

Note: The wording for some of the proposed amendments in this Regulatory Impact Statement differs slightly from that in the Cabinet Paper (CAB-506). These wording changes do not affect the analysis presented in this Statement.

Regulatory Impact Statement: Environmental Reporting Act 2015 amendments

Coversheet

Purpose of Document	
Decision sought:	Cabinet agreement on proposed amendments to the Environmental Reporting Act 2015
Advising agencies:	Ministry for the Environment and Statistics New Zealand
Proposing Ministers:	Hon Penny Simmonds, Minister for the Environment
Date finalised:	24 February 2025
Problem Definition	
1.	The Environmental Reporting Act 2015 (ERA) sets out the requiring framework for independent, structured and regular reporting on the state of the New Zealand environment at a national level.
2.	Environmental reporting helps us understand the state of New Zealand's environment and the impact of our activities on the environment over time. The ERA sits within the wider environmental data system, contributing to improving environmental monitoring, reporting, and understanding, as well as contributing to our collective understanding of environmental change. The ERA does not require any response or action, however robust reporting has the potential to improve environmental decision-making and lead to action in areas of environmental degradation.
3.	In 2019, the PCE evaluated the ability of the environmental reporting system under the ERA to comprehensively report on the state of the environment and inform robust decision-organisations. ¹ The report found that gaps in data and knowledge and inconsistent practice limited the effectiveness of reporting and recommended action and investment to improve the system. Similar concerns have been expressed by the Resource Management Review Panel, central Government, local government, Crown Research Institutes, Māori organisations and non-government organisations.
4.	Environmental reporting (under the ERA) does not adequately inform New Zealanders about the influences that activities are having on the environment. Reports under the ERA struggle to help readers understand how environmental systems and issues are interconnected, including how changes in activities can have effects on different parts of the environment. The ERA also limits the ability to report on key issues of interest in a timely manner for maximum benefit to readers.
5.	The Ministry and Stats NZ have made operational changes with more funding in recent years in response to the PCE's recommendations. However, legislative amendments are required to embed these changes and address structural issues with the ERA that contribute to underperformance.

¹ Parliamentary Commissioner for the Environment (PCE). 2019. [Focusing Aotearoa New Zealand's environmental reporting system](#). Wellington: PCE

6. In the absence of legislated intervention, the environmental reporting programme is expected to continue to be less effective than needed and reports will:
 - a. not lead to action
 - b. not communicate the complexity of interconnected environmental issues
 - c. rely on sub-optimal data
 - d. not be produced at the right time on the right subject-matter.
7. As many of these issues are set in statute, there are few non-legislative options to resolve these. Legislative amendments are required for the environmental reporting programme to confidently report on the state of the environment and support informed decisions to improve national environmental outcomes.

Executive Summary

8. Under the ERA, the Ministry for the Environment (the Ministry) and Statistics New Zealand (Stats NZ) produce six independent reports over a three-year cycle. The experience of these agencies, experts and other agencies in contributing to and completing three such three-yearly reporting cycles shows that the functionality of report production could be improved to be more efficient and have more impact.
9. The PCE's 2019 recommendations for improvements to the ERA are part of a wider five-year programme of work for the PCE looking at environmental reporting, research and investment².
10. The Ministry for the Environment (the Ministry) has reviewed the PCE's recommended changes and concluded that many of the PCE's recommendations could deliver an improved reporting system. The PCE's recommendations to amend the ERA formed the initial foundation for the proposals in this Regulatory Impact Statement.
11. The previous Government carried out targeted consultation and engagement in early 2022 on a package of ERA amendments. The process was well-progressed. Following a 2024 review, the Minister for the Environment (Minister) determined that several of the proposed amendments did not align with current Government policy priorities and propose a more focused package of amendments.
12. The objectives of the proposed amendments to the ERA are:
 - a. clarify the role of the ERA in providing a mandate for independent, regular, and authoritative reporting on the state of the environment
 - b. address legislative barriers to reporting programme efficiency and effectiveness
 - c. mandate good practice of environmental reporting to safeguard the nature and scope of the reporting programme
 - d. support effective programme implementation and minimise cost burdens, particularly for local government.
13. The scope of the proposed amendments is to provide an enduring solution that retains the statutory independence of the environmental reporting programme while being resilient to operational constraints, hence non-legislative options are not feasible.
14. The proposed amendments are:

²Parliamentary Commissioner for the Environment (PCE). 2022 [Environmental reporting, research and investment](#) Wellington: PCE³ The impact topics are: (a) biodiversity and ecosystem processes; (b) public health; (c) the economy; (d) mātauranga Māori, tikanga Māori, and kaitiakitanga; (e) customary use and mahinga kai; (f) sites of significance, including wāhi taonga and wāhi tapū; and (g) culture and recreation.

1. amend the purpose of the ERA to clarify the intended use and outcome of reporting
 2. add drivers and outlooks as required components of the environmental reporting framework
 3. adjust roles and responsibilities for the Ministry and Statistics New Zealand (Stats NZ)
 4. the appointment of an evidence advisory panel to provide independent expert advice
 5. reduce the frequency of state of the environment reports to six-yearly
 6. replace six-monthly domain reports with one commentary report each year
 7. enable reporting on progress towards outcomes
 8. produce a six-yearly data and evidence priorities report
 9. strengthen the mechanisms for collecting data and setting data collection standards
15. Proposals 1 – 6, and 9, were all supported during the early 2022 consultation and in discussions with relevant parties since then, such as local government. Proposals 7 and 8 are new but contain similar improvements to the ones in the consultation document. Further consultation on the current set of proposals has occurred with regional council representatives.

Limitations and Constraints on Analysis

Proposals

16. In 2020, the then Associate Minister for the Environment, Hon James Shaw, commissioned the original package of proposals to be closely based on recommendations made by the PCE to amend the ERA. While root cause analysis has been undertaken, the proposals' structure and the scope of options was directed to build on the PCE work.
17. In early 2024, the Minister retained the proposals' structure and directed refinements to the package to present a more focused set of amendments.

Problem

18. Amending the ERA is an important step toward the system improvements required in the environmental monitoring and reporting system. However, there are also issues in the wider environmental monitoring and reporting system that cannot all be addressed by amending the ERA and are out of the scope of this work. Proposed amendments to the ERA are designed to work alongside improvements happening within the wider system.

Options

19. For each of the proposed amendments, consideration has been given as to various options to amend specific provisions within the ERA. As noted above, the issues are statutory provisions in the ERA and these can only be improved through amending the ERA. Non-legislative options for improving environmental reporting are largely operational issues and these have already been addressed via operational changes.

Consultation

20. Time constraints, the COVID-19 environment, and other competing stakeholder priorities may have had an impact on the volume and depth of feedback received during the 2022 public consultation process.
21. As a result, the Ministry undertook additional direct engagement to test final policy thinking with Ministry staff, Stats NZ, several key Treaty partners (eg, representatives from the Iwi Leaders Group), and stakeholders (eg, the PCE and regional government). Although no public consultation has occurred since March 2022, the Ministry has consulted with other government agencies and a panel of regional council representatives to test the current package of proposed amendments.

Monetary impacts

22. A CBA has been completed by Allen + Clarke, against the full set of proposals. The CBA assessed the amount of costs needed to be effective to be \$369m and the benefits to be \$1,218m; resulting in a ratio of 3.3. The benefits of these amendments are indirect benefits. They will provide a sound basis for taking direct action to address environmental issues, but if these actions are not taken, then the benefits of these amendments will be muted.
23. With the current fiscal environment, decisions around funding for implementation will need to be considered by the Secretary for the Environment and the Government Statistician.

Responsible Manager(s) (completed by relevant manager)



Dan Elder
Manager – Data Analytics and Modelling
Data and Insights Products
Strategy, Stewardship and Performance Group
Ministry for the Environment

24 February 2024

Quality Assurance (completed by QA panel)

<p>Reviewing Agency:</p>	<p>Ministry for the Environment</p>
<p>Panel Assessment & Comment:</p>	<p>A quality assurance panel with members from The Ministry for the Environment has reviewed the Regulatory Impact Statement: <i>Environmental Reporting Act 2015 Reform</i>. The panel considers that the proposal partially meets the Quality Assurance criteria.</p> <p>While the Regulatory Impact Statement (RIS) is generally clear and concise, it would benefit from additional evidence in the options analysis and cost benefit analysis under each proposal to better meet the completeness criterion. Similarly, the RIS could have gained from a broader public consultation, rather than relying solely on the targeted engagement that was conducted. This additional information would provide a more robust foundation for decision-making and enhance the overall effectiveness of the statement.</p>

Section 1: Diagnosing the policy problem

What is the context behind the policy problem and how is the status quo expected to develop?

The Environmental Reporting Act 2015

24. The Environmental Reporting Act 2015 (ERA) sets out the requiring framework for independent, structured and regular reporting on the state of the environment in New Zealand at a national level.
25. Environmental reporting helps us to understand how the state of New Zealand's environment is tracking and the impacts of our activities on the environment over time. It has the potential to support good decision making for the benefit of all New Zealanders, and to provide the evidence to support decision makers to focus our stewardship efforts and investment on what matters most.
26. The environmental reporting programme sits alongside other Government initiatives to improve environmental monitoring, reporting and understanding. These initiatives include ongoing projects such as Treasury's Living Standards Framework and Stats NZ's Data Investment Plan and new projects such as the Science System Advisory Group. A summary of the relevant programmes is set out in **Annex B**.
27. The ERA requires the Ministry for the Environment (the Ministry) and Statistics New Zealand (Stats NZ) to jointly produce and publish:
 - a) five domain reports over a three-year period (roughly two per year) covering (in fixed order) air, atmosphere and climate, freshwater, land, and marine domains
 - b) state of the environment synthesis reports every three years.
28. To date, 15 domain reports and 3 state of the environment synthesis reports have been published under the ERA.
29. In addition to the legislated reporting requirements of the ERA, Stats NZ produce environmental indicator webpages as part of the environmental reporting programme.
30. Topics required to be covered for each domain are set out under [Environmental Reporting \(Topics for Environmental Reports\) Regulations 2016](#). The ERA also requires all reports to determine the impact that the state of the environment, and changes to it, may be having on a specified list of impact topics.³
31. The ERA also requires reports to describe how the state of New Zealand's environment measures against national or international standards, where applicable.
32. Some reports published under the ERA have included additional elements to those required, including drivers and outlooks. Drivers are factors that cause pressures on the environment, and outlooks describe how the environment may change in the future. Reporting on drivers and outlooks has been well received and is important to help decision makers consider future environmental change in context of what is causing the change.

³ The impact topics are: (a) biodiversity and ecosystem processes; (b) public health; (c) the economy; (d) mātauranga Māori, tikanga Māori, and kaitiakitanga; (e) customary use and mahinga kai; (f) sites of significance, including wāhi taonga and wāhi tapū; and (g) culture and recreation.

33. While the Ministry and Stats NZ are jointly responsible for producing environmental reporting under the ERA, this is underpinned by data, evidence and expertise from the wider environmental monitoring and reporting system. This includes other central government agencies (eg, Department of Conservation (DOC), Ministry of Business, Innovation and Employment (MBIE), Ministry for Primary Industries (MPI)), mātauranga Māori experts and Māori, local government, Crown research institutes (CRIs), scientists and citizen scientists.
34. Independence is an important feature and key requirement of the ERA. This ensures that statistics selected for reporting and the focus of reports are selected on an unbiased scientific basis to support robust reporting and are not influenced by the Government of the day.
35. Once reports are published, anyone can use the information and act on the findings, but no formal response or subsequent actions are required.

The Parliamentary Commissioner for the Environment's recommendations

36. The Parliamentary Commissioner for the Environment (PCE) has a statutory role allowing them to comment on the reports produced under the ERA.
37. In 2019, the PCE released a report that evaluated the strengths and weaknesses of the environmental reporting system and its ability to comprehensively report on the state of the environment and inform effective decision-making⁴. The report found that huge gaps in data and knowledge undermine our stewardship of the environment and recommended concerted action and serious investment to improve the system.
38. In 2022, the PCE released a further report summarising and building on his previous three reports on improving environmental information, *Environmental reporting, research and investment – Do we know if we're making a difference?* This presented wider recommendations linked to environmental reporting, including around environmental outcomes.
39. Since 2019, the Ministry has reviewed and implemented some non-legislative improvements to environmental reporting based on the PCE's recommendations. However, without being legislated or regulated, these improvements risk not being consistent or enduring. These improvements include:
 - a. focusing the currently broad purpose of environmental reporting to provide an effective evidence base to inform decision-making
 - b. incorporating drivers and outlooks into the reporting framework
 - c. established a Science Advisory Panel to provide independent expertise
 - d. building mātauranga and te ao Māori into report content
 - e. further clarified roles and responsibilities between the Secretary for the Environment (the Secretary) and the Government Statistician based on relative strengths.

⁴ Parliamentary Commissioner for the Environment (PCE). 2019. [Focusing Aotearoa New Zealand's environmental reporting system](#). Wellington: PCE

What will happen if no action is taken?

40. If no action is taken to amend the ERA, the Ministry and Stats NZ will continue delivering reporting under their current requirements. Operational solutions are available for some improvements, however, these are not enduring, and some improvements cannot be made as they are contrary to the existing legislation, for example the time periods for producing reports.
41. Relying on operational changes agreed and adopted by and between the Ministry and Stats NZ, and unsupported by legislative change, may be inadequate and will likely result in inconsistent reporting, largely due to changing views as to what should be done, and how. Inconsistent reporting does not provide a strong enduring evidence base for decision makers and could lead to a lack of trust and confidence in the reporting.
42. Under the status quo:
 - a. If the purpose of environmental reporting remains unclear, reports may be less effective at supporting decision makers as the focus of reports is at the discretion of the programme lead.
 - b. Inclusion of drivers and outlooks is at the discretion of the programme lead at the Ministry. Given time and resource constraints, the decision for including drivers and outlooks will be made against competing legislative priorities.
 - c. Roles and responsibilities of the Ministry and Stats NZ are overlapping in the legislation. This requires operational changes to be agreed and adopted between the agencies to ensure efficient delivery of the programme.
 - d. An evidence advisory panel has not been legislated to be established and provide external expert advice. Independent advice provision will be at the discretion of the Ministry and subject to changes in approach by programme leadership.
43. The legislated domains and report frequency could limit the potential value and impact of reports. The strict approach to six-monthly reporting cycle, domains and associated topics constrains the ability of reports to convey the complex and interconnected environment, and is inflexible in the timeliness of key topics.
44. Environmental reports will report against international and national standards (where applicable), but will not comment on progress towards outcomes contained in other relevant environmental legislation. Whilst the current approach helps to present how the environment is changing, it limits the use of reports for decision makers.
45. The environmental programme seeks to highlight research and data gaps and improve the underlying evidence base for national level reporting. While reports may continue to highlight research and data gaps this is not a current legislative requirement and subject to future changes in approach by programme leadership.

2024 proposed amendments to the ERA

46. A Regulatory Impact Statement was completed in 2022 for a previous package of proposed amendments to the ERA. Public consultation was undertaken and the proposals were subsequently refined, however, the proposed amendments were then put on hold due to the change in government. See **Annex A** for more detail.

47. The Government has directed a more focused set of revised amendments than previously proposed. This Regulatory Impact Statement presents the package of nine proposals:
- a. seven of these proposals were previously consulted on and broadly supported by stakeholders and partners, and in discussions with relevant parties such as local government. Since then three of these seven proposals have been refined under the current Government.
 - b. two of the nine proposals are new under the current Government.
48. The cabinet paper *Environmental Reporting Act 2015 Proposed Amendments*, has been prepared and departmental consultation has been undertaken.

What is the policy problem or opportunity?

What is the size of the problem?

49. While there are broader challenges within the wider environmental evidence system that affect environmental reporting, this assessment looks specifically at the issues directly relevant to the ERA. The Minister for the Environment is seeking to address broader challenges through a range of operational and policy initiatives including through wider legislative reform.
50. The environmental reporting programme is currently less effective and efficient than it could be, largely because of the structure of the ERA. This ultimately means the New Zealand public and decision-makers are not receiving the information they need at the appropriate time.
51. Environmental reporting should provide an enduring evidence base for decision makers that is both timely and relevant to the context of the day. A robust and well-performing environmental reporting system enables identification of environmental degradation before it is too late and irreversible damage occurs.
52. In the absence of intervention, reports published under the ERA will not be relevant and comprehensive enough to effectively inform decision makers on how to sustain a healthy environment for the future.
53. Without legislated changes, the environmental reporting programme is limited by the requirements of the ERA. The Ministry expects that this will continue to produce reporting that:
- a. does not lead to action
 - b. does not communicate the complexity of interconnected environmental issues
 - c. relies on sub-optimal data
 - d. is not produced at the right time on the right subject-matter.

Identifying the issues

54. The key problems that are the focus of these proposed amendments and this Regulatory Impact Statement are:
1. The current purpose statement (section 3 of the ERA) is ineffectual, providing no direction to what to achieve in producing these regular reports.
 2. The environmental reporting framework specified in the ERA covers pressure, state and impact, which is only part of the full DPSIR framework (drivers, pressures, state, impacts, response) used in other OECD countries, with outlooks often also included. Without reporting on drivers and outlooks, reports do not provide a complete picture of why and how the environment is changing, and what is likely to happen in the future.

3. Both the Secretary and the Government Statistician are allocated the same roles which has led to inefficiencies and unclear accountabilities.
4. The Secretary is limited in the sources of advice available (staff and consultants). This is because Ministry staff have expertise in specific focus areas of environmental reports, and consultants are engaged to carry out specific data collection and interpretation. These relationships are also not as independent nor as transparent as would be ideal.
5. The fixed and tight statutory timelines requiring six sequenced reports every three years allows little time to obtain existing and new data, and to creatively present the information.
6. The strict approach to domains and associated topics as the focus of reports does not enable the complex and interconnected environment to be effectively communicated and limits the ability to report on key topics in a timely manner.
7. Environmental reports focus on current state and historical trends and do not convey how we are tracking towards high-level strategic environmental outcomes. Without reporting against outcomes, New Zealand cannot quantify progress towards them, nor demonstrate how New Zealand is contributing to global goals (if appropriate).
8. A key purpose of the reporting programme is to highlight research and data gaps and improve the underlying evidence base for national level reporting. While reports may continue to highlight research and data gaps, there is not a current legislative requirement for the Ministry and Stats NZ to consider how and what data must be improved to meet the needs of the environmental reporting programme and make that thinking obvious to Ministers and the public.
9. Data is passively harvested rather than actively generated or collected. Drawing only on existing and available data (that is often generated for different purposes) without requiring the collection of new information has led to significant gaps in what we know about the environment and how it is changing. Because the data is mainly collected for other purposes (under other Acts), there are inconsistencies in timing and in collection methods.

Impact on stakeholders and Treaty partners

55. Treaty partners are affected by and have an interest in these issues.
56. Stakeholders affected by, or with an interest in these issues, include:
 - a. central government agencies (eg, Stats NZ, DOC, MPI)
 - b. advisory groups (eg, Science Advisory Panel, Mātauranga Science and Insights Panel)
 - c. local government
 - d. Crown Research Institutes
 - e. universities and institutes of technology
 - f. sector interest groups (eg, Life Cycle Association of NZ and PlanTechNZ)
 - g. non-government organisations.

Consultation

57. Between 8 February and 18 March 2022, the Ministry released a consultation document on the proposed amendments for public consultation⁵ and undertook targeted engagement. In response to the consultation document the Ministry received submissions from regional councils and unitary authorities, CRIs, Non-Government Organisations (NGOs), hapū and iwi, industry bodies, businesses, education and health sector, the PCE, and individuals. See **Annex A** for more detail about the 2022 consultation process.
58. Since March 2022, the Ministry has consulted with other government agencies and a panel of regional council representatives to test and refine the current package of proposed amendments.

Outcome from consultation on proposals

59. Most of the proposed amendments were supported. See **Annex A** for key themes from the submissions.
60. Of the ten proposed amendments, eight remained the same after consultation, and two were adjusted responding to feedback received, such as strengthening the mechanisms for collecting data.
61. In 2022, after the consultation had been completed, the Minister agreed to change the proposed amendments to include a post-consultation recommendation from the PCE, to include five environmental themes.⁶
62. Proposals 7 and 8 are new but contain similar improvements to the proposals in the 2022 consultation document.

What objectives are sought in relation to the policy problem?

63. The objectives that guide the 2024 proposed amendments to the ERA are:
 - a. clarify the role of the ERA in providing a mandate for independent, regular, and authoritative reporting on the state of the environment
 - b. address legislative barriers to reporting programme efficiency and effectiveness
 - c. mandate good practice of environmental reporting to safeguard the nature and scope of the reporting programme
 - d. support effective programme implementation and minimise cost burdens, particularly for local government.

⁵ Parliamentary Commissioner for the Environment (PCE). 2019. [Focusing Aotearoa New Zealand's environmental reporting system](#). Wellington: PCE

⁶ Parliamentary Commissioner for the Environment (PCE). 2022 [Environmental reporting, research and investment](#) Wellington: PCE

Section 2: Deciding upon an option to address the policy problem

What criteria will be used to compare options to the status quo?

64. The criteria used to assess the suitability of each option, is set out below:
- A. Effectiveness:** the extent to which the proposal will meet the objectives and, in turn, lead to relevant, robust, meaningful and dependable reporting. The proposal should allow for meaningful comparisons across reports, while avoiding repetition.
 - B. Certainty:** the extent to which the proposal can clearly define the parameters for preparing reports, including certainty on the roles and responsibilities, the frequency and content of reporting.
 - C. Independence:** the extent to which the proposal provides for independent reporting, free from real or perceived bias, drawing on relevant expertise.
 - D. Cost-efficiency:** the extent to which the benefits of the proposal outweigh the costs and risks.
65. The assessment of the best option for resolving each specific issue was conducted against the objectives and criteria set above. All the objectives and criteria were equally weighted.
66. The table below was used to compare the options against the criteria.

Table	
Key	Description
++	significantly better than the status quo
+	better than the status quo
0	Neutral
-	worse than the status quo
--	significantly worse than the status quo

What scope will options be considered within?

67. In 2020, the then Associate Minister for the Environment, Hon James Shaw, commissioned the work of amending the ERA based on comprehensive recommendations made by the PCE. The scope of proposals and the options within these were informed by the PCE's recommendations, and directed to closely follow the PCE's proposal structure.
68. In 2024, the current Minister for the Environment reviewed the package of proposals approved by the previous Cabinet and directed officials to prepare a more focused set of revised amendment proposals. More complex proposals that would broaden the scope of the legislation and have potential cost implications for local government were removed from consideration. These included mandating a government response to reporting, establishing a set of core indicators in regulation, and specifying long-term environmental outcomes in legislation. Representatives from a range of regional councils and unitary authorities have been consulted on a regular basis regarding the proposed changes to the package of proposals.

69. An objective of the amendments is addressing legislative barriers to reporting programme efficiency and effectiveness. They aim to provide an enduring solution to the issues identified with the programme, that is also resilient to operational constraints. While non-legislative options are possible for some of the proposed amendments, these do not guarantee the consistent and efficient operation of the reporting programme over time, which is necessary for the investment in environmental reporting to have the greatest impact. Inconsistent reporting does not provide a strong enduring evidence base for decision makers and could lead to a lack of trust and confidence in the reporting.
70. The proposed amendments are considered minor adjustments that improve the ERA without making significant changes to it and without significantly changing its intent.

Cost Benefit Analysis approach

71. The Ministry initially commissioned consultants Allen + Clarke to complete a CBA in mid-2022. As the proposals were considered to complement each other and work together, the benefits would increase when they are considered as a package.
72. Following the changes to the package of proposals, Allen + Clarke undertook a new CBA in 2024. The expected benefits are calculated based on the complete package of proposals.
73. Benefits are estimated to exceed costs in 95 per cent of the 20 thousand iterations of a Monte Carlo analysis, with a mean net benefit of \$850 million and an average benefit cost ratio of 3.3 over a 30-year investment horizon.
74. The CBA analysis is underpinned by the following general assumptions, which apply to assessing the costs and benefits of all the proposals:
 - a. cost estimates apply a deadweight cost of taxation allowance (0 per cent/20 per cent/40 per cent representing low/central/high beta distribution assumptions)
 - b. present values are calculated on a 30-year time horizon, with central estimates of present values calculated with a 2 per cent discount rate (1.5 per cent – 8 per cent low/high bands). The 30-year horizon means that the analysis incorporates five six-year reporting cycles
 - c. values are presented in constant 2024 prices in present value terms for the entire 30-year period
 - d. compliance costs are calculated without attributing who will bear these costs
 - e. current costs of passing the ER amendments are included
 - f. the Monte Carlo analyses were carried out to assess the range and probability of potential outcomes and provide 95 per cent confidence intervals for the estimated costs and benefits
 - g. labour costs are based on updated calculations from Treasury's 2015 policy cost study and Stats NZ's data as set out below:

Assumption	Low	Central	High	Beta (skewness)
Labour costs per full time equivalent (FTE)				
Ministry for the Environment	\$211,404	\$284,752	\$378,768	1.28
Other departments and CRIs	\$237,773	\$264,142	\$321,455	2.17
Stats NZ and regional councils	\$176,185	\$195,724	\$238,191	2.17

75. Specific costs for proposals 2, 4, 7 and 8 have been calculated individually. Proposals 1, 3, 5, 6 and 9 are not expected to generate any additional costs other than the process costs associated with amending the legislation. Cost estimates for each proposal are set out below.

What options are being considered?

Problem 1: The current purpose statement (section 3 of the ERA) is ineffectual, providing no direction to what to achieve in producing these regular reports.

Problem

76. The Parliamentary Commissioner for the Environment (PCE) analyses the problem in his report “Focusing Aotearoa New Zealand’s environmental reporting system”⁷. The ERA states: “The purpose of this Act is to require regular reports on New Zealand’s environment.” This immediately raises the questions: why do we need regular reports? And what are these reports supposed to achieve?
77. The way the section of the ERA is currently drafted, the reader may conclude that reports only have the purpose to inform. However, evidence shows that in practice reports are relied on as an evidence base by decision makers in the drafting of policies and management practices. Therefore, their purpose is both to inform and to provide a reliable evidence base that supports decision making.
78. Being clear about why we are reporting on the state of the environment is of fundamental importance for anyone trying to review how well the reporting process is performing.
79. Without a clear and enduring legislated purpose of the environmental reporting programme, the interpretation of the purpose can change over time, at discretion of those producing the reports. This can lead to inconsistency in environmental reports produced under the ERA, which may make it difficult for readers and decision makers to understand how the state of the environment is changing over time. The inconsistency in reports could lead to a lack of trust and confidence in the programme.

Objectives

80. In addition to assisting in achieving the general objectives, this section relates to the specific objective of clarifying the purpose of environmental reporting, which will shape the direction and focus of the environmental reporting programme.

⁷ Parliamentary Commissioner for the Environment (PCE). 2019. [Focusing Aotearoa New Zealand’s environmental reporting system](#). Wellington: PCE. page 19.

Option 1: Amend the purpose to clarify the intended use and outcome of reporting (Recommended option)

81. This option would amend the purpose of the ERA to require regular reports on New Zealand's environment, which both inform New Zealanders about the state of the environment, as well as support evidence-based decisions that lead to effective and enduring environmental stewardship.
82. This proposal would clarify the ERA's purpose and would add a simple rationale for why the state of the environment is being reported, and what the reporting is supposed to achieve.

Option 2: Amend the purpose to clarify the reporting framework, intended use and outcome of reporting

83. This option would amend the purpose of the ERA to require authoritative reporting on New Zealand's environment that describes the drivers of change, the pressures on natural and physical resources, the current state of the environment, how the state of the environment has changed and the impacts the changes have had, how the state of the environment may change in the future, and the impacts those changes are likely to have – to enable the evidence-based analysis and decision making needed to achieve effective stewardship of the environment.
84. While it contains similar elements to option 1, it also sets out each step of the environmental reporting framework (drivers, pressures, state, impact, outlooks) which is already specified elsewhere in the ERA.

Option 3: Status quo

85. Under the status quo, section 3 of the ERA would remain unchanged. The purpose of the Act would continue to be to require regular reports on New Zealand's environment.

How do the options compare to the status quo/counterfactual?

86. This table compares the options in relation to the criteria and against the status quo.

Classification

Options considered	Effectiveness	Certainty	Independence	Cost efficiency	Overall Score
Option 1: Amend the purpose to clarify the intended use and outcome of reporting	++ Provides clarity as to why the ERA exists and the purpose of producing reports to achieve outcomes	++ Gives certainty of the purpose of reporting and what the programme needs to achieve, and why	0 Increases the independence of reporting from the Government of the day by setting independence of the programme in the purpose of the Act	++ A change that in itself costs nothing. A clarified purpose benefits the programme, decision-makers and users by ensuring the reports are fit for purpose to meet an intended outcome.	++
Option 2: Amend the purpose to clarify the reporting framework, intended use and outcome of reporting	+ Provides clarity as to why the ERA provisions exist and why it is important to achieve these. The addition of the reporting framework is misplaced in the purpose of the Act and would limit why reporting is undertaken	++ Including the reporting framework in the ERA ensures certainty of purpose but is inflexible compared to option 1	0 Increases the independence of reporting from the Government of the day by setting independence of the programme in the purpose of the Act	++ A change that in itself cost nothing. A clarified purpose will benefit the programme, decision-makers and users by ensuring the reports are fit for purpose to meet an intended outcome.	+
Option 3: Status quo	0 No clarity as to the nature and reasoning for producing regular reports on the state of the environment	0 Current statement is too unspecific to provide certainty of what reporting should entail	0 Maintains independence of reporting from the Government of the day and so from real or perceived bias	0 Without clear directions as to what is to be achieved, this option is not as efficient	0

Preferred option

87. Options 1 and 2 are similar in most criteria. Owing to the inclusion of the reporting framework within the purpose statement, option 2 is not as flexible as the wording in option 1. This could reduce innovative approaches to expand upon and beyond the reporting framework.
88. Given that the purpose is the basis from which all other sections in the ERA are interpreted, Option 1 is the preferred option because it makes clear the desired outcomes of the legislation, without including detail that does not assist with interpreting later clauses in the legislation.
89. The difference between the two options is slight (and either would be an improvement on option 3) but sufficient to indicate a preference for option 1.

Treaty implications relating to the proposal

90. During the consultation process, some respondents noted the importance of including Te Tiriti principles and acknowledging te ao Māori and mātauranga Māori within the purpose statement.
91. Given such a purpose was not consulted on, and our Minister's desire to follow through on implementing revised amendments, we have not thoroughly considered that amendment of purpose as an option for these amendments. Operational provisions to support kaitiakitanga and encourage the use of mātauranga Māori can be accommodated in practice.

Consultation

92. Overall, most respondents supported the proposal. The feedback focused on terminology: the need to promote the role environmental reporting will play in ensuring better decision-making, the suggestion that the purpose should sit within a Te Tiriti framework, the reminder that definitions may be needed depending on what wording is used in the purpose, and that appropriate funding will be required.
93. More recent inter-departmental consultation and consultation with regional council representatives indicates that there is support for the purpose statement to be amended to require regular reports on New Zealand's environment so that:
 - a. New Zealanders are informed about the state of the environment and
 - b. evidence-based decisions can be made that lead to effective and enduring environmental stewardship.
94. This consultation feedback has been considered in making our recommended options.

What are the marginal costs and benefits of the proposal?

95. In combination with the other proposals that give effect to this purpose, there are benefits at the ratio of 1:3.3.
96. As this proposal refines the purpose of the Act and does not create a resource burden there should be no explicit additional cost implications nor additional full-time equivalent staff (FTE) requirements from this proposal.

Affected groups	Comment	Impact	Evidence Certainty
Additional costs of the preferred option compared to taking no action			
All groups	None The cost of amending the purpose statement is \$0 (except for a minor share of costs for the regulator for amending the ERA).	Low	High
Non-monetised costs	None	Low	High
Additional benefits of the preferred option compared to taking no action			
All groups	Ongoing The benefits of improved clarity as to the purpose of the ERA are that reporting will better service the needs of decision-makers and provide more timely and relevant information for the New Zealand public. This purpose would greatly improve guidance on why reports, commentaries and indicators are prepared, informing decision-making under the ERA, and better informing authorities such as the courts if they were to review those decisions. It would also increase the influence of reporting by clearly stating who the reporting is for, and the reason for it. In turn, this could help to prevent duplication in effort of other reports and achieve greater engagement by the public.	Medium	High
Non-monetised benefits	Ongoing	Medium	High

Problem 2: The environmental reporting framework specified in the ERA covers pressure, state and impact, which is only part of the full DPSIR framework (drivers, pressures, state, impacts, response) used in other OECD countries, with outlooks often also included. Without reporting on drivers and outlooks, reports do not provide a complete picture of why and how the environment is changing, and what is likely to happen in the future.

Problem

97. A reporting framework is a way of organising information so that a coherent story about the state of New Zealand's environment is reported. The ERA currently specifies the Pressure-State-Impact (PSI) framework, which is taken from the larger Driver-Pressure-State-Impact-Response framework (DPSIR) used in most OECD countries.

98. Drivers are factors that cause pressures on the environment (such as human influences and natural conditions that drive environmental change). Responses are recommended policy actions which would address drivers or pressures and thus change state in future.
99. The full DPSIR framework is circular. It assists users to close the loop by identifying responses to address the drivers and pressures, through to determining whether those responses have achieved the desired changes.
100. As the PCE explains⁸, New Zealand uses a truncated version of the internationally accepted DPSIR framework by citing only PSI in the ERA. New Zealand's abbreviated use of the framework therefore is inadequate because it has significant gaps in the chain in terms of what is reported and how it influences or is influenced by other parts of the environment. In particular, the truncated framework, currently in the ERA, is lacking important links between drivers and pressures.
101. Outlooks are often included on top of the DPSIR framework and describe how the environment may change in the future, primarily based on current data and trends and the likely impacts on the environment. State of the environment reporting cannot provide a perspective on the seriousness of different environmental issues without also looking forward.⁹ There is no statutory provision for reporting on outlooks.
102. It is important to report on both drivers and outlooks to provide a more complete picture of why and how the environment is changing, and what is likely to happen in the future. Reporting on drivers and outlooks is therefore important for ensuring decision makers are fully informed.

Problems with the current non-regulatory approach

103. While the ERA does not prohibit including drivers and outlooks in environmental reporting, it leaves it to the discretion of the Ministry's environmental reporting programme. The programme leader can exercise their discretion by including or not including drivers and outlooks, which leaves gaps in reporting as well as inconsistent reporting over time.
104. Drivers and outlooks can be, and have been, included in environmental reporting.¹⁰ Their inclusion, however, is dependent on resourcing: the capacity and capability of staff preparing the report, available funding, and available data/information.
105. Consistently reporting on drivers and outlooks in all reports would better support comparisons over time, inform decision making, and build trust in the reporting system through consistency.
106. Where there is insufficient information, funding, capacity, and capability, drivers and outlooks can currently be omitted from reports, because they are optional extras. The pressure-state-impact categories cannot be ignored because there are statutory requirements to publish information on those parts of the environmental reporting framework.

⁸ Parliamentary Commissioner for the Environment (PCE). 2019. [Focusing Aotearoa New Zealand's environmental reporting system](#). Wellington: PCE. page 49.

⁹ Parliamentary Commissioner for the Environment (PCE). 2019. [Focusing Aotearoa New Zealand's environmental reporting system](#). Wellington: PCE. page 58.

¹⁰ For instance, various environmental reports since *Our atmosphere and climate 2020* and *Our land 2021* have included drivers and outlooks.

Objectives

- 107. In addition to assisting achieve the general objectives, this section relates to enhancing the ability to communicate the complexity of interconnected environmental issues.
- 108. The intention is to build a stronger environmental reporting foundation, as mandating best practice in legislation is expected to safeguard the nature and scope of the reporting programme over time.

Option 1: Include drivers and outlooks in the environmental reporting framework (Recommended option)

- 109. This option extends the pressure-state-impact¹¹ framework to provide a more complete view of environmental issues by including drivers (factors that cause the pressures on the environment) and outlooks (how the state of the environment may change in the future, and the likely impact of such changes). This provides a fuller framework that offers more tools for reporting.
- 110. Additional topics would be required to be set out under Environmental Reporting (Topics for Environmental Reports) Regulations 2016 for drivers and outlooks.

Option 2: Include drivers, outlooks and responses in the environmental reporting framework

- 111. In addition to drivers and outlooks, this option would mandate reports to also include responses. Responses include recommended policy actions which would address drivers or pressures and thus influence a change in future state. This addition would provide the most comprehensive framework for state of the environment reporting and would also bring New Zealand's reporting into line with other OECD countries which follow the DPSIR framework.
- 112. Additional topics would be required to be set out under Environmental Reporting (Topics for Environmental Reports) Regulations 2016 for drivers, outlooks and responses.

Option 3: Include outlooks in the environmental reporting framework

- 113. Including outlooks would extend the present statutory requirement of pressure-state-impact.
- 114. Additional topics would be required to be set out under Environmental Reporting (Topics for Environmental Reports) Regulations 2016 for outlooks.

Option 4: Include drivers in the environmental reporting framework

- 115. Including drivers would extend the present statutory requirement of pressure-state-impact. The inclusion of drivers would bring New Zealand's reporting framework more in line with other OECD countries.
- 116. Additional topics would be required to be set out under Environmental Reporting (Topics for Environmental Reports) Regulations 2016 for drivers.

¹¹ Pressures describe what may be causing, or have the potential to cause, changes to the state of the environment. The state of the environment describes what the current condition of the environment is. Impacts explain how the state of the environment might impact on areas including ecological integrity, public health, the economy, te ao Māori and culture and recreation.

Option 5: Include responses in the environmental reporting framework

- 117. As detailed under option 2 above, the inclusion of responses is significantly more costly than the status quo and risks compromising the independence of the reporting.
- 118. Additional topics would be required to be set out under Environmental Reporting (Topics for Environmental Reports) Regulations 2016 for responses.

Option 6: Status quo

- 119. The Ministry and Stats NZ would continue reporting against the pressure-state-impact framework.
- 120. Under the status quo, drivers and outlooks can be included in environmental reports at the discretion of the programme lead.

How do the options compare to the status quo/counterfactual?

- 121. This table compares the options in relation to the criteria and against the status quo.

Options considered	Effectiveness	Certainty	Independence	Cost efficiency	Overall Score
Option 1: Include drivers and outlooks in the environmental reporting framework	++ Provides a more complete narrative of the state of the environment bringing New Zealand reporting more in line with the DPSIR framework used by other OECD countries. Responses from the DPSIR framework are not proposed in this preferred option, as to maintain the credibility and independence of the environmental reporting system.	+ Information and therefore possible analysis and insights will be more complete and robust	0 By being added to the existing framework, it does not change the level of independence	++ Additional costs are not more than minor in context of the reporting but adds benefits of fuller information. There are a range of data sources that readily exist to inform the reporting of drivers and outlooks. The addition to the framework will not cause additional costs across the environmental monitoring system.	++
Option 2: Include drivers, outlooks and responses	++ Provides the most complete narrative of the state of the environment where the responses loop back to the drivers, outlooks and responses	+ Information included is the most complete and robust	-- Responses could change either the perceived or actual level of the reporting programme independence	-- Additional costs will be through the additional policy resources required to provide response	0

Classification

Option 3: Include outlooks	+ Provides a more complete narrative of the state of the environment but not as much as if drivers were included	+ Information included is more complete and robust but would need drivers to provide more certainty	0 By being added to the existing framework, it does not change the level of independence	+ Additional costs are no more than minor in context of the reporting and adds some benefits of fuller information	+
Option 4: Include drivers	+ Provides a more complete narrative of the state of the environment but not as much as if outlooks were included	+ Information included is more complete and robust but would need outlooks to provide more certainty	0 By being added to the existing framework, it does not change the level of independence	+ Additional costs are no more than minor in context of the reporting and adds some benefits of fuller information	+
Option 5: Include responses	+ Provides a narrative of the state of the environment that contains more information but would not be as effective if drivers and outlooks are omitted	+ Information included is more complete and robust but more information would provide more certainty	-- Responses could change either the perceived or actual level of independence	-- Responses are a more expensive part of the reporting framework as it takes much effort to find all the responses occurring in NZ and would be unworkable without drivers and outlooks	-
Option 6: Status quo	0 Remains less effective than a more complete framework	0 Gaps in reporting continue to provide less certainty on the state of the environment	0 Remains independent	0 Costs slightly less but information produced is of less value because of the gaps in reporting	0

Preferred option

122. Options 1 and 2 score similarly but option 1 is chosen because it meets the policy objectives and ensures there is no actual or perceived loss of independence through the introduction of responses under option 2.
123. Including both drivers and outlooks in the environmental reporting framework provides an almost complete snapshot of the state of the environment bringing New Zealand's reporting framework more aligned with other OECD countries.

124. Expanding the reporting framework for easier identification of the key drivers is expected to reinforce the value of the reports by explaining what is driving the pressures.
125. Option 1 will also ensure reports are consistent in providing a look forward and how trends may continue. Outlooks will provide an extrapolation of the current state into the future based on analysis of drivers, pressures and impacts.

Treaty implications relating to the proposal

126. During the consultation process, multiple respondents said it was important for the framework to embody Te Tiriti. Respondents highlighted the need to:
 - a. involve Māori communities in the reporting process and fund their contributions
 - b. distribute reporting responsibilities so that communities can stay involved in the process
 - c. ensure that Māori knowledge is handled appropriately so that that the current under-recognition of Te Tiriti responsibilities is not carried over into the development of drivers and outlooks.
127. The proposal does not mandate this in legislation but would work well in practice with other knowledge systems such as mātauranga Māori. Not including responses would maintain the independence of the reporting as how to address problems could be viewed as getting into the area of policy and evaluation making any analysis potentially political. The proposed approach is also broad enough to use other frameworks alongside (eg, He Ara Waiora).

Consultation

128. Overall, most respondents supported the proposal. Specifically, they provided feedback on whether 'backward looking' responses (listing what steps have already been taken without analysing their effectiveness) should be included in the environmental reporting framework. They raised concerns about the costs of new data potentially required for drivers and outlooks, especially for local government.
129. The importance of working with Māori to incorporate the appropriate use of mātauranga Māori and embed a Te Tiriti based framework in environmental reporting and in the Government's response was highlighted.
130. The need for definitions of drivers and outlooks, and the nature of outlooks being based on assumptions and projections was signalled.
131. More recent inter-departmental consultation and consultation with regional council representatives indicates that there is support for inclusion of drivers and outlooks, but the issue was raised again on the financial impacts this proposal would have on local government.
132. Once it was explained that the costs are not expected to be borne by local government or are expected to be offset by the Ministry entering into agreements with individual councils on the supply of data, there was more acceptance.
133. These agreements are expected to include timetabling for the provision of data to the Ministry so that the timing and costs of data supply will align with councils' normal work programmes and not require urgent and costly reallocation of resources away from other work as is occurring at present.

What are the marginal costs and benefits of the proposal?

134. In combination with the other proposals that give effect to this purpose, there are benefits at the ratio of 1:3.3.
135. Stats NZ has estimated that set up activities will involve 1 FTE, with ongoing activities requiring 2 FTE in each subsequent year. Allowance has also been made for additional expert resources at the Ministry (4 FTE per year), and from CRIs and regional councils (6 FTE per year). An additional cost of \$1m per year has been provided to purchase services from other organisations.
136. The 12 FTE labour requirement and budget for purchase of services is estimated to cost \$4 million per year, which represents a present value of \$112 million over a 30-year period.

Affected groups	Comment	Impact	Evidence Certainty
Additional costs of the preferred option compared to taking no action			
Local government	<p>Ongoing</p> <p>The transfer of information is voluntary and based on individual council/Ministry agreements, so costs to local government can be managed through the nature of those agreements. Local government might incur additional spending in sending through additional existing data they hold. However, there are expected to be savings by timing the information transfers to fit in with local government work programmes, and it will depend on the nature of agreements between local government and central government agencies as to where the cost of any new spending falls.</p> <p>Over a 30-year time period the FTE requirements are estimated to cost Regional Councils \$19 million in present value.</p>	Medium to low	<p>Medium</p> <p>The information for drivers and outlooks will depend on the voluntary agreements and on what additional funding is available from central Government.</p>
Māori	<p>Ongoing</p> <p>Transfer of information will be negotiated directly with individual iwi and hapū groups. If agreement is reached, the agreement is likely to include provisions relating to transfer, storage and protection of data needed for the addition of drivers and outlooks.</p>	Medium to low	<p>Low</p> <p>It is unknown how many iwi and hapū would be willing to enter such agreements and what funding source is available.</p>
Regulators	<p>Ongoing</p> <p>Time and funding will need to be allocated to preparing the additional parts of the reporting framework. This includes increasing staffing levels in this area.</p> <p>Over a 30-year time period the FTE requirements are estimated to cost MfE and Stats NZ \$41 million in present value.</p>	Medium	<p>High</p>

Others (eg, wider govt, consumers, etc.)	Ongoing Other government agencies, CRIs and universities will likely also be contacted for relevant information for preparing drivers and outlooks. Over a 30-year time period the FTE requirements are estimated to cost CRIs \$22 million in present value.	Medium to low	Medium
Total monetised costs	Over a 30-year time period the low, central, and high cost estimates are \$81 million, \$112 million, and \$146 million respectively in present value.		
Non-monetised costs	Ongoing. Information will need to be sourced from variety of sources and the relationships for providing that information will also require investment.	Medium	Medium
Additional benefits of the preferred option compared to taking no action			
All groups	Ongoing As well as building positive relationships, the information provided will be used to build more accurate and more in-depth understanding of the state of the environment – both informing and facilitating better decision making if taken into account.	Medium to high	Medium to low The uncertainty is based on the funding needs and whether these will be met.
Non-monetised benefits	Ongoing benefits	Medium to high	Medium to low

Problem 3: Both the Secretary for the Environment (the Secretary) and the Government Statistician are allocated the same roles which has led to inefficiencies and unclear accountabilities. Adjusting roles and responsibilities for the Ministry and Stats NZ.

Problem

137. Under the ERA, the Secretary and the Government Statistician are both tasked with regularly producing state of the environment reports. These two officials are required to act independently of any Minister of the Crown and ensure that reports are fair and accurate. In this way the reporting role is kept at arm's length from the Government of the day.
138. The review conducted by the PCE concluded that there are overlaps in the roles between the Ministry and Stats NZ¹². This is a fundamental problem that needs to be amended in legislation.

¹² Parliamentary Commissioner for the Environment (PCE). 2019. [Focusing Aotearoa New Zealand's environmental reporting system](#). Wellington: PCE. page 64.

139. Currently, while the Ministry has mainly been responsible for shaping the headline issues and the report's narrative, design and presentation, and report publication, both agencies have been responsible for articulating insights and key findings. In addition, both agencies have been responsible for checking consistency and accuracy – with Stats NZ leading the consistency checking of indicator statistics in the reports and the Ministry leading consistency checking of the body of evidence material.
140. This allocation of responsibilities for these roles has been through several iterations and negotiations between staff at the Ministry and Stats NZ. This is a challenge when roles and responsibilities are reinterpreted with a change in staff, such that the allocation of responsibilities is continually amended rather than enduring.

Objectives

141. In addition to assisting achieve the general objectives, this section relates to clarifying the roles and dividing them appropriately between the Secretary and the Government Statistician to support effective programme implementation and minimise cost burdens.

Option1: Adjust the roles and responsibilities of the Government Statistician and the Secretary and the Ministry (Recommended option)

142. This option would see clearer roles for both the Secretary and Government Statistician as follows:
- a. The Secretary has a role as the steward for New Zealand's environment and the specific roles would be to:
 - i. produce and publish environmental reports
 - ii. prepare advice to the Minister for the Environment on Topic Regulations to define scope and coverage requirements for environmental domains
 - iii. define a set of environmental indicators to measure topics prescribed in regulation (in consultation with the Government Statistician).
 - b. The Government Statistician, in line with the Data and Statistics Act 2022 and the ERA, is the leader of the official statistics system and the specific roles under the ERA would be to:
 - i. produce statistics for use in environmental reports
 - ii. update and publish environmental indicators on a website (available to the public).

Option 2: Status quo

143. Under the status quo, the responsibilities of the Secretary and the Government Statistician would remain as they are under ERA. This will require ongoing negotiations between the programme teams to agree to the roles and responsibilities report to report.
144. The allocation of responsibilities would be reinterpreted with each change in staff and re-negotiated. The amount of time taken to renegotiate this would sometimes be lengthy or fail to reach consensus.

How do the options compare to the status quo/counterfactual?

145. This table compares the options in relation to the criteria and against the status quo.

Options considered	Effectiveness	Certainty	Independence	Cost efficiency	Overall Score
Option 1: Adjust the roles and responsibilities of the Government Statistician and the Secretary and Ministry	<p>+</p> <p>Clarifies each agencies' roles and responsibilities avoiding duplication, confusion, and gaps in the work allocation.</p>	<p>++</p> <p>Provides certainty as to who is responsible who each task to enable tasks to be completed quickly</p>	<p>+</p> <p>Clear allocation of tasks reduces the risk of an agency being tempted to interfere in the role of other agencies.</p>	<p>+</p> <p>Benefits outweigh costs as the cost of clarification of roles is \$0 but the improved efficiency has a positive impact.</p>	<p>+</p>
Option 2: Status quo	0	0	0	0	0

Preferred option

146. Option 1 is the preferred option as it resolves the allocation of responsibilities clearly both in the ERA and in practice.
147. Option 1 is the preferred option because it adjusts and differentiates clearly the roles and responsibilities of the Secretary and the Government Statistician to reduce overlaps and ensure that each organisation uses their specific expertise when completing roles and responsibilities under the ERA.
148. Clearly defined roles, with transparent decision-making, would allow each organisation to lead on the parts of reporting aligned to its role in central government more generally, improving efficiency.
149. Also, this division of roles increases the influence of reporting through transparent decision-making.
150. The benefits of improved clarity as to who is responsible for what under the ERA are that reporting will better service the needs of decision-makers and provide more timely and relevant information for the New Zealand public.

Treaty implications relating to the proposal

151. The proposal is not directly relevant to the Crown's Treaty obligations. The preferred option neither supports nor conflicts with the Crown's Treaty obligations.
152. During the consultation process, there was strong support for the ERA to include mechanisms for enabling hapū, iwi, and Māori to participate in report preparation and production; and for a partnership approach that would provide flexibility for Māori to design the roles and responsibilities for Māori in incorporating te ao Māori and mātauranga Māori in environmental reporting.
153. This is not proposed to be mandated in legislation as including select stakeholders in the development of statutorily independent reporting risks perceptions of bias and independence.

Consultation

- 154. Submitters generally supported clarifying the roles and responsibilities of the Secretary and the Government Statistician.
- 155. Feedback related to accountability, efficiency and ensuring responsibilities reflect areas of expertise. Some stakeholders did not support joint approvals under the ERA. Instead, it was suggested that the Secretary and the Government Statistician should have an approval role based on their areas of expertise with the caveat that they consult each other before a decision is made.
- 156. There was acknowledgement that many other agencies and stakeholders have roles and responsibilities for environmental reporting, with local government being a key contributor to environmental monitoring and reporting, although how these other roles and responsibilities could be reflected in the ERA was not proposed in detail.
- 157. Since early 2022, the Ministry and Stats NZ have continued to meet regularly to work through all proposed amendments, and adjustments to both the Secretary’s and Government Statistician’s role and responsibilities in particular. To ensure alignment with these adjustments, there is agreement that the Minister for the Environment present the reports to the House, rather than joint Ministers (Environment and Statistics), as currently required under the ERA.

What are the marginal costs and benefits of the proposal?

- 158. In combination with the other proposals that give effect to this purpose, there are benefits at the ratio of 1:3.3.
- 159. It is assumed that the costs involved in delivering this proposal represent business as usual activities for both agencies and so no additional cost implications or FTE requirements are expected.

Affected groups	Comment	Impact	Evidence Certainty
Additional costs of the preferred option compared to taking no action			
All groups	None The cost of clarifying the roles and responsibilities is \$0 (except for a minor share of costs for amending the ERA).	Low	High
Non-monetised costs	None	Low	High
Additional benefits of the preferred option compared to taking no action			
All groups	Ongoing	Medium	High
Non-monetised benefits	Ongoing	Medium	High

Problem 4: The Secretary is limited in the sources of advice available (staff and consultants). Ministry staff have expertise in specific focus areas of environmental reports, and consultants are engaged to carry out specific data collection and interpretation. These relationships are also not as independent nor as transparent as would be ideal.

Problem

160. The PCE considered that in addition to greater acquisition of high-quality data, agencies need additional support interpreting what the data is telling us.¹³
161. Ministry staff have expertise in specific areas that are the focus of the domain and state of the environment reports. Consultancies are also engaged to carry out specific data collection and interpretation. However, these relationships are neither as independent nor transparent as would be ideal.
162. In 2021, the Secretary acted upon the PCE's recommendation and appointed a Science Advisory Panel consisting of a range of leading experts in the natural sciences and mātauranga Māori convened with the specific purpose of providing independent advice, including for environmental reports.
163. Currently, the continued existence of this panel is at the discretion of the Secretary. Their inclusion is dependent on ongoing resourcing. If the panel is disestablished in this could lead to ineffectiveness of the reporting programme, decreasing the trust and confidence of users.

Problems with the current non-regulatory approach

164. The advisory panel is key to maintaining the confidence in and integrity of the environmental reporting programme as a trusted source of data and evidence. The panel ensures that independent advice is provided into the programme. While non-regulatory approaches are an option, without legislative change the continuity of the panel as an enduring function alongside the programme is left to the Ministry's discretion and subject to change.

Objectives

165. In addition to assisting achieve the general objectives, this section relates to delivering an improved reporting system and supplying the system with better information.
166. Building a stronger environmental reporting foundation, we will be better able to understand our environment, the impacts we are having on it, and the opportunities that we have to make well-informed decisions.

Option 1: Establish an evidence advisory panel in legislation (Recommended option)

167. This option would mandate the establishment of an advisory panel under the ERA to guarantee that independent expert advice is provided across a range of perspectives and disciplines. The detailed structure and terms of reference of the panel would be left to the Secretary, but would have the purpose of advising the Secretary on matters related to environmental data, monitoring, and reporting, therefore requiring relevant experience in those fields.

¹³ Parliamentary Commissioner for the Environment (PCE). 2019. [Focusing Aotearoa New Zealand's environmental reporting system](#). Wellington: PCE. page 5.

168. The panel would be appointed by, and report to, the Secretary ensuring that it has the right mix of experience and knowledge to support the environmental reporting programme.

Option 2: Establish an independent Evidence Advisory Panel as a Crown entity

169. This option would establish an Evidence Advisory Panel as an independent Crown entity separate from the Ministry for the Environment.

Option 3: Utilise the Environmental Protection Authority’s (EPA) committees or advisory boards as an advisory panel

170. This option would require the environmental reporting programme to rely on advice from the existing committees or advisory boards managed by the EPA.

Option 4: Status quo

171. This is a non-regulatory option and leaves the discretion as to whether such an advisory panel continues to exist, and what its mandate is, in the hands of the Secretary.

How do the options compare to the status quo/counterfactual?

172. This table compares the options in relation to the criteria and against the status quo.

Options considered	Effectiveness	Certainty	Independence	Cost efficiency	Overall Score
Option 1: Establish a standing advisory panel in legislation, as recommended by the PCE	<p>++</p> <p>This is the most effective way for the Secretary to have ongoing access to a range of leading science experts readily available to support the environmental reporting programme.</p>	<p>++</p> <p>Having a panel of experts available provides for certain and consistent advice.</p>	<p>+</p> <p>As science experts, the members maintain independence of advice.</p> <p>Builds a free and frank relationship.</p> <p>Panel members feel free to give robust advice even if it is not aligned with the views of the govt of the day.</p>	<p>-</p> <p>A cost-efficient way of obtaining environmental knowledge.</p> <p>It avoids the need for negotiating new, more costly one-off contracts with consultants.</p> <p>The establishment would require ring-fenced funding to enable the panel to operate year on year.</p>	<p>+</p>
Option 2: Establish an independent Evidence Advisory Panel as a Crown entity	<p>-</p> <p>This option sits outside amendments to the ERA but would provide a similar resource as the current panel.</p> <p>Accessible to all government agencies, the panel would have a broader range of knowledge.</p> <p>However expertise at a higher level may mean less depth of knowledge in the specific areas of environmental reporting.</p> <p>Likely delays.</p>	<p>-</p> <p>As it sits outside the ERA, there is no certainty that it will be established and that its timing and terms of reference are of benefit to the reporting programme.</p> <p>No certainty of consistent advice.</p>	<p>+</p> <p>There would be high levels of knowledge and expertise which may ensure independence.</p>	<p>--</p> <p>There are unknown costs with establishing this panel as a crown entity.</p>	<p>-</p>

<p>Option 3: Utilise the EPA's committees or advisory boards as an advisory panel</p>	<p>+ An EPA-run advisory panel would provide a similar resource as the current panel. The EPA's panel may have less knowledge in the specific areas of environmental reporting. Likely delays.</p>	<p>- Less certainty of consistent advice.</p>	<p>- In practice, it is likely to be independent, but given its other roles there will often be perceptions of bias in its advice where the advice involves any judgement calls on what the emerging trends mean.</p>	<p>- By paying only for the costs of the panel when needed, the cost of the EPA's is still higher than the status quo. This advice could be at the detriment of other EPA work programme.</p>	<p>0</p>
<p>Option 4: Status quo</p>	<p>0 As a non-regulatory option this is effective in providing the advice as needed.</p>	<p>0 This option lacks certainty because the Secretary could disestablish it at any time, including if budget is unavailable.</p>	<p>0 The panel provides independent advice to the Secretary.</p>	<p>0 The panel meets only on a semi-regular basis and the members' fees are prescribed by the Cabinet fees circular.</p>	<p>0</p>

Preferred option

- 173. Option 1 scores better than the status quo and the other options. It ensures both the Secretary and the environmental reporting programme have access to the latest knowledge on emerging issues in a timely way. It allows them to request more in-depth information on the issues that are of concern and they can ask questions specific to these interests.
- 174. Option 1 will see greater benefits than the status quo – in particular on the independence of advice and greater certainty of ongoing support for the Secretary and the programme.
- 175. By being mandated in the ERA, the continuation of the current advisory panel, as well as its provision of independent advice for the environmental reporting programme, would be assured for the future. Disestablishment of the panel in future would remove an important support to the Ministry's interpretation of environmental information and science as part of the reporting process.
- 176. The panel's main role would be to provide advice to the environmental reporting programme rather than having a much wider role that would limit the environmental reporting programme's timely access to advice.
- 177. In addition, the panel's role would be to advise on reporting such as; the themes to address in the next commentary, the environmental issues that should be given priority in the national state of the environment reports, and further research, monitoring and data needed to provide robust and comprehensive environmental reporting, including advice on environmental indicators, measures and evidence.
- 178. On occasion, the role may be extended, at the discretion of the Secretary, to other Ministry work programmes relating to science and knowledge systems. The panel's independence can be easily monitored and assured.

Treaty implications

- 179. The legislation will ensure that a range of experts in both science and mātauranga will be appointed to the panel. This balanced panel should encourage greater inclusion of all forms of knowledge including mātauranga Māori.

Consultation

180. Some respondents stated clearly that they supported a legislated advisory panel and some said they supported an advisory panel. Overall, respondents who answered questions in relation to embedding the panel in the ERA mainly reflected on how to ensure the membership of the panel has the range and diversity of expertise it needs to be effective.
181. Following targeted engagement in 2022, there has been recent consultation with representatives from Stats NZ, regional councils and unitary authorities, as well as revisions based on the Minister's direction and objectives.

What are the marginal costs and benefits of the proposal?

182. In combination with the other proposals that give effect to this purpose, there are benefits at the ratio of 1:3.3.
183. The costs associated with formally instituting an evidence advisory panel include the Ministry providing secretariat services for the advisory panel and the costs of holding panel meetings. The cost estimates are based on secretariat duties requiring 2 FTE input from the Ministry each year.
184. We have assumed that there will be on average nine panel members, plus a panel chair, who will meet twelve times a year, but with ten of these meetings being conducted remotely and two face-to-face meetings each year. Meeting costs include payments for panel members' time, assumed to average 11 hours per meeting, and travel, accommodation and venue hire costs for the face-to-face meetings. The central assumption is that half of the members will need to travel for the face-to-face meetings.
185. Once established the annual cost of the evidence advisory panel is likely to be \$0.7 million, with a present value of \$20 million over a 30-year period.

Affected groups	Comment	Impact	Evidence Certainty
Additional costs of the preferred option compared to taking no action			
Regulated groups	None	N/A	N/A
Regulators	Ongoing Costs of funding and supporting advisory panel will continue at a similar rate than the current costs of the Science Advisory Panel. Current members of the operationally established panel are compensated as Group 4, Level 2 of the Cabinet Fees Framework and support costs beyond fees are minimal.	Low	High
Others (eg, wider govt, consumers, etc.)	None	Low	High
Total monetised costs	Over a 30-year time period the low, central, and high-cost estimates are \$13 million, \$20 million, and \$29 million respectively in present value.	Medium	High
Non-monetised costs	Ongoing for the Ministry	Low	High
Additional benefits of the preferred option compared to taking no action			
Regulated groups	None	N/A	N/A
Regulators	Ongoing The focus of information in environmental reporting will be improved with consideration not only of the existing data, but of emerging trends and where data is needed to explain these.	Medium to high	High
Others (eg, wider govt, consumers, etc.)	Ongoing The focus of information in environmental reporting will be improved with consideration not only of the existing data, but of emerging trends and where data is needed to explain these.	Medium	High
Non-monetised benefits	Ongoing benefits of improved focus on existing and emerging environmental issues	Medium	High

Problem 5: The fixed and tight statutory timelines requiring six sequenced reports every three years allows little time to obtain existing and new data, and to creatively present the information.

Problem

186. The current environmental reporting system requires the production of regular reports. Under the ERA, the Secretary and the Government Statistician must produce a synthesis state of the environment report every three years. Between synthesis reports, a report on one of five environmental domains must be produced every six months. The fixed and tight statutory timelines requiring six reports every three years allow little time to obtain existing and new data, and to creatively present the information.
187. The PCE considered that the rationale for these timeframes is not clear but key environmental issues develop over lengthy timeframes and are unlikely to be remedied in short order. Furthermore, there are often long lag times between policy interventions and physical changes in the environment. Producing a state of the environment report every three years risks repetitive reporting.¹⁴
188. The frequency of reporting, which the PCE described as a “never-ending treadmill”, is resource intensive, and detracts from more in-depth analysis. When driven by release deadlines, organisations do not have the capacity to complete the in-depth research and analysis needed.
189. See proposal 6 for discussion of the proposed changes to domain reporting.

Objectives

190. In addition to assisting achieve the general objectives, this section relates to enhancing the ability to communicate the complexity of interconnected environmental issues and increasing efficiency and effectiveness.
191. The intention is to build a stronger environmental reporting foundation as mandating best practice in legislation is expected to safeguard the nature and scope of the reporting programme over time.

Option 1: Reduce state of the environment reporting frequency to six-yearly (Recommended option)

192. The preferred option is to reduce the frequency of the state of the environment reports from three-yearly to six-yearly.

Option 2: Reduce the state of the environment reporting frequency to five-yearly

193. This option would reduce the state of the environment reporting frequency to five-yearly.
194. For other OECD countries the most common and maximum reporting cycle is five-yearly. This would indicate that these countries find this interval enough to record changes in the data.

¹⁴ Parliamentary Commissioner for the Environment (PCE). 2019. [Focusing Aotearoa New Zealand's environmental reporting system](#). Wellington: PCE. page 47.

Option 3: Reduce the state of the environment reporting frequency to four-yearly

195. This option would reduce the state of the environment reporting frequency to four-yearly.

Option 4: Status quo

196. This option would maintain the existing three-year cycle.

How do the options compare to the status quo/counterfactual?

197. This table compares the options in relation to the criteria and against the status quo.

Options considered	Effectiveness	Certainty	Independence	Cost efficiency	Overall score
Option 1: Reduce state of the environment reporting frequency to six-yearly	++ More effective than shorter time periods	++ Information likely to be robust with time to source, confirm accuracy and standardise	0 Can be fit into the 3-yearly election cycle so that its release does not become political.	++ Costs to produce the report will be the same as the three-yearly reporting cycle but only seen on a six-yearly cycle. The longer reporting cycle allows also for data gaps to be identified and potentially addressed and for more innovative ways of informing decision makers and the public	++
Option 2: Reduce the state of the environment reporting frequency to five-yearly	+ More effective than a shorter time period of 4 or fewer years.	+ Information may be robust with time to source, confirm accuracy and standardise	- Will occasionally clash with general election period	+ Will cost the same as the three-yearly reporting cycle but allows for data gaps to be identified and potentially addressed and for more innovative ways of informing decision makers and the public	+
Option 3: Reduce the state of the environment reporting frequency to four-yearly	0 Less effective than longer options in sourcing new data and being able to identify trends.	0 Likely repetition of dated data.	- Will occasionally clash with election period	- Will cost the same as the three-yearly reporting cycle but not likely to allow for data gaps to be identified and addressed	-
Option 4: <i>Status quo</i> of three-yearly reporting	0 Less effective than longer options in sourcing new data and being able to identify trends.	0 Greater repetition of dated data.	0 Can be fit into the 3-yearly election cycle so that its release does not become political.	0 Will continue to cost the same and continue to have data gaps identified and potentially addressed and for more innovative ways of informing decision makers and the public	0

Preferred option

198. Option 1 scores consistently better than options 3 and 4, which have too short a time period to report on significant changes in environmental trends.

199. Option 1 scores similarly to option 2 (a five-yearly cycle) but Option 1 is preferred as it would fit better with other 3-year reporting cycles.

200. A six-yearly cycle would align timing well with the election cycle and Long-term Insights Briefings produced under the Public Service Act 2020. This would improve efficiencies by ensuring time to collect new data between reports, improving the value of reports. It would also assist in identifying more robust reporting data for investment purposes.

201. This option achieves an appropriate balance between reporting timeliness, rates of change and seeing connections between changes, as it can typically take longer than three years before these are evident in the data.

202. This option would allow a longer timeframe for environmentally and statistically significant data on key issues to emerge. It would also allow more time to obtain new robust, comprehensive and authoritative data, statistics and knowledge for reporting, and to develop more innovative and useful ways of reporting.

203. More comprehensive but less frequent reports may increase public engagement.

Treaty implications

204. The proposal is not directly relevant to the Crown's Treaty obligations. The change neither supports nor conflicts with the Crown's Treaty obligations.

205. Less frequent publication of state of the environment reports would better enable the programme to build relationships with individual iwi and hapū and develop additional ways of presenting mātauranga Māori in the reports.

Consultation

206. A six-yearly cycle was supported by most respondents because:

- it allows better quality reporting owing to resource allocation and greater data collection.
- environmental changes are slow to occur and take time to appear and therefore the reporting interval should reflect this.
- a six-yearly cycle is more suitable than five-yearly due to short election cycles and the Long-term Insights Briefing cycle (three years).

What are the marginal costs and benefits of the proposal?

207. In combination with the other proposals that give effect to this purpose, there are benefits at the ratio of 1:3.3.

208. There are no cost implications from this proposal, as a reduction in reporting frequency is not expected to reduce staffing requirements, but instead enable more in-depth analysis underpinning reporting.

Affected groups	Comment	Impact	Evidence Certainty
Additional costs of the preferred option compared to taking no action			
All groups	None The cost of moving from a three-yearly synthesis report to a six-yearly state of the environment report should remain the same.	Low	High
Non-monetised costs	None	Low	High
Additional benefits of the preferred option compared to taking no action			
All groups	Ongoing The six-yearly report is expected to allow for more data, a more innovative presentation and a more in-depth analysis than the three-yearly report under the same total budget.	Medium	High
Non-monetised benefits	Ongoing	Medium	High

Problem 6: The strict approach to domains and associated topics as the focus of reports does not enable the complex and interconnected environment to be effectively communicated and limits the ability to report on key topics in a timely manner.

Problem

- 209. The ERA currently requires five domain reports and one synthesis report to be published every three years.
- 210. Domain reports are required to be published every six months:
 - a. Air
 - b. Atmosphere and climate
 - c. Freshwater
 - d. Land
 - e. Marine
- 211. Under the status quo, domain reports are not required to reflect the interconnectedness or complexity of environmental systems and issues.
- 212. The prescribed output of reports also limits the reporting system’s ability to be responsive by reporting on the most pressing issues in the most appropriate format.
- 213. A more holistic approach to reporting could be taken but publishing timeframes do not allow for a more considered approach to the content of reports.

Objectives

214. In addition to assisting achieve the general objectives, this section relates to the objective of removing legislative barriers to reporting programme efficiency and effectiveness by reducing the number of reports required to be published per year and enabling better tailoring of reports to particular issues.
215. This section also relates to the objective of providing flexibility on the focus and organisation of report content.

Option 1: Replace six-monthly domain reports with one commentary each year (Recommended option)

216. This option would reduce the rapid cycle for domain reports, with one commentary each year (and additional commentaries within agency resourcing). This provides the flexibility to focus on an environmental issue, a single domain, or a mix and match of domains and topics as is appropriate, to more accurately represent the complexity of the environment.
217. While domains would remain defined in the ERA, and topic regulations would set out components of each domain that must be covered in reports, the ERA would be amended to allow reports to cover the topics of one or more domains, so long as all topics set out in regulation are covered across the reporting cycle.
218. We would refer to these reports as ‘commentary reports’ to clearly differentiate them from the current, siloed domain reports, and because they would not be bound to address one entire domain each.

Option 2: Produce one commentary each year on a specified cross-domain theme

219. This option would be the same as option 1 above but utilise the cross-domain themes in place of the currently defined domains.
220. The PCE recommended in his 2019 report that the environmental domains defined in the ERA be replaced with a set of five cross-domain themes, refined from those used to organise the synthesis report *Our Environment 2019*. The cross-domain themes were predetermined and intended to be listed in the ERA.

Option 3: Status quo

221. This option retains the current requirement that two domain reports are published per year.
222. While the ERA does not prevent domain reports from incorporating topics under other domains, production time frames do not allow for strategic planning of report content, thereby limiting opportunities for integrated reporting.

How do the options compare to the status quo/counterfactual?

223. This table compares the options in relation to the criteria and against the status quo:

Options considered	Effectiveness	Certainty	Independence	Cost efficiency	Overall Score
Option 1: Replace six-monthly domain reports with one commentary each year	++ This option sets minimum requirements and flexibility for reports to be relevant and robust.	++ Reports remain underpinned by domains and topic regulations but have flexibility on reports' focus and the combination of content.	0 Reports remain independent from the Government of the day and are underpinned by independent advice.	+ Would continue to have the same costs but would be able to allow more innovation within that budget.	++
Option 2: Produce one commentary per year on a specified cross-domain theme	++ This option sets minimum requirements and flexibility for reports to be relevant and robust.	+ Cross-domain themes create uncertainty as to the full scope of what commentaries must cover over the reporting period.	0 Reports remain independent from the Government of the day and have legislated guidelines on content.	- The additional change from domains to cross-domain themes is unnecessary for achieving the objectives, and creates additional work to re-define and develop topics regulations.	+
Option 3: Status quo	0 Strict legislative settings prohibit reports from being responsive and relevant.	0 Provides certainty about reporting content but high risk of repetition due to environmental change more likely to be long term.	0 Legislative expectations remove the opportunity for political influence.	0 Will continue to cost the same.	0

Preferred option

224. Option 1 scores the best by striking the balance between certainty of legislative settings and being simpler to implement.
225. Flexibility on report content is provided by reducing the number of reports per year so that time allows for planning and innovation. Certainty comes through the retention of the domains and topic regulations that will still be covered by reporting, albeit through various formats. Efficiency is not lost through unnecessary work to re-write topic regulations to suit new categories.
226. Commentaries would be supported by the Evidence Advisory Panel's expert advice (including priority, issue, event, timing and scope) with the Secretary remaining the final decision-maker.
227. Additionally, we consider that changing what these reports must cover (by amending the ERA to allow reports to cover the topics of one or more domains, so long as all topics set out in regulation are covered across the reporting cycle) and providing the additional time for Ministry staff to plan report topics, sufficient to achieve the

objectives sought. The focus and development of each report would be supported by advice from the Evidence Advisory Panel (Proposal 4).

228. By making the reporting cycle less prescriptive and resource intensive, this will encourage more in-depth analysis that reflects the interconnectedness and complexity of the environment, reduce the risk of repetitive reporting and enable reporting of emerging and important issues when this is most needed.
229. This option aligns with the PCE's recommendations for more flexible yearly reporting between state of the environment reports, both to remove the siloed approach to reporting and to facilitate a more holistic approach to reporting that enables the incorporation of te ao Māori and mātauranga.

Treaty implications

230. The proposal is not directly relevant to the Crown's Treaty obligations. The change neither supports nor conflicts with the Crown's Treaty obligations.
231. However, a more holistic approach to reporting content supported by either option 1 or 2 can support greater inclusion of te ao Māori and mātauranga Māori data and perspectives.

Consultation

232. There was overall support for:
 - a. one commentary to be produced each year with the possibility of additional commentaries if needed
 - b. commentaries being more flexible, adaptable and able to capture a more holistic view of the environment by crossing multiple domains
 - c. the Evidence Advisory Panel recommending commentaries (including priority, issue, event, timing and scope).
233. Following targeted engagement in 2022, there has been recent consultation with representatives from Stats NZ, regional councils and unitary authorities, as well as revisions based on the Minister's direction and objectives.

What are the marginal costs and benefits of the proposal?

234. In combination with the other proposals that give effect to this purpose, there are benefits at the ratio of 1:3.3.

Affected groups	Comment	Impact	Evidence Certainty
Additional costs of the preferred option compared to taking no action			
Regulated groups	None	N/A	N/A
Regulators	Ongoing. No costs in changing from fixed cycle of domain reports to yearly commentaries and six-yearly state of the environment reports. Costs of funding and supporting advisory panel will continue at the same or slightly higher rate than the current costs of the Science Advisory Panel.	Low	High
Others (eg, wider govt, consumers, etc.)	None	N/A	N/A
Total monetised costs	No cost implications expected	Low	Medium
Non-monetised costs	Ongoing for the Ministry	Low	High
Additional benefits of the preferred option compared to taking no action			
Regulated groups	None	N/A	N/A
Regulators	Ongoing The focus of information in environmental reporting will be improved with consideration not only of the existing data, but of emerging trends and where data is needed to explain these.	Medium to high	High
Others (eg, wider govt, consumers, etc.)	Ongoing The focus of information in environmental reporting will be improved with consideration not only of the existing data, but of emerging trends and where data is needed to explain these.	Medium	High
Non-monetised benefits	Ongoing benefits of improved focus on existing and emerging environmental issues	Medium	High

Problem 7: Environmental reports focus on current state and historical trends and do not convey how we are tracking towards high-level strategic environmental outcomes. Without reporting against high-level strategic outcomes, Aotearoa cannot quantify progress towards them, nor demonstrate how Aotearoa is contributing to global goals (if appropriate).

Problem

235. The question posed by the PCE in his 2022 report¹⁵ is, ‘How do we know if we’re making a difference?’ In other words, are we making progress towards environmental outcomes or are we going backwards? Without high-level strategic outcomes, Aotearoa cannot quantify progress towards them, nor demonstrate how Aotearoa is contributing to global goals (if appropriate).¹⁶
236. The PCE’s report focuses on how Government can make further improvements to environmental management and public accountability. He recommends that environmental outcomes, prioritised by the Government of the day, be linked to long-term, overarching environmental outcomes specified in legislation. He considers the ERA to be the most appropriate place for this.
237. We are aware that we might be close to environmental limits but without any certainty as to where our actions sit and where those limits sit, it will be difficult or impossible to recover an aspect of the environment once that limit has been breached.
238. There is currently no requirement in the ERA that environmental reports indicate how we are tracking overall, neither at a broad future generations level nor in relation to environmental legislation.

Objectives

239. In addition to assisting achieve the general objectives, this section relates to mandating best practice to safeguard the nature and scope of the reporting programme over time.
240. This section is also connected with the objectives of improvements to environmental management and public accountability.

Option 1: Require reports to measure progress towards outcomes (Recommended option)

241. This proposal would enable the Secretary, at their discretion, to report progress towards long-term policy outcomes, goals or targets set in related environmental legislation.

Option 2: Set six environmental outcomes within the ERA that must be reported on

242. Set the following outcomes in the ERA:
- a. Improving land and freshwater (including sustainable management of resources)
 - b. Improving biodiversity and ecosystem functioning and resilience

¹⁵ Parliamentary Commissioner for the Environment (PCE). 2022 [Environmental reporting, research and investment](#) Wellington: PCE

¹⁶ Secretary for the Environment’s Science Advisory Panel. October 2022. The future of environmental reporting in Aotearoa, page 4.

- c. Improving coastal and marine environment (including sustainable management of resources)
 - d. Reducing greenhouse gas emissions
 - e. Reducing pollution and waste
 - f. Improving the efficiency and effectiveness of institutions designed to manage human interventions in the environment.
243. The Ministry's evaluation of these concluded that the outcomes needed re-wording and outcome, which is not sufficiently focused on environmental reporting, would compromise the independence of the ER programme.
244. The phrase "(including sustainable management of resources)" was considered to narrow the scope of proposed outcomes 1 and 3.

Option 3: Set five environmental outcomes within the ERA that must be reported on

245. Following departmental consultation, five outcomes were approved by Cabinet in late 2022:
- a. improving land and freshwater, including sustainable management of resources
 - b. improving biodiversity and ecosystem functioning and resilience
 - c. improving coastal and marine environment, including sustainable management of resources
 - d. reducing greenhouse gas emissions
 - e. reducing pollution and waste
246. One of the intentions of the amendments is to allow some flexibility in the ERA to ensure that independent and consistent reporting can develop over time.

Option 4: Status quo

247. This option means no statutory requirement to set and report outcomes and no requirement to address whether the environment is declining, stable or improving.
248. The reports could contain reporting of outcomes as a choice but this would be at the discretion of the Secretary with no requirement to adopt the same outcomes every report.
249. There would be nothing to ensure consistency and continuity under the status quo.

How do the options compare to the status quo/counterfactual?

250. This table compares the options in relation to the criteria and against the status quo.

Options considered	Effectiveness	Certainty	Independence	Cost efficiency	Overall Score
Option 1: Require reports to measure progress towards outcomes	<p>++</p> <p>This is the most effective option at meeting the objectives as it allows the programme to measure progress against long-term policy outcomes, goals or targets set in related environmental legislation.</p>	<p>+</p> <p>It provides certainty by requiring (in legislation) a description of the changing environment in the reports.</p>	<p>-</p> <p>Any reporting against outcomes may create perceived bias in the reporting programme.</p>	<p>+</p> <p>As some discretion exists as to how this information is presented, this option can be cost-effective.</p>	+
Option 2: Set six environmental outcomes within the ERA that must be reported on	<p>+</p> <p>Risks giving only overall guidance (the environment is degrading, neutral or improving) given the broad nature of the set outcomes.</p>	<p>++</p> <p>It provides certainty by requiring reporting against the set outcomes.</p>	<p>-</p> <p>The PCE's suggested outcome 6 could be perceived to compromise independence of the reporting programme, and seen to be reporting on the PCE's outcomes. The PCE's outcomes may not be independent of the government of the day.</p>	<p>+</p> <p>This option might be cost effective if the reporting of outcomes is based on other data.</p>	+
Option 3: Set five environmental outcomes within the ERA that must be reported on	<p>+</p> <p>Risks giving only overall guidance (the environment is degrading, neutral or improving) given the broad nature of the set outcomes.</p>	<p>++</p> <p>It provides certainty by requiring reporting against the set outcomes.</p>	<p>+</p> <p>The five outcomes are high-level enough to be independent from the government of the day.</p>	<p>+</p> <p>This option might be cost effective if the reporting of outcomes is based on other data.</p>	+
Option 4: Status quo	<p>0</p> <p>The status quo is not effective at reporting against outcomes as this is at the discretion of the Secretary.</p>	<p>0</p> <p>There is no certainty that outcomes will be reported as it is at the discretion of the Secretary.</p>	<p>0</p> <p>Reports remain at arm's length from the Government of the day as they do not report against outcomes.</p>	<p>0</p> <p>No money is spent on preparing this information but the loss of positive gains in other parts of the environment make this an expensive option.</p>	0

Preferred option

- 251. Option 1 scores better than the other options as it is more flexible while still providing statutory obligations to report on how the environment is changing over time. The outcomes can be thresholds developed under other legislation.
- 252. Clarifying that reports may also measure progress against long-term policy outcomes, goals or targets set in related environmental legislation should help to improve the relevance of environmental reports for decision-makers and increase public transparency and accountability.
- 253. Requiring descriptions of how the environment is changing over time indicates whether the path we are currently on will be capable of sustaining future generations as well as current ones.

This option ensures alignment across broader environmental goals by identifying the progress made in achieving outcomes.

Treaty implications

- 254. The proposal is not directly relevant to the Crown's Treaty obligations. The change neither supports nor conflicts with the Crown's Treaty obligations.
- 255. Describing the change to the environment allows for the development of closer relationships with Treaty partners in developing additional ways of presenting mātauranga Māori in reports.

Consultation

- 256. The PCE's recommendation was produced after the targeted consultation for the ERA amendments had occurred so the proposal was not part of the targeted consultation process.
- 257. The proposal was included in more recent consultation with representatives from Stats NZ, regional councils and unitary authorities. The Ministry also consulted with other relevant government departments.
- 258. Overall, those consulted were supportive of outcomes being included in the ERA. Public feedback will be received as part of the Select Committee's consideration of the proposals to amend the ERA.

What are the marginal costs and benefits of the option?

- 259. In combination with the other proposals that give effect to this purpose, there are benefits at the ratio of 1:3.3.
- 260. It is assumed that this proposal will require the Ministry for the Environment to dedicate one full time analyst and Stats NZ to dedicate one half of a full-time equivalent analyst each year.
- 261. Reporting on progress towards outcomes is therefore expected to have an annual cost of \$0.38 million, which represents a present value of \$10m over a 30-year period.

Affected groups	Comment	Impact	Evidence Certainty
Additional costs of the preferred option compared to taking no action			
Regulated groups	None	N/A	N/A
Regulator	Ongoing. Requiring reports to describe how the environment is changing over time will add some cost to report preparation as this information will need to be clearly signalled in the report to indicate that the statutory requirement has been met.	Low	Medium
Non-monetised costs			
Non-monetised costs	None	N/A	N/A
Additional benefits of the preferred option compared to taking no action			
All groups	Ongoing The description as to how the environment is changing over time will provide more information to aid public accountability and decision-making.	Medium	Medium
Non-monetised benefits	Ongoing	Medium	Medium

Problem 8: A key purpose of the Act is to highlight research and data gaps and improve the underlying evidence base for national level reporting. While reports may continue to highlight research and data gaps, there is not a current legislative requirement for the Ministry and Stats NZ to consider how and what data must be improved to meet the needs of the environmental reporting programme and make that thinking obvious to Ministers and the public.

Problem

262. The data and evidence that environmental reporting currently relies on is mandated for collection through other legislation, predominantly the Resource Management Act 1991 (RMA). Therefore, data is collected by organisations external to MfE such as local government, regional authorities, Crown Research Institutes and non-governmental organisations.

263. There are inconsistencies in the way that regions collect data (e.g., in methodology) and how they prioritise what they collect, according to local relevance and subject to available resourcing and investment. As a result, data that underpins reports is not always (or not easily) comparable across regions and often does not have sufficient national coverage. Determining trends over time is challenging when data is not collected the same way or in the same places across time.
264. A lack of quality data and evidence to inform environmental reports limits their utility and is impacting on the Government's ability to make informed decisions on environmental policy.
265. Additionally, action to remedy these data issues has been slow, and who bears responsibility for doing so has been unclear. Rather than requiring effort to improve environmental data, the ERA states that "*The Secretary and the Government Statistician are not required to include in synthesis reports information that cannot be obtained by using reasonable efforts*" (s8(3)).¹⁷ Rather than being required to make reasonable efforts to gather new data the Secretary and Government Statistician are explicitly allowed to *not* collect any new data, if the effort would be unreasonable.

Objectives

266. In addition to assisting achieve the general objectives, this section relates to the objective of supporting best practice to safeguard the nature and scope of the reporting programme so that reports are based on quality data and evidence.
267. It also relates to the objective of supporting effective programme implementation and minimising cost burdens for local government.

Option 1: Require a Data and Evidence Priorities Report (Recommended option)

268. Option 1 requires the production of a Data and Evidence Priorities Report within 6 months of every State of the Environment Report that must include a list of recommended indicators for environmental reporting (to be guided by scope and coverage requirements set under Topic Regulations), an evaluation of the coverage and quality of environmental indicators, and priority areas for improving environmental data, monitoring and research.

Option 2: Establish a list of indicators in regulations

269. Develop a set of environmental indicators in regulations to detect trends and enable judging confidently whether we are making progress with our interventions or going backwards in relation to the state of the environment.

Option 3: Status quo

270. Although the Secretary has the discretion to include mention of gaps in data that they consider need to be addressed for future reporting, the Secretary has no powers under the ERA to fill these gaps.

¹⁷ The same statement is made for domain reports at s11(3) of the ERA.

How do the options compare to the status quo/counterfactual?

271. This table compares the options in relation to the criteria and against the status quo:

Options considered	Effectiveness	Certainty	Independence	Cost efficiency	Overall Score
Option 1: Require a Data and Evidence Priorities Report	<p>+</p> <p>This option is more effective than option 2 at meeting the objectives and would improve data and evidence in the long term compared to the status quo.</p>	<p>+</p> <p>The implementation of recommendations and priorities is not guaranteed, however having certainty of gaps is progress from the status quo.</p>	<p>0</p> <p>Data priorities remain at arm's length from the Government of the day.</p>	<p>+</p> <p>Costs for the implementation of this option would be covered by a reduction in synthesis report frequency.</p> <p>Implementation of direct improvements to data quality and collection is subject to investment and is not mandated under the ERA.</p>	<p>+</p>
Option 2: Establish a list of indicators in regulations	<p>+</p> <p>This option would ensure data is relevant and consistent.</p> <p>However, this option is not as effective as option 1 at meeting the objectives as this option does not require reporting of data gaps.</p>	<p>+</p> <p>The creation of a list in regulations would be required, but choices on what was included in regulations and implemented would still be subject to investment and partnering with stakeholders.</p>	<p>-</p> <p>Decisions on what indicators are listed in regulations would be subject to the Ministry's advice (which would remain constrained by budgetary considerations), and the Minister's recommendation to the Governor General, which could be amended to suit political ends.</p>	<p>-</p> <p>The development of indicators in regulations will see additional costs on the programme.</p>	<p>0</p>
Option 3: Status quo	<p>0</p> <p>The status quo provides no direction for improving data and evidence to support effective reporting.</p>	<p>0</p> <p>Uncertainty as to whether gaps are identified and filled would continue.</p>	<p>0</p> <p>Data priorities are at arm's length from the Government of the day.</p>	<p>0</p> <p>An environmental reporting programme with gaps in data and evidence is not efficient.</p>	<p>0</p>

Preferred option

272. Option 1 scores the highest against the criteria while also meeting the objective of minimising cost burdens. The Data and Evidence Priorities Report would provide detailed direction on where data and evidence can be improved. This is currently missing. However, actual improvement of environmental data remains reliant on investment to implement the priorities laid out in the report.

273. This option has been developed to require reporting on gaps in data and the information needed to fill those gaps and aims to improve the quality and coverage of data and evidence used in environmental reporting.

274. The report would evaluate the efficacy of current indicators and make recommendations on priority areas for improvement. The implementation of these recommendations would remain subject to routine resourcing and investment processes and would not be mandated in legislation.
275. Introducing the Data and Evidence Priorities Report in legislation would make clear that the Ministry and Stats NZ must regularly consider how and what data must be improved to meet the needs of the environmental reporting programme and make that thinking obvious to Ministers and the public. Their progress towards improving the environmental data system will also become obvious to the public over successive reports.
276. In the long term, development and publication of the report will support the development of a comprehensive set of indicators so that report content is based on robust data and evidence.
277. This option has not been subject to public consultation. The proposal has been discussed with a representative panel of regional council policy and science staff who was generally supportive of this option. However, what this panel had in mind was adding this option to the mix rather than adopting it instead of core indicators (which is Option 2).

Treaty implications

278. The proposal is not directly relevant to the Crown's Treaty obligations. The change neither supports nor conflicts with the Crown's Treaty obligations.
279. The Data and Evidence Priorities Report could include recommendations on how to incorporate mātauranga and te ao Māori data and perspectives based on discussion and consultation with iwi and hapū.

Consultation

280. Consultation on option 2 was carried out in 2022, and the concept of setting a clearly defined list of environmental indicators received favourable feedback from stakeholders. The local government sector raised concerns with resourcing levels required for greater collection data needed to develop and maintain a more, or more comprehensive, environmental indicators.
281. Further analysis following consultation has suggested that option 2 would not have been as effective as initially expected. It also conflicted with the Government's request for a more focused set of revised amendment proposals.
282. Following targeted engagement in 2022 there has been recent consultation with representatives from Stats NZ, regional councils and unitary authorities, as well as revisions based on the Minister's direction and objectives. The proposals will also be reviewed by departmental agencies.

What are the marginal costs and benefits of the proposal?

283. In combination with the other proposals that give effect to this purpose, there are benefits at the ratio of 1:3.3.

Affected groups	Comment	Impact	Evidence Certainty
Additional costs of the preferred option compared to taking no action			
Regulated groups	None	N/A	N/A
Regulators	Ongoing. The costs of preparing the report will remain about the same as the current costs of including the same information in existing domain and synthesis reports. The slight increase in costs will result from the publication of this information as a separate report. Based on advice provided by the Ministry, it is assumed that the preparation of the proposed data and priority reports will require full time input by five analysts (1 x Principal, 1 x Senior, 3 x Analyst) for six months every sixth year. This represents a total cost of around \$0.7m every six years, with a 30-year present value of \$3.2m (using a 2% discount rate and allowing for a 20% deadweight cost of taxation).	Low	High
Others (eg, wider govt, consumers, etc.)	None	N/A	N/A
Total monetised costs	Over a 30-year time period the low, central, and high cost estimates are \$1.3, \$3.2, and \$6.0 million respectively in present value.	Low	High
Non-monetised costs	Ongoing for the Ministry	Low	High
Additional benefits of the preferred option compared to taking no action			
Regulated groups	None	N/A	N/A
Regulators	Ongoing The focus of information in environmental reporting will be improved with consideration not only of the existing data, but of emerging trends and where data is needed to explain these.	Medium to high	High
Others (eg, wider govt, consumers, etc.)	Ongoing The focus of information in environmental reporting will be	Medium	High

	improved with consideration not only of the existing data, but of emerging trends and where data is needed to explain these.		
Non-monetised benefits	Ongoing benefits of improved focus on existing and emerging environmental issues	Medium	High

Problem 9: Data is passively harvested rather than actively generated or collected. Drawing only on existing and available data (that is often generated for different purposes) without requiring the collection of new information has led to significant gaps in what we know about the environment and how it is changing. Because the data is mainly collected for other purposes (under other Acts), there are inconsistencies in timing and in collection methods.

Problem

- 284. Under the ERA, the Secretary and the Government Statistician have no powers to mandate or enforce the provision of data (including data quality and standards) for national environmental reporting. There is only a requirement to include information that can be obtained using reasonable efforts. The PCE investigated this lack of capacity in data collection.¹⁸
- 285. Data collection standards are important to improve consistency and ensure the reporting programme has the data it needs to create a more comprehensive picture of the environment on an enduring basis.
- 286. The collection is “passive harvesting” where known information is requested but there is no requirement on anyone to provide it. To be effective, the ERA needs to switch from accepting passive harvesting to requiring active collection.

Objectives

- 287. In addition to assisting achieve the general objectives, this section relates to enhancing the ability to communicate the complexity of interconnected environmental issues by ensuring relevant and better data is available and used.
- 288. It also relates to building a stronger environmental reporting foundation and making it easier for people to find out about the state of the environment.

Option 1: Proactive approach to monitoring standards and data collection (Recommended option)

- 289. The proposal is to require the Secretary and the Government Statistician to make reasonable efforts to proactively obtain existing and new data to inform reporting.
- 290. The proposal would also require data to be collected by government agencies and other agencies that hold relevant information or through voluntary collection agreements.

¹⁸ Parliamentary Commissioner for the Environment (PCE). 2019. [Focusing Aotearoa New Zealand's environmental reporting system](#). Wellington: PCE. page 33.

291. The Secretary would publish scientific and environmental monitoring standards and methods for collecting data including the use of any standards and methods set in other legislation or regulations, in consultation with the Government Statistician.

Option 2: Require agencies to provide data under the Data and Statistics Act 2022

292. This option would give powers to the Government Statistician to collect data under the Data and Statistics Act 2022.

293. This option fails to allow for scientific monitoring standards to be set to ensure consistent data on a topic by all the various organisations involved in its collection.

Option 3: Inclusion of powers under the ERA that enable the Secretary, the Government Statistician or both to require agencies to monitor, collect and provide data against standards, and impose penalties on agencies that fail to do this

294. This option builds upon option 1, with the introduction of powers to impose penalties.

Option 4: Adopt the PCE's recommendation of requiring the Government Statistician to collect the data

295. Option 4 has similar benefits as option 1 but does not specify collection methods or how data holders are to provide their data.

296. This option causes more uncertainty than the provisions in the Data and Statistics Act 2022.

Option 5: Use only non-regulatory methods to obtain data and knowledge

297. This is an enhanced version of the status quo. Data would be collected through memoranda of understanding and service agreements.

298. This would require negotiation with all data providers and would incur delays and negotiation costs. If agreement could not be reached or if the agreement was for a limited time, the data for reporting would not be available on an enduring basis.

Option 6: Status quo

299. With no powers to require or commission data and a "take or leave it" approach for passive harvesting, significant gaps appear in data collection especially in pristine areas and the marine environment.

How do the options compare to the status quo/counterfactual?

300. This table compares the options in relation to the criteria and against the status quo.

Options considered	Effectiveness	Certainty	Independence	Cost efficiency	Overall Score
Option 1: Proactive approach to monitoring standards and data collection	++ The proposal is the most effective option as it moves data collection from the passive harvesting of reasonably accessible data to active procurement of all existing data.	+ The proposal increases certainty because it will explicitly require that reasonable efforts be made.	0 Data priorities remain at arm's length from the Government of the day.	+ The effectiveness makes this a more cost-efficient option, because reports can provide a more complete picture of the environment with the data available.	+
Option 2: Require agencies to provide data under the Data and Statistics Act 2022	+ This option does not give the Secretary the flexibility and breadth of information collection powers that are needed for effective and robust reporting	- Less certainty because the Secretary would be dependent on the Government Statistician's powers under the DSA	- Less independence because the Secretary would be dependent on the Government Statistician's powers under the DSA	- The lack of effectiveness paired with costs makes this a less cost-efficient option	-
Option 3: Inclusion of powers under the ERA that enable the Secretary, the Government Statistician or both to require agencies to monitor, collect and provide data against standards, and impose penalties on agencies that fail to do this	++ Similar effectiveness to option 1, as penalties are not a guarantee of compliance	+ There would be certainty about agencies' obligations	0 Data priorities remain at arm's length from the Government of the day.	- Less cost-efficient due to compliance monitoring costs, as well as the costs across the sector to collect and provide the data to avoid penalties.	+
Option 4: Adopt the PCE's recommendation of requiring the Government Statistician to collect the data	- Less effective as it leaves open how the data would be collected	- Less certain as it leaves open how data would be collected	0 Data priorities remain at arm's length from the Government of the day.	- The lack of clarity makes this a less cost-efficient option	+
Option 5: Use only non-regulatory methods to obtain data and knowledge	0 Non-regulatory options will not ensure effectiveness. Any non-regulatory option is subject to funding, resourcing and prioritisation pressures from data providers and the ERA reporting programme.	0 If agreement could not be reached or is for a limited time, the data for reporting would not be available on an enduring basis.	0 Data priorities remain at arm's length from the Government of the day.	- It would incur delays and negotiation costs in developing data sharing agreements.	+

Option 6: Status quo	0 The current passive gathering of data is not efficient nor effective. It does not enable the Ministry to collect all the current and relevant data available to be collected from other agencies for timely and effective use in reporting.	0 Lack of certainty that relevant data will be known about, available for collection, and collected.	0 Independent from the Government of the day as required by the ERA.	0 Information in the reports is not as current or topical as needed and this makes the reporting and the decision making that relies on the reporting less cost effective.	0
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Preferred option

- 301. Option 1 scores better than the status quo and the other options. It provides data standards as well as data and information collection powers needed in the ERA.
- 302. The proposal avoids reliance on other agencies' willingness to exercise their powers, which could leave reports in a precarious position in terms of data quality, quantity and coverage. It also avoids the risk of the data powers in other legislation being amended without consideration of their effect on ERA reports.
- 303. The proposal moves data collection from the passive harvesting of reasonably accessible data to active procurement of all existing data as well as new data with the additional powers, if needed, leading to both improved data access and knowledge.
- 304. This is expected to improve consistency and ensure the reporting programme has the data it needs to create a more comprehensive picture of the environment on an enduring basis. It gives data certainty and the ability to promote a more comprehensive picture of the state of the environment, including via other bodies of evidence.

Treaty implications

- 305. The proposal is not directly relevant to the Crown's Treaty obligations. The change neither supports nor conflicts with the Crown's Treaty obligations.
- 306. The proposal allows for building relationships with individual iwi and hapū and developing additional ways of presenting mātauranga Māori data and perspectives in the reports.

Consultation

- 307. Overall, feedback highlighted:
 - a. issues with obtaining new data, relating to large gaps in reporting
 - b. the need to align data collection with other legislation ie, Data and Statistics Act 2022 and the RMA
 - c. support for voluntary agreements on the collection of data rather than mandating provision of data by regulation
 - d. the widespread need for on-going dedicated financial support
 - e. the need for consistent standards for data both in terms of the scientific environmental monitoring standard and the data standard

- f. the desire for access for everyone (or at least other data providers) to data collections where possible
 - g. opportunities to augment data collection with new technologies
 - h. the need to improve on how Te Tiriti responsibilities are met with a more active partnership approach
 - i. the need to preserve hapū and iwi rangatiratanga over information which is a taonga, designing a framework to share information and ensuring information is appropriately protected
 - j. suggested mechanisms for embedding te ao Māori perspectives as well as means proposed for monitoring of mātauranga Māori
 - k. the importance of including Māori worldviews, values and mātauranga and recognition of place-based differences.
308. However, the proposal is not identical to the one that was part of the consultation process.
309. Following targeted engagement in 2022 there has been recent consultation with representatives from Stats NZ, regional councils and unitary authorities, as well as revisions based on the Minister’s direction and objectives. The proposals in this paper will also be reviewed by departmental agencies.

What are the marginal costs and benefits of the option?

310. In combination with the other proposals that give effect to this purpose, there are benefits at the ratio of 1:3.3.
311. The implication is that ERA amendment associated data costs are expected to increase to \$6.5m per year by year 10 and steadily increase to around \$13m by year 30. Allowing for a 20% deadweight cost of tax and using a 2% discount rate produces a 30-year central present value estimate of \$220m.

Affected groups	Comment	Impact	Evidence Certainty
Additional costs of the preferred option compared to taking no action			
Regulated groups (agencies who are or could be sources of data and information)	<p>Processing costs to provide the data and information in an agreed format.</p> <p>For CRIs, set up activities are estimated to involve 3.5 FTE, with ongoing activities requiring 0.9 FTE in each subsequent year.</p> <p>For Regional Councils, set up activities are estimated to involve 4 FTE, with ongoing activities requiring 4 FTE in each subsequent year.</p>	Low - Medium	High

Classification

Regulators	<p>Ongoing.</p> <p>Depending on the level of commitment there is for improving the quality, quantity and consistency of the data and information, the costs may be high. If there is very little commitment to increasing the availability of data and information for the reports, then there would be only a slight increase in monetary costs.</p> <p>The loss of opportunity to increase our knowledge regarding the environment will always incur higher costs elsewhere in the economy and the environment.</p> <p>Stats NZ has estimated that set up activities will involve 2 FTE, with ongoing activities requiring 0.5 FTE in each subsequent year.</p> <p>The Ministry has estimated that set up activities will involve 2 FTE, with ongoing activities requiring 5 FTE in each subsequent year.</p>	Medium to high	High
Others (eg, wider govt, consumers, etc.)	None	N/A	N/A
Total monetised costs	Over a 30-year time period the low, central, and high cost estimates are \$153, \$220, and \$292 million respectively in present value.	High	High
Non-monetised costs	Ongoing for the Ministry and to a lesser extent, regulated groups.	Low	High
Additional benefits of the preferred option compared to taking no action			
Regulated groups (agencies who are or could be sources of data and information)	With consistent data and monitoring standards, the agencies benefit by being able to benchmark their monitoring results against national results.	Medium	High
Regulators	<p>Ongoing</p> <p>Improved and more complete information available, ensuring more accurate, complete and robust advice on what is occurring in the environment and what the outlook is if these trends continue.</p>	Medium to high	High
Others (eg, wider govt, consumers, etc.)	<p>Ongoing</p> <p>The focus of information in environmental reporting will be improved with consideration not only of the existing data, but of emerging trends and where data is needed to explain these.</p>	Medium	High
Non-monetised benefits	Ongoing benefits of improved focus on existing and emerging environmental issues	Medium	High

Section 3: Delivering an option

How will the new arrangements be implemented?

Prior to legislation

- 312. Final policies will be enacted through amendments to the ERA. A bill will be introduced in 2025 and submissions will be able to be made during the Select Committee phase.
- 313. Before the legislative process begins, the Ministry will continue working through some aspects of the proposals outlined in this document with regional council advisory panel, and other government departments to test their workability, particularly proposals 8 and 9 relating to mechanisms for data collection and the data and evidence priorities reports.

The role of central government once enacted

- 314. The Ministry will:
 - a. establish an evidence advisory panel
 - b. work with Treaty partners and stakeholders, other government departments, CRIs and regional councils, to establish voluntary agreements to share information as a first step towards filling data and information gaps required for core environmental indicators and other reporting.
- 315. The Ministry and Stats NZ will progressively implement these amendments over the six to nine years following enactment to:
 - a. revise and agree an operational working arrangement
 - b. develop and publish requirements for environmental monitoring standards under the ERA and data standards under the Data and Statistics Act 2022 respectively (based on existing legislative requirements and best practice)
 - c. expand their reporting to include drivers and outlooks in the environmental reporting framework.
- 316. Stats NZ will decide the procedures for procuring data and statistics.

Implementation risks

- 317. There are potential implementation risks in amending the ERA, as outlined below:
 - a. The ERA amendments may be perceived as ineffective, as some Treaty partners and stakeholders may expect the ERA amendments to address all issues in the wider environmental monitoring and reporting system. Public messaging should mitigate this risk highlighting that the ERA amendments are the first step towards broader reform of the environmental monitoring and reporting system.
 - b. As part of proposal 8, in the short term there will be a reliance on developing new relationships, enhancing existing relationships and entering ongoing voluntary arrangements to improve data (and data collection from non-government organisations). There is a risk, however, that some parties may be reluctant to enter into voluntary agreements which may result in low availability of data or information for environmental reporting. Better relationship building will be needed to mitigate this risk.

- c. Although, as part of the amendments to the ERA, there will be more flexibility in commentary reporting (reporting in between state of the environment reporting), these commentaries will be driven by key or existing issues, where new research or data has significantly changed our understanding, or new or emerging environmental issues. There is the risk that some areas of the environment may be continually overlooked as a different area of the environment may always be perceived as more urgent. This risk is mitigated by the need for all domains to be reported on in between the state of the environment reporting, either as a singular report or with multiple domains being reported.
- d. The proposed amendments to data collection will not fill all environmental data gaps nor meet all environmental data needs. Improving environmental data requires improving ongoing dedicated funding across the environmental monitoring and reporting system.

How will the new arrangements be monitored, evaluated, and reviewed?

How will the impact of the new arrangements be monitored?

- 318. The Ministry and Stats NZ's joint environmental reporting programme will continue to use existing review and improvement mechanisms, to monitor, and evaluate the success of each reporting product (eg, lessons learned sessions, engagement with stakeholders and feedback from external parties following release of the report, as well as metrics including the number of report downloads and page views from the Ministry's and Stats NZ's websites). Any findings will be incorporated directly back into programme improvement.
- 319. Quality control processes for data used for environmental reporting are already in place and are regularly reviewed to ensure that the processes provide data that is clean, robust and fit for purpose. Standardisation of data collection for environmental reporting will occur and the quality of the data monitored regularly.
- 320. The data and evidence priorities will be reviewed on a regular basis, the frequency of which will be set out in the ERA or managed informally.
- 321. It is expected that the PCE will choose to continue to provide independent commentary and report on reporting produced under the amended ERA, and the effectiveness of the amended ERA.

When and how will the new arrangements be reviewed?

- 322. The Ministry and Stats NZ will review the effectiveness and efficiency of the new arrangements under the amended ERA regularly (in general this will follow the production of a commentary report each year), and make any operational changes needed.
- 323. The Ministry and Stats NZ will also do a full review of the new arrangements every six years following the six yearly state of the environment report, and report to the responsible Minister as to whether further amendments are needed. Such reviews are likely to align with the regular system evaluation reporting under the RMA to assess whether the implementation of the ERA amendments is providing the information needed to improve functioning of the resource management system.

Regulatory Impact Statement: Environmental Reporting Act 2015 amendments Annex A: Background to Environmental Reporting Act amendments

2022 RIS

1. In mid-2022, the Ministry commissioned Allen + Clarke to complete a full Cost Benefit Analysis (CBA). The immediate benefits from those amendments were improved access to and quality of data, incorporation of te ao Māori and mātauranga Māori in a meaningful and appropriate way, being better able to communicate complex interrelationships within the environment, timely reporting that focuses on the right environmental areas, and requiring the Government to consider taking action.
2. As the proposals complement each other and work together, the benefits would increase when they are considered as a package. Benefits were estimated to exceed costs in 98.8 per cent of the 20 thousand iterations of a Monte Carlo analysis, with a mean net benefit of \$504 million and an average cost benefit ratio of 1:1.9 over a 30-year investment horizon.¹
3. The previous RIS documents are posted on Treasury's RIS publications webpages: [Regulatory Impact Statement: Amendments to the Environmental Reporting Act 2015](#) and [Annex to Regulatory Impact Statement: Amendments to the Environmental Reporting Act 2015](#). Drafting instructions were approved by Cabinet - CAB-22-MIN-0293 and CAB-22-MIN-0539 in July and December 2022 respectively. These instructions were not progressed to the introduction of a bill in the House of Representatives before the October 2023 election.

2022 consultation process

4. Between 8 February and 18 March 2022, the Ministry undertook targeted consultation. The consultation document, *Te whakawhanake i te pūnaha rīpoata taiao o Aotearoa – Improving Aotearoa New Zealand's environmental reporting system*, set out a package of initial proposed amendments including the PCE's recommendations.
5. These were:
 - Clarifying the purpose of environmental reporting including both the why and the how the ERA will meet its purpose
 - Mandating a Government response to state of the environment reports
 - Adding drivers and outlooks to the reporting framework
 - Adjusting roles and responsibilities
 - Mandating a standing advisory panel
 - Replacing environmental domains with cross-domain themes

¹ Note that the preliminary CBA used in the consultation document *Te whakawhanake i te pūnaha rīpoata taiao o Aotearoa – Improving Aotearoa New Zealand's environmental reporting system* used a 12-year investment horizon to cover two reporting cycles. A 30-year horizon was chosen for the full CBA in 2022 to allow for longer term benefits to be better measured and to align with other recent CBAs (ie, those used for Resource Management reform).

- Reducing the frequency of state of the environment reports to six-yearly
 - Replacing domain reports with one commentary each year
 - Establishing a set of core environmental indicators and require the use of quality data and statistics within environmental reporting
 - Strengthening the mechanisms and setting standards for collecting data
6. In response to the consultation document the Ministry received 42 submissions from regional councils and unitary authorities (10), CRIs (3), Non-Government Organisations (NGOs) (5), hapū and iwi (4), industry bodies (2), businesses, education and health sector (4), the PCE, and individuals (13).
 7. Time constraints, the COVID-19 environment and other competing stakeholder priorities may have had an impact on the volume and depth of feedback received. Some respondents noted that, owing to these pressures, they were unable to provide comprehensive information (such as cost implications), and that they knew of others who were unable to make a submission.
 8. As a result, the Ministry undertook additional direct engagement to test final policy thinking with Ministry staff, Stats NZ, national level Māori groups (eg, representatives from the Iwi Leaders Group), mātauranga Māori experts and stakeholders (eg, the PCE).

Overview of submissions received through 2022 consultation

9. Submissions highlighted broad support for the proposals.
10. The key themes from the submissions included:
 - a. support to establish core environmental indicators; however, there were several views on how to present this within the ERA
 - b. a need to ensure Te Tiriti is reflected in the ERA, to be used as the basis from which to explore how te ao Māori and mātauranga Māori could be reflected within environmental reporting
 - c. whether the clarification of roles and responsibilities outlined in the ERA could or should extend beyond the Ministry and Stats NZ to include, for example, regional councils, other government agencies, CRIs and others
 - d. agreement that the ERA needs to include better data collection mechanisms; however, there were several different views on what the mechanism should be
 - e. from an implementation perspective, concerns about funding, costs, resourcing and capacity particularly in relation to data collection. This was especially pertinent for regional councils and unitary authorities, CRIs, and hapū and iwi groups.
11. Feedback was also received about issues and opportunities relating to the broader environmental monitoring system. This feedback falls outside the scope of the current proposed amendments to the ERA; however, much of it will be addressed within the wider reforms of the resource management system and broader environmental monitoring and reporting system.

12. In addition, the Ministry held online hui with environmental and mātauranga Māori experts² to discuss how to reflect Te Tiriti in the ERA, and to ensure te ao Māori and mātauranga Māori are properly supported.
13. Key themes from online hui included:
 - a. the need to give effect to Te Tiriti by including principles and/or a partnership approach in the ERA
 - b. support for inclusion of mātauranga Māori in environmental reporting, with some specific considerations identified to be explored with Māori partners
 - c. a need for resource to support Māori to actively participate at all levels
 - d. recognition of a need for a core set of Māori indicators.

² Hui were with the Ministry's interim Science Advisory Panel (SAP), Iwi Leaders Group – Data representatives, Dr Hauiti Hakopa (EMRS Strategic Governance Group member), Te Arawhiti, and the Ministry's Interim Mātauranga Māori Science and Insights Panel (IMSIP).

Regulatory Impact Statement: Environmental Reporting Act 2015 amendments Annex B: Links to other ongoing government work programmes

1. There are other government initiatives underway that might influence or relate to national environmental reporting, depending on their outcomes. Some key examples are included below.
2. The Government is committed to amending the Resource Management Act 1991 (RMA) within this Government's term.¹ Establishing effective links between the ERA and monitoring and reporting functions under any relevant amendments to the RMA would be a useful process as the reforms occur in parallel.
3. Treasury's Living Standards Framework Dashboard continues to provide data on our individual and collective well-beings, information on our institutions and governance and the wealth of Aotearoa New Zealand. Environmental amenity and the natural environment form part of the measures in the dashboard.
4. The dashboard is aligned with information provided by Stats NZ. Stats NZ is leading work to improve the collection and quality of environmental data:
 - a. Ngā Tūtohu Aotearoa – Indicators Aotearoa New Zealand is looking at indicators to monitor and report on kaitiakitanga (guardianship) and the state of the environment. It focuses on data quality, consistency, availability and presentation of indicators in an understandable format.
 - b. The Data Investment Plan sets out sources of existing data and what new data needs to be obtained and requires investment. The Data and Statistics Act 2022 provides for the collection of data for official statistics and research as well as setting data standards for them.
 - c. Co-designing a Māori Data Governance Model in partnership with Māori for reporting information, and for the provision of that information.
5. The Government has appointed two new advisory groups: Science System Advisory Group and University Advisory Group to provide advice on how to improve the effectiveness and impact of New Zealand's science and university research sectors. The Groups are looking into issues each sector faces, such as its effectiveness, inefficiencies and poor connections, as well as the aspirations of the sector and opportunities for growth. Key topics include institutions, funding, advanced tech and commercialisation, workforce and connectedness, and the Government as a commissioner, funder, and user of science.
6. Local government initiatives including Land Air Water Aotearoa (LAWA), National Environmental Monitoring Standards (NEMS), environmental data management systems (EDMSs), and the CRIs' National Environmental Data Centre (NEDC) look to make improvements in how environmental data and information is collected and shared, and contribute to the knowledge used in national environmental reporting.

¹ The Government has already introduced into the House of Representatives the Fast Track Approval Bill, the Resource Management (Extended Duration of Coastal Permits for Marine Farms) Amendment Bill and the Resource Management (Freshwater and other matters) Amendment Bill. It is also understood that at least two other Resource Management Act 1991 amendment bills will be introduced.