementation plan with realistic time periods.
3. Develop a centralisation strategy to rectify the fragmented environmental landscape across Government. NES will need to develop the confidence and trust of its partners to bring other environmental bodies into the NES system.
4. Harmonisation of the NEPF and NES22-27 platforms with the cultural goals and objectives of the people of the Cook Islands.
5. Establish a solid research portal to support the NEPF and NES22-27 with sound scientific evidence.

4. COMPLIANCE

GOAL 4: STRENGTHEN COMPLIANCE & MONITORING AND ESTABLISH CLEAR ENVIRONMENTAL GUIDELINES AND STANDARDS

1. Overhaul of the whole Compliance framework and strengthen performance as the core function of NES. This includes the reviewing of functions and capabilities.
2. Introduce enabling mechanisms that will bolster Compliance work and promote the integrity of NES e.g. establishment of a Prosecution Taskforce.
3. Review of the Compliance work conducted in Rarotonga and the Pa Enua to ensure value proposition to NES is met and environment advocacy objectives are incorporated.
4. Digitalise and develop public-facing guidelines and process maps for all compliance and monitoring work identified in the NEPF and NES22-27 planning.
5. Build capacity for areas of national interest i.e. Permitting processes and robust guidelines for Seabed Minerals activities. Permitting work is separate to the economic development work under SBMA.



5. RESEARCH



GOAL 5: TO DEVELOP A HOLISTIC ENVIRONMENT RESEARCH PLATFORM WITH KEY PERFORMANCE INDICATORS & TARGETS

1. Develop a Monitoring and Evaluation Framework (M&EF) under the NEPF Goals of Land, Marine, Biodiversity, Water, Air, Waste and Climate Change.
2. Design a suite of Key Performance Indicators under the M&EF that includes Indicators, Definition, Baseline, Target & Goals, etc
3. Design signature surveys that will raise NES's profile in environmental sustainability e.g. Community Attitudes on the Environment, Environmental Confidence Index, extraction of Tourism's IVS elements on the environment.
4. Capacity building of NES staff on research tools (e.g. survey monkeys, analytics) and identify secondment partnerships (e.g. MFE NZ, SPREP).
5. Develop a compelling digital dashboard of environmental sustainability KPI's and measures that is widely available to NES key partners in real time. The dashboard will be broadened to include compliance and monitoring particularly on infrastructure and economic development.

6. COMMUNICATION



GOAL 6: TO EXECUTE A ROBUST COMMUNICATION STRATEGY FOR BROAD STAKEHOLDER AND COMMUNITY OUTREACH

1. Develop a Communication architecture and strategy to scope the full lay of the land for the ultimate reach of environmental awareness and education. This includes a Digital and Social media strategy.
2. Overhaul of the NES website as the key communication portal. The content developed from Goals 1-5 will be structured and featured on the website
3. Digitalisation of all research, policies and applications to NES through its website e.g. build digital assets; EIA guidelines, proposals, assessments, etc
4. Build a database for vast electronic direct mail (eDM) that links to the research goal. This will be used for future online distributions and surveying of key stakeholders
5. Monitoring and evaluation of the effectiveness of NES communications and determine the level of stakeholder engagement.

7. PARTNERSHIPS

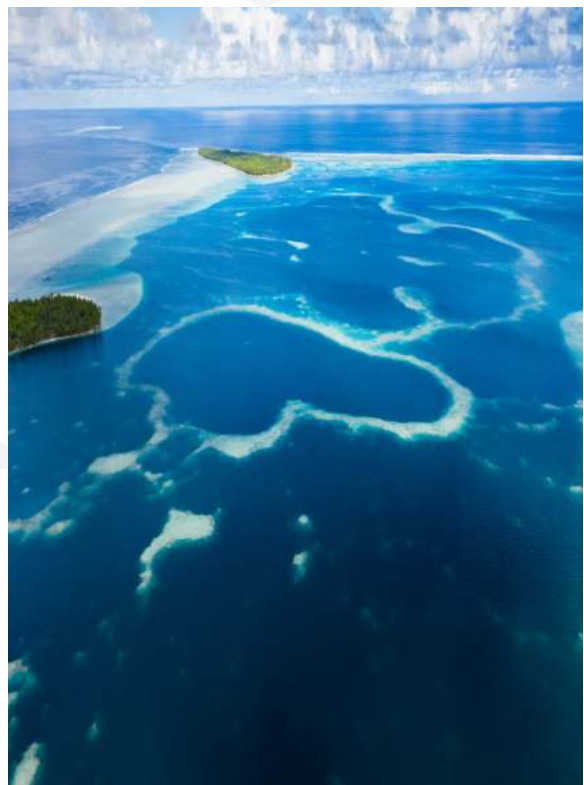


GOAL 7: HARNESS PARTNERSHIPS IN THE PRIVATE AND PUBLIC SECTOR TO MANIFEST ENVIRONMENTAL COHERENCY

Prioritisation of partnerships in the following areas;

1. Accelerate the transition to low carbon emission transportation and renewable energy systems
2. Facilitate sustainable infrastructure planning and development in the Cook Islands
3. Strengthen sustainable waste management solutions (solid, hazardous and waste water)
4. Broaden awareness programs on biodiversity, climate change and protected areas (terrestrial & marine)
5. Obtain community support on environmental sustainability e.g. fighting pollution, plastic-free, food waste, etc

An array of potential partnerships with NES



These 7-Goals will transform NES to a fit-for-purpose organisation that will add value and accountability to the public that it serves, and the key stakeholders in Government, non-Profit Organisations, Pa Enea and the private sector.



The 7-Goal Strategy sets NES a trajectory that will lead towards a Phase II Strategy to focus on decarbonisation and zero waste, as per the NSDA 2020+ Target to 2045. NES will focus in the immediate years on institutional strengthening, environmental stewardship development, environmental advocacy amplification and the digitalisation of the environment sector. NES's strategic trajectory is outlined as per below:



4.4 OUR FUNDING

The Cook Islands Government appropriated \$1,599,067 to NES in the 2022/23 financial year period. The budget appropriation is used to fund its personnel, operating costs, and the net costs of trading revenue and depreciation. As part of this funding, NES receives three Administered Payments on behalf of the Crown that are used for Environmental Compliance, Management of Suvarrow Island National Park, and the operation of the Natural Heritage Trust (NHT). The NHT is mandated under the Natural Heritage Trust Act 1999.

For the 2022/23 financial year period, a total of \$40,000 was approved by the Budget Support Group (BSG) towards compliance development of the Environment (Seabed Mineral Activities) Regulation 2023. NES put forward a proposal in its business plan for \$1.7 million. While the Cook Islands Government was unable to allocate funding in 2022/23 due to post COVID-19 fiscal constraints, a total of \$1 million new funds was appropriated to NES in the following year 2023/24.

In addition to the financing of NES from government appropriation, the balance of NES donor funds is \$158,419 in 2022/23. An additional NZ\$18.5 million in new donor partner funding has been secured, which will be received and implemented across the period of 2023-29. Initial funding for the GEF-7 National Project has been received and implementation has started in July 2023.

NES is under-resourced in its technical capacity given its broad mandate that covers all matters of environmental significance. From chemicals, waste and biodiversity to development impacts, it is important that NES is resourced sufficiently to deliver on ambitious targets for the Cook Islands.

In the coming years, NES will focus on building its technical capacity by leveraging its donor partners for financial mechanisms and technical assistance. The 7-Goal Strategy will assist NES in strengthening its institution to prepare for new resources and the delivery of its environmental protection, management and conservation activities.



Total funding to NES in 2022/23:

A	Cook Islands Government Budget Appropriation NES	Amount
	Personnel Expenses	\$990,826
	Operating Costs	\$201,000
	Depreciation	\$30,000
Less:	Trading Revenue	(\$35,000)
	Sub-Total	\$1,186,826
B	NES Appropriation on behalf of the Crown	Amount
	Compliance and EIA development	\$150,000
	Compliance Development (new funding received)	\$40,000
	Management of Suvarrow Park	\$100,000
	Natural Heritage Trust	\$122,241
	Sub-Total	\$412,241
GRAND TOTAL - COOK ISLANDS GOVERNMENT		\$1,599,067
C	Donor Partner Funding (Balances)	Amount
	Minamata Convention Mercury Initial Assessment in the Pacific	\$5,835
	Nagoya Protocol on Access to Genetic Resources	\$68,579
	Institutional Strengthening Project Phase VI, VII, VIII	\$66,408
	HCFC Phase-out Management Plan for PICs Stages 1-2	\$17,597
	Sub-Total	\$158,419
GRAND TOTAL - NES DONOR FUNDS		\$158,419

Total NEW donor partner funding secured for NES:

D	Donor Partner Funding (New Funds Secured)	Amount
	GEF7 National Project 2023-29 (Biodiversity & Protected Areas) 2023-29	US\$3.5mil
	Montreal Protocol - Kigali Implementation Plan 2023-24	US\$25,000
	GEF ISLANDS 2023-26	US\$750,000
	GEF 8 Plastics Integrated Programme 2024-29 (Address upstream & midstream levels of plastic pollution)	US\$6.2mil
	UNCCD National Progress & Capacity Building 2023	US\$98,000
	National Biodiversity Strategy & Action Plan (NBSAP) 2023-25	US\$250,000
	Pacific Ocean Litter Project (POLP) - Address waste management to reduce ocean plastic pollution	AU\$1mil
GRAND TOTAL - NEW DONOR FUNDS SECURED		NZ\$18.5 MIL

5 PART B: OUR ENVIRONMENT



5.1 OUR MARINE ENVIRONMENT

5.1.1 MARAE MOANA OUTLOOK REPORT 2021

Section 34 of the Marae Moana Act 2017 requires the Council to prepare and submit a Marae Moana Outlook Report every 6 years. The report must include the following:

- (a) the current health of ecosystems within the marae moana and of ecosystems outside the marae moana to the extent that they affect the marae moana
- (b) the status of biodiversity within the marae moana
- (c) commercial and non-commercial use of the marae moana
- (d) risks to the ecosystems within the marae moana
- (e) the resilience of ecosystems within the marae moana
- (f) existing measures in place to protect and manage ecosystems within the marae moana
- (g) factors influencing the current and projected future environmental, economic, and social values of the marae moana
- (h) the long-term outlook for ecosystems within the marae moana
- (i) any other matter prescribed by the regulations for the purposes of this section.

In 2020, a first draft of the Marae Moana Outlook Report was prepared. The draft was further updated in 2021. In 2023, key agencies in the Marae Moana Technical Advisory Group requested to make further changes to bring the report to its most up-to-date and accurate form. The report is expected to be completed in 2023/24.

Key Findings

NES is able to draw on some of the key findings from the Marae Moana Outlook Report 2021 as an integral part to measure the environmental health of the marae moana. These are some of the key findings extracted from the Marae Moana Outlook Report draft:

- Coral reefs support most of the known marine biodiversity, with 178 identified coral species and 650 species of fish, and other species of significance for conservation, economic development and food security, such as macroinvertebrates and turtles.
- Charismatic megafauna of high conservation significance includes 22 species of cetaceans, at least 30 species of sharks and rays, and 30 species of seabirds
- Many of the coral reefs and associated shallow-water ecological communities have experienced declines in ecosystem health due to a combination of heatwaves, cyclones, crown-of-thorns starfish outbreaks and anthropogenic pressure from fishing, habitat degradation and climate change.
- The biomass and density of fish, and the abundance of large fish, is closely related to human populations, with more heavily fished reefs showing evidence of decline.
- Across the entire Marae Moana, the condition of ecosystem health was rated as 'good' and the trend as 'deteriorating'. This reflects the good condition of processes associated with marine ocean circulation, cyclones and winds, ocean salinity, microbial processes, food webs, connectivity, and limited outbreaks of diseases, but that we need to manage human impacts affecting these.
- Recently documented coral reef recovery suggests that shallow marine ecosystems of the Marae Moana are relatively resilient. This is partly due to the 'good' status assessment of biodiversity values that underpin ecosystem health and resilience. However, the inherently low nutrients in pelagic ecosystems (and hence reduced bottom-up support for pelagic food webs), ongoing human pressure on pelagic fish populations and shallow environments near human population centres, and climate change projections, all indicate a high probability of reduced resilience in the future.
- Commercial marine tourism and offshore and inshore fishing are the most intensive forms of human use in the Marae Moana, and there is the possibility of a deep sea mining industry in the future.



- Together with climate change, these human pressures are the key threats to Marae Moana's marine ecosystems. There is a high to very high risk of ecosystem decline from changing weather patterns, marine heatwaves, overfishing, bycatch, coastal development, land-based runoff, and marine debris. Combined, the threats to the Marae Moana are assessed as high risk, largely localised in scale, and of immediate timing.
- There are a number of existing instruments for marine environmental protection in the Cook Islands, as well as active monitoring programs and a desire to support the resilience of marine ecosystems. An assessment of existing protection and management in the Marae Moana found it to be 'poor' and the trend to be 'stable'. Positive action is needed to improve the rating and mitigate impacts of coastal development and tourism.
- There is strong evidence of poor condition and deterioration of key processes associated with sea temperature, sea level and ocean pH; evidence that the global impacts of climate change are already affecting Marae Moana and are expected to worsen.
- The long-term assessment of ecosystem values in 2021 indicate a generally 'good' outlook for marine and coastal ecosystems/species given their present state, assuming that management will continue to improve and evolve to address the prognosis of 'declining' trends for many of the indicators considered in this assessment.
- Increasing global pressures on Marae Moana ecosystems and biodiversity are likely to drive the long-term outlook for key values. It is anticipated that commercial and non-commercial use will increase over the next five years, including some new industries such as exploration for seabed mineral resources, and potentially extraction.
- It is anticipated that protection and management will change from 'poor' to 'improved', particularly with the development of a marine spatial plan and policies for the Marae Moana. It is therefore anticipated that the overall outlook for the Marae Moana will remain 'good' over the next five years, unless there is a major climate incident such as a cyclone, marine heatwave, or disease outbreak that severely impacts ecological processes and biodiversity.

5.1.2 FUNDING OF ACTIVITIES FOR THE MARINE ENVIRONMENT

The following funding and projects that include the marine environment were either delivered by NES in 2022/23 or progressed for implementation in 2023/24 and beyond:

5.1.2.1 Global Environment Facility (GEF-7)

The GEF7 project started in April 2023 and will end in April 2029. The total budget of this project is US\$3.5M. The project aims to reduce and mitigate negative environmental impacts of the key development sectors (agriculture, infrastructure and tourism) which are the main national drivers of biodiversity and habitat degradation, through mainstreaming integrated, sustainable management of land and coastal waters.

The following key outputs have linkages to the Marae Moana or marine environment:

Output 1.1 Legislation, strategies and policy planning to safeguard biodiversity and ecosystem services

Output 1.2 National Environment Information System developed for coordination and monitoring

Output 1.3 Development of Island Environmental Management Plans (IEMPs)

Output 2.2 Intersectoral catchment management plans that include the Manuae Managed Area

Output 3.1 Development of gender responsive management plans for targeted protected areas including the integration of traditional management systems

Output 3.2 Capacity building in protected areas management, monitoring and surveillance

5.1.2.2 Environment Bill

NES is tracking well with the new Environment Bill to replace the Environment Act 2003. Gaps identified in the Environment Act 2003 are addressed in the new Environment Bill. The marine environment is a key part of the Environment Bill with specific provisions.



5.1.2.3 Global Environment Facility (GEF-8)

A national dialogue was conducted in May 2023 to identify key priority areas for GEF8 programming. The earmarked budget is US\$8M between 2022 and 2026.

The confirmed project allocation that will benefit the Marae Moana or the marine environment include:

- (a) Plastic pollution measures to reduce marine litter
- (b) Strengthen data management environmental standards and monitoring
- (c) International waters - marine environment health

Project design will continue with key stakeholders and additional projects confirmed.

5.1.2.4 National Biodiversity Strategy & Action Plan (NBSAP)

NES has received approval for a GEF Enabling Activity for US\$300k to update its National Biodiversity Strategy & Action Plan (NBSAP) to align with the CBD's Global Biodiversity Framework. The last NBSAP was developed in 2002 and its renewal is timely. This work will cover biodiversity planning and activities that include the marine environment. The work is expected to be carried out in 2023/24.

5.1.2.5 Pacific Ocean Litter Project (POLP)

A POLP proposal is currently being assessed by Australia's Department of Foreign Affairs & Trade to develop a national action plan and strategy on plastics, including the marine environment. The project includes support for developing and upscaling of grassroots initiatives and alternative products & practices, education & awareness, and review of fisheries management relating to plastic products. Remediation of plastic pollution on the marine environment is a main concern expressed by small islands developing states at the global treaty negotiations to end plastic pollution. The project proposal is for AU\$1 million over two years 2023 to 2025.

5.1.3 ENVIRONMENT (SEABED MINERAL ACTIVITIES) REGULATION

In a significant step towards ensuring sustainable management of seabed resources, NES completed the Environment (Seabed Mineral Activities) Regulations 2023, promulgated by the Executive Council to becoming law in June 2023. The development of the regulations has taken years of thorough drafting and consultation.

This milestone marks a crucial moment in the management and responsible utilisation of oceanic resources. NES, working in collaboration with the Seabed Minerals Authority, experts and the community, have devoted considerable time and effort to develop a comprehensive regulatory framework that governs the exploration and harvesting of mineral resources from the seabed. The newly formulated regulations seek to strike a delicate balance between economic development and safeguarding our fragile marine environment.

Seabed minerals include valuable resources such as copper, manganese and cobalt, and hold potential for various industries ranging from electronics to renewable energy. However, their extraction can pose significant risks to marine biodiversity and ecosystems if not properly regulated. Recognising this, NES has taken a proactive approach to establish regulations that ensure the management of these vital ecosystems.

NES is developing in-house processes and documents to guide and strengthen the implementation of the Regulations. NES staff members have also been undergoing in-house and external capacity building training over the years to ensure competency in monitoring seabed activities. Additionally, NES is entitled by law to reach out for advice and assistance as it sees fit.

The Environment (Seabed Mineral Activities) Regulation 2023 encompass aspects related to seabed mineral activities including environmental assessments, applicable standards and guidelines, monitoring compliance and enforcement. These regulations aim to create a transparent and accountable system that encourages safe and responsible practices within the industry.

One of the key provisions of the regulations is the requirement for thorough environmental impact assessments prior to granting any exploration or harvesting licenses. By conducting these assessments, potential risks to marine ecosystems and biodiversity can be identified, and necessary measures can be put in place to mitigate them.



Additionally, NES will play a crucial role in monitoring and enforcing compliance with the regulations. Regular inspections and audits will be carried out to ensure that exploration and any potential mining operations adhere to the established environmental standards. Any instances of non-compliance will be subject to appropriate penalties and legal consequences.

The completion of the Environment Regulations highlights the NES's commitment to sustainable development and environmental stewardship. These regulations serve as a vital tool to strike a balance between economic prosperity and the conservation of marine ecosystems, ensuring that future generations can benefit from the Earth's resources without compromising the planet's natural heritage.

With the implementation of these regulations, the NES envisions a future where all seabed mineral activities are conducted through a strong regulatory legal framework in minimising the any likelihood of potential impact on the marine ecosystem, while maximising the benefits for society. By setting robust standards and best environmental practices in fostering a culture of environmental consciousness.

As the world continues to recognise the importance of safeguarding our oceans, the completion of the Environment Regulations by the National Environment Service stands as a significant milestone in the global effort to protect and conserve marine ecosystems.

5.1.4 PA ENUA PROJECTS RELATING TO THE MARINE ENVIRONMENT

These are the key updates from 2022/23 relating to policy Pa Enea projects in the marine environment.

5.1.4.1 Island Marine Spatial Planning

The Marae Moana TAG is tasked in scoping funding and resources to assist in the completion of the Island Marine Spatial Planning. This planning will include mapping of protected areas with high conservation value for biodiversity ecosystems and habitats, as well as other areas for sustainable use and management.

This work is expected to be expedited in the 2023/24 financial period subject to funding and resources.

5.1.4.2 Suvarrow National Park

NES appointed two rangers for Suvarrow, Harry Papai and Teina Vakapora, who were based in Suvarrow from May 2022 for 6 months. Their role is to ensure environmental threats are managed, conduct monitoring and surveillance, government administrative support and data collection.

Observations of seabirds, marine life, vegetation and invasive species were key components of their daily notes. A total of 65 drifted FADS were noted, as well as the coastal impact from the king tide sea surge in 2022.

While the rangers focus on administrative duties that include customs and managing of incoming yachts, efforts will be made in capacity building of rangers in data collection and environmental monitoring to include marine, terrestrial and biodiversity components. This will strengthen resource mapping of what is required to enhance the protection and conservation of Suvarrow Island National Park.

5.1.4.3 MV Grinna stranded vessel at Tukao Harbour entrance

The Grinna is located just outside the entrance to the Manihiki harbour on Tukao Island of the Northern Cook Islands (100 22' 48" W 1610 00' 48" W). The vessel has been grounded on the reef for over a year since March 2022. In May 2023, NES reissued a notice to specify the environmental requirements for the removal of the vessel. A SPREP marine hazardous substance expert advised that an onsite evaluation by a competent and experienced person is required to address salvage (of hazards) and spill responses.

In June 2023, Taio Shipping Ltd provided a full management plan of the scuttling process to remove the MV Grinna from the Manihiki reef. NES is currently finalising the assessment of the management plan, together with technical advice from MMR, to start the scuttling process in the last quarter of 2023.



5.2 OUR TERRESTRIAL AND COASTAL ENVIRONMENT

The Cook Islands has a total land area of just 240 square kilometres, hence the need for effective land-use planning is essential in managing environmental impacts. The National Environment Policy 2022-32 outlined some of the key issues of concern regarding environmental impacts from terrestrial and coastal developments, which include:

- Land development permit applications are individual and site-specific, and do not address complex and cumulative environmental impacts;
- Land-use activities on residential, commercial, industrial, agricultural, national parks and reserves lack planning and co-ordination;
- Congested tourism development in prime coastal areas;
- Filling of wetlands for residential, commercial or tourism purposes;
- Lack of urban planning to ensure sustainable development;
- Deterioration of land quality (soils) and ecosystems due to chemicals and waste pollution;
- Protected and conserved land areas are classified in different ways that are not clear.
- Land is a commodity that is subject to developments and environmental impacts.

The following sections are some of the work carried out by NES to address these issues.

5.2.1 APPLICATIONS AND PERMITS FOR ENVIRONMENTAL COMPLIANCE

NES's Environmental Compliance Department is tasked in assessing the environmental impact from any activities as per Section 36AA of the Environment Act 2003 and summarised in Factsheets 2 to 5.

In 2022/23, a total of 180 applications were received for assessment of an Emergency Provisions Section 53, Tier 1, Tier 2 or Tier 3 activity. These applications relate to an emergency approval due to strong winds or sea surge, vegetation clearance, building in an area of concern (coastal, wetland or sloping land) and commercial building like a new hotel. All Tier 2 & 3 must be approved by the Island Environment Authority.

Project Applications	Emergency Provision S.53	Tier 1	Tier 2	Tier 3	Total
Received	50	69	48	13	180
Approved	50	69	30	3	152
Pending details	0	0	18	10	28

Complaints from the public were also registered to ensure environmental concerns are being addressed. A total of 37 complaints were attended by the Environmental Compliance Department. This included Stop and Breach Notices issued while investigations are carried out.

Complaints Received	No. Compliants	Type of Complaints
Quarter 1 (Jul 22-Sep 22)	14	Kingtides, waste, pollution, illegal dumping
Quarter 2 (Oct 22-Dec 22)	9	Kingtide, waste burning, illegal activities including dredging, slope clearance and accessways
Quarter 3 (Jan 23-Mar 23)	7	Toxic rubbish burning, land issue dispute, littering, stagnant grey water in lagoon
Quarter 4 (Apr 23-Jun 23)	7	Hazardous toxic burning, land dispute, asbestos concerns, road drainage issue, direct waste discharge into the stream, rubbish dumping and vegetation clearance



NES issued 13 Stop and Breach Notices in 2022-23. These relate to stream clearance, development without proper environmental approval/permit, illegal dumping of rubbish and discharge to a stream.

5.2.2 FUNDING OF ACTIVITIES FOR THE TERRESTRIAL AND COASTAL ENVIRONMENT

The following funding and projects that include the terrestrial and coastal environment were either delivered by NES in 2022/23 or progressed for implementation in 2023/24 and beyond:

5.2.2.1 Coastal Protection Feasibility Study - Rarotonga & Aitutaki

The Cook Islands Government has approved \$400,000 in 2023-24 to develop a coastal protection feasibility study on Rarotonga and Aitutaki. The overview and assessments will include components of the marine environment such as ocean and lagoon water levels, hydrodynamics, waves (including waves that enter the lagoon from open ocean) and conceptual sediment transport modelling to identify sources, sinks and transport pathways for beach sediments. This information will support more effective and informed science-based decision making in coastal development and management.

5.2.2.2 Global Environment Facility (GEF-7)

As applied to the marine environment, the GEF-7 Project will also benefit terrestrial and coastal environment developments.

These key outputs have linkages to the Terrestrial and Coastal environment:

- Output 1.1 Legislation, strategies and policy planning to safeguard biodiversity and ecosystem services

- Output 1.2 National Environment Information System developed for coordination and monitoring

- Output 1.3 Development of Island Environmental Management Plans (IEMPs)

- Output 2.2 Intersectoral catchment management plans that include the Manuae Managed Area

- Output 3.1 Development of gender responsive management plans for targeted protected areas including the integration of traditional management systems

- Output 3.2 Capacity building in protected areas management, monitoring and surveillance

5.2.2.3 Global Environment Facility (GEF-8)

As applied to the marine environment, the GEF-8 Projects will also benefit terrestrial and coastal environment management. The GEF-8 Integrated Program for Circular Solutions to Plastic Pollution will change the methods applied by the Food & Beverage Sector to single use plastics and plastic pollution.

5.2.2.4 National Biodiversity Strategy & Action Plan (NBSAP)

The National Biodiversity Strategy & Action Plan (NBSAP) will also apply to terrestrial and coastal areas. It is a holistic approach to national biodiversity planning in the Cook Islands.

5.2.2.5 UNCCD National Progress & Capacity Building

The United Nations Convention to Combat Desertification will provide funding to assist the Cook Islands' planning and capacity development in land restoration, drought management and strategies.

5.2.3 POLICY & LEGISLATIVE WORK TO ADDRESS ENVIRONMENTAL IMPACTS FROM TERRESTRIAL AND COASTAL DEVELOPMENT

Below are the key updates from 2022/23 relating to policy and implementation work in the terrestrial and coastal environment.

5.2.3.1 Emergency Provisions

NES started applying Section 53 of the Environment Act 2003 in 2022-23 to the king tide sea surge impacts on coastal properties. NES was able to complete assessments of the damages and provide emergency approval with key requirements. These requirements were to ensure restoration of the property to its original state was met without any further damage or modifications to the environment.



5.2.3.2 Environment Bill

NES is tracking well with the new Environment Bill to replace the Environment Act 2003. Gaps identified in the Environment Act 2003 are addressed in the new Environment Bill. The key areas relating to the terrestrial and coastal environment will be strengthened in the following sections of the new bill:

- Part 3 to 5 - Island Environment Authorities, National Environment Council, State of the Environment Monitoring and Reporting
- Part 9 to 11 - Strategic Environment Assessment, Environmental Impact Assessment and Environmental Permit, Foreshore, Sloping Land and Wetlands
- Part 15 to 18 - Environment Officers, Environmental Protection Notices, Instant Penalties, Offences, Jurisdiction and Liability

5.2.3.3 Consent and Permits Regulation

Following the work on the Environment Bill, NES will complete the draft Environment (Consent and Permits) Regulation. This regulation is intended to give clear guidelines on the application of consents and permits including terrestrial and coastal developments. The need to provide principles, definitions, and clear articulation of the types of activities per Tier will be expanded in this regulation.

5.2.4 PA ENUA PROJECTS RELATING TO THE TERRESTRIAL AND COASTAL ENVIRONMENT

These are the key updates from 2022/23 relating to Pa Enea projects in the terrestrial and coastal environment.

5.2.4.1 Palmerston Rat Eradication Project

New Zealand's Ministry of Foreign Affairs and Trade (MFAT) is partnering with the Secretariat of the Pacific Regional Environment Programme (SPREP), Manaaki Whenua - Landcare Research (MWLR), and the New Zealand Department of Conservation (NZDOC) to take stronger action against invasive species and build resilience to climate change. They increase erosion, reduce food and fish production, and pose critical threats to ecosystem services and human health. Invasive species will become more widespread as disturbances, carbon dioxide levels in the atmosphere, and temperatures increase under climate change.

A rat eradication program has been scoped for Palmerston and the implementation visit took place in July 2023. One NES staff travelled to Palmerston to support the broader team from MFAT, SPREP, NWLR and NZDOC.

5.2.4.2 Manihiki Waste Audit Survey

NES conducted a waste audit survey in Manihiki, which focused on the bulky legacy waste observed on the island. However, through the survey some key observations were taken on the environment:

- Pearl farm floats - Both islands have stockpiles of abandoned or unused pearl farm floats on land. It is estimated that the number of floats is in the tens of thousands. Holed floats create shards of hard plastic waste in increasing quantities, there is very limited land area to contain such waste and tidal surges could easily carry plastic waste into the open ocean. Over time the floats bring the ropes to the surface creating a navigation hazard in many areas of the lagoon.
- Waste dump exposed to extreme tides - The very limited land area on Tauhunu and Takao means that dump pits are always very close to the sea. This will always expose the waste to high tide events (which have occurred regularly and will likely increase with global sea level rise). Plastic waste would certainly be washed back into the ocean.

NES will use the Manihiki waste audit survey as a template to complete in all the other Pa Enea.

5.2.4.3 ISLANDS Waste Project

NES will be removing e-waste and bulky waste from the Pa Enea. Planning completed in 2022-23 and implementation to begin in 2023-24. This is a GEF funded project via SPREP for US\$750,000. This project will complement the current legacy waste collection project in Rarotonga - Tita ki te Tita Kore project to collect e-waste, whitewater and End-of-Life-Vehicles (ELVs).

6 PART C: OUR DATA



6.1 OUR DATA

One of the main challenges for NES is the ability to provide environmental baseline data that is comprehensive, up-to-date and value adding to stakeholders and the public. This is based on the lack of data available, limited systems, resources and capacity, as well as a fragmented environment sector.

NES attempted to consolidate environmental baseline data that is specific to the Cook Islands in the State of the Environment Report 2021 (SOE). The SOE achieved a good structure of what needs to be reported, however it lacked accurate, specific and up-to-date data that can be used for substantive decision making.

NES's 5-Year Strategic Framework built a foundation that will lay the building blocks towards achieving sound environmental baseline data in the Cook Islands. This led to the development of the Monitoring and Evaluation (M&E) Framework and Monitoring Indicators as part of the National Environment Policy 2022-32. Each of the six goals of the NEP 2022-32 have a set of monitoring indicators attached to it. The M&E has identified a comprehensive set of data that NES will need to obtain collectively across key Government Agencies. This data will be used to build the next State of the Environment Report while ensuring accuracy, timeliness and relevance of data is obtained.

As part of NES's planning for 2024-25, a strong focus on the implementation of its research and data collection strategy will expedite the collection of data from various sources. Here are some examples of the research and data to be collected:

	Types of Research & Data Required	Source
1	Monitoring indicators for: Land Marine Biodiversity Water Air & Climate Change Waste	Monitoring & Evaluation Framework for the National Environment Policy 2022-32
2	Air quality and pollution, CO2 emissions	Technical assistance and project-based funding from Multilateral Funds. Cross-Government agency data and information sharing.
3	Deep ocean vertical zones, habitats and biodiversity, and deep-sea minerals activities	
4	Renewable energy usage and capacity	
5	Freshwater ecology	
6	Waste-water and sewage	
7	Impacts of terrestrial and coastal developments	
8	Soil resources	
9	Marine conservation and ecosystem management, including marine water quality and lagoon monitoring	
10	Liquid, solid and hazardous waste, including legacy waste in both terrestrial and the marine environment	

NES envisage to collect the critical data above to strengthen its decision-making process with respect to the environment. It will also strengthen data integrity of future reports for the State of the Environment. NES is also addressing the technical capacity gap through significant investment in its staff's capacity, including tertiary education and short-term training both locally and internationally.

For the purpose of reporting on data for this annual report, NES will report on its National Environment Survey and the CITES data collected.



6.2 NES 2.0 - NATIONAL ENVIRONMENT SURVEY

In May 2022, NES implemented a National Environment Survey known as NES 2.0, to hear the views of the public and community on a raft of environmental challenges relating to land, marine, biodiversity, water, air and climate change and waste.

Key Findings

A total of 447 local residents completed the survey. 77% are Cook Islanders, 59% female, and 13% live in the Pa Enua. The results were as follows:

- 46% of the participants were from the private sector, 31% from Government, 16% not currently working and 5% from Non-Profit-Organisations
- 67% of participants rated NES's role as a Permitting Authority satisfactory, however 33% rated the service as poor, very poor and don't know
- 70% of participants rated NES's current work and overall performance as satisfactory, while 30% were either poor, very poor or don't know
- The top 5 areas that NES should prioritise to improve its performance within the next 3-5 years were littering & plastic waste, solid & hazardous waste, protection of biodiversity, marine pollution and climate change
- Participants highly rated the need to improve awareness on sustainable land use, land conservation and pollution as the most important step to ensure sustainable land use and development
- For Rarotonga waste, 69% of participants said that the best way to improve solid and hazardous waste management is to improve the existing Rarotonga waste management facility (landfill, storage, equipment, etc). This was followed by improving recycling and set new regulations to banning of plastics and other hazardous waste.
- For Pa Enua waste, 95% of participants said that the top priority to improving solid and hazardous waste management in the Pa Enua is to implement waste depots in all the islands to sort and collect solid and hazardous waste
- For lagoon management, 78% of participants want to strengthen compliance for sanitation systems and wastewater treatment, followed by 73% who want to ban/manage/control certain types of pesticides and insecticides
- For sustainable marine use, 70% of participants want to strengthen marine protected areas or rauis
- 75% of participants want to protect biodiversity by focusing on protecting the habitats that species are found in
- For protected areas, 67% of participants strongly felt that awareness and public involvement on protected areas need to be strengthened
- 85% of participants want to address water conservation in Tourism accommodation and the food & beverage sector, followed by 74% in agriculture
- For wastewater and storm water management, 71% of participants want to improve enforcement of the compliance to Public Health wastewater systems
- For air quality, 73% of participants highly rated the need to have education and awareness on air management and good practices
- To strengthen climate change adaptation and mitigation, 70% of participants want to see more natural and green infrastructure solutions, followed by 58% of participants who opted for more investment in renewable energy (commercial and household electricity)

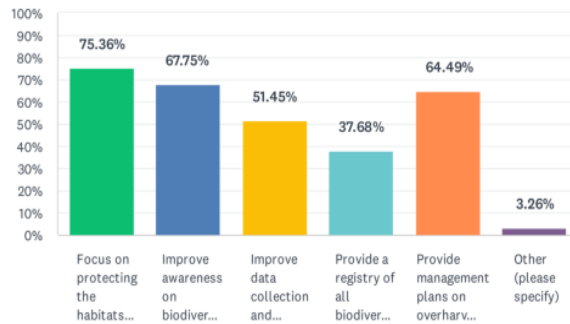
The key findings were taken into consideration to ensure NES responds to the environmental issues in the Cook Islands. The findings also helped areas for NES to improve its organisational performance and its role to deliver public service. NES has implemented communication tools and systems to address the lack of communication. Some of the issues are measured in the 'Our Performance' section and NES continues to address issues that are cross-cutting across various agencies.

Here are some samples from the NES 2.0 Survey:



Q18 How can we improve the protection of biodiversity (wildlife, marine use & plants)? Select your top 3 priorities starting from the most important one

Answered: 276 Skipped: 171



ANSWER CHOICES	RESPONSES	
Focus on protecting the habitats that species are found in	75.36%	208
Improve awareness on biodiversity and endangered species	67.75%	187
Improve data collection and research on biodiversity in the Cook Islands	51.45%	142
Provide a registry of all biodiversity in the Cook Islands	37.68%	104
Provide management plans on overharvesting and exploitation	64.49%	178
Other (please specify)	3.26%	9
Total Respondents: 276		

Q19 How can we strengthen protected areas in the Cook Islands? Select your top 3 priorities starting from the most important one

Answered: 276 Skipped: 171



ANSWER CHOICES	RESPONSES	
Conduct restoration work for protected areas	59.06%	163
Define and classify protected areas in the Cook Islands	59.42%	164
Improve awareness and public involvement on protected areas	67.39%	186
Improve data collection and research on protected areas in the Cook Islands	35.51%	98
Increase the number of protected areas	16.67%	46
Support traditional leaders and communities with compliance of raui	60.14%	166
Other (please specify)	1.81%	5
Total Respondents: 276		



6.3 COOK ISLANDS TRADE IN ENDANGERED SPECIES OF WOLD FAUNA AND FLORA (CITES)

Unregulated trade in wildlife has become a major factor in the decline of many species of animals and plants in the Cook Islands and around the world. To combat this, the Convention of International Trade in Endangered Species of Wild Fauna and Flora (CITES) was established in 1975. It is an international agreement between 184 member countries to ensure the international trade of wild animals and plants does not threaten the survival of the species.

The Cook Islands is not a member of the CITES, however, the Convention provides provisions for non-member states to trade species under it. It is through this non-member status that the Cook Islands is able to issue a CITES permit to countries that are a party to the Convention, such as New Zealand, Australia, Canada etc.

CITES Species

In 2022, NES issued a total of 90 CITES export permits, of which 87 were issued from the Rarotonga office and 3 from the Aitutaki office. Of these permits, 73 were issued for travelers to New Zealand, 12 for Australia, 3 for the United States of America, 1 for Canada and 1 for Japan. One permit was issued for commercial purposes, one for research purposes (for 0.5kg of coral, namely 0.25kg *Acropora* sp. and 0.25kg *Porites* sp., issued for travel to the USA) and the remaining 88 permits were issued for personal use.

A total of 66kg of CITES species were exported out of the Cook Islands (Table.1). Of the total figure, 65.9kg comprised of various coral species and 0.1kg of *Tridacna derasa* shell, locally known as pa'ua . Of the 65.9kg of coral species exported, *Goniastrea* sp., commonly known as Sunflower Coral had the highest total weight exported at 11.75kg, followed by *Acropora* sp., the Staghorn Coral at 9.1kg.

Table 1. Total weight of each CITES Appendix II species exported in 2022

Scientific name	Type	Total weight exported per species (kg)
<i>Acropora</i> spp.	Coral	9.10
<i>Cyphastrea</i> spp.	Coral	8.30
<i>Favites</i> spp.	Coral	7.60
<i>Fungia</i> spp.	Coral	0.50
<i>Galaxea</i> spp.	Coral	1.23
<i>Goniastrea</i> spp.	Coral	11.75
<i>Hydnophora</i> spp.	Coral	5.13
<i>Leptoria</i> spp.	Coral	7.86
<i>Lobophyllia</i> spp.	Coral	0.90
<i>Pocillopora</i> spp.	Coral	8.16
<i>Porites</i> spp.	Coral	5.35
<i>Tridacna derasa</i>	Shell	0.10
Total		65.97

Non CITES Species

A CITES permit is not required for the species reported below, however, a permit may be obtained to assist with customs declarations at the receiving port. A total of 311.5kg of non-CITES species were exported from the Cook Islands in 2022 (Table 2). However, this does not include the total number of pieces exported that had no weight recorded or not presented to NES for a permit.



Table 2. Total Weight (kg) of each Non-CITES species exported in 2022

Species name	Type	Total weight (kg)
<i>Birgus latro</i>	Whole	23.60
<i>Cardisoma carnifex</i>	Whole	8.30
<i>Cassis</i> spp.	Shell	2.00
<i>Cerithium nodulosum</i>	Shell	1.00
<i>Charonia tritonis</i>	Shell	1.90
<i>Cypraea</i> spp.	Shell	2.30
<i>Dendropoma maxima</i>	Flesh/Tissue	38.00
	Shell	0.20
<i>Fragum fragum</i>	Shell	0.01
<i>Fregata</i> spp.	Flesh/Tissue	11.20
<i>Helicina flavescens</i>	Shell	0.25
<i>Holothuria leucopsilota</i>	Flesh/Tissue	0.50
	Gonads	11.00
<i>Lambis</i> spp.	Shell	4.60
Misc Non-CITES	Assorted shell	1.59
	Shell	4.89
<i>Ocypode ceratophthalmus</i>	Flesh/Tissue	1.00
<i>Panulirus penicillatus</i>	Whole	18.60
<i>Pinctada margaritifera</i>	Flesh/Tissue	10.00
	Shell	151.50
Sand	Sediments	0.01
<i>Trochus niloticus</i>	Shell	1.50
<i>Turbo setosus</i>	Flesh/Tissue	16.50
	Shell	1.07
	Total	311.52

Total number of species exported

As indicated earlier, some of the permits issued did not list weight (kg); rather they noted the number of pieces exported. The CITES signatory who issued the permit may have recorded the data this way for a number of reasons, such as the container holding the flesh/tissue was larger than the scales and therefore unable to be weighed, or the shells were so small that their weight was not picked up by the scale. This does however give rise to issues when determining the trade of species out of the country as the values recorded as kilograms likely do not reflect the true number of species being exported, as it does not account for the number of pieces.

For example, the total number of pieces exported for *Dendropoma maxima* (ungakoa) is 15 pieces (Table 3). If we assume that these 15 pieces represent 15 lots of 2L containers of ungakoa, that will amount to approximately 30kg, which then increases the total export from 38kg (in Table 2) to 68kg. Similarly, if we assume that each of the 45 pieces of *Panulirus penicillatus*, also known as Golden Rock Lobster or Koura tai, weighs at least 1kg on average, then that increases the total export from 18.6kg (in Table 2) to 63.6kg.

Table 3. Total number of pieces exported for non-CITES species in 2022.

Species	Type	Total number of pieces exported (zero kg recorded)
<i>Birgus latro</i>	Whole	12
<i>Cardisoma carnifex</i>	Flesh/Tissue	6
<i>Cerithium nodulosum</i>	Shell	10
<i>Dendropoma maxima</i>	Flesh/Tissue	15
	Shell	2
<i>Linckia</i> spp.	Whole	1
Misc Non-CITES	Flesh/Tissue	10
	Shell	15
<i>Panulirus penicillatus</i>	Whole	45
<i>Pinctada margaritifera</i>	Flesh/Tissue	11
<i>Trochus niloticus</i>	Shell	12
<i>Turbo setosus</i>	Shell	5
	Total	144

NES will continue to strengthen data collection, recording and capacity to ensure accuracy of data.

7 PART D: OUR PERFORMANCE



7.1 OUR ORGANISATIONAL PERFORMANCE MANAGEMENT REVIEW

NES implemented its Performance Management Review system in March 2022, as a critical tool to measure individual and organisational performance. Each employee has a Job Description (JD) and a Performance Management Review (PMR) document. The PMR document is the first method of measuring performance and is divided into four parts outlined in the process below:



PART A: MEASURING PERFORMANCE OUTCOMES

1. Review & migrate Objectives & Key Deliverables from the JD.
2. Define Outcomes with your Line Manager
3. Self-rate your Performance after every 6 months (5=Role Model, 1=under perform)
4. Gather evidence where necessary (vavuum file)
5. Moderate with Manager for sign off



PART B: PERSONAL CAPABILITIES

1. Understand 3 standardised Capabilities
2. Self-rate your Capabilities after every 6 months (A=Role Model, B=Meet)
3. Gather evidence where necessary (vavuum file)
4. Gather evidence where necessary (vavuum file)
5. Moderate with Manager for sign off



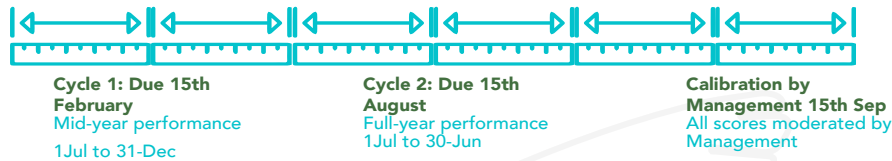
PART C: DEVELOPMENT PLAN

1. Understand Qualification section
2. Understand Experience section
3. Revisit every 6 months
4. Identify training opportunities
5. Moderate with your Manager for sign off



PART D: SUCCESSION PLAN

1. Understand the objectives of a Succession Planning section
2. Revisit every 6 months
3. Moderate with your Manager for sign off



On 17 August 2023, the NES Senior Management Team (NES-SMT) completed a full calibration of the performance ratings of the employees that completed their PMRs.

	PMR Measures	Employee No
	NES Total Employee Count	34
Less	NES- Senior Management Team (not included in the Calibration as the average scores of each department should reflect the Manager and Director performance)	(5)
	Net Employee subject for PMR Calibration	29
	Number of Employees that completed their PMR	24
	% Employees that completed their PMR	83%

The five employees that did not complete their PMR were four from the Pa Enea and one Rarotonga employee who was on a work secondment. Nevertheless, the 83% completion rate is a high participation rate from the NES staff given the PMR was implemented in just over a year.

In regards to the calibration of the PMR scores, the NES-SMT did not take a lenient approach given the ambitious work plan set out in its Strategic Framework and the consensus to strengthen the institution for the wider benefit of meeting the Cook Islands community expectations. The state of the environment was taken into account and the many threats and impacts from our development activities. With that said, NES-SMT took a vigilant approach as a hard-marker of the employees' performance. In order for NES to achieve significant value to the taxpayers, it must set a high standard of what it needs to achieve as a regulator and public service provider.



The consolidated outcome of the PMR scores for the 24 employees is demonstrated as follows:

	A	B	C	Total
5				
4	2 staff	4 staff	3 staff	9 staff
3	3 staff	7 staff	1 staff	11 staff
2		2 staff	1 staff	4 staff
1				
Total	5 staff	14 staff	5 staff	24 staff

Key findings of the PMR calibration are as follows:

- NES's overall organisational performance is a 3B.
- 83% are performing - scored a minimum performance rating of '3'
- 17% are not performing - scored a rating of '2' or lower. Performance Improvement Plans applied
- No staff are performing at the '5' rating level hence there is room for growth
- No staff are performing at the '1' rating level therefore no poor performers
- Performance by Department varied. This is the overall ranking of how the Departments performed:
 1. Environmental Partnerships - average 4B
 2. Environmental Policy & Planning - average 3B
 3. Environmental Compliance - average 3C
 4. Environmental Stewardship - average 2B


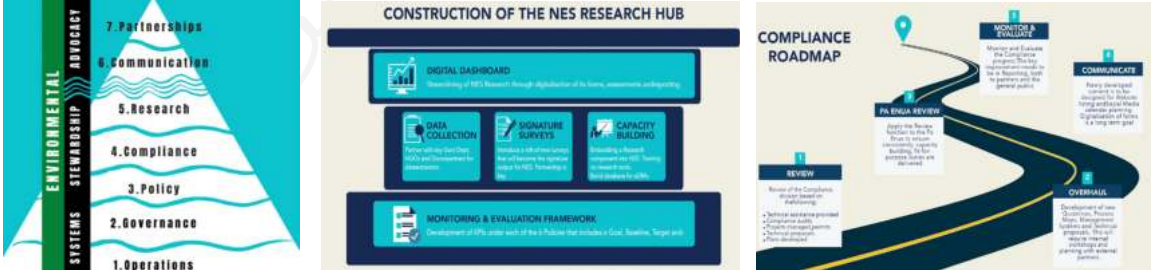
From the key findings, the NES-SMT will take on the following key areas to improve its performance over the coming year:

Department	Strengths	Areas for Improvement
NES as a whole	New operational systems in place including communications and human resource, national policy and a strategic framework in place.	Development of new legislation, strengthen engagement with the environment sector and integration across key Government agencies.
Environmental Policy & Planning	Consistent communications, human resource plan executed, solid legal & policy due diligence and financial systems centralised.	Tidy up historical financial accounts, improve efficiencies in processing of financial transactions.
Environmental Compliance	Compliance systems implemented, internal assessments strengthened, and some technical expertise sought.	Strengthen technical capacity, international commitments, systems for emerging sectors, monitoring & reporting and the quality of services for applications and permits.
Environmental Stewardship	Good co-ordination of biodiversity matters including new financing mechanisms, CITES database overhauled.	Strengthen outputs in the Pa Enea (compliance, stewardship, communications and data collection), international commitments and expedite data collection as per the NEP 2022-32.
Environmental Partnerships	Strong technical capacity, high level of stakeholder engagement, significant new funding sourced.	Resourcing of an ambitious workplan given the increase in newly funded projects.



7.2 OUR LEADERSHIP CRITICAL SUCCESS FACTORS

The leadership of NES is critical to drive a coherent approach to environmental protection in the Cook Islands. This second method of measuring performance is divided into six Key Results Areas (KRAs).

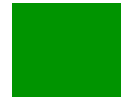
KEY RESULTS AREA #1	Traffic Light
<p>KRA 1: STRATEGIC & OPERATIONAL LEADERSHIP</p> <ul style="list-style-type: none"> • Lead the administration, review and updates of the NES legislations and multilateral agreements (conventions and protocols) • Lead the development of the NES Strategic Plan 2021-2026 to enable the NES to achieve national aspirations, regional and international commitments • Provide strategic input and leadership on decision making issues affecting NES, specifically relating to change proposals to the strategic and operational environment of NES organisational structure • Create, improve, implement and enforce NES's organisational management policies and procedures that will improve NES's operational and financial effectiveness • Provide strategic input and leadership on decision making issues affecting NES's performance to ensure compliant internal controls • Improve the planning and budgeting process on a continual basis by educating key members of the Corporate Service • Develop credibility and authority for the finance management team by providing accurate analysis of budgets, reports and financial trends and operational procedures • Lead the practice in leadership best thinking strategies setting parameters that define how NES will operate in this VUCA (Volatile, Uncertain, Complex and Ambiguous) time and environment. 	
<p>KRA 1: OUTCOMES</p> <ul style="list-style-type: none"> ■ Zero draft of the new Environment Bill completed at 80% by 30 June 2023 ■ NES submitted two submissions to the Intergovernmental Negotiations Committee for a new Plastics Pollution Treaty ■ New legislation passed - Environment (Seabed Mineral Activities) Regulation 2023 ■ First national reporting for the Basel Convention completed ■ NES 5-Year 2022-26 Strategic Framework completed ■ NES Human Resource Reorganisation Plan completed and executed ■ NES Office Manual completed and continuously updated ■ Weekly Senior Management Team meetings conducted regularly ■ Centralised financial systems through FMIS ■ Completed a full reconciliation of the NES accounts for audit ■ Audit work completed for 2021/22 however awaiting auditor's opinion ■ Comprehensive business plan submitted with \$1.7 million new initiatives ■ Full staff presentation of financial accounts and budget vs actuals ■ Separation of duty for financial accountability is work in progress ■ NES represented at the Budget Support Group (BSG) for Government ■ National Environment Forum not completed in 2022/23, however planned for 2023/24 	
	

KEY RESULTS AREA #2

Traffic Light

KRA 2: TEAM LEADERSHIP AND PERFORMANCE

- Provide leadership that creates a team environment that fosters the Public Service Values and develops effective working relationships and high performance
- Provide leadership to ensure team members are managed effectively at the Recruitment, Retention and Release stages of HR processes
- Mentor and interact with NES staff at all levels to foster growth and encourage development among senior management and all members or staff
- Provide leadership to build strong and effective teams capable of providing services of the highest quality
- The Performance and workloads of direct reports and staff members are monitored to ensure that objectives are met
- Manage employment relations and disputes in a fair and objective manner to provide an early solution to employee concerns and mitigate risks
- Lead the overall management of process and procedures in the professional development and training of NES staff



KRA 2: OUTCOMES

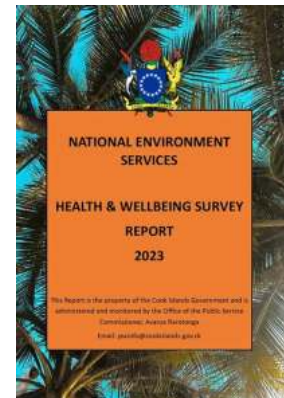
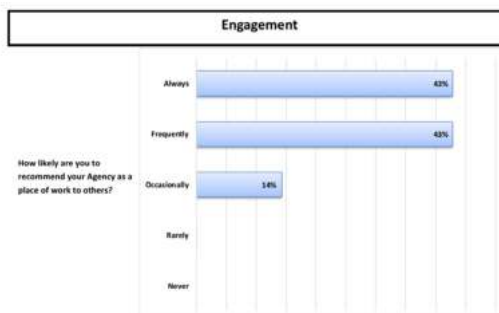
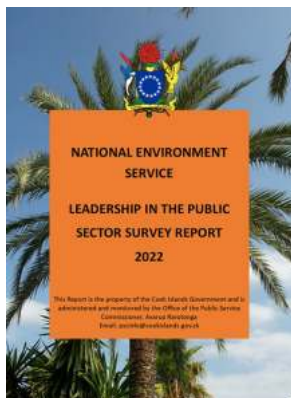
- NES Human Resource Reorganisation Plan approved by OPSC and new organisational structure issued
- Performance Management Review process completed in 2022/23 (Refer 6.1)

Key Highlights from the NES Leadership in the Public Sector Survey 2022

- 90% of staff say NES Managers always or frequently ask for feedback and hold one-on-ones
- 81% Transparency score rated by the NES staff. This shows a strong sense of accountability
- 86% of staff say NES managers breakdown jobs and projects to have clear deliverables
- 81% of staff say team building, teamwork and collaboration is strong at NES
- 76% of staff say Performance Management is practiced regularly and training provided sufficiently
- 86% Engagement rate - staff that said they are always or frequently engaged
- Improvements to staff training, development, management updates and visits to the Pa Enuu

Key Highlights from the OPSC Health & Wellbeing Survey 2023

- 100% participation rate from NES staff
- 91% of staff say NES workplace culture is always or frequently positive and motivating
- 93% of staff say they would highly recommend NES as a choice of employment
- 84% of staff say their ideas are heard and achievements are acknowledged
- 81% of staff say they have a good work & life balance and look forward to attending work
- 89% of staff say disputes or conflicts are solved within a month
- 100% of staff say disputes and conflicts are resolved fairly



KEY RESULTS AREA #3

Traffic Light

KRA 3: POLICY & PLANNING

Lead the overall operations:

- Of the provision of regulatory, technical, advisory and monitoring requirements for environmental management, and sustainability in the Cook Islands (Rarotonga, Pa Enea)
- In the development, management and implementation of the Draft National Environment Policy 2021 and Regulations
- In the management and implementation of processes and procedures to ensure compliance with the Environment Act 2003
- In the management of processes and procedures for data collection and analysis for the State of the Environment Report



KRA 3: OUTCOMES

- NES-STAC established internally to provide legal, scientific and technical advice for assessing of applications for the Island Environment Authorities
- Technical assistance and training obtained for specific areas like waste, compliance management, seabed minerals activities and water resource management
- Technical capacity for monitoring and compliance is currently being strengthened. Areas like lagoon monitoring and coastal development needs urgent strengthening
- Implementation of the Environment (Seabed Mineral Activities) Regulation 2023 is in progress with significant investment in capacity development, documentation and setting up of governing body
- Environmental Compliance processes have been strengthened through its process mapping in Factsheets 2 to 5
- National Environment Policy 2022-32 approved by Parliament
- Current scientific and environmental baseline data collection within NES and cross agency is lacking. The NEP and its M&E evaluation will assist in collecting this data over time, and to prepare for the State of the Environment Report



✓ Communication of new processes, Tier system and most frequently asked questions - covered in Factsheets 2 to 5

✓ Process mapping identified for Tier 1, 2 and 3

✓ Time periods identified for each of the process



KEY RESULTS AREA #4 **Traffic Light**

KRA 4: PROJECT MANAGEMENT & EDUCATION AWARENESS

Lead the overall operations:

- To ensure NES Donor Funded projects are planned and coordinated accordingly
- To provide leadership in the development and promotion of NES Education awareness programmes of key environment focal areas to protect the Cook Islands environment.



KRA 4: OUTCOMES

- New donor projects secured for an estimated NZ \$18.5 million (Refer 4.4)
- Strong relationships built with Multilateral and Donor partners e.g. GEF, UNEP, UNDP, UNCCD, ADB, CBD and others

Strong communications from NES since the launch of its Communication Strategy 2022-27:

- 16 Factsheets released
- Website is constantly updated with new microsites e.g. CITES database
- Environment Week June 2023 - NES took schools Apii Takitumu, Imanuela Akatemia, Titikaveka College, Papaaroa College, Apii Arorangi - visited Wetlands, Muri Environment Care, Salt Marsh, Waste activities, Landfill visit, Kukupa 2 Visit, donated all schools with 3 plants
- NES joined the Araura Career Expo in November 2022 and the Rarotonga Career Expo in June 2023
- Te Kura Tavake - 15 eDMs (Electronic Direct Mail) and 7 special eDMs released in 2022-23 (a total of 22 eDMs sent from NES in 2022-23)
- A total of 119 Press Releases issued in 2022-23 through Te Kura Tavake and NES website
- 2 new videos released in 2022-23 - a soft launch as part of Ocean Day and the Environment Week
- Communications and public awareness to be strengthened in the Pa Enuā

FACTSHEETS

NES issued its first 16 factsheets based on four groups: Compliance, Monitoring, Stewardship and Advocacy.

View on www.environment.gov.ck/publications/.

VIDEOS

NES produced new videos to raise awareness on our environment, from 'Who is NES' to the impacts of development.

View the videos on: www.environment.gov.ck/communications/

WEBSITE

The website is the main tool for all communications.

You can apply for a permit online, read about our environment legislation or conservation programmes.

Visit us on: www.environment.gov.ck.

EDM

Subscribe to Te Kura Tavake to receive the latest news from NES and its partners.

Subscribe on www.environment.gov.ck

KEY RESULTS AREA #5

Traffic Light

KRA 5: PARTNERSHIPS AND EXTERNAL RELATIONSHIPS

- Provides leadership direction in developing and maintaining consultative partnerships with other Government agencies, key stakeholders including Public Service Commissioner, Ministers, and Public Service Executives at strategic as well as operational levels
- Build relationships, communicate effectively and establish credibility throughout NES, with Ministers, PSC, Government Agencies and key stakeholders as an effective developer and solutions to business challenges



KRA 5: OUTCOMES

- Extensive stakeholder consultation for the National Environment Policy (NEP 2022-32) - over 120 consultations in Rarotonga and the Pa Enua
- Extensive stakeholder consultation for the Environment (Seabed Mineral Activities) Regulation 2023
- Participation on cross-agency policy and working groups: Seabed working group, Urban Policy Working Group, Te Tau Papa o Avarua (TTPA), Pesticides Group and dialogue with ICI on the Solid & Hazardous Waste Bill
- New MOU with key stakeholders: Te Ipukarea Society, Korero O te Orau, University of Newcastle
- New MOU with the Island Governments of Atiu, Mauke and Mangaia
- NES representation at the Tarai Vaka Process Committee (MFEM), Budget Support Group (MFEM), UNCCD Intersessional Working Group on the Mid-Term Evaluation (IWG-MTE) and Youth for the Sustainable Development Goals (SDGs) Arctic Expedition
- Multi-lateral funding dialogue with OPM-CCCI, OPM-CPPO, MFEM-DCD and MFAI to share key discussions on main environment funding mechanisms (GEF, GCF and AF) relating to main multi-lateral environment agreements/treaties (CBD, UNFCCC, UNCCD)
- Biodiversity research expedition to Tongareva with Sharks Pacific, MMR & National Geographic
- GEF 8 National Dialogue and the GEF 7 Inception Workshop with key stakeholders
- NES is a key co-ordinator for the Marae Moana Technical Advisory Group
- Partnership with MFAI on Multilateral Environment Agreement and treaty developments

PARTNERSHIPS

- ✓ NES-NGO Partnership Platform & MOUs
- NSDA 2020+ indicator 9.4
Te Ipukarea Society
Korero o te Orau
Muri Environment Care Group
Natura Kuki Airani
Te Vai Ora Maori
Sharks Pacific
- ✓ University of Newcastle, Australia:
3 x Graduate Certificate in Environmental Management & Sustainability
Technical support
- ✓ Agency collaboration (MFEM-DCD & MPPS, CCCI, CIT, MoA, ICI, TTV etc.)



KEY RESULTS AREA #6 **Traffic Light**

KRA 6: SELF-MANAGEMENT AND CONTINUOUS IMPROVEMENT

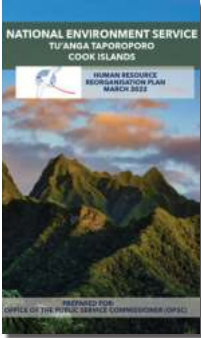
- Demonstrate self-management and continuous improvement in work performance and personal development through mentoring, in-house training and other relevant national, regional and international training



KRA 6: OUTCOMES


- All Rarotonga-based NES staff have been allocated international travel in 2022-23 to capacity build and transfer knowledge across the agency. Key conditions for travel is the completion of a BTOR report, provide a presentation to all staff, make statements and interventions, and to write a press release for Te Kura Tavake.
- A total of 60 travel was conducted in 2022-23. All the trips were funded externally and some involved multiple staff per trip
- 83% of staff completed their Performance Management Review forms, which included a Development Plan
- Technical assistance and training obtained for specific areas like waste, compliance management, seabed minerals activities and water resource management
- Human Resource key milestones as follows:

HR REORGANISATION




- ✓ Human Resource Reorganisation Plan approved by OPSC
- ✓ Full job sizing and banding by OPSC
- ✓ Reduce FTE from 46 to 34
- ✓ Move Pa Enuia staff from full-time to part-time
- ✓ Reduce number of Departments & Managers from 5 to 4
- ✓ Flatten a top-heavy structure to increase efficiencies

NEW JOB DESCRIPTIONS




- ✓ Conducted internal functional review of NES
- ✓ Completed new job descriptions for all NES positions
- ✓ Inclusive process of obtaining feedback and input from staff
- ✓ Training of staff to understand JDs and PMRs

EMPLOYMENT AGREEMENTS




All staff have new employment contracts (except Nth Group still WIP)

NEW PERFORMANCE REVIEW SYSTEM



- ✓ All HO Staff completed PMR by Jul'23
- ✓ First Calibration by Management in Aug'23

TRAINING & DEVELOPMENT



- ✓ 3x staff accepted to study Grad Cert in Env. Sustainability at Uni of Newcastle
- ✓ Development Plans incorporated to PMR.
- ✓ Travel opportunities are shared amongst NES staff - in return for capacity building in environment, reporting, networking and presentation.
- ✓ Weekly training schedule issued by Mgmt.

In summary, five of the six Key Results Areas are green and on track. NES will continue to strengthen its performance by reviewing its Strategy and set new goals and indicators.



7.3 OUR PERFORMANCE BASED ON THE 7-GOAL NES STRATEGY

A third method to measure NES's performance is the appraisal of its 5-Year Strategic Framework. The traffic lights (green, yellow and red colours) are used to measure the 7-Goal Strategy for the next 5 years, of which the majority of the milestones have been achieved in Year 1 and 2.

From a total of 33 indicators across the 7 Goals, 24 are coloured green (73%), 8 are yellow (24%) and 1 is red (3%). All yellow and red indicators have an updated 'action' and 'target', while NES continues to maintain performance on the green indicators. All yellow indicators are either on track or being addressed. The red indicator relates to historical financial statements that are currently being addressed with MFEM and the Cook Islands Audit Office.

1. OPERATIONS

GOAL 1 : TO ESTABLISH A STRONG FOUNDATION WITHIN NES IN FINANCIAL PRUDENCE AND HUMAN RESOURCE DEVELOPMENT

- Centralise all financial information into a standardised system that can produce transparent and robust reporting to its staff and external stakeholders - *Completed through FMIS*
- Develop and implement a clear Financial Policy and Procedures document that will guide all Head Office and Pa Enuu staff its financial and HR principles - *Office Policy in place*
- Achieve an unqualified auditor's opinion with zero management issues through thorough reconciliations, guidelines, training and internal audits.

Action: NES continuing to improve auditor's opinion by tidying up prior year finances.

Target: To obtain an unqualified auditor's opinion by 2024.

- Reorganise the Organisational Structure and overhaul the Human Resource framework to include effective processes in recruitment, clear job descriptions, KPIs & targets, staff training and performance review. - *Reorganisation of NES completed*
- Develop a robust Performance Management Framework for all its staff that incorporates Performance objective & ratings, performance calibration platform, staff development plans and succession planning - *Performance Management Review System implemented*

2. GOVERNANCE

GOAL 2: TO STRENGTHEN ENVIRONMENTAL LEADERSHIP AND GOVERNANCE

- Review of the NES Governance framework and establish a Board policy that will introduce control mechanisms to eliminate conflict of interest or nepotism - *IEA Induction Programme*
- Engage with central Government and external partners to increase environmental funding and GDP% contribution significantly - NES is severely underfunded and is below 1% of GDP. Business cases will be developed to increase funding. Focus on the most significantly impacted areas with public scrutiny - notably the Muri Lagoon algae bloom - *New funding in 2023-24*
- Establish technical support groups (private and public sector intelligence) based on environmental needs to support NES work and provide peer review for internal decision making and institutional strengthening - *NES-STAC established and a registration process of experts issued*
- Bring Environment into the heart of Government decision-making by nationalising its annual forum to include political leadership & messaging, technical advisory (guest speakers) and sectoral development (connecting all sectors) - *BSG and Tarai Vaka Process*
- Forming MOUs with Government agencies to elevate environmental goals and responsibilities. Prioritise on Pa Enuu and its escalating waste problem.

Action: Complete the remaining Government Agencies and Island Governments MOU

Target: Complete all MOUs with Island Governments and the Agencies for the NEP 2022-32 by December 2024

3. POLICY



GOAL 3: TO ESTABLISH A ROBUST NATIONAL ENVIRONMENT POLICY FRAMEWORK AND STRATEGIC GOALS FOR THE COOK ISLANDS

- Redevelop a National Environment Policy Framework (NEPF) that is well-structured and focused on streamlining all projects to align to the overarching Goals of Land, Marine, Biodiversity, Water, Waste, Air and Climate Change - *National Environment Policy 2022-32 launched*
- Develop a 5-Year National Environment Strategy (NES22-27) derived from the NEPF, that includes an implementation plan with realistic time periods. Develop a centralisation strategy to rectify the fragmented environmental landscape across Government. NES will need to develop the confidence and trust of its partners to bring other environmental bodies into the NES system.
Action: To be developed as per the Cook Islands Green Plan for 2025-26. There are also sub-Strategies developed under each of the Goals e.g. NBSAP under Biodiversity
Target: To complete by 2025-26
- Harmonisation of the NEPF and NES22-27 platforms with the cultural goals and objectives of the people of the Cook Islands. - *As evident in this Annual Report*
- Establish a solid research portal to support the NEPF and NES22-27 with sound scientific evidence
Action: Research Co-ordinator embedded to Organisational Structure. Research development is work in progress
Target: To complete by 2024-25

4. COMPLIANCE



GOAL 4: STRENGTHEN COMPLIANCE & MONITORING AND ESTABLISH CLEAR ENVIRONMENTAL GUIDELINES AND STANDARDS

- Overhaul of the whole Compliance framework and strengthen performance as the core function of NES - *Completed as per Factsheets 2 to 5*
- Introduce enabling mechanisms that will bolster Compliance work and promote the integrity of NES - *establishment of a NES-STAC body within NES, a register of experts being advertised*
- Review of the Compliance work conducted in Rarotonga and the Pa Enua to ensure value proposition to NES is met and environment advocacy objectives are incorporated. Build capacity for areas of national interest i.e. Permitting processes and robust guidelines for Seabed Minerals activities.
Action: Capacity building in monitoring and technical areas is in progress. More focus on the Pa Enua compliance systems strengthening
Target: Performance improvement expected in 2023-24
- Digitalise and develop public-facing guidelines and process maps for all compliance and monitoring work identified in the NEPF and NES22-27 planning - *Completed as per Factsheets 2 to 5 and the online form on the Website. New registry system to be installed in 2023-24*

5. RESEARCH



GOAL 4: TO DEVELOP A HOLISTIC ENVIRONMENT RESEARCH PLATFORM WITH KEY PERFORMANCE INDICATORS & TARGETS

- Develop a Monitoring and Evaluation Framework (M&EF) under the NEPF Goals of Land, Marine, Biodiversity, Water, Waste, Air and Climate Change - *Completed as per NEP 2022-32*
- Design a suite of Key Performance Indicators under the M&EF that includes Indicators, Definition, Baseline, Target & Goals, etc - *Completed as per NEP 2022-32*
- Design signature surveys that will raise NES's profile in environmental sustainability e.g. Community Attitudes on the Environment, Environmental Confidence Index, extraction of Tourism's IVS elements on the environment - *Completed National Environment Survey, and other project-based ones.*



- Capacity building of NES staff on research tools (e.g. survey monkeys, analytics) and identify secondment partnerships (e.g. MfE NZ, SPREP) - *Upskilled staff in Survey Monkey, CITES database, INFORM database, GIS and the upcoming Asana software*
- Develop a compelling digital dashboard of environmental sustainability KPI's and measures that is widely available to NES key partners in real time.
 - Action: Work in progress. This will be formed once data collection improves. NES's investment in Asana will provide a platform to develop the dashboard*
 - Target: To complete by 2025-26*

6. COMMUNICATION

GOAL 6 : TO EXECUTE A ROBUST COMMUNICATION STRATEGY FOR BROAD STAKEHOLDER AND COMMUNITY OUTREACH

- Develop a Communication architecture and strategy to scope the full lay of the land for the ultimate reach of environmental awareness and education. This includes a Digital and Social media strategy. - *Completed the Environmental Communication Strategy 2022-27*
- Overhaul of the NES website as the key communication portal. The content developed from Goals 1-5 will be structured and featured on the website - *New website launched June 2022*
- Digitalisation of all research, policies and applications to NES through its website e.g. build digital assets; EIA guidelines, proposals, assessments, etc - *New website launched with e-forms*
- Build a database for vast electronic direct mail (eDM) that links to the research goal. This will be used for future online distributions and surveying of key stakeholders - *Completed through Campaign Monitor*
- Monitoring and evaluation of the effectiveness of NES communications and determine the level of stakeholder engagement. - *Digital analytics obtained through website, social media and Campaign Monitor*

7. PARTNERSHIPS

GOAL 7: HARNESS PARTNERSHIPS IN THE PRIVATE AND PUBLIC SECTOR TO MANIFEST ENVIRONMENTAL COHERENCY

Prioritisation of partnerships in the following areas;

- Accelerate the transition to low carbon emission transportation and renewable energy systems
 - Action: Sporadic development that needs a cohesive approach across Government*
 - Target: NES to discuss the Cook Islands Green Plan or a transitional plan across Government*
- Facilitate sustainable infrastructure planning and development in the Cook Islands
 - Action: Sporadic development that needs a cohesive approach across Government*
 - Target: NES to continue engagement with other Government agencies on sustainable infrastructure e.g. Urban Development Planning to embed environmental standards/guidelines*
- Strengthen sustainable waste management solutions (solid, hazardous and waste water)
 - Action: Sporadic development that needs a cohesive approach across Government*
 - Target: NES to continue engagement with other Government agencies on addressing the landfill capacity and wastewater / sanitation central management*
- Broaden awareness programs on biodiversity, climate change and protected areas (terrestrial & marine) - *On track as per ECS 2022-27. Continue to produce more public awareness programmes*
- Obtain community support on environmental sustainability e.g. fighting pollution, plastic-free, food waste, etc - *On track as per community projects like Tita ki te Tita Kore and the National Environment Week. Further plans to continue momentum on community engagement.*

In summary, NES to consider reviewing the 5-Year Strategy given 73% of it has been given a 'green' rating. More in depth indicators to be considered to continue raising the bar for NES's performance in the coming years.



7.4 OUR PERFORMANCE BASED ON NES BUSINESS PLAN 2022-23

A fourth method to measure NES's performance is to measure the outcomes of the Outputs outlined in its Business Plan 2022-23 submitted to the Budget Support Group (BSG). The traffic lights system was used to measure NES's performance against the business plan key policy outcomes.

It should be noted that the Outputs were designed to be resourced from the new initiatives proposed for \$1.7 million in the business plan. While NES only received \$40,000 of new funding in the 2022-23 period, the Cook Islands Government approved the \$1 million new funding in the 2023-24 period.

From a total of 22 Key Policy Outcome indicators across the 5 Outputs, 14 are coloured green (64%), 6 are yellow (27%) and 2 are red (9%). All yellow and red indicators have an updated 'action' and 'target', while NES continues to maintain performance on the green indicators.



OUTPUT 1: PUNA 'AKATEREAU | ENVIRONMENTAL POLICY & PLANNING

- Key Policy Outcome 1.1: Develop a strong foundation within NES in financial prudence and human resource development. - *Completed as per the NES Human Resource Reorganisation Plan 2022-26 and the tidying up of the NES financial statements (historical finances) by March 2023*
- Key Policy Outcome 1.2: Effective legislative and policy frameworks for priority environment areas of concern - *On track as the National Environment Policy 2022-32 is completed, Environment Seabed Mineral Activities Regulation 2023 passed, and the new Environment Bill is being developed*
- Key Policy Outcome 1.3: Strengthen human resource development and build capacity within NES through a HR Reorganisation / Restructure. - *Completed as per the NES Human Resource Reorganisation Plan 2022-26. Capacity building opportunities executed*
- Key Policy Outcome 1.4: Develop a communication strategy to maximise environmental education, awareness, advocacy and engagement with all relevant stakeholders in the Cook Islands - *Completed the Environmental Communications Strategy 2022-27*
- Key Policy Outcome 1.5: To establish a robust national environment policy and strategic framework, and strategic goals for the Cook Islands. - *On track as the National Environment Policy 2022-32 and the NES 5-Year Strategic Framework completed*



OUTPUT 2: PUNA AKOAKO E TE ARAPAKI TURE | ENVIRONMENTAL COMPLIANCE

- Key Policy Outcome 2.1: Effective implementation of the Environment Act and its regulations. Three areas of focus: data and information management systems, enforcement and monitoring, staff training and development
Action: Capacity building in monitoring and technical areas is in progress. New system under the Asana Platform is to be introduced in 2023-24 to improve the information management system
Target: Performance improvement expected in 2023-24
- Key Policy Outcome 2.2: Digitalisation of all Compliance processes to optimise performance to our key stakeholders - *e-forms embedded to the new NES website*
- Key Policy Outcome 2.3: Build capacity on Seabed Minerals Activities (Permitting Authority)
Action: Documentation completed for the new regulations. Setting up of the National Environment Council, obtaining external technical experts, issue fees and charges, and increasing technical capacity within the Environmental Compliance Department are the key strategies
Target: Performance improvement expected in 2023-24



OUTPUT 3: PUNA ORAMA | ENVIRONMENTAL STEWARDSHIP

- Key Policy Outcome 3.1: Strengthen stakeholder collaboration and partnerships for biodiversity conservation, monitoring and management. Coordinate Cook Islands engagement in relevant Multilateral Environmental Agreements - *Consistency of holding the Kopapa Ao Ora Natura (KAON) Biodiversity Committee. Work in progress to improve commitments to the Convention on Biological Diversity (CBD)*
- Key Policy Outcome 3.2: Strengthen stakeholder collaboration and partnerships for biodiversity conservation, monitoring and management (special focus on the Natural Heritage Trust - NHT) - *NHT*



operates this output given technical expertise and separate mandate. However the new National Biodiversity Strategy and Action Plan (NBSAP) is expected to strengthen cohesion and coherency in biodiversity conservation, management and monitoring

- Key Policy Outcome 3.3: Effective management of Suvarrow National Park

Action: All is on track for Suvarrow except for the need to strengthen data collection and reporting on the state of its environment. Technical assistance is sought through the GEF7 Project. Additional operational costs need to be funded through a resubmission to Government.

Target: Performance improvement expected in 2023-25
- Key Policy Outcome 3.4: Effective protection and monitoring of trade of biodiversity - *On track with the improvement to the CITES database and online application process*
- Key Policy Outcome 3.5: Establishment of a Research Hub to facilitate data collection across Government, NGOs, private sector

Action: Monitoring & Evaluation Framework completed under NEP 2022-32. However, data collection currently work in progress i.e. internal NES data and MOUs/arrangements with external partners in Government and NGOs

Target: Performance improvement expected in 2023-25



OUTPUT 4: PA ENUA

- Key Policy Outcome 4.1: Provide support to Island Environment Authorities and Pa Enea Environment Offices

Action: Warrants and induction training for the Island Environment Authorities conducted for Aitutaki and Mauke. Remaining Pa Enea is to be completed

Target: Complete warranting and IEA induction training for Mangaia, Manihiki, Pukapuka, Penrhyn, Mitiaro and Atiu by 2024
- Key Policy Outcome 4.2: Strengthen compliance work in the Pa Enea

Action: Technical capacity to be bolstered and strengthened for all the Pa Enea, particularly marine monitoring technical work in Aitutaki.

Target: Performance improvement expected in 2023-25
- Key Policy Outcome 4.3: Establishment of Pa Enea Waste Depot with the Island Governments - *negotiation of the ISLANDS project to fund this project is in progress. Funding expected for 2024-25*



OUTPUT 5: PUNA ATUITUI | ENVIRONMENTAL PARTNERSHIPS

- Key Policy Outcome 5.1: Ensure coordination and effective delivery of environment donor projects - *on track as per new Donor Partner Projects with secured funds*
- Key Policy Outcome 5.2: Effective National Implementation of obligations relevant to waste Multilateral Agreements and other National Waste Plans and strategies.

Action: Seek new funding for institutional strengthening of the Basel and Stockholm Conventions under NES. While national reporting for the Basel Convention was completed in 2023, strengthening of the data integrity is work in progress

Target: Performance improvement for Basel and Stockholm Conventions expected in 2023-25, increase commitments once new Solid & Hazardous Waste bill is passed, and to complete a National Action Plan for Plastics Production by 2025
- Key Policy Outcome 5.3: Strengthen Partnerships programme to broaden environmental stewardship and advocacy. - *on track as per new Donor Partner Projects with secured funds*
- Key Policy Outcome 5.4: Muri lagoon rehabilitation programme

Action: New initiative for funding of this project was not approved. However, to resubmit and seek partnership funds through the GEF programme and other relevant projects

Target: Source new funding in 2024-25
- Key Policy Outcome 5.5: Legacy e-waste (Whiteware waste inherited and not subject to the ADRF) - *on track for 2023-24 through the Tita ki te Tita Kore project*
- Key Policy Outcome 5.6: Legacy ELV waste (End-of-Life Vehicle waste inherited and not subject to the ADRF) - *on track for 2023-24 through the Tita ki te Tita Kore project*

In summary, stronger focus on the Pa Enea, technical compliance development & capacity, and some key partnership projects are required.

8

PART E: OUR FINANCES



8.1 OUR FINANCES

8.1.1 AUDIT OF FINANCIAL STATEMENTS TO 30 JUNE 2022

NES has spent considerable resources in tidying up of the financial statements to 30 June 2022 (2021/22 financial period). There are large balances carried forward to previous financial years due to insufficient reconciliation, evidence of payment and justification. NES received a 'disclaimer' auditor's opinion for its financial statements in 2019/20 and 2020/21.

Since NES centralised its financial systems (FMIS) in 2021, significant improvements have been made to internal controls. Cash management has been minimised to trading revenue collection only, and the approval process of payments are done electronically with oversight from MFEM and DCD.

In the financial year period to 2022, all movements have been reconciled including the Fixed Asset Register and Payables and Receivables. The only outstanding entries are prior-year entries which NES continues to provide a policy position to the Cook Islands Audit Office and MFEM for their consideration of the next steps.

The Cook Islands Audit Office completed the audit work for the 2021/22 financial period in April-May 2023. The auditor's opinion is yet to be issued.

8.1.2 DRAFT FINANCIAL STATEMENTS TO 30 JUNE 2023

NES has prepared its draft financial statements to 30 June 2023. A draft Profit & Loss and Balance Sheet is provided in the next two pages. A 2022-23 finance pack prepared for auditing purposes is ready for the Cook Islands Audit Office to conduct its audit work.

Key Findings from the draft financial statements to 30 June 2023

Balance Sheet

- Carried forward balances from prior years include balances in the following accounts: Cash and Equivalents, Debtors & Other Receivables, Trust accounts, Trust Liabilities and VAT Payable. NES continues to investigate and obtain supporting documents from various sources. Further advice to be sought from the Cook Islands Audit Office once an auditor's opinion has been issued for the 2021/22 and 2022/23 financial statements
- Fixed Asset Register has been reconciled with the general ledger
- All other accounts reconciled with clear instructions on reversal and clearing entries

Profit & Loss

- NES collected 47% of its Trading Revenue allocation. NES is to review its fees and charges, together with the Trading Revenue budget allocation
- Personnel expenses was overspent by \$15,196. This is due to the Pa Enea staff being unbudgeted in 2022-23 (historical arrangement being tidied up). NES will receive an additional \$90,000 in its budget appropriation in 2023-24 to accommodate costs of retaining Pa Enea staff. NES will also overhaul its Pa Enea staffing to ensure consistency in its structure across the islands and that staff are performing
- Depreciation was overspent by \$13,773. This is due to the tidy up work in reconciling the Fixed Asset Register to the general ledger. NES to review its budget appropriation for 2024-25 to ensure all depreciation costs are being accounted in the budget process
- Projected overspend of 2% of its Budget Appropriation is due to the tidy up work for NES's finances, particularly personnel and depreciation expenses. NES have taken the appropriate steps to remedy this small overspend in the 2023-24 financial year period.

In summary, NES's financial management has improved significantly through the considerable efforts of tidying up prior year entries and putting internal controls in place. Financial systems introduced like the FMIS and financial tools like the Project Briefs have helped the staff justify and explain every dollar accounted for under NES.



NATIONAL ENVIRONMENT SERVICES

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2023

In New Zealand Dollars	Notes	Actual 2023 \$	Budget 2023 \$	Actual 2022 \$
Revenue				
Funding from the Crown		1,223,371	1,186,826	1,253,544
Trading Revenue	2	16,300	35,000	13,542
Aid Revenue	9	106,776	106,776	159,412
Total Revenue		1,346,447	1,328,602	1,426,497
Expenditure				
Personnel Expenses	3	1,006,022	990,826	1,016,468
Bad Debts Expenses		5,248	5,248	-
Depreciation Expenses	10	43,773	30,000	46,103
Other Expenses	4	173,780	195,752	204,711
Aid Expenses	9	106,776	106,776	159,412
Total Expenditure		1,335,599	1,328,602	1,426,694
Operating Balance before Gains and Losses (OBEGAL)		10,848	(0)	(196)
Other Gains/(Losses)				
Total Other Gains/(Losses)		-	-	-
Net Surplus / (Deficit)		10,848	(0)	(196)

Explanations of major variances against the budget are provided in Note 17.



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NATIONAL ENVIRONMENT SERVICES
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

In New Zealand Dollars	Notes	Actual 2023 \$	Actual 2022 \$
Assets			
Current Assets			
Cash and Equivalents	5	61,808	61,808
Trust Accounts		382,576	382,576
Debtors and Other Receivables	6	243,099	161,592
Aid Receivables		36,168	46,367
Total Current Assets		723,651	652,343
Non-Current Assets			
Property, Plant and Equipment	10	52,845	91,234
Intangible Assets	11	29,109	34,491
Total Non-Current Assets		81,953	125,725
Total Assets		805,605	778,068
Liabilities			
Current Liabilities			
Creditors and Other Payables	7	161,230	156,749
Aid Liabilities		179,090	179,090
Employee Entitlements	8	40,764	28,558
Total Current Liabilities		381,084	364,397
Total Liabilities		381,084	364,397
Net Assets		424,520	413,671
Equity			
Contributed Capital		222,828	222,828
Accumulated Surplus / (Deficit)		201,692	190,843
Total Equity	12	424,520	413,672
Balance at 1 July		413,672	470,231
Net Surplus / (Deficit)		10,848	(196)
Asset Transfer Out		-	-
Prior Year Adjustments		-	(10,259)
Depreciation Payable to the Crown		-	(46,103)
Balance as at 30 June	12	424,520	413,672

9

CONCLUSION & RECOMMENDATIONS





9.1 CONCLUSION & RECOMMENDATIONS

While this annual report focuses on the performance and activities by NES, horizontal integration with other Government agencies is also important to ensure a holistic, coherent and cohesive approach to all environmental matters is achieved in the Cook Islands. It should be noted that a functional review of the whole of Government machinery is currently being conducted through the Office of the Public Service Commissioner. This work will inform the key strategies required to strengthen the environment sector, consolidate and align the efforts of respective agencies operating in the environment space.

The activities undertaken by NES in the financial year 2022-23 have proven to be effective given strong foundations have been invested in its systems and people. The focus for NES in 2023-24 and beyond needs to be centered on building efficiencies and strengthen the processes and quality of implementation. There is a need to expedite technical knowledge and capacity building to keep up with the pace of developments and emerging sectors in the Cook Islands.

The performance of NES in the 2022-23 financial year is based on a range of indicators from its performance management review system, leadership critical success factors, strategic framework and key policy outcomes from its business plan. This platform gives a strong evaluation process and template for NES to measure its performance consistently in the future. However, NES must continue to raise the bar for performance by reviewing its strategies and key policy outcomes. There needs to be a shift of targets to include technical areas and to bring the Pa Enea performance to an acceptable level.

Based on the assessment made in this annual report, key recommendations are put forward to ensure NES continues to strengthen its performance in the coming years:

1. NES 5-Year Strategic Framework - interim review of the strategy to produce new goals and indicators to further uplift NES performance
2. Strengthen NES's technical capacity - invest in capacity building of NES staff in technical areas that supports the national environment policy
3. Environmental Baseline Data - execute partnerships to expedite data collection and investment in scientific research
4. Resourcing of NES to take on new initiatives and funding - increase resources within NES to prepare for an ambitious work plan ahead
5. Strengthen NES's operations in the Pa Enea - restructure the Pa Enea staff to optimise performance and add value to its communities
6. Strengthen financial prudence - continue to strengthen financial systems and processes to achieve an unqualified auditor's opinion
7. Conduct the National Environment Forum - engage with key stakeholders and the community on constructive planning for effective environmental protection, conservation and management
8. Strengthen synergies with key Government Agencies - strengthen joint outcomes from international conventions, Marae Moana and sectoral approaches to emerging environmental issues and challenges

With the completion and submission of this annual report, we confirm NES's fulfilment of Section 6 of the Environment Act 2003.

Kia manuia from the Staff of the National Environment Service

