



Ministry for the
Environment
Manatū Mō Te Taiao



2007

2008

2009

2010

AUGUST 2011



Measuring up

ENVIRONMENTAL REPORTING – A DISCUSSION DOCUMENT

Contents



Riparian planting on a stream in Taranaki.
Source: Taranaki Regional Council.

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COVER PHOTOS:

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1. Clutha River near Kaitangata, South Otago. Source: davidwallphoto.com.
2. Scientist Karyne Rogers examines seaweed, Moa Point. Source: GNS Science Photo Library.
3. Beech forest, Nelson Lakes National Park. Source: GNS Science Photo Library.
4. Mōhua (Mohoua Ochrocephala). Source: Department of Conservation.

Acknowledgements

The basis of this discussion document has been compiled by an informal working group, convened by the Ministry for the Environment with representatives from the Treasury, State Services Commission and Statistics New Zealand.

This report may be cited as:

Ministry for the Environment. 2011. *Measuring Up: Environmental Reporting – A Discussion Document*. Wellington: Ministry for the Environment.

Foreword

New Zealanders are quite rightly proud of our environment. In most areas our environment and the systems to protect it compare very well internationally. Our high quality agricultural exports and our lucrative tourist industry rely on these environmental credentials.



The problem is that we are in a poor position to provide hard evidence that our clean, green brand is justified. New Zealand is one of only a few OECD countries without a legislative basis for national state of the environment reporting. In Australia, Canada and many other countries, regular national state of the environment reporting is required by law.

This difficulty hampers our capacity to address important environmental issues like freshwater quality. There is a lack of national consistency in what is measured, how and when. Some regional councils monitor problem areas, others do so on the basis of recreational usage and others on a representative basis. This inconsistency enables some to minimise the problems and others to exaggerate them. Too much energy is wasted in the debate over data rather than focusing on addressing the problem. Clear authoritative reports on what lakes and rivers are polluted, how badly and which ones are getting better or worse was an important recommendation of the *Fresh Start for Freshwater* report from the Land and Water Forum.

Independence is a key requirement, as illustrated by the controversy in 2008 over the previous Government’s state of the environment report not including a particularly sensitive chapter. It is critical that environmental reporting is a robust, factual assessment – not a public relations or advocacy exercise. Just as the independent Auditor-General is central to the credibility of financial reporting, our state of the environment reporting must be independent of the government of the day.

This reform needs to be considered in the broader context of the Government’s Bluegreen environmental agenda. We began our work in strengthening the Ministry for the Environment to ensure it serves its role as a policy think tank on good management of New Zealand’s natural resources. The second stage was establishing the Environmental Protection Authority as an arm’s length environmental regulator. This third stage of this work of strengthening our environmental institutions is in extending the Parliamentary Commissioner for the Environment’s role to being an auditor of New Zealand’s environmental systems, with this statutory role of state of the environment reporting.

This proposal is a refinement of National’s 2008 election policy for a new Environmental Reporting Act requiring publicly-accessible and meaningful, national-scale information on our water, air and land. On officials’ advice, we believe we need parallel changes to the Resource Management Act 1991 to enable the collection of nationally consistent environmental statistics from local authorities.

This discussion document is your chance to have a say on what a national-level environmental monitoring and reporting system for New Zealand should look like. I look forward to receiving your submission.

Hon Dr Nick Smith
Minister for the Environment



Aorangi Mt Cook and Lake Pukaki, South Island.
Source: mychillybin.co.nz

Executive summary



Otago Peninsula.
Source: mychillybin.co.nz

Quality environmental information is as important to New Zealand's success as financial or economic information. Environmental information enables good decision-making and builds a reliable picture of how we are managing our natural capital. New Zealand's trade advantage lies in its worldwide reputation for quality products from a quality environment.

Environmental information should underpin all environment and economic decisions, and is essential for understanding the impact of policies and decisions on natural resources over time.

The Government is committed to improving environmental reporting in New Zealand through a number of initiatives including the Ministry for the Environment's (the Ministry's) environmental statistics programme. The proposed Environmental Reporting Bill is part of this work programme.

The findings from work to date, including the Parliamentary Commissioner for the Environment's (PCE's) recent review of environmental reporting,¹ support an Environmental Reporting Bill for New Zealand.

¹ Parliamentary Commissioner for the Environment. 2010. *How clean is New Zealand? Measuring and reporting on the health of our environment*. Wellington: Parliamentary Commissioner for the Environment.

The issues

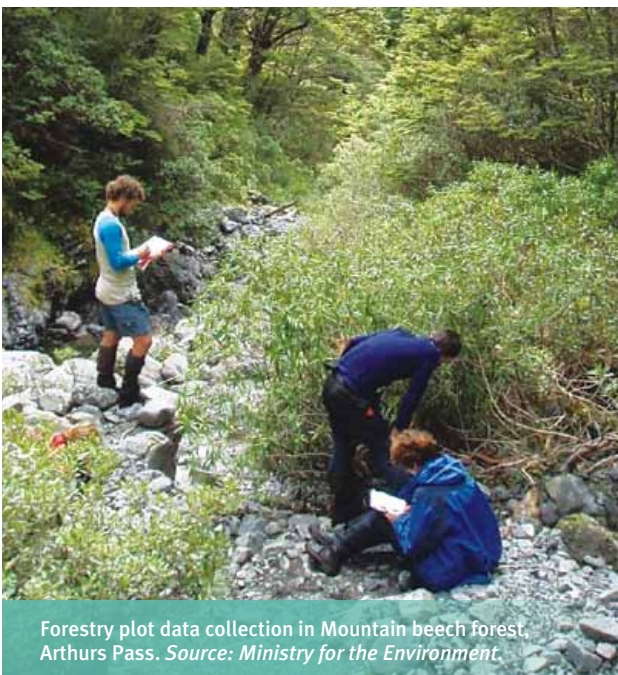
There are two main issues identified in this discussion document.

Issue 1: There is a lack of statutory obligation in New Zealand requiring regular and independent state of the environment reporting.

Regular and independent state of the environment reporting is not explicitly legislated for in New Zealand’s current environmental management system.

National-level state of the environment reporting has been intermittent in the past, because no single agency is legislatively tasked with undertaking this on a regular basis. In the absence of specific legislation, the Ministry has taken the lead in national state of the environment reporting.

New Zealand’s first state of the environment report was published by the Ministry in 1997. After Cabinet direction, the Ministry established its environmental statistics programme in 2008, and published New Zealand’s second state of the environment report. Some perceived this second state of the environment report as lacking independence.² No one organisation is legislatively required to independently comment on the state of the environment in a periodic fashion.



Forestry plot data collection in Mountain beech forest, Arthurs Pass. Source: Ministry for the Environment.

Issue 2: Inconsistent regional state of the environment monitoring programmes.

High quality statistics are critical to providing a solid basis for environmental reporting and environmental policies. Under the devolved environmental management system in New Zealand, the Ministry does not generally monitor the state of the environment directly; rather it collates data and indicators collected by other agencies, as part of its environmental statistics programme.

Information that underpins state of the environment reporting and environmental policies comes from a number of sources, including local authorities, central government, and Crown research institutes.

There is currently no specific compulsion on local authorities to supply standardised data to a national environmental statistics programme. For example, current legislation does not require local authorities to all monitor the same aspects of the environment in a consistent way. This makes it difficult to produce a satisfactory national picture of environmental quality.

The Ministry currently works with local authorities to try and improve the consistency of locally derived statistics through voluntary means. However, voluntary means have not achieved the necessary consistency.

To achieve a more robust environmental monitoring system, legislative change is required. The lack of statutory obligation around environmental monitoring limits the ability to robustly report on the state of our environment at the national level.

² Peter Glen Research. 2008. *Market Research Study: A review of the Environment New Zealand 2007 report. Report prepared for the Ministry for the Environment.* Wellington: Ministry for the Environment.

The objectives

To address the issues set out above, any preferred options should achieve the following objectives:

- it is clear who is responsible for regular state of the environment reporting
- the role of state of the environment reporting is independent of Government
- high quality environmental statistics are available to underpin state of the environment reporting and environmental policy-making.

This discussion document focuses on improving the consistency of environmental statistics generated by local authorities in fulfilling their Resource Management Act (RMA) obligations

to monitor the state of the environment under section 35(2). This proposal does not cover environmental statistics generated by other environment-related legislation (eg, environmental legislation covered under the Environment Protection Authority Act). Nor does it cover environmental information collected by central government agencies, Crown research institutes and universities.

There are a number of environmental statistics collected outside of the RMA system that are also used for national state of the environment reporting. While some environmental statistics are of a high quality (eg, greenhouse gas emissions and removals), others could be improved (eg, national-scale information on the marine environment).

The proposed approach

The proposed approach for meeting the objectives set out above is an Environmental Reporting Bill for New Zealand. This approach would address the objectives by:

- 1) giving the Parliamentary Commissioner for the Environment an explicit role under the Environment Act 1986 by requiring five-yearly reports on the state of the environment
- 2) expanding regulation-making powers under section 360 of the RMA to improve the consistency of state of the environment monitoring statistics at the local level.

The proposed amendment to the Environment Act would provide Parliament with an independent assessment of the state of New Zealand's environment. This amendment would also align with other independent Officers' of Parliament functions. For example, the Controller and Auditor-General undertakes financial and performance audits of public entities with environmental responsibilities including local authorities.

Under the proposed Environment Act amendment, the Parliamentary Commissioner for the Environment would be responsible for reporting on the state of the environment every five years. The Ministry for the Environment would continue its environmental statistics programme, which aggregates environmental statistics to support environmental policy-making and fulfil the Government's international reporting obligations. Retaining a strong evidence base within the Ministry to support policy-making and international reporting obligations aligns with other ministries across government (eg, the Ministry of Economic Development, the Ministry of Social Development and the Ministry of Agriculture and Forestry).

National environmental statistics aggregated through the Ministry's environmental statistics programme will also be openly available for anyone to re-use.



Costs and benefits

The Ministry for the Environment has prepared a preliminary assessment of the costs and benefits of the proposed Environmental Reporting Bill. The cost-benefit analysis shows that while the regional-specific impacts of any future

regulations made under section 360 of the RMA cannot be quantified at this preliminary stage, the nationwide impacts of the Bill (including the PCE undertaking five-yearly reporting) are expected to be positive.

Written submissions and symposium

The Ministry for the Environment welcomes written submissions on the proposal. A symposium will also be held in February 2012 to publicly discuss in detail any new regulations that might be made under the proposed RMA changes of the Environmental Reporting Bill. Further details on the scope of the symposium will be made available in due course on the Ministry’s website, in newspapers and in relevant newsletters. Meanwhile, to register your interest in attending the symposium please email: environmental.reporting@mfe.govt.nz.

Written submissions on the proposed Environmental Reporting Bill are due by **5pm on 18 October 2011**.

Send your submission to:

Submission on proposed Environmental Reporting Bill
Ministry for the Environment
PO Box 10362
Wellington 6143
New Zealand

or to: environmental.reporting@mfe.govt.nz

Following the written submission and symposium consultation, the Ministry for the Environment will prepare a report with recommendations on the Bill for the Minister for the Environment, including a section 32 (cost-benefit) analysis. If the Minister approves development of an Environmental Reporting Bill, the final proposal will be drafted and presented to Cabinet. A slot on the legislative programme would be requested. If Cabinet agrees to introduce legislation, the normal legislative process will be followed. This would include a Select Committee process and public submissions.



Rakaia River, Canterbury.
 Source: GNS Science Photo Library.

To achieve a more **robust environmental monitoring** system legislative change is required.

Introduction



Aoraki / Mt Cook, Lake Pukaki and Tasman River, South Island.
Source: davidwallphoto.com

Credible state of the environment monitoring and reporting is critical to good decision-making. In order to build a reliable and accurate national picture of New Zealand’s natural capital, we need a regular and independent state of the environment reporting system which is underpinned by high quality, consistent statistics that conform to standards for official statistics. Such statistics are a key part of New Zealand’s official statistical infrastructure.

New Zealand’s first state of the environment report, *The State of New Zealand’s Environment*, was published by the Ministry for the Environment in 1997. Unlike most other OECD countries, New Zealand is not required by legislation to produce regular national reports on the state of its environment, and in the decade after the release of this first report, national-level environmental reporting was variable.

The OECD’s 2007 environmental performance review of New Zealand³ found that “consistent environmental indicators and trend data that can be aggregated at national level are scarce...” (OECD, 2007:26). The OECD review stated that renewed efforts were needed to standardise local data collection methods to assist “data aggregation and periodic reporting of key environmental indicators at national level” (OECD, 2007:26).

After Cabinet direction, the Ministry for the Environment established its environmental statistics programme in early 2008 and published the second national report on the state of New Zealand’s environment, *Environment New Zealand 2007*. Some people perceived the report to lack independence.⁴

The current deficiency in regular and independent reporting on the state of New Zealand’s environment does not allow independent validation of New Zealand’s clean, green brand. An independent and regular report on the state of the environment will also help to provide an impartial oversight of the issues and long-term trends in New Zealand’s environmental performance.

³ Organisation for Economic Co-operation and Development. 2007. *OECD Environmental Performance Reviews: New Zealand*. Paris: OECD.

⁴ Peter Glen Research. 2008. *Market Research Study: A review of the Environment New Zealand 2007 report*. Report prepared for the Ministry for the Environment. Wellington: Ministry for the Environment.

Local authorities currently monitor the state of their environment for regional management purposes under the RMA. This data, in part, underpins national state of the environment reporting. However, there is no requirement for local authorities to supply standardised data to the Ministry’s environmental statistics programme. Nor does legislation require local authorities to monitor the same aspects of the environment in a consistent way.

The Environment Minister, the Hon Dr Nick Smith, has confirmed that improving environmental monitoring and reporting is a priority for the Environment Portfolio:

I intend to introduce legislation that provides for impartial and regular environmental performance reporting. Over time, this will provide a more robust picture of New Zealand’s current and projected environmental performance.⁵

The Ministry has drawn on a number of existing reviews of environmental monitoring and reporting to compile this discussion document, most notably the recent review conducted by the Parliamentary Commissioner for the Environment. The proposed Environmental Reporting Bill aims to fit within the current environmental management framework while providing a pragmatic and balanced approach to environmental monitoring and reporting in New Zealand.

Scope of proposed changes

This discussion document focuses on improving the consistency of environmental statistics generated by local authorities in fulfilling their Resource Management Act (RMA) obligations to monitor the state of the environment under section 35(2). This proposal does not cover environmental statistics generated by other environment-related legislation (eg, environmental legislation covered under the Environment Protection Authority Act). Nor does it cover environmental information collected by central government agencies, Crown research institutes and universities.

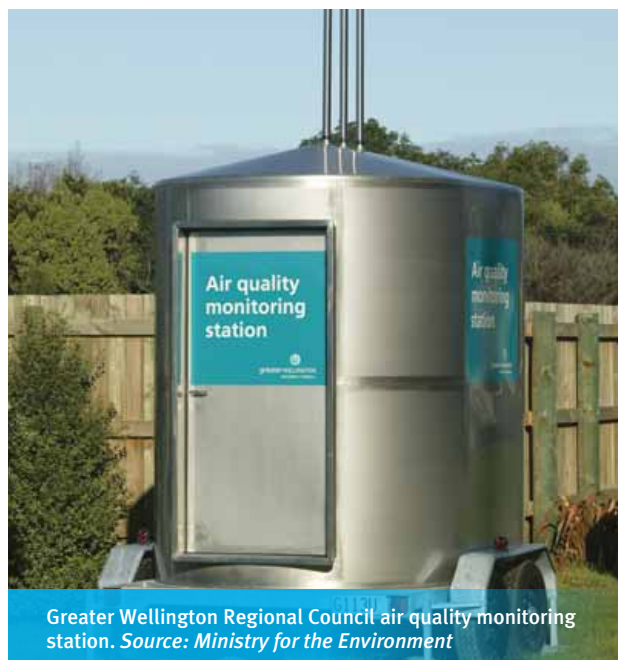
Purpose of this document

This discussion document has been prepared to:

- help you understand the proposal for an Environmental Reporting Bill, and its potential costs and benefits
- help you prepare your submission
- guide you in discussing aspects of the proposed Bill at a symposium in Wellington in February 2012.

The document sets out:

- the current national-level environmental monitoring and reporting system in New Zealand
- issues with the current national-level environmental monitoring and reporting system
- a variety of options, including the preferred approach, for resolving these issues.



Greater Wellington Regional Council air quality monitoring station. Source: Ministry for the Environment

⁵ Ministry for the Environment. 2011. *Statement of Intent 2011–2014*. Ministry for the Environment: Wellington.

Current national-level state of the environment monitoring and reporting in New Zealand



In order to assess and comment on this proposal, it is important to understand the current national-level environmental monitoring and reporting system in New Zealand. This section outlines the roles, responsibilities and current practices of agencies presently involved in state of the environment monitoring.

Local authorities

Under the current devolved system of environmental governance, local government carries out a wide range of environmental monitoring. This is consistent with its obligations under section 35(2) of the RMA, which requires local authorities to monitor:

(a) ... the state of the whole or any part of the environment of its region or district to the extent that is appropriate to enable the local authority to effectively carry out its functions under this Act.

Regional councils (12 regional councils and five unitary authorities) conduct the majority of the state of the environment monitoring in New Zealand.⁶ However, territorial authorities also undertake some state of the environment monitoring in their districts (eg, some recreational water quality monitoring).⁷ State of the

environment monitoring information that feeds into national-level reporting is mostly obtained from regional rather than district councils.

Currently, there is a lack of specific compulsion on local authorities to supply standardised data for national state of the environment reporting. Current legislation does not require local authorities to all monitor the same indicators or aspects of the environment in a consistent way. This can make it difficult to produce a satisfactory national picture of the state of New Zealand's environment.

The Ministry has worked with local authorities to try and improve the consistency of locally derived statistics through voluntary guidance. To date, voluntary means have not achieved national consistency in monitoring indicators, methodologies or monitoring sites.

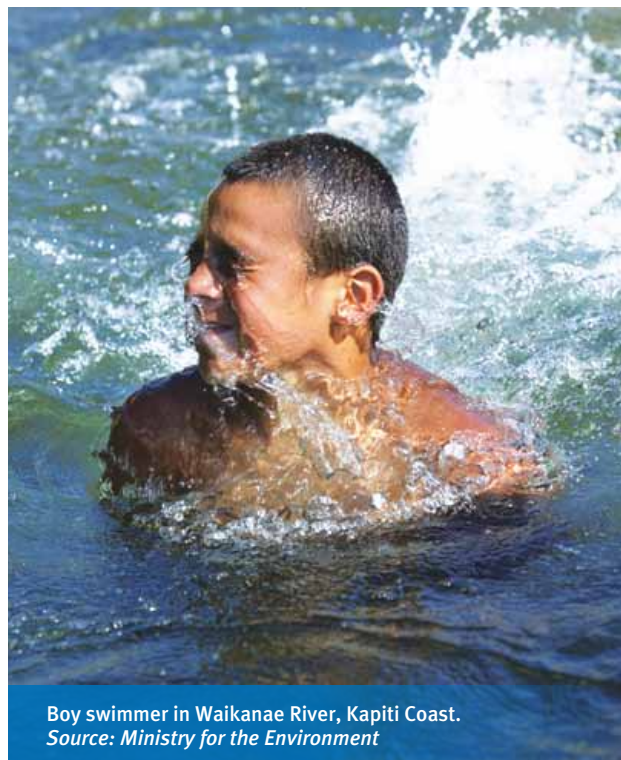
⁶ Regional council functions under section 30 of the RMA cover soil conservation, water quality, ecosystems, natural hazards and hazardous substances, matters that are often state of the environment monitoring indicators. Territorial authority functions overlap to a limited extent, but are more focused on the effects of land use.

⁷ Territorial authorities and regional councils also undertake consent and incident monitoring (under section 35(2d) of the RMA).

Crown research institutes

A number of Crown research institutes (CRIs) undertake state of the environment monitoring on a national scale. For example, the National Institute of Water and Atmospheric Research (NIWA) is the custodian of the National River Water Quality Network in New Zealand. The network of 77 river sites around New Zealand has been monitored consistently for over 20 years and is an invaluable data source for reporting river water quality state and trends. However, the monitoring sites are not necessarily nationally representative as most sites tend to be on large rivers. Due to the low number of sites, it can be difficult correlating declining water quality with any specific drivers. This monitoring is separate to the larger regional-level monitoring network (of approximately 700 sites) which councils undertake in order to fulfil their functions under the RMA.

In a different model, Geological and Nuclear Science (GNS) undertakes national groundwater monitoring in collaboration with regional councils' groundwater monitoring programmes. GNS works with councils to establish consistent monitoring methodologies and representative sites. While this improves consistency, it is not mandatory for regional councils to follow this guidance.



Boy swimmer in Waikanae River, Kapiti Coast.
Source: Ministry for the Environment



Roadside water monitoring by Auckland Regional Council.
Source: Ministry for the Environment

Culturally-based environmental monitoring

At present, only Ngāi Tahu regularly and formally reports against a set of culturally-based environmental indicators as part of its takiwā (state of the environment) monitoring programme. There are a number of other iwi that are beginning to undertake cultural environmental monitoring in their areas.

National state of the environment reporting

This section outlines the roles, responsibilities and current practices of agencies presently involved in national-level state of the environment reporting.

Ministry for the Environment

Currently, the Ministry for the Environment is the main agency responsible for the collation and reporting of national environmental information. The Ministry has produced two national state of the environment reports, in 1997 and 2007, although this is not a legislative requirement.

Under the Environment Act 1986, one of the Ministry's functions is "to solicit and obtain information from any source, and to conduct and supervise research, so far as it is necessary for the formulation of advice to the Government on environmental policies" (Section 31(b)).

The Ministry meets this function mainly through its environmental statistics programme. This was established in February 2008 following the publication of *Environment New Zealand 2007*. It has four key work streams:

- 1) Aggregating regional statistics to a national level to support environmental policy.
- 2) Reporting on the state of New Zealand's environment at a national level.
- 3) Developing tools and guidelines to encourage consistent, high-quality and comprehensive monitoring of New Zealand's environment.
- 4) Working in partnership with those who do the monitoring (eg, local authorities).

The main focus of the Ministry's environmental statistics programme is on aggregating regional statistics to a national level to support environmental policy. The other three work streams, including state of the environment reporting, represent a small proportion of the programme.

The Ministry's environmental statistics programme operates within New Zealand's Official Statistics System (OSS), and where possible, adheres to its principles and protocols.

In general, the Ministry does not undertake comprehensive monitoring in its own right, largely to avoid duplicating regional state of the environment monitoring. Instead, the Ministry collates, commissions or re-uses monitoring data from other sources, thereby creating a national picture of the state of New Zealand's environment. This information also contributes to meeting our international reporting obligations (eg, via the OECD). As a result, the Ministry's state of the environment reporting is almost totally reliant on the availability and quality of data from other agencies. This brings some significant challenges (as set out in the previous section of this chapter).





Lake Tekapo.
Source: iStockphoto

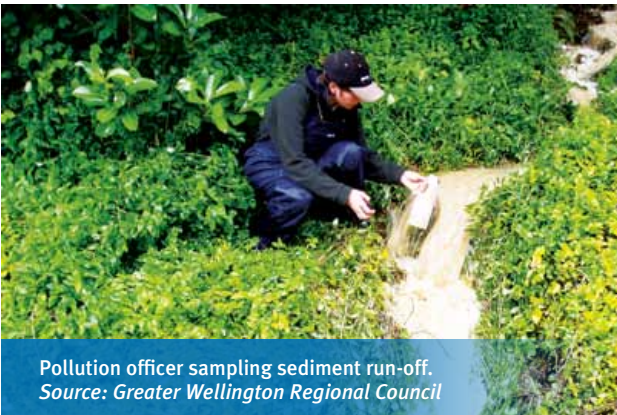
Statistics New Zealand

Statistics New Zealand administers the Statistics Act 1975, and is the country’s major source of independent and objective official statistics. However, it plays a relatively minor role in producing environmental statistics. Statistics New Zealand produces environmental accounts on a variety of topics (eg, energy, fish, water and environmental protection expenditure). It also undertakes sustainable development reporting for New Zealand.

Statistics New Zealand also sets standards via the principles and protocols for official statistics based on those promulgated by the United Nations.

Other central government agencies

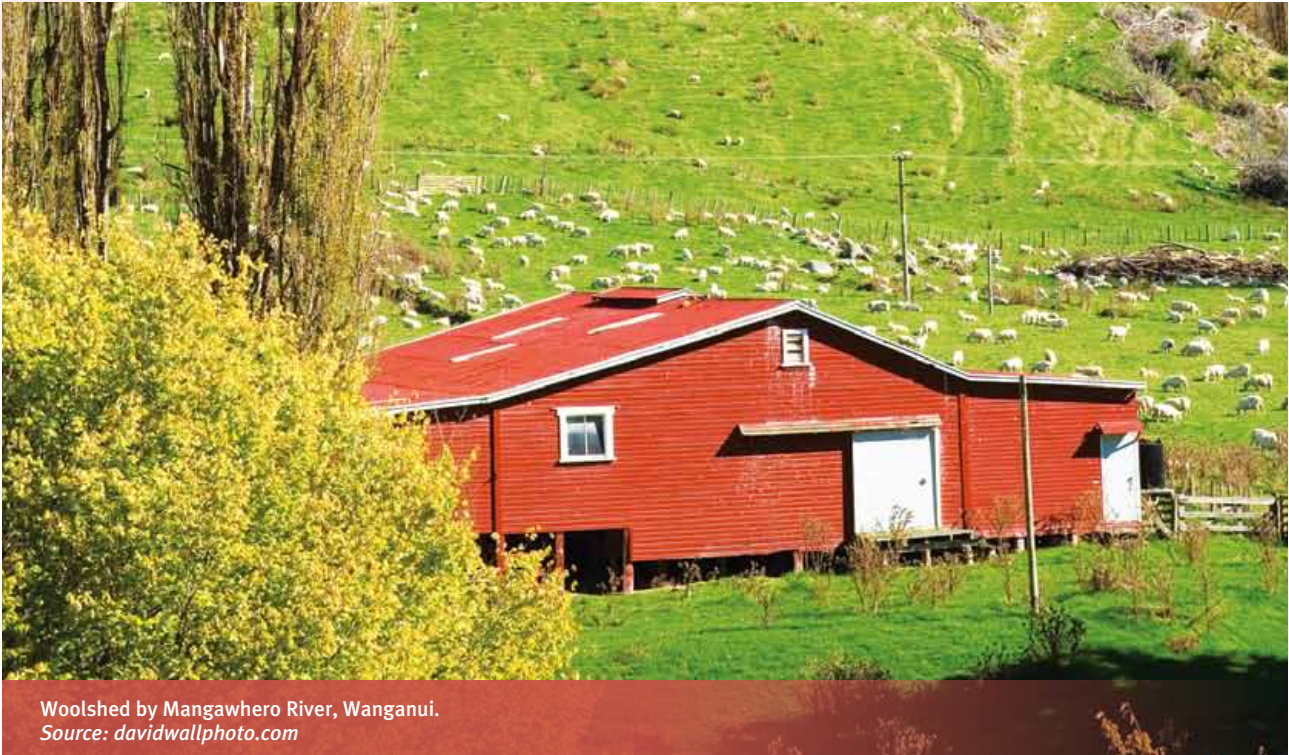
Other central government agencies also collate national environmental information in order to support their own policy needs. For example, the Ministry of Fisheries collects and aggregates information on fishing activity in New Zealand to support its fisheries policies. This information is used by the Ministry for the Environment for state of the environment reporting.



Pollution officer sampling sediment run-off.
Source: Greater Wellington Regional Council

The Ministry’s **state of the environment reporting** is almost totally reliant on the **availability and quality of data** from other agencies.

The issues and the objectives



Woolshed by Mangawhero River, Wanganui.
Source: davidwallphoto.com

The current environmental monitoring and reporting system in New Zealand, as outlined in chapter 2, creates a number of issues.

Lack of statutory obligation to require regular and independent state of the environment reporting

New Zealand is one of a few OECD countries without legislation requiring regular national-level state of the environment reporting. Unsurprisingly, state of the environment reporting at a national level has been intermittent in the past, because no single agency is legislatively tasked with undertaking this on a regular basis.

In addition, the 2007 national state of the environment report produced by the Ministry was perceived by some to lack independence, including the PCE.⁸ This perception resulted primarily from:

- the decision not to publish a conclusion chapter, and its subsequent release
- the way the data was collated and analysed to present a national picture.

In 2008, the Ministry commissioned an independent, end-user survey of the 2007 state of the environment report.⁹ While the results of the survey were favourable overall, some end users suggested there should be a review of who produces future reports to ensure the independence and validity of the information presented.

The PCE's review on environmental reporting found that in 20 of 30 OECD countries state of the environment reporting is undertaken by an institution with some legislated degree of independence.⁸ This degree of independence varies – the most independent institution is in Denmark, where Aarhus University produces the report. In the other 10 OECD countries (including New Zealand), the reporting is run by a ministry or government department.

⁸ Parliamentary Commissioner for the Environment. 2010. *How clean is New Zealand? Measuring and reporting on the health of our environment*. Wellington: Parliamentary Commissioner for the Environment.

⁹ Peter Glen Research. 2008. *Market Research Study: A review of the Environment New Zealand 2007 report. Report prepared for the Ministry for the Environment*. Wellington: Ministry for the Environment.

Inconsistent regional state of the environment monitoring programmes

Information that underpins state of the environment reporting and environmental policies comes from a number of sources, including local authorities, central government, and Crown research institutes.

The OECD’s 2007 environmental performance review of New Zealand¹⁰ found that “consistent environmental indicators and trend data that can be aggregated at national level are scarce...” (OECD, 2007:26). The OECD review stated that renewed efforts were needed to standardise local data collection methods to assist “data aggregation and periodic reporting of key environmental indicators at national level” (OECD, 2007:26).

The devolved nature of New Zealand’s environmental management system means that data for reporting on the state of the environment (eg, land, air and water) is largely derived from datasets generated and held by local authorities. Regional monitoring is currently undertaken to fulfil local authorities’ functions under the RMA. Regional councils monitor for regional purposes, which does not always meet national environmental reporting and environmental policy needs.

Current legislation does not require local authorities to supply standardised data or to all monitor the same aspects of the environment in a consistent way. This makes it difficult to produce a satisfactory national picture of environmental quality.

Inconsistencies exist in a number of aspects of regional environmental monitoring programmes including:

- the environmental variables being monitored
- the sites where monitoring is undertaken
- the frequency, time of day, and season when monitoring is undertaken
- the monitoring methodologies used
- who undertakes the monitoring
- databases and data management.



City building, Wakefield St, Wellington.
Source: Ministry for the Environment

10 Organisation for Economic Co-operation and Development. 2007. *OECD Environmental Performance Reviews: New Zealand*. Paris: OECD.

Air quality is the most common variable monitored by regional councils.¹¹ This is likely to be driven by the National Environmental Standard for air quality that requires air quality monitoring in New Zealand.

When aggregated, regional monitoring sites do not always provide a nationally representative picture of the state of the environment. For example, recreational water quality monitoring sites are not selected consistently across regions. Regional councils have an obligation to provide information on high-use swimming sites and to keep the public safe. This means that some regional councils may monitor a high number of sites with poor water quality, while others monitor a high number of pristine sites. Also, sites can be added to or omitted from annual monitoring programmes to make the best use of funding. The lack of consistency in site selection, the number of sites monitored per region, and annual changes in sites make any annual comparison difficult at a national level.

Another example can be found in regional councils' freshwater monitoring. A 2009 survey on freshwater monitoring commissioned by the Ministry for the Environment found the 16 regional councils and unitary authorities differ in what they measure to assess water quality.¹²

These inconsistencies in regional environmental monitoring programmes mean it can be difficult to produce a satisfactory picture of the state of the environment. This inhibits our ability to make robust decisions on environmental management.

QUESTIONS:

1. Do you agree with the issues identified above? Have the main issues been defined accurately?
2. Are there any other issues that have not been considered?
3. What is the scale of the problem? Which is the bigger issue: the lack of statutory obligation requiring regular independent state of the environment reporting or inconsistent state of the environment monitoring?



Girls looking at rock pools, Wellington South Coast.
Source: Ministry for the Environment

¹¹ Ministry for the Environment. Unpublished. Review of regional state of the environment reporting.

¹² Ministry for the Environment. Unpublished. *Draft review of regional council and NIWA analytical methods for surface waters.*

The objectives

To address the issues set out above, any preferred options should achieve the following objectives:

- It is clear who is responsible for regular state of the environment reporting.
- The role of state of the environment reporting is independent of Government.
- High quality environmental statistics are available to underpin state of the environment reporting and environmental policy-making.

QUESTION:

4. Do you agree with these objectives?
Please give reasons.

Assessment criteria

The following criteria are used to assess the suitability of each of the options set out in the next section.

Regular and independent reporting on the state of the environment

A. Provide certainty for state of the environment reporting.

Any suitable option should give certainty about who is responsible for reporting on the state of the environment. The solution should require an organisation under law to report regularly on the state of the environment at a national level.

B. Dispel perceptions of lack of independence.

Effective and trustworthy reporting must be upfront and free from perceived bias. Trusted national state of the environment reporting requires an element of independence, while recognising that many different organisations will continue to have a role in the collection and analysis of environmental statistics.

C. Be a natural fit with legislated responsibilities.

Any preferred option should align as much as possible with the proposed organisation's roles and responsibilities.

High quality, consistent statistics are available to report and underpin policies on the environment and the economy

D. Achieve high quality, consistent environmental monitoring.

Any preferred option should require consistency in environmental monitoring across all regions in New Zealand to ensure national-level environmental statistics are representative and meaningful, and in turn support good environmental and economic policy-making.

E. Be cost efficient.

Any preferred option should provide a cost-efficient way to achieve consistency in regional environmental monitoring. The solution should be able to be implemented with minimal administration and compliance costs.

QUESTION:

5. Do you agree with the assessment criteria?
Please give reasons.

What are the options?



This chapter sets out a range of regulatory and non-regulatory options and assesses their appropriateness for addressing the issues discussed, and achieving the objectives set out, in chapter 3.



Options to achieve regular and independent environmental reporting

The options for achieving regular and independent environmental reporting are summarised in table 1.

Table 1 Summary of options (A = Provide certainty of state of the environment reporting, B = Dispel perceptions of lack of independence, C = Natural fit with legislated responsibilities)

OPTIONS	CRITERIA			BENEFITS, COSTS, RISKS AND OPPORTUNITIES
	A	B	C	
Objective: It is clear who is responsible for regularly reporting the state of the environment and that reporting is independent.				
<p>Status quo</p> <p>The Ministry produces a state of the environment report every five years through the existing provisions of the Environment Act.</p>	X	X	~	<p>The Ministry would produce a five-yearly national state of the environment report. The five-yearly report would continue to be part of New Zealand’s Official Statistics System, as would producing quantitative information to strengthen the evidence base for policy-setting within the Ministry and the broader natural resource network.</p> <p>Given that the Ministry has an environmental reporting programme in place and that this programme is integrated into the Official Statistics System, there would be no change in cost associated with this option.</p> <p>While the Ministry has a number of processes in place to ensure objective reporting (eg, adherence to the Official Statistics System’s principles and protocols, independent peer review), this option does not address the perception of lack of independence.</p> <p>Additionally, while existing legislation permits the Ministry to produce five-yearly state of the environment reports, it is not an obligatory requirement. No agency would be legislatively required to regularly report, thus risking uncertainty for the future production of five-yearly state of the environment reports.</p>
<p>Amend the Environment Act</p> <p>To require the Ministry to produce a state of the environment report every five years overseen by an independent committee.</p>	✓	~	~	<p>The Ministry is required to produce a five-yearly state of the environment report through an amendment to the Environment Act. Legislation could also require the appointment of an independent State of the Environment Advisory Committee consisting of experts in environmental statistics to oversee the development of a state of the environment report and provide a commentary on the implications of the report every five years.</p> <p>The state of the environment reporting would continue to be part of New Zealand’s Official Statistics System, as well as producing quantitative information to strengthen the evidence base for policy-setting within the Ministry and the broader natural resource network.</p> <p>It may not sufficiently address the perceptions of lack of independence given that the Ministry would still produce the report.</p> <p>There would likely be a cost in establishing and resourcing an Advisory Committee.</p>



This option would result in the **national state of the environment report** being **produced outside** of the Official Statistics System.

OPTIONS	CRITERIA			BENEFITS, COSTS, RISKS AND OPPORTUNITIES
	A	B	C	
<p>Amend the Environment Act</p> <p>To require the Parliamentary Commissioner for the Environment to produce a state of the environment report every five years.</p>				<p>The PCE is required to produce a five-yearly state of the environment report through an amendment to the Environment Act. The PCE is independent of the government of the day and has a broad mandate. For example, the PCE can review the system of agencies and processes established by the Government to manage the allocation, use and preservation of resources. The PCE can also investigate the effectiveness of environmental planning and management carried out by public authorities. In addition to this, the PCE can collect and disseminate environmental information. This option would result in the national state of the environment report being produced outside of the Official Statistics System.</p> <p>The Ministry would continue to collect and analyse environmental information via an environmental statistics programme to support policy setting, and continue to improve the consistency of environmental information at the regional level. This programme would continue to be part of New Zealand's Official Statistics System.</p> <p>This option would dispel perceptions of a lack of independence. The PCE's existing statutory mandate would also enable greater use of mechanisms to compel the provision of data (only where the data already exists).</p> <p>Five-yearly state of the environment reporting is a natural fit with the PCE's existing roles (eg, reviewing how the environmental system is functioning, holding the Government to account for its environmental policies and actions).</p> <p>There could be a potential duplication of effort by separate agencies in aggregating environmental statistics for policy development and reporting on the state of the environment.</p>
<p>Amend the Environmental Protection Authority Act</p> <p>To require the Environmental Protection Authority to produce a state of the environment report every five years.</p>				<p>Under this option the new Environmental Protection Authority (EPA) would be legislated to regularly produce state of the environment reports.</p> <p>This option would likely dispel the perception of a lack of independence because the EPA is a standalone Crown Entity. However, because the EPA is still part of the broader Crown, this option would not be as independent as the PCE undertaking five-yearly reports on the state of the environment as the PCE is completely independent of the Crown as an officer of Parliament.</p> <p>However, state of the environment reporting does not fit naturally with the EPA's current functions. This is because the EPA is currently an implementer of policy and carries out key functions with respect to how we manage the environment (particularly in the Hazardous Substances and New Organisms (HSNO) sphere but also to a lesser extent under the RMA).</p> <p>For this reason, it is unnatural for the EPA to be the auditor/reporter on environmental performance as this would require it to audit/report on its own implementation of policy and its own outcomes.</p> <p>There would likely be some cost implications for the EPA associated with this option.</p>
<p>Amend the Statistics Act</p> <p>To require Statistics NZ to produce a state of the environment report every five years.</p>				<p>This option would require Statistics New Zealand to produce a five-yearly state of the environment report through an amendment to the Statistics Act.</p> <p>This option would ensure independent state of the environment reporting because the Government Statistician is independent. However, Statistics New Zealand plays a relatively minor role in producing environmental statistics and as such, would not be a natural home for the reporting function.</p> <p>In addition, the nature of the reporting may not be consistent with the perceived objectivity of the Government Statistician.</p>

Options to achieve high quality environmental statistics

The options for achieving high quality environmental statistics are summarised in table 2.

Table 2 Summary of options (D = Achieve consistency in environmental monitoring, E = Be cost efficient)

OPTIONS	CRITERIA		BENEFITS, COSTS, RISKS AND OPPORTUNITIES
	D	E	
Objective: High quality environmental statistics are available to report and underpin policies on the environment and the economy.			
<p>Status quo</p> <p>The Ministry continues to promote data consistency by using voluntary means (and a small number of existing regulatory means).</p>	X	✓	<p>The Ministry would continue to promote data consistency using voluntary guidelines and existing regulatory mechanisms (eg, water measuring regulations and the National Environmental Standard (NES) for ambient air quality). However, voluntary means do not achieve 100 per cent consistency in environmental variables monitored, methodologies or representativeness of monitoring sites. The most common environmental variable monitored by regional councils is air quality. This is because there is a national environmental standard requiring monitoring.</p> <p>This option would be cost efficient, as resourcing and compliance costs would not increase.</p>
<p>Use provisions under the Statistics Act</p> <p>The Ministry works with Statistics New Zealand to collect consistent monitoring information through the current provisions of the Statistics Act.</p>	✓	~	<p>Statistics New Zealand would work with the Ministry to compel consistent environmental information from local authorities through the current provisions of the Statistics Act.</p> <p>Statistics New Zealand and the Ministry could jointly request monitoring data from local authorities for set environmental variables according to consistent methodologies, frequencies and monitoring sites. This option has the potential to improve data quality and fill data gaps.</p> <p>Statistics New Zealand would be required to service the transactions associated with establishing and carrying out joint collection, therefore this option would not be the most cost-efficient way to achieve consistency.</p> <p>Under this option, survey respondents would have the ability to object to the sharing of information by the parties to the joint collection, which is a potential drawback.</p>
<p>Amend regulation-making powers under the RMA</p> <p>Local authorities are required to monitor the same aspects of the environment according to specified methodologies and monitoring sites.</p>	✓	✓	<p>This option would expand the regulation-making power under section 360 of the RMA to allow the Environment Minister to recommend that the Governor-General make regulations which would require local authorities to monitor the same aspects of their environment according to specified methodologies and monitoring sites. This would improve the quality of monitoring data available to report the state of the environment and support environmental policies.</p> <p>While this option would involve amending legislation, it is deemed to be the most efficient way to achieve the highest level of consistency at the regional level. For example, there have been high levels of compliance with the NES on ambient air quality requiring local authorities to monitor the same aspects of the environment in a consistent fashion.</p> <p>There will be some cost implications for authorities adjusting their monitoring programmes. The magnitude of these cost increases would be further clarified once the specificity of any proposed new regulations was worked through.</p>

OPTIONS	CRITERIA		BENEFITS, COSTS, RISKS AND OPPORTUNITIES
	D	E	
<p>Amend the Environment Act</p> <p>The PCE is empowered to require consistent monitoring by local authorities.</p>	✓	~	<p>This option would amend the PCE’s functions under the Environment Act to give the PCE the ability to require consistent monitoring at the regional level. This would transfer responsibility for improving the quality of environmental statistics from the Ministry for the Environment to the PCE.</p>
			<p>This option would achieve greater consistency in regional monitoring. The PCE would be able to improve the quality of the environmental variables that she deemed to be most important for reporting.</p>
			<p>However, the ability to require consistent monitoring would sit better with the Minister for the Environment, because the RMA is the natural location for a power of this type, as the principle statute setting out functions and duties of local authorities, and consistency issues are with councils rather than other sources.</p>
			<p>There would be costs for local authorities in adjusting their monitoring programmes and the PCE in establishing a new function.</p>



Kākā (Nestor Meridionalis)
Source: Department of Conservation

Preferred options

Having considered the available options, an Environmental Reporting Bill which includes the following two legislative amendments is considered the most appropriate way of achieving the objectives. The Bill proposes to:

- 1) give the PCE an explicit role under the Environment Act 1986 by requiring five-yearly reports on the state of the environment
- 2) expand regulation-making powers under section 360 of the RMA to improve the consistency of state of the environment monitoring statistics at the local level. This could be supported by the application of the Official Statistics System principles and protocols, particularly in the area of quality and related standards.

This is discussed in more detail in the following chapter.

QUESTIONS:

6. Do you agree with the preferred options?
Please give reasons.
7. Is there an alternative option that has not been considered?
8. To what extent do the options address the identified problems?
9. Are you aware of any other costs and benefits of the options?
10. Do you have any comment about which option would deliver the highest level of net benefit?



Wetlands, Havelock.
Source: Ministry for the Environment

Environmental Reporting Bill for New Zealand



The Bill proposes to:

- 1) give the Parliamentary Commissioner for the Environment (PCE) an explicit role under the Environment Act 1986 by requiring five-yearly reports on the state of the environment
- 2) expand regulation-making powers under section 360 of the RMA to improve the consistency of state of the environment monitoring statistics at the local level.

Regular and independent reporting on the state of the environment: Environment Act Amendment

The Environmental Reporting Bill is proposed to amend the functions of the PCE to require:

- the PCE to prepare a state of the environment report every five years
- the PCE to lay the report before the House of Representatives on/or before 1 July following the end of the five-year period to which the report relates
- the PCE to report on (but not limited to) a specified set of environmental domains:
 - fresh water
 - land
 - oceans
 - air
 - biodiversity.



Role division between the PCE, the Ministry and the Controller and Auditor-General

The proposed amendment to the Environment Act and the more explicit role division between the Ministry for the Environment and the PCE better aligns the independent environmental reporting role with the PCE, while the Ministry would continue as an Official Statistics-producing agency.

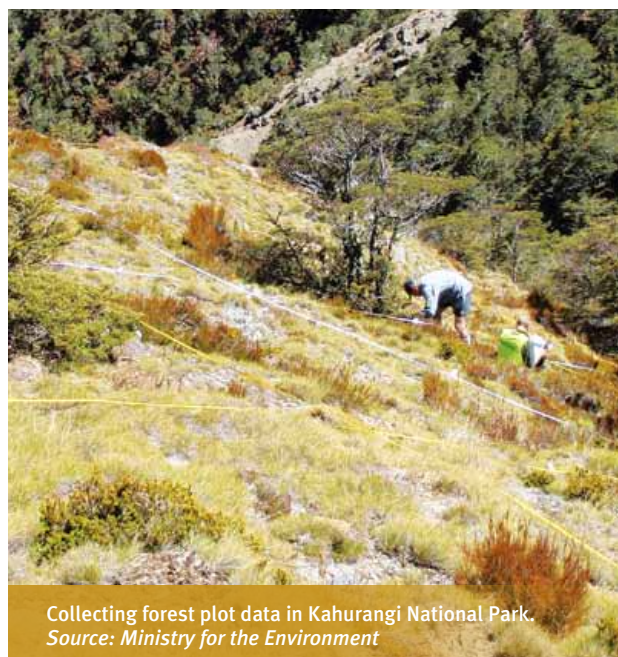
The PCE would be responsible for reporting on the state of the environment every five years. The Ministry would continue its environmental statistics programme, and aggregate environmental statistics to meet international reporting obligations and to inform public debate.

As part of the New Zealand Government Open Access and Licensing framework (NZGOAL), these environmental statistics are openly available for anyone to re-use (including potential use for national state of the environment reporting). Retaining this strong evidence base aligns with other policy ministries across government (eg, the Ministry of Economic Development, the Ministry of Social Development and the Ministry of Agriculture and Forestry). This option aligns with the Ministry’s functions under the Environment Act “to solicit and obtain information...for the formulation of advice to the Government on environmental policies” and fits with international reporting practice and the Government’s obligations to the OECD.

The PCE’s state of the environment reporting role would align with other independent Officers’ of Parliament functions. For example, the Controller and Auditor-General’s role in undertaking financial and performance audits of public entities with environmental responsibilities including local authorities (see table 3 for more detail on the proposed role divisions between the Controller and Auditor-General, the PCE and the Ministry).

Frequency of state of the environment reports

The PCE would be required to produce a state of the environment report every five years. This five-yearly cycle is based on international and regional best practice in state of the environment reporting. The availability of data and the time needed to detect meaningful environmental change is the primary driver for determining this reporting frequency.



Collecting forest plot data in Kahurangi National Park.
Source: Ministry for the Environment

Laying the report before the House of Representatives on/or before 1 July

The PCE would be required to lay the report before the House of Representatives on or before 1 July following the end of the five-year period to which the report relates.



This five-yearly cycle is based on **international and regional best practice** in state of the environment reporting.

PCE reporting on a specified set of environmental domains

There are a range of views on what the PCE should be required to report on. To ensure that state of the environment reports maintain some consistency through time, it is proposed the PCE be legislatively required to report on a specified set of environmental domains:

- fresh water
- land
- oceans
- air
- biodiversity.

The exact variables reported within each domain (eg, phosphorus and nitrogen in the freshwater domain), would be determined by

the PCE of the day. In addition, the PCE would not be limited to reporting on these domains only. This approach would allow emerging issues to be reported.

QUESTIONS:

11. What are the pros and cons of the proposed Environment Act amendment?
12. Is five-yearly reporting an appropriate reporting timeframe? If not, what time period would you recommend?
13. What do you think about the proposed environmental domains that the PCE should report on in the state of the environment report? What topic areas or requirements (if any) would you suggest?

Table 3: Proposed clarification of the role definition between the Auditor-General, PCE, and the Ministry in response to the proposed Environmental Reporting Bill

	CURRENT FUNCTIONS	PROPOSED CHANGES TO FUNCTIONS THROUGH THE ENVIRONMENTAL REPORTING BILL
Controller and Auditor-General	The Controller and Auditor-General is an independent officer of Parliament with the function of auditing the performance of public entities, including local authorities.	None.
Parliamentary Commissioner for the Environment	<p>The Parliamentary Commissioner for the Environment (PCE) is an independent officer of Parliament with a broad mandate.</p> <p>The PCE can review the system of agencies and processes established by the Government to manage the allocation, use and preservation of natural and physical resources. The PCE can also investigate the effectiveness of environmental planning and management carried out by public authorities. The PCE can also collect and disseminate environmental information.</p>	The Bill proposes to amend the Environment Act 1986 to require that the PCE produce five-yearly reports on the state of the environment.
Ministry for the Environment	<p>The Ministry for the Environment is the Government's principal adviser on the environment in New Zealand and on international matters that affect the environment.</p> <p>The Ministry focuses on providing:</p> <ul style="list-style-type: none"> • environmental management systems, including primary legislation, regulations and national environmental standards • national direction through national policy statements and strategies • guidance and training on environmental best practice • environmental information for the formulation of advice on environmental policies as part of New Zealand's Official Statistics System. 	The Ministry would no longer produce a state of the environment report every five years. However, the Ministry would continue to regularly aggregate national environmental statistics to support policy formulation and international reporting obligations. As part of the New Zealand Government Open Access and Licensing framework (NZGOAL), these environmental statistics are openly available for anyone to re-use (including potential use for national state of the environment reporting).

High quality environmental statistics: RMA amendment

The proposed Environmental Reporting Bill would also expand the regulation-making power under section 360 of the RMA¹³ to allow the Environment Minister to recommend that the Governor-General makes regulations that require local authorities to monitor certain variables of their environment according to specified methodologies and monitoring sites. This expansion of regulation-making powers would improve the quality of data available to support both environmental policy-making and state of the environment reporting.¹⁴

Any regulations made under this expanded regulation-making power would likely impact regional councils' state of the environment monitoring programmes. The impact is likely to be variable according to how well councils' current monitoring programmes comply with the requirements of any future regulations.

At this early stage it is anticipated regulations made under this expanded regulation-making power would specify:

- what should be monitored (variables)
- where monitoring should be done (site locations)
- when monitoring should be done (frequency, time of day and season)
- how monitoring should be done (monitoring standards)
- who should carry out the monitoring.

The Minister for the Environment (through the Ministry) would be responsible for developing new regulations for environmental monitoring under the expanded regulation-making powers of the RMA. Any new regulations would be implemented by local authorities.

Given that regional councils conduct the majority of state of the environment monitoring in New Zealand, they are likely to be the ones most affected by any new regulations introduced under this regulation-making power.¹⁵

QUESTIONS:

14. Outline any problems you perceive with the proposed RMA amendment?
15. Which environmental domains (eg, fresh water, land, oceans) do you think should be prioritised for improvements in consistency?



Punga fern.
Source: Ministry for the Environment

Who would be responsible for monitoring and reviewing the implementation and effectiveness of the Bill?

The OECD conducts environmental performance reviews of its member countries about every decade. Monitoring the implementation and the effectiveness of the Environmental Reporting Bill, including the effectiveness of the PCE undertaking five-yearly state of the environment reporting and the introduction of any regulations, would likely be assessed by the OECD in future reviews. The next New Zealand review is scheduled for around 2017.

In addition to this, any new regulations made under the expanded powers of the RMA would have specific monitoring and evaluation plans written into them.

13 The RMA is the natural location for a power of this type as the principle statute setting out functions and duties of local authorities, and consistency issues are with councils rather than other sources.

14 Note that information underpinning state of the environment reporting is not limited to information collected by local authorities under the RMA. Information is also obtained from other sources, such as central government agencies which collect and aggregate information for national policy purposes.

15 Regional council functions under section 30 of the RMA cover soil conservation, water quality, ecosystems, natural hazards and hazardous substances, matters that are often state of the environment monitoring indicators. Territorial authority functions overlap to a limited extent, but are more focused on the effects of land use.

Costs and benefits of the proposed Environmental Reporting Bill



View from Te Mata Peak over farmland along Tukituki River Valley and Kohinurakau Range, Hawke's Bay.
Source davidwallphoto.com

The Ministry for the Environment has prepared a preliminary cost-benefit analysis of the proposed Environmental Reporting Bill. The analysis shows the nationwide impacts of having the PCE undertake five-yearly state of the environment reporting and also expanding the regulation-making powers of the RMA, are both expected to be positive.

There are likely to be cost implications associated with implementing any new environmental monitoring regulations because data collected for national purposes is not always needed at the regional scale. However, the cost to local authorities of any new regulations made under this Bill is unable to be determined without a more detailed scoping of the regulations themselves.

A full cost-benefit analysis would be undertaken should an Environmental Reporting Bill be pursued following public consultation.

A summary of the preliminary cost-benefit analysis is set out opposite.



Benefits

The main benefits associated with **regular independent reports on the state of the environment** are predicted to be:

- increased public perception of independence
- greater transparency around quantifying New Zealand’s clean, green image.

The main benefits associated with **improving the consistency of environmental statistics**¹⁶ are predicted to be:

- a reduction in the costs of compiling that data at central government level
- higher quality, more nationally representative environmental statistics, and greater adherence to the principles and protocols for producing tier 1 statistics
- better national environmental management decisions on the environment and the economy
- more consistent monitoring across regions could lead to more consistent management decisions across regions
- improved information base for environmental research
- working with stakeholders to prioritise environmental statistics that need improving could help to shape science research priorities
- more consistent monitoring across regions could lead to cost efficiencies in the purchase of monitoring equipment and laboratory processing
- improving the accessibility, quality and transparency of environmental information will help us to efficiently and effectively re-use the information to stimulate innovation
- earlier detection of environmental problems so that policies can be implemented earlier and possibly more effectively
- possible improvements in resource allocation.

Costs

The main cost associated with **regular independent reports on the state of the environment** is predicted to be:

- potential duplication of effort by separate agencies in aggregating environmental statistics for policy development and reporting on the state of the environment. This is over and above the cost associated with the current situation as the Ministry currently aggregates environmental statistics for policy development at the same time as reporting on the state of the environment every five years.

The main cost of **improving the consistency of environmental statistics** is predicted to be:

- implementation and administration costs to central government and local authorities associated with the implementation and administration of any new regulations. However, this impact is unable to be determined without a more detailed scoping of the regulations themselves. A full cost-benefit analysis would also be undertaken should an Environmental Reporting Bill be pursued following public consultation.

QUESTIONS:

16. Have we accurately reflected the high-level costs and benefits arising from the proposals for an Environmental Reporting Bill? Please give reasons.
17. Can you identify any other high-level costs and benefits?
18. Do you have any information you would like to see included in the final cost-benefit analysis which will be carried out after the submissions are received and analysed?

¹⁶ There is a degree of uncertainty about the extent of the benefits and costs associated with amending the RMA given that the specificities (ie, the monitoring variables, methodologies and sites) of any future regulations are yet to be determined.



There are likely to be **cost implications associated** with any new environmental monitoring regulations.

What happens next?



Written submissions and the symposium

Written submissions on this discussion document are due with the Ministry for the Environment by **5pm on 18 October 2011**.

At the end of this period the Ministry will prepare a summary of submissions, which will inform future decisions on the proposed Environmental Reporting Bill.

A symposium will also be held in February 2012 to publicly discuss in detail any new regulations which might be made under the proposed RMA changes of the Environmental Reporting Bill. Further details on the scope of the symposium will be made available in due course.

These details will be advertised on the Ministry website, in newspapers and in relevant newsletters at a later date. If you wish to register your interest in attending, please email: environmental.reporting@mfe.govt.nz.

Send your submission to:

Submission on proposed Environmental Reporting Bill
Ministry for the Environment
PO Box 10362
Wellington 6143
New Zealand

or to environmental.reporting@mfe.govt.nz

What happens after the symposium?

The Ministry will prepare a report with recommendations on the Bill for the Minister for the Environment, including a section 32 (cost-benefit) analysis.

If the Minister approves development of an Environmental Reporting Bill, the final proposal will be drafted and presented to Cabinet. A slot on the legislative programme would be requested.

If Cabinet agrees to introduce legislation, the normal legislative process will be followed. This would include a Select Committee process and public submissions.

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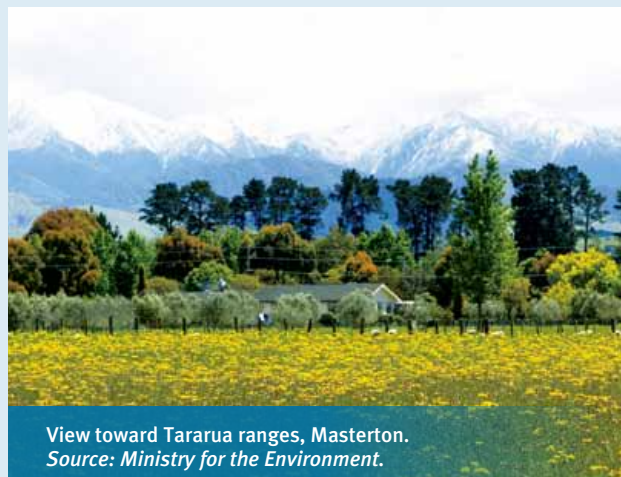
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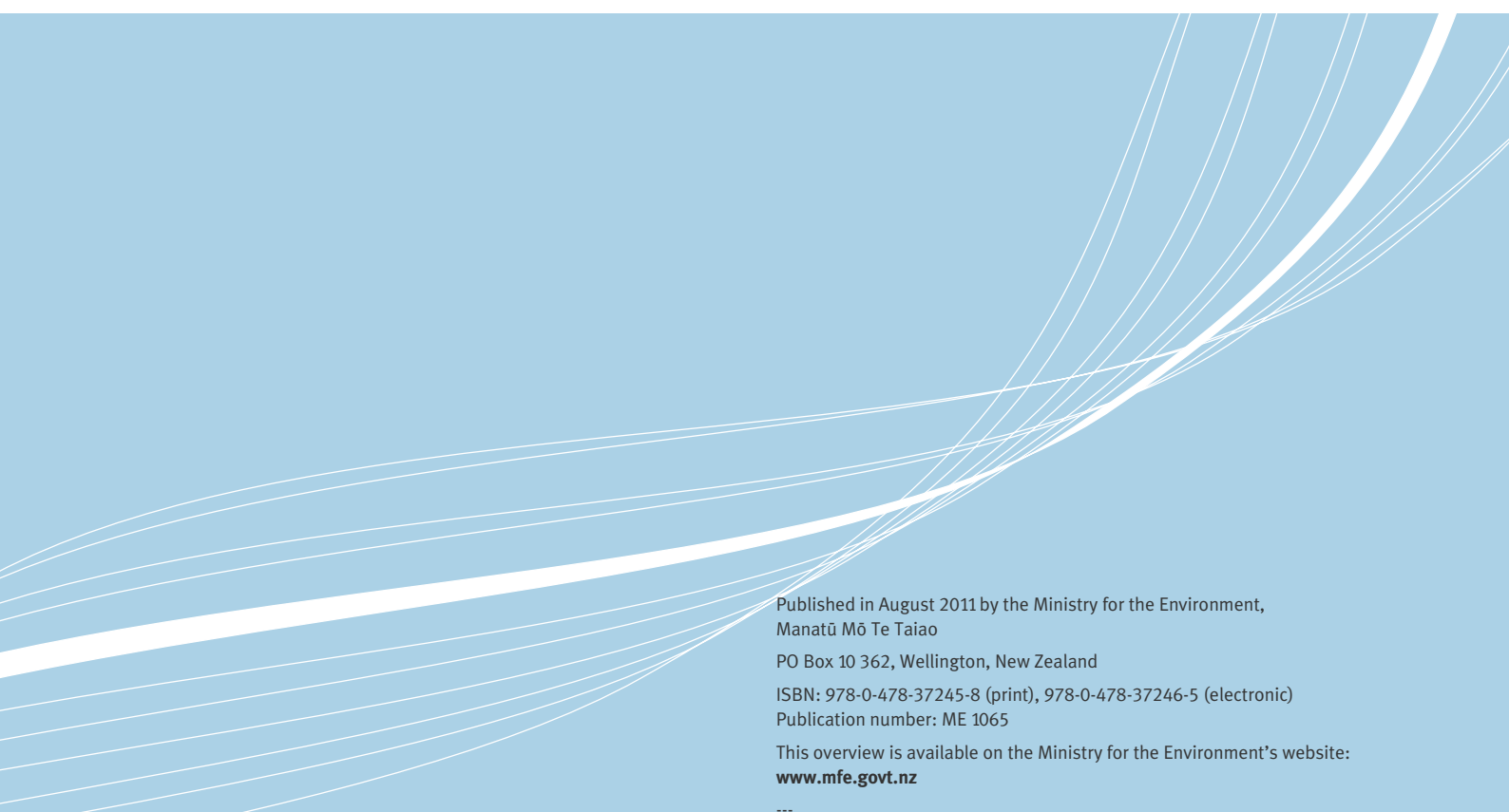
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View toward Tararua ranges, Masterton.
Source: Ministry for the Environment.



Lake Horowhenua, Levin.
Source: Ministry for the Environment



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