



# Briefing on the Environmental Reporting Programme

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Security level:

MfE priority: Medium

Actions sought from Ministers		
<i>Name and position</i>	<i>Action sought</i>	<i>Response by</i>
To Hon Penny Simmonds <b>Minister for the Environment</b>	Agree to meet with officials	18 March 2024
CC Hon Andrew Hoggard <b>Associate Minister for the Environment</b>	Agree to forward	

Actions for Minister's office staff
<p><b>Forward</b> this briefing as agreed below.</p> <p><b>Return</b> the signed briefing to the Ministry for the Environment (<a href="mailto:ministerials@mfe.govt.nz">ministerials@mfe.govt.nz</a>).</p>

Appendices and attachments
<ol style="list-style-type: none"> <li>1. Environmental Reporting Obligations</li> <li>2. Environmental Reporting Data Arrangements</li> <li>3. Environmental Reporting Delivery Process</li> </ol>

Key contacts			
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General Manager (MfE)	Megan Hurnard		
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# Briefing on the Environmental Reporting Programme

## Key messages

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1. This briefing provides you with a high-level overview of the Environmental Reporting programme delivered by Ministry for the Environment (the Ministry) and Statistics New Zealand (Stats NZ) under the Environmental Reporting Act 2015 (ERA 2015).
2. Environmental Reporting independently brings information together to form a national picture, identifying environmental risks and opportunities that warrant closer inspection for potential policy work, and over time provides independent evidence of New Zealand's performance on environmental issues.
3. The programme is a trusted source of national information on the state of the environment that, under s15 of the ERA 2015, is required to be produced independently of Ministers of the Crown.
4. The intention of the ERA 2015 was to provide regular, authoritative reporting to aid decision making and support policy evaluation over time.
5. The lack of coherence in national monitoring and reporting is highlighted by the programme's reliance on information gathered under other legislation or for other purposes, as well as gaps in the evidence base.
6. Despite this, the programme makes use of the best available environmental monitoring data and where necessary uses published scientific literature to fill gaps on statutory topics.
7. The next domain report, Our Land 2024, will be publicly released on 10 April 2024. A further briefing on the report itself will be provided in the next two weeks.

## Recommendations

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**Agree** to meet with officials to discuss this briefing in further detail.

Yes | No

**Agree** to forward this briefing to other Ministers with an interest in environmental reporting, subject to discussion between officials and your office.

Yes | No

**Note** that further briefings on the next environmental report, Our Land 2024, and the Ministry's work on the Environmental Monitoring and Reporting System will follow.

Noted

## Signatures

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Megan Hurnard

General Manager

**Data, Evidence and Insights**

**Date: 01/03/2024**

Hon Penny Simmonds

**Minister for the Environment**

**Date:**

# Briefing on Environmental Reporting and the release of Our Land 2024

## **Basis for National Environmental Reporting**

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8. The Environmental Reporting Act 2015 (ERA 2015) was initially introduced by then-Minister Amy Adams and passed its second and third readings under her successor as Minister for the Environment, Dr Nick Smith.
9. During speeches introducing the ERA 2015 to the House and moving it to be read, the Minister for the Environment noted that it was intended to:
  - Bring New Zealand in line with other OECD countries that had already introduced some form of mandatory independent environmental reporting
  - Help New Zealanders understand how changes in the environment affect society
  - Enable better management of the environment through increased transparency of its state
  - Shift environmental conversations away from what data indicates and into what to do about trends
  - Improve the regularity and integrity of national-level environmental data
  - Drive improvements in environmental monitoring over time
  - Report on the best available data.
10. In the second reading, Dr Smith compared the ERA to legislation on national educational standards introduced by that government, noting the importance of “providing integrity and honest reporting” for raising performance over time.

## **Obligations under the Environmental Reporting Act**

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11. The ERA 2015 requires reporting on the environment at a national scale jointly by the Ministry and Stats NZ.
12. The ERA 2015 defines the roles of the Secretary for the Environment and Government Statistician (and by extension their agencies). The Ministry has responsibility for producing reports (including the procurement of data) while Stats NZ has responsibility for statistical methods, the production of

environmental indicator statistics<sup>1</sup>, and their use in reports.

13. It also requires the Ministry and Stats NZ to act independently of Ministers of the Crown (s15), which gives the public confidence that reports are not edited for political convenience. To preserve that independence, reports do not comment on government policy.
14. Alongside roles and responsibilities, the ERA 2015 also establishes the pace, focus and framework for reporting.
15. Under the ERA 2015 the Ministry and Stats NZ are statutorily required to deliver six reports over the course of three years (s9 and s12), which cannot be published more than six months apart (see Appendix 1). The reports are:
  - Five 'domain' reports each covering one part of the environment in greater detail.
  - A synthesis report covering the whole of the environment.
16. Within each report the Ministry and Stats NZ must cover issues within the pressure, state and impact framework (s8 and s11) as laid out in the *Environmental Reporting (Topics for Environmental Reports) Regulations 2016*.
17. The programme is also required by the regulations to report on the impact that the state of the environment and changes to it may be having on mātauranga Māori, tikanga Māori, kaitiakitanga, customary use and mahinga kai and sites of significance including wāhi taonga and wāhi tāpu.

## **Role of the Minister for the Environment and the Minister of Statistics**

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18. Under s15 of the ERA 2015 Environmental Reporting must be undertaken independently of Ministers of the Crown. This means the Minister for the Environment and the Minister of Statistics are not involved in operational aspects of the programme.
19. While Ministers do not have a direct role in operational delivery, the ERA 2015 gives you the following roles:
  - Jointly with the Minister of Statistics presenting the report to the House of Representatives as soon as is reasonably practicable, under s7(2) and s10(2).
  - Under s19 of the ERA 2015, jointly making recommendations with the

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<sup>1</sup> Environmental indicators are high quality official statistics produced by Stats NZ, that conform to the best practice processes and principles for statistics. Wherever possible they are the preferred evidentiary basis for reporting on environmental state and trend.

Minister of Statistics, by order in council, on the topics for reporting contained in *Environmental Reporting (Topics for Environmental Reports) Regulations 2016*.

### *Outside the ERA 2015*

20. Additionally, under the Data and Statistics Act 2022 the Government Statistician must seek the approval of the Minister of Statistics should they wish to compel regional authorities to provide data they hold. It is exceptional that the Government Statistician would seek to make use of that power, and it has not been used previously for Environmental Reporting.
21. Separately to the Environmental Reporting programme, you can commission reports from the Ministry on focused areas of research required to support a decision or policy.

## **National Arrangements for Monitoring and Reporting**

### *Environmental Reporting Act 2015*

22. Reporting under the ERA 2015 independently brings environmental information together to form a national picture, identifying risks and opportunities that warrant closer inspection for potential policy work, and over time provides high-level evidence of New Zealand's performance on environmental issues.
23. Although the ERA 2015 puts a duty on the Secretary for the Environment and the Government Statistician (Chief Executive of Stats NZ) to produce fair and accurate reports (s16 of the ERA 2015) it does not include levers to direct new monitoring. It also allows the Secretary and Statistician to forego information that cannot be obtained by reasonable efforts (ss8(3) and 11(3) of the ERA 2015).
24. There is no national oversight for monitoring and collection of environmental data. The environmental reporting system has been passive, harvesting whatever data is available through individual programmes, and ad-hoc national arrangements and legislation (see Appendix 2).

### *Resource Management Act 1991*

25. Monitoring by regional councils under the RMA generates a significant proportion of the information used by Stats NZ to develop environmental indicators (see Appendix 2).
26. The Resource Management Act 1991 (RMA) requires monitoring of the environment by councils as necessary to carry out their functions (s35). Specific monitoring and reporting requirements for some environmental domains are set out in national directions, set by the Minister for the Environment (s45A(2)(g)).

27. The data generated by this monitoring depends on local government's choices about what, where, and how they meet those obligations. Different choices between councils can result in data that cannot be compared, or data gaps (i.e. inconsistent national coverage).
28. As the requirement for monitoring is driven by the RMA, the impact on regional councils of the ERA 2015 is limited to the periodic sharing of environmental monitoring data for indicator production, and when required, advice to ensure regional data is appropriately represented in national datasets.

### *Strategic Science Investments and Procurement*

29. Investment through programmes such as the Nationally Significant Databases and Collections<sup>2</sup> supports Crown Research Institutes (CRIs) to deliver some national datasets that contribute to our environmental understanding.
30. However, funding for collections managed by the science community is declining in real terms, and not subject to oversight or review. The lack of oversight, and financial challenges for CRI is exemplified by recent funding challenges with the National River Water Quality Network managed by NIWA.
31. The Ministry and Stats NZ also directly contribute towards the capture or processing of environmental data for indicators through CRIs. This is more common when the indicator relies on remote sensing, is global in nature or is at a national scale not covered by regional councils.
32. Work is underway by regional councils and central government agencies to create and improve national environmental monitoring and data standards. However, the limitations of the current suite of standards requires the Ministry and Stats NZ to procure the services of CRIs to assist in the collation and management of some datasets provided by regional councils to ensure they are consistent and suitable for national level reporting.

## **Connections to other Ministry Work Programmes**

33. The challenges noted above are a subset of those which gave rise to the Parliamentary Commissioner for the Environment's critique<sup>3</sup> of the state of environmental data and knowledge and are central to the proposed reforms of the ERA 2015.
34. They are also of significance to several related Ministerial portfolios notably

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<sup>2</sup> Managed by the Ministry of Business, Innovation and Employment through the Strategic Science Investment Fund

<sup>3</sup> PCE, *Focusing Aotearoa New Zealand's environmental reporting system*, November 2019. <https://pce.parliament.nz/publications/focusing-aotearoa-new-zealand-s-environmental-reporting-system/>

Climate Change, RM Reform, Infrastructure, Conservation, Oceans and Fisheries, Agriculture, Forestry, and Science, Innovation and Technology.

35. The Ministry is actively working with other central government agencies and the regional sector to improve the functioning of the environmental monitoring system and will be outlining this work in a forthcoming briefing.
36. Opportunities also exist to consider how environmental monitoring and reporting maybe improved through the upcoming package of reforms of the resource management system and associated national direction.

## **How we deliver reports**

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37. Reports are produced over a six-month period, with some data collection activity occurring in advance of initial production. The stages of which are outlined in Appendix 3.

### *Data Collection*

38. Work on gathering data to update environmental indicators starts up to 12 months before the report is delivered. This usually involves collating pre-existing information from regional councils or CRIs.
39. Where gaps remain in relation to statutory topics, the Ministry uses reasonable efforts (s16 of the ERA 2015) to supplement this data with peer-reviewed and published studies from reputable sources.

### *Ensuring reports are trusted*

40. To ensure reports are evidence based and trusted, a rigorous science process is followed. Independent external advice is incorporated throughout the process including:
  - The Science Advisory Panel provides independent advice to the Secretary for the Environment (or their delegate) on the scope of reports and provides a review of the final draft.
  - The Ministry contracts the support of a small subject matter working group (usually 2-3 subject matter experts) that provide external guidance on the report throughout production.
  - 2-3 external and independent peer reviews are undertaken, once a final draft has been developed, prior to the sign out process.

### *Publication and support to Ministers*

41. A month prior to the release of a report, Ministers receive a briefing advising of the publication date and any other relevant supplementary information that can

be shared publicly. You will receive a briefing on the next report in the Environmental Reporting series, Our Land 2024, in the next two weeks.

42. The day prior to release, Ministry senior leadership and Ministers receive an embargoed package of documents which includes the final report and communications material that you can use in response to questions about the report. Normally, Ministers do not need to respond media queries; due to the independence of the programme, most queries can be referred to the Ministry for response.

## **Next Steps**

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43. The next report (Our Land 24) will be released to the public on 10 April 2024. You will receive a further briefing on that report in the next two weeks.
44. You will also shortly receive a briefing on the Ministry's work in relation to the Environmental Monitoring and Reporting System. This has direct relevance to how the Environmental Reporting programme sources evidence.
45. A broad range of ministerial portfolios have an interest in the content of environmental reports and the environmental reporting programme. With your agreement, officials will work with your office to identify appropriate Ministers who you may wish to forward this briefing for their information.

# Environmental Reporting Obligations

Under the current *Environmental Reporting Act 2015* (ERA)

## ERA Requirements

An independent report with MfE and Stats NZ (S15) must be published once every six months (s12(2))

Reports must cover:

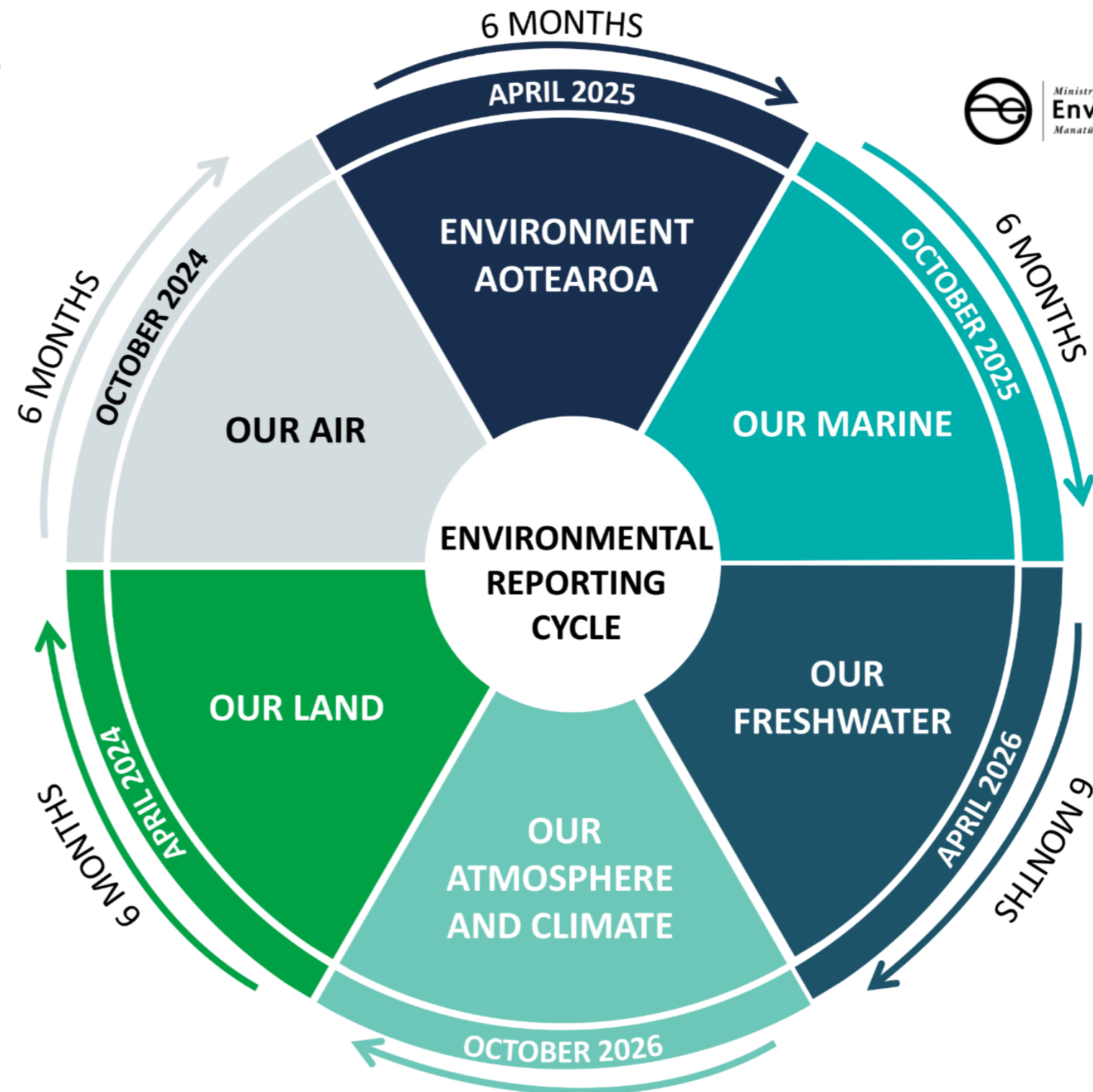
- Pressure
- State
- Impact
- Changes over time

## Regulations

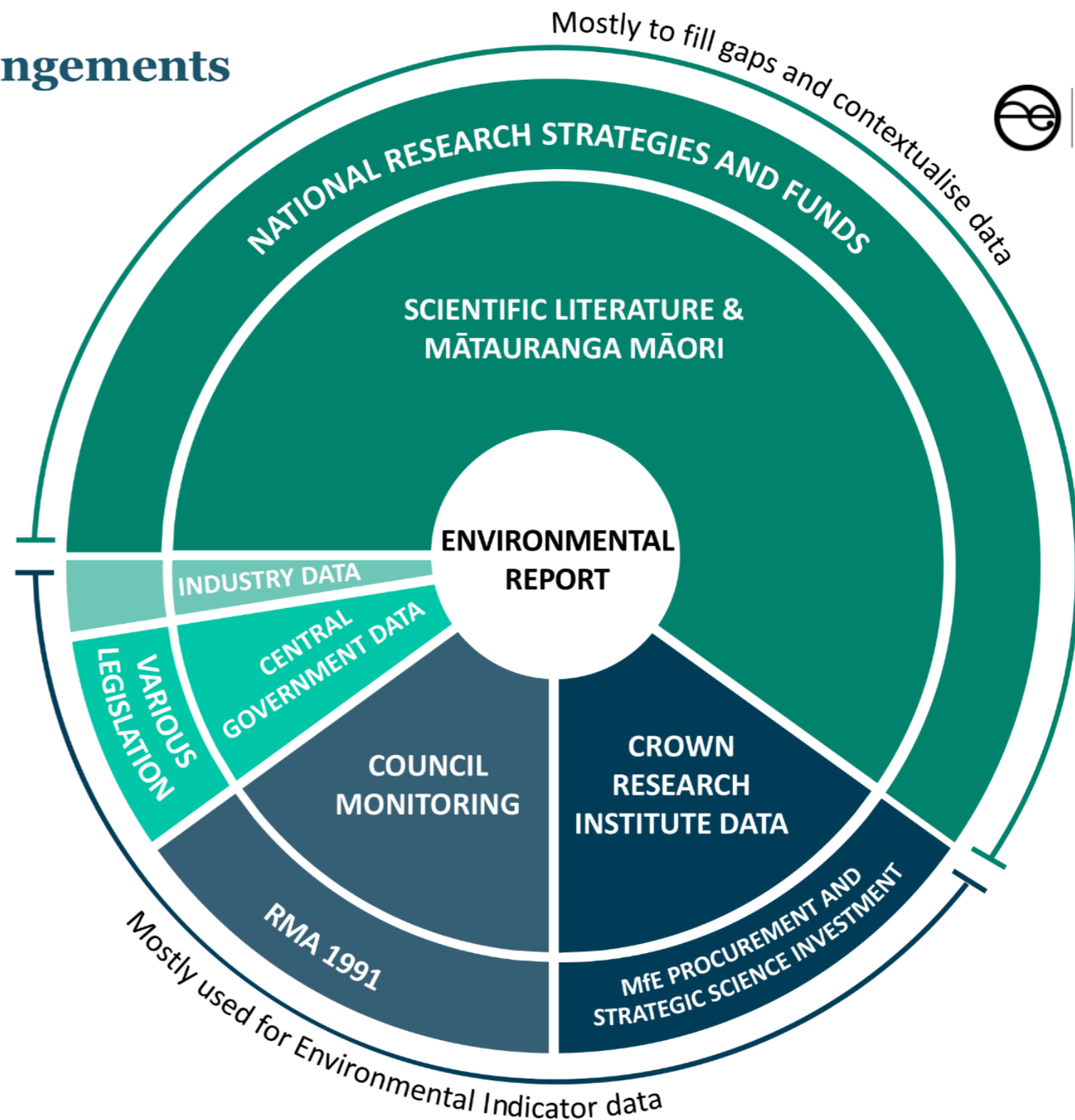
The *Environmental Reporting (Topics for Environmental Reports) Regulations 2016* organises topics covered for each domain as set in:

- Five domains - air, atmosphere and climate, fresh water, land, and marine.
- Prescribes 'impacts' for all domains and a whole-of-the-environment 'synthesis' report

Reports are published regularly and must be in the same order, with most recent upcoming as Our Land 2024.



# Environmental Reporting Data Arrangements



Evidence for reports is gathered from several sources (shown proportionately opposite).

Data generated under other legislation is produced for other purposes and can result in gaps for national-level reporting. Most of this data is used by Stats NZ to create indicators.

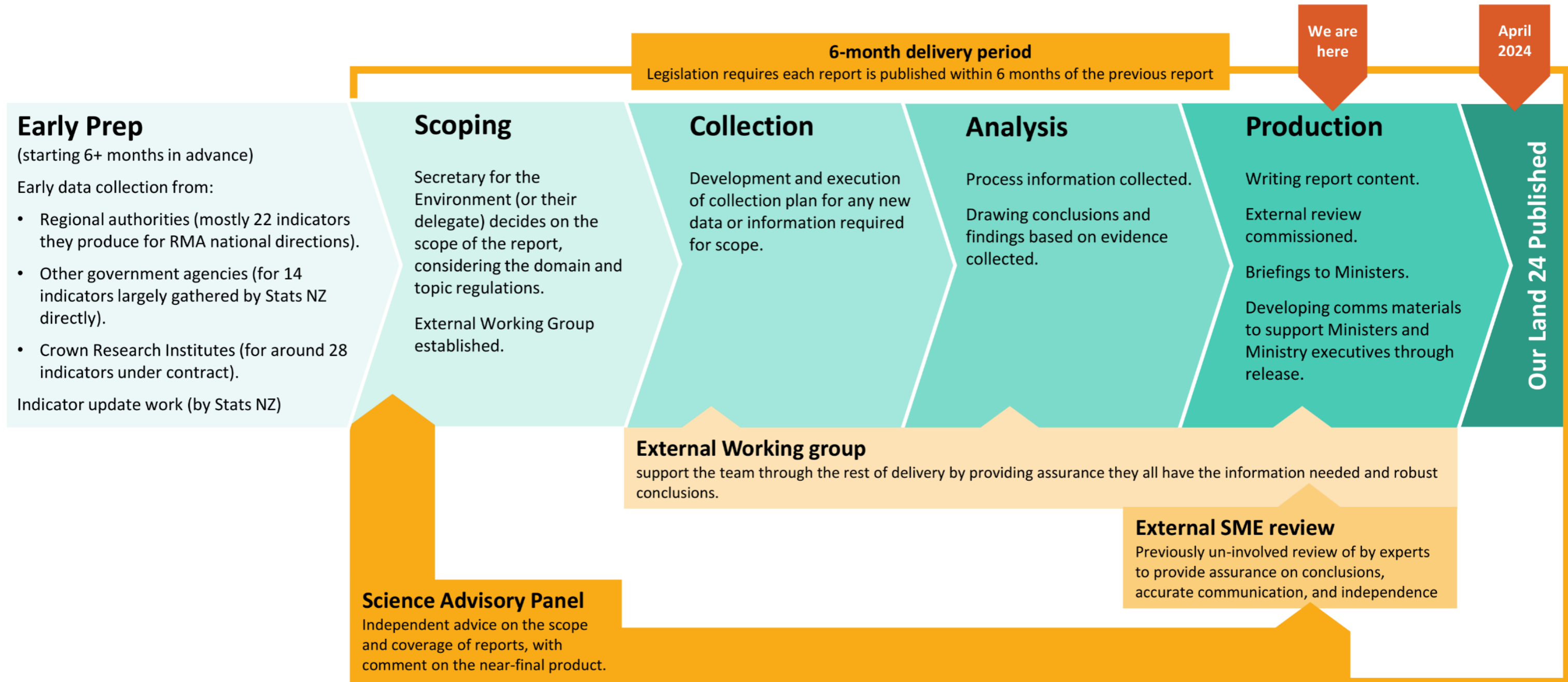
Where Stats NZ and MfE do not already hold data, it is provided voluntarily or purchased.

Where data gaps cannot be filled reporting relies on reputable scientific literature to provide evidence.

We also make use of scientific literature to contextualise indicator data.

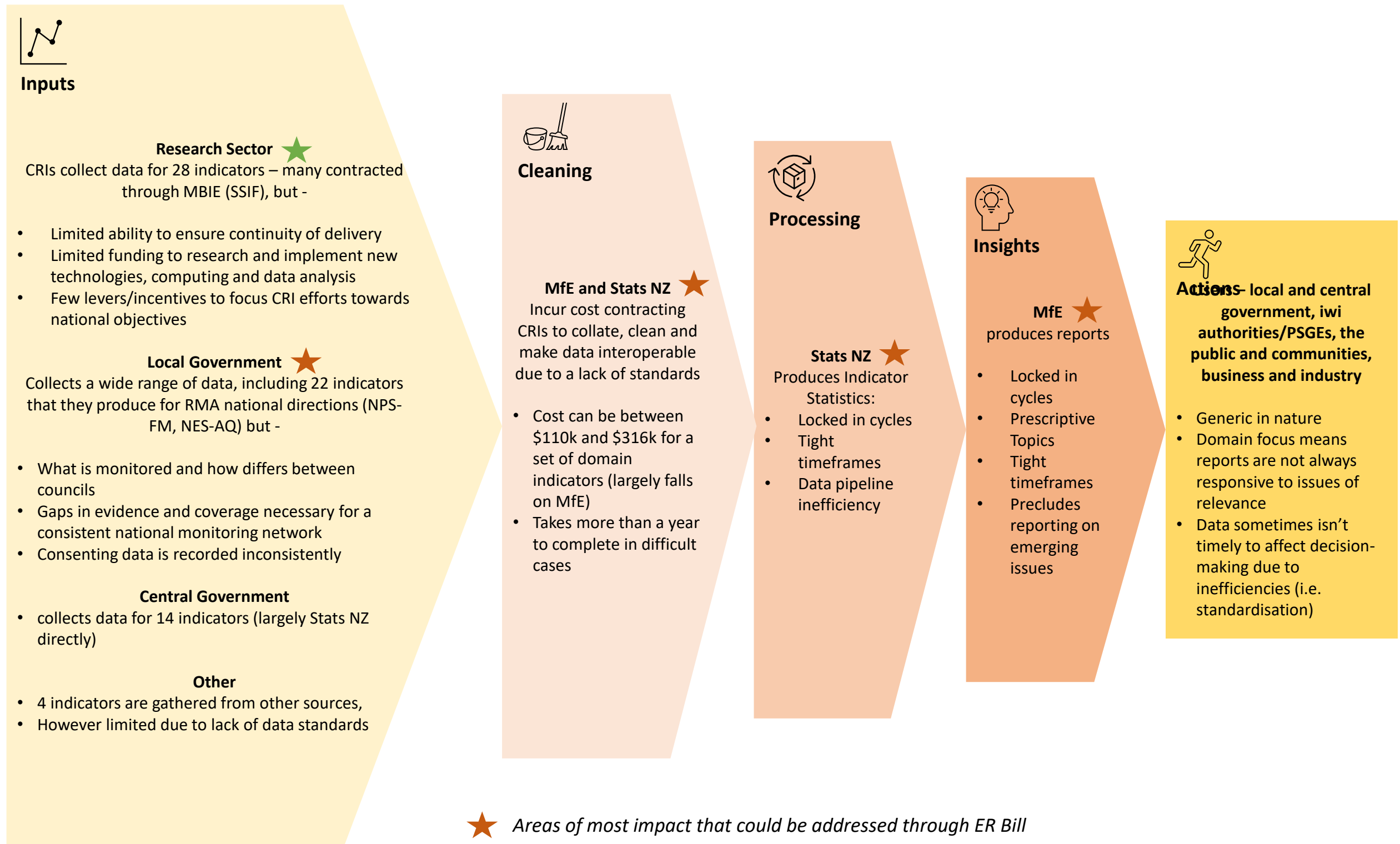
# Environmental Reporting Delivery Process

Each report goes through this process sequentially, with some scoping beginning as the previous report is published.



# Current National Monitoring and Reporting Pipeline

Defined by a lack of coherence, direction and standardisation. <sup>1</sup> An inefficient data system diminishes capacity to report on what matters most, when it matters most and consequently the value to different user groups. The effect is made more acute by prescriptive topics and a short tight, locked-in reporting cycle.



★ Areas of most impact that could be addressed through ER Bill

★ Areas to be progressed in partnership with MBIE and CRIs

1. PCE, 2022 *Environmental reporting, research and investment: Do we know if we're making a difference?* <https://pce.parliament.nz/media/0qger2rr/environmental-reporting-research-and-investment-do-we-know-if-were-making-a-difference.pdf>

# Overview of the Current Environmental Reporting Bill

## Current Arrangements Are Inadequate

- Inadequate coordination levers and support to councils has resulted in the 'Passive Harvesting' of data at a national level
- Which means we don't have some of the evidence we need when we need it
- Data is collected to varied standards incurring unnecessary cost and limiting comparability of data
- 3 yearly report cycle is faster than environmental change for some domains
- A locked in cycle precludes reporting on issues when relevant.
- Timelines and prescriptive scope preclude more targeted reporting on emerging issues for decision makers
- Reporting is not linked to government response

## Targeted Amendments Will Improve Outcomes

### Improving Environmental Data

- Bring environmental indicators into legislation
- Require MfE and Stats NZ to set standards for data collection and management
- Align CE responsibilities to agency strengths

### Improving Reporting

- Clarify the purpose
- Introduce emerging issues
- Introduce more flexible topics
- Adjust the timelines
- Include response
- Broaden the framework
- Include outcomes

## That Deliver Broad Benefits

- Produces evidence that supports development within environmental limits
- Provides the evidence to reduce red tape and compliance costs for communities
- Better assess policy and intervention effectiveness over time through reliable long-term datasets
- Standardisation reducing data collation and management costs
- Better visibility of environmental changes over time, and ability to alert government to emergent risks and opportunities
- Flexibility to highlight what matters most when it's most relevant
- Reports clearly indicate where to prioritise and target effort/investment
- Enables coverage of pressures or effects that overlap or don't fit tidily into environmental domains