



**Local Government
New Zealand**
te pūtahi matakōkiri

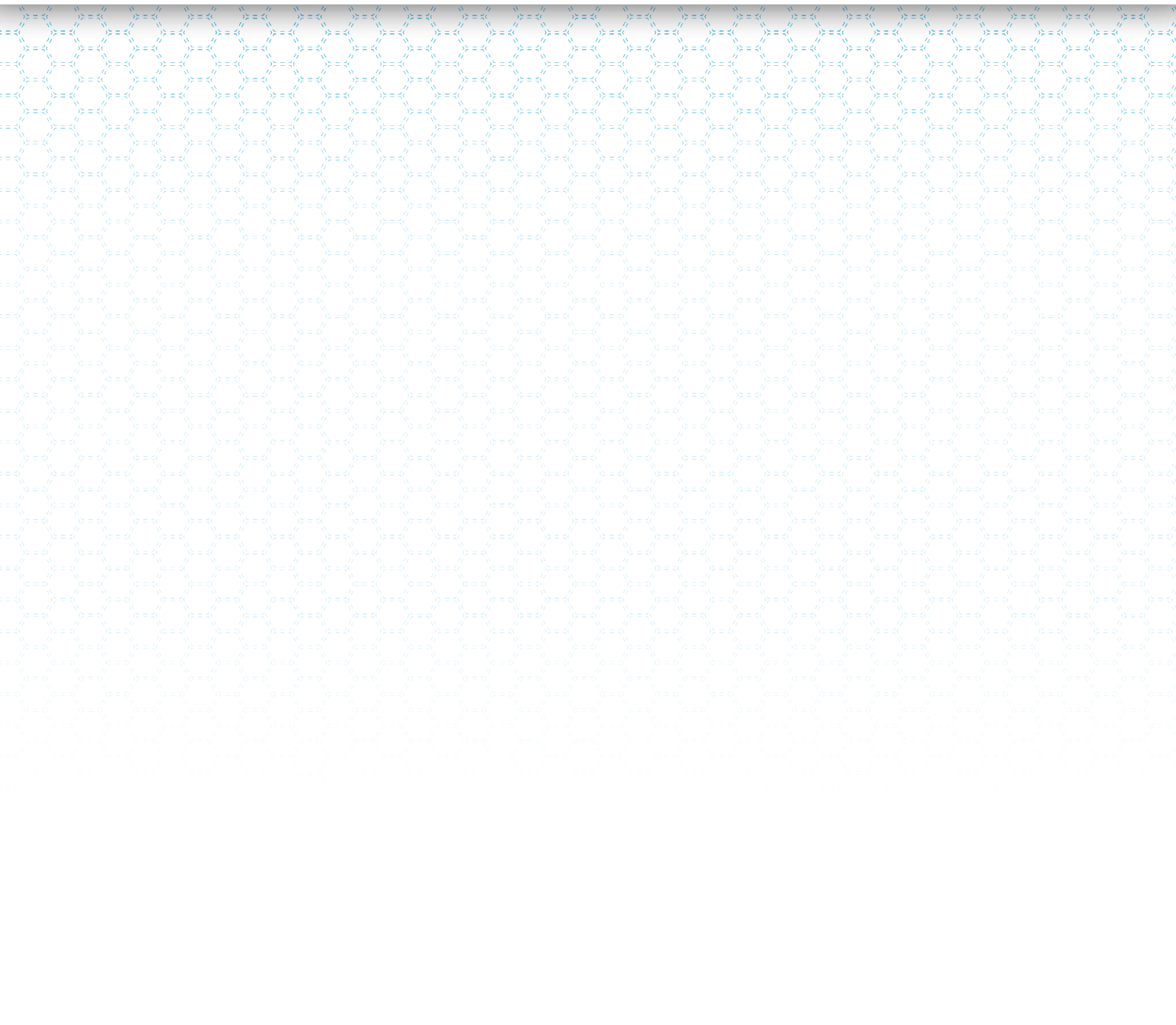


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Introduction

1. *Local Government New Zealand* thanks the Ministry for the Environment (MfE) for the opportunity to make this submission in relation to "*Measuring up Environmental Reporting – A Discussion Document*".
2. *Local Government New Zealand* makes this submission on behalf of the National Council, representing the interests of all local authorities of New Zealand.

It is the only organisation that can speak on behalf of local government in New Zealand. This submission was prepared following consultation with local authorities. Where possible their various comments and views have been synthesised into this submission.

In addition, some councils will also choose to make individual submissions. The *Local Government New Zealand* submission in no way derogates from these individual submissions.

3. *Local Government New Zealand* prepared this submission following:
 - an analysis of the discussion document
 - analysis of all feedback from councils
 - analysis of feedback from *Local Government New Zealand's* Resource Managers Group.
4. This final submission was endorsed under delegated authority by:
 - Lawrence Yule, President, National Council
 - Fran Wilde, Chair, Regional Sector Group
5. *Local Government New Zealand* would be pleased to meet with officials for further discussion on any points raised in this submission.
6. *Local Government New Zealand*, including representatives from the sector, requests the opportunity to have input as the framework for environmental reporting is developed.

Local Government New Zealand policy principles

7. In developing a view on the provisions in this document we have drawn on the following high level principles that have been endorsed by the National Council of *Local Government New Zealand*: We would like the Ministry of the Environment to take these into account when reading this submission.
 - **Local autonomy and decision-making:** communities should be free to make the decisions directly affecting them, and councils should have autonomy to respond to community needs.
 - **Accountability to local communities:** councils should be accountable to communities, and not to Government, for the decisions they make on the behalf of communities.
 - **Local difference = local solutions:** avoid one-size-fits-all solutions, which are over-engineered to meet all circumstances and

create unnecessary costs for many councils. Local diversity reflects differing local needs and priorities.

- **Equity:** regulatory requirements should be applied fairly and equitably across communities and regions. All councils face common costs and have their costs increased by Government, and government funding should apply, to some extent, to all councils. Systemic, not targeted funding solutions.
- **Reduced compliance costs:** legislation and regulation should be designed to minimize cost and compliance effort for councils, consistent with local autonomy and accountability. More recognition needs to be given by Government to the cumulative impacts of regulation on the role, functions and funding of local government.
- **Cost-sharing for national benefit:** where local activities produce benefits at the national level, these benefits should be recognised through contributions of national revenues.

Introduction

8. *Local Government New Zealand* agrees with the problem definition in the discussion document: 1. there is currently a lack of statutory obligation to require regular and independent environmental monitoring and 2. there is inconsistency in terms of methodology and coverage with respect to the regional state of the environment regional monitoring programmes.
9. *Local Government New Zealand* supports the initiative to deliver a more independent and robust environmental monitoring and reporting system at a national level. We agree that the current situation has developed because there has been no statutory imperative for a single agency to undertake this on a regular basis.
10. Having said this, because the discussion document is very high level, and is without the required detail (regulations), it does not enable a robust critique to deliver informed feedback and the full implications of the proposal cannot be identified. Also, it is not apparent from the document that local government currently has prescribed functions under the RMA and accordingly that monitoring frameworks have been designed to reflect these functions. Current local government monitoring frameworks are developed to inform at a local or regional level, not national, and the criticism levelled at local government in the discussion document for not delivering nationally is inappropriate. National reporting is not a function of local government. Implicit in the report is that local government is not currently doing a good job whilst ignoring the responsibility that MfE has had since 1991 to develop appropriate national environmental indicators.
11. The common driver for councils – both regional and territorial – is section 35 – which requires monitoring of the efficiency and effectiveness of policies and plans developed under the RMA. In this context, we note that for almost two decades regional councils specifically have actively collaborated with MfE to develop and deliver national environmental indicators. It is important that the progress which has been achieved in specific areas is not lost and that any framework is designed to support this work. In principle there is general agreement with the idea of

consistency in monitoring and in recent times there has been a great deal of collaboration to address this especially around freshwater monitoring.

12. Recognition is needed that councils already collect a significant amount of environmental data that can and has been utilised for national reporting purposes. There may be opportunities to build on existing programmes to better contribute to national reporting requirements but because national monitoring is not a function of local government a critical question is how will it be funded if there are requirements for data over and above existing programmes?

Specific comments

SCOPE

13. We agree with the submission of Waikato Regional Council, that the discussion document does not clearly describe the purpose of environmental reporting, other than in very generic terms. Effective environmental reporting has two components:
 - “*what is the situation*” – statistical presentation of data/information as indicator results and their objective analysis; and
 - “*so what*” – recommendations of what needs to be done in response to the reported results.
14. There is scant discussion of what is meant by “environmental reporting”. The development of an environmental reporting framework is an area which will require a great deal of attention going forward. This needs to be done prior to any legislation being developed and the local government sector needs to be a partner with central government in this.
15. Central and local government have a number of other monitoring and reporting requirements including: consent and compliance, National Policy Statement and National Environmental Standards, community outcomes (Local Government Act), Transport (Land Transport Management Act) and Biosecurity/Biodiversity (Biosecurity Act). These all underpin environmental reporting and environmental policy making but are wider than the scope of s35(2) RMA.
16. The MfE has recently acknowledged the broad context of monitoring and reporting in its recently initiated Monitoring and Review Project. The scope of that project will be determined by monitoring and reporting requirements under the RMA and an important part of developing the framework envisaged by the discussion document will be determining how it sits within the scope of the Monitoring and Review Project.

ROLE OF IWI

17. We are interested in the submission of Waikato Regional Council which has raised the matter of the contribution of iwi to resource management. As they have pointed out, the contribution of iwi is rapidly increasing with increased capacity, in the wake of treaty settlements - as resource owners and developers. The question needs to be asked as to whether information needs to be collected as part of this environmental monitoring

and reporting framework to capture this specific sector. The framework also needs to consider the wider role of "cultural monitoring" to respond to the stated lack of culturally - based environmental monitoring and indicators.

ROLE OF PCE

18. The Parliamentary Commissioner for the Environment has no regulatory capacity to generate data and is therefore assumed it will be entirely dependant on MfE for this. The Parliamentary Commissioner would have to request that a regulation is developed to require the collection of data and it is unclear what process will be required when changes are required to the specific variables. Will the regulation need to be amended?

COLLABORATION AND CONSISTENCY

19. There are a number of areas where collaboration between central and local authorities is focused on the development of consistent methodology eg biodiversity and freshwater monitoring. Any future framework needs to capture the work already underway and not undermine or duplicate it.
20. In the past councils worked with the Ministry on the Environmental Performance Indicators Programme, for example, in 1996-1998. Despite considerable work invested, this Programme was abandoned. In 2003 there was a similar exercise with councils cooperating with the Ministry to develop Environmental Information Sharing Protocols, including the development of national indicators and the implementation of the start of monitoring for national reporting purposes. This work was also abandoned by the Ministry. More recently, there has been the National Environmental Information Forum and, again, no outcomes to date, although it is acknowledged that progress is being made (collaboratively) with the National Environmental Monitoring and Reporting project, which is addressing many of the issues identified in this discussion document for one of the domains.
21. Another example of the current regional cooperative approach to environmental monitoring can be seen in the coordination role of the Special Interest Groups (SIGs) reporting to the Resource Managers Group. The activities of the Land Monitoring forum are a particularly good example where agreed monitoring guidelines have been developed and are published on the Ministry for Environment website. This facilitates national reporting while providing the data to do so. Other SIGs actively involved are the Surface Water Integrated Management group working with MfE on the NEMaR project and has developed a number of protocols for dependable monitoring. The Local Area Environmental Monitoring Group whom are actively developing a National Environmental Monitoring and Qualifications system in collaboration with MfE, NIWA and other major monitoring stakeholders.
22. Another example of collaboration by regional councils has been the development of a framework for terrestrial biodiversity monitoring. This has been supported by Terrestrial and Freshwater Biodiversity Information System (TFBIS) and Landcare Research to produce a report entitled *"Recommended monitoring framework for regional councils assessing biodiversity outcomes in terrestrial ecosystems"* (Lee and Allen 2011). This framework and the monitoring indicators it contains, were developed by regional council technical staff in conjunction with

Landcare Research, and have been endorsed by the Regional Council Biodiversity Managers forum and the Regional Council Chief Executive group. Currently, a second larger project to develop standard measures of each indicator is funded by Envirolink and Landcare Research.

23. Considerable effort has been put into to ensure that an appropriate set of indicators and measures are established at a national scale, working with agencies that have statutory responsibility to maintain biodiversity and report on it (Regional Councils, Department of Conservation and MfE). This is another example where the work and the process already underway need to be captured and not undermined in any new reporting framework.

COST AND STATUTORY OBLIGATIONS OF LOCAL GOVERNMENT

24. Local government currently undertakes environmental monitoring and reporting in relation to the functions prescribed under the Act. Most of this is serviced by ratepayers. A key question is who will bear the cost of national environmental reporting if it is undertaken by councils. At present the national environmental reporting undertaken by Crown Research Institutes (eg NIWA) is paid for by central government. Is this similarly proposed for the local government sector, and will there be a rationalisation of this monitoring?
25. As the provision of data for national reporting is a new responsibility and function for local government this needs to be addressed as the reporting framework is developed. Does the Act need to be amended (sections 30 and 31) to reflect this new function(s) in addition to s 360 – the regulation making power? If sections 30 and 31 are not amended the regulation(s) to be developed will not be underpinned to the body of the Act.
26. This very important area has not been addressed in the discussion document and without reasonable information about likely variables the full cost implications for the local government sector are impossible to determine.

ENVIRONMENTAL DOMAINS

27. The document states that there are a range of views on what PCE should be required to report on. The environmental domains listed are: fresh water; land; oceans; air; biodiversity.
28. What the actual reporting variables are within each domain will determine implementation constraints and potential costs. It is assumed that the Ministry will be responsible for designing and implementing the national indicators but this is unclear.
29. This section of the report on the environmental domains is very disappointing. It seems reasonable to assume there has been some analysis of possible variables which could be reported within each domain but this has not been discussed in the discussion document. This leaves a vacuum of information and makes it very difficult to provide feedback on the proposal, for example, without knowing what might fall under "land" it is impossible to determine what the implications for local authorities might be, including any implications for territorial authorities. Some territorial authorities already undertake monitoring and reporting of biodiversity in their districts and this is not acknowledged in the discussion document

with its focus on regional authorities. Other dimensions of land are not dealt with such as land available for development, high quality land statistics – is it expected these will need to be monitored? Some direction may have been provided by the environmental performance review by the OECD – at least for discussion at a high level.

30. It is also likely the PCE will be subject to pressure to report on a range of matters from different sectors of the population. It is MfE which has control of the regulation making power (not PCE) and it is likely to be the local government sector which will be responsible for collecting the data. There is no ability for PCE to require MfE to do something so it is unclear how this will work in practice.
31. *Local Government New Zealand* questions what processes will be in place to (a) establish indicators to be monitored and (b) to enable changes to be made to keep up with changes in technology and issues.

DATA STORAGE AND ACCESS

32. An important matter is how data will be stored and viewed. We recommend considering this for inclusion in the regulation. The principles of “open data” should be applied when this is being developed. It is critical that this is considered alongside the development of any new regulation, how this is done can make it an “easy” task or one that will labour the ability to report efficiently. File Transfer Protocol (FTP), Internet Protocol (IP) and access to source data is fundamental to establish a seamless approach to raw data acquisition if that is required. Alternatively web based reporting of collated data through a federated data system could be enabled and minimise the duplication of effort. Examples of this are already in place with the Local Government (regional sector) reporting on data through the LAWNZ web portal. The framework needs to address the matter of data sharing and engagement with the sector on this particular matter is required.
33. Any set up cost for data storage and access should not fall onto local government.

COSTS/RESOURCING

34. *Local Government New Zealand* is opposed to the proposed Environmental Reporting Bill expanding the regulation-making power under section 360 of the RMA until:
 - (a) an over arching framework is developed in partnership with local government;
 - (b) there has been a proper cost benefit analysis to determine the cost to local government to align or develop monitoring programmes to support national reporting requirements; and
 - (c) there has been meaningful dialogue on how any new or additional costs should be offset.
35. Delaying the conducting of a full cost benefit analysis until after deciding to proceed with regulations is inconsistent with good decision making.

36. Sites and parameters currently monitored have been selected to meet the needs of a particular council – i.e. section 35(2)(a) of the RMA requires regional councils to monitor "... *the state of the whole or any part of the environment of its region or district to the extent that is appropriate to enable the local authority to effectively carry out its functions under this Act.*" For the Government to dictate how and where the council should monitor, based upon national not regional needs, is both inequitable and inappropriate.
37. *Local Government New Zealand* is supportive of exploring opportunities for alignment and aggregating statistics to contribute to national state of the environment monitoring and reporting. However, depending upon what is required to meet the Government's national reporting needs, there is potential for substantial new or added costs on councils to expand or fine tune their programmes. It would be inappropriate for additional costs resulting from national reporting requirements to be borne by the local ratepayers.
38. Additional central government resource will be required to provide the extent of additional monitoring that is being considered.

Conclusion

39. Local Government New Zealand thanks MfE for the opportunity to make a submission on the discussion document.
40. Any reform must address the whole system and not just that part that applies to the local government sector.
41. The reliance on regulation to achieve national environmental monitoring will impose costs on the local government sector to meet national needs. Funding is a critical matter which needs to be addressed.

Recommendations

42. That an overarching framework needs to be developed prior to legislation being designed. The framework should be developed in partnership with local government and should be clear about the purpose of environmental reporting.
43. That the framework should build on the cooperative approach to environmental monitoring already developed by the regional sector.
44. Any regulations which are developed under s360 RMA should align with the agreed framework and should be done in collaboration with local government.
45. That the cost implications of a new state of the environment framework are fully explored and that adequate resource made for additional costs falling to the local government sector for new roles prescribed.
46. That the need for support/guidance for any new roles prescribed is acknowledged and that adequate resourcing is provided to help build capacity and capability in the sector.

Specific answers to consultation questions in discussion document:

1. *Do you agree with the issues identified above? Have the main issues been defined accurately?*

Local Government New Zealand agrees with the issues identified and agrees they are linked. There is no requirement for consistency as the focus is on regional priorities and no prescribed function with respect to national monitoring.

However, a framework needs to be carefully designed at the next stage which clearly includes a clear purpose for the national programme. Is the purpose of national reporting to do more than report on "what is"?

Issue 2 needs to focus on the whole system of national environmental reporting and not solely on the part relating to local government.

We agree with the submission of Taranaki Regional Council that the discussion document has deliberately excluded environmental statistics generated by other environment related legislation or collected by central government agencies, Crown research institutes and universities. However, all agencies contributing towards national environmental monitoring and reporting should have been considered to identify efficiencies and or opportunities for alignment or integration of monitoring information between the different agencies (or identify information gaps). Of note, while regional councils might be the principal source of environmental statistics relating to fresh water, land, and air domains, for the oceans and biodiversity domains, national agencies such as the Ministry of Fisheries and the DOC are likely to play a leading role.

2. *Are there any other issues that have not been considered?*

There are a number of issues which will need to be addressed going forward: analysis precision and accuracy, quality assurance, training and qualifications.

The framework needs to carefully define the objectives for monitoring. Specifically, is the role of state of the environment is a periodic snapshot over a range of environmental indicators or is it a picture of incremental change over multiple variables within domains, or both? The decision will influence the design of the programme and also the costs.

3. *What is the scale of the problem? Which is the bigger issue: the lack of statutory obligation requiring regular independent state of the environment reporting or inconsistent state of the environment monitoring?*

These are not mutually exclusive. It is important to be clear that what is being discussed is national state of the environment monitoring. Reporting has (rightfully) been determined by regional priorities but regional councils have recognised the lack of reporting at a national scale. They have historically combined methodologies and protocols to measure the state of regional resources.

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

The objectives need to refer to national state of the environment monitoring.

The objectives also need to refer to indicator selection and funding.

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

The assessment criteria appear to be objectives not criteria. Criteria also need to include:

- capability of the organisations to undertake the respective roles
- funding/cost

As stated earlier – there is no discussion of the potential costs and resourcing requirements to local government. There is a lack of detail on this in the discussion document. The potential for the variables to be changed and for this to have cost implications to local government are of most concern.

6. *Do you agree with the preferred options? Please give reasons.*

The preferred option identifies the need to improve consistency at the local level, and as identified earlier, local and regional programmes must deliver on local and regional needs. Compromising this for national level objectives is counter intuitive. Identification of the national level monitoring is first and foremost required, how this is developed to avoid duplication at the local and regional level is part of the national level collaboration.

The need for independent collation, analysis and reporting is supported. *Local Government New Zealand* supports the idea of an advisory body, involving the local government sector, to guide preparation of a report.

7. *Is there an alternative option that has not been considered?*

Another option not considered is legislation which enables regional government to deliver state of the environment reporting, audited by the PCE.

An alternative to the regulation developed under s 360 is a National Environmental Standard (NES). A regulation will need to be highly specific and, for example, will need to be site specific in relation to monitoring. An NES could be more descriptive and potentially more flexible by prescribing roles with the ability to make changes to variables or the locations monitored.

8. *To what extent do the options address the identified problems?*

Insofar as a national level of reporting is required, the option of mandating the Parliamentary Commissioner for the Environment appears to address the reporting issue.

9. *Are you aware of any other costs and benefits of the options?*

The value of state of the environment monitoring and reporting is not clearly identified and there is a lack of context to show the benefit of reporting at a national level. This is partly because the objective of the reporting has not been identified as discussed earlier.

There will be costs associated with the preferred options:

- how will councils be resourced to collect data to the standard and consistency prescribed at the number of sites prescribed?
- if funding is not targeted then local and regional priorities are likely to trump national priorities.
- if a change in methodology is prescribed then there will be an associated cost. This will need to be minimised. Care will also be needed to ensure that changes to methodology does not render obsolete original baseline data for a particular variable.

10. *Do you have any comment about which option would deliver the highest level of net benefit?*

The preferred option seems to align best with the existing duties of the Parliamentary Commissioner for the Environment.

However, without being able to accurately determine the costs associated with the different options (because we do not know the variables within each domain) it is not possible to assess which option would deliver the highest level of net benefit.

11. *What are the pros and cons of the proposed Environment Act amendment?*

While the role of PCE has the potential to bring independence to the process, the costs falling to the local government sector could be substantial if the councils are required to collect additional information and via different methodologies and additional sites.

12. *Is five-yearly reporting an appropriate reporting timeframe? If not, what time period would you recommend?*

Trends in environmental indicators can occur over longer timeframes. Consideration should be given as to what indicators are useful at the five year level as opposed to a longer duration. For example, reporting on vegetation state or land use change may not be adequately reflected in a time period such as five years. Clearly the frequency of reporting will be in part identified through the objectives that are identified and part of the framework developed.

13. *What do you think about the proposed environmental domains that the Parliamentary Commissioner for the Environment should report on in the state of the environment report? What topic areas or requirements (if any) would you suggest?*

The domains do not identify the built, social or cultural components that accompany them, nor do they represent contiguous relationships that may exist across domains. These are clearly natural resource domains, if these are the domains to be used then objectives must be clear.

14. *Outline any problems you perceive with the proposed RMA amendment?*

Consideration is needed as to whether changes to s30 and s31 are required to accompany changes to s360.

As discussed earlier – consideration should be given as to whether an NES is more appropriate for the actual standard. We accept that a s360 regulation is probably preferred regarding method and process. This needs to be considered further.

15. *Which environmental domains (eg, fresh water, land, oceans) do you think should be prioritised for improvements in consistency?*

Without a clear articulation of the objectives for each domain and identification of the variable/indicator to be measured we are not in a position to prioritise. There are also relationships between domains which may require multi-criteria prioritising i.e. it is not simply a case of prioritising a domain but rather inter and intra relationships need to be considered.

16. *Have we accurately reflected the high level costs and benefits arising from the proposals for an Environmental Reporting Bill? Please give reasons.*

No, what is the value (\$) to New Zealand to monitor the environment?

17. *Can you identify any other high level costs and benefits?*

There is a value to New Zealand of being able to validate the New Zealand pure, and NZ inc position in the global marketplace.

18. *Do you have any information you would like to see included in the final cost-benefit analysis that will be carried out after the submissions are received and analysed?*

Yes, the value of state of the environment monitoring (\$) and the cost of development and implementation.



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