



Hon Penny Simmonds
Minister for the Environment
Parliament Buildings
Wellington

28 November 2023

Dear Penny

Congratulations on your appointment as Minister for the Environment. I know from personal experience just how demanding a job it is.

This letter comes to you right at the beginning of your term for a reason: you will never have a better opportunity to take stock of what the Government's environmental management system (broadly defined) is tasked with achieving and then communicate (1) outcomes you would like that system to achieve and (2) how you think public resources should be deployed to achieve those outcomes. I urge you to seize that opportunity.

To do so, you will need to ask some different questions about how money is spent than those that may have been asked in the past, and you will need to think about ways that enable you to keep track of whether or not you are making a difference.

I do not know whether we are making a difference to New Zealand's environment for the better. I very much doubt whether your officials know whether we are either. You may be aware that earlier this year I published a report entitled *Environmental Reporting, Research and Investment – do we know if we're making a difference?*¹ It brought together five years' work on trying to understand whether we are gathering information, investing in research and spending taxpayers' money in a way that is yielding environmental benefits. I won't repeat its recommendations – they remain for you to consider. You should, however, be aware that I intend to continue to press for answers and will be extending my enquiries to ask how we can better audit the activities the Government undertakes to ask if they are making a difference.

I think the high-level outcomes New Zealanders seek for the environment they live in are relatively uncontentious.² I have not heard anyone seriously advocate for dirtier water, more chemical pollution, collapsing biodiversity or runaway greenhouse gas emissions. In this sense, the environment is a less normatively charged policy terrain than social policy.

¹ <https://pce.parliament.nz/publications/environmental-reporting-research-and-investment/>

² 1. Improving Aotearoa's biodiversity and ecosystem functioning and resilience; 2. Improving Aotearoa's land and freshwater, including sustainable management of resources; 3. Reducing greenhouse gas emissions; 4. Reducing pollution and waste; 5. Improving Aotearoa's coastal and marine environment, including sustainable management of resources 6. Improving the efficiency and effectiveness of institutions designed to manage human interventions in the environment.

But, unlike the social and economic domains, the availability of environmental information and an understanding of the processes at work is much leaner.

While lobby groups will provide you with laundry lists of priorities requiring your intervention, I would suggest that your key priority is improving the quality of the information ecosystem on which environmental management in New Zealand relies. This will require some investment, but it is the only way you and your colleagues will be able to ensure that the outlays you make are likely to deliver real improvements in environmental quality.

This will not be an insignificant task. Tying spending to high-level outcomes is the first step. I have already made a preliminary estimate of this.³ The next phase will be to work out the main activities that are being funded to achieve all of those outcomes. This will provide valuable data on the activities that are actually being funded in the name of these outcomes. If you can do that, you can then evaluate whether or not those activities are having the hoped-for impact.

This won't be possible overnight. Environmental processes and our ability to influence them often play out over quite long timeframes. That simply underlines the importance of investment in environmental monitoring and making the most of the data that already exists within the system.

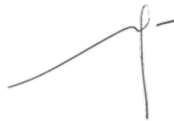
There has been a comprehensive failure to focus scarce resources on activities that can be justified on the basis of evidence. That represents a failure, in part, by political leaders to be explicit about their objectives. But it is also a reflection of the fact that the Minister for the Environment is dealing with a domain in respect of which ministerial portfolios and public appropriations are fragmented. In other words, you will not be able to do this alone. The environment is a broad beast. While you are the Minister for the Environment, environmental issues are also central to the responsibilities of your colleagues responsible for climate change, conservation, and primary industries to name just three portfolios. Several others also intersect with the environment.

I would urge you to take stock of the entire environmental domain and work with relevant colleagues to construct a knowledge ecosystem that will enable you to make intelligent budgetary decisions that can then be the subject of ex-post review. No government can hope to do everything. It is all about choices and priorities, and then the design of policy instruments and investment in systems that can transparently deliver results that parliamentarians can scrutinise.

³ <https://pce.parliament.nz/publications/estimate-of-environmental-expenditure-2022-23/>

My role is that of an external and independent auditor. The initiatives I have spent the last five years working on would, if implemented, undoubtedly assist my work. But I have no doubt that they would greatly assist your work as well. I would be more than happy to discuss these matters with you when you've had a chance to reflect. But let me repeat: you will *never* be in a better position than you are today to ask some of these questions and provide clear guidance about the outcomes that you are seeking.

Kind regards

A handwritten signature in black ink, consisting of a long, sweeping horizontal stroke followed by a vertical line that curves slightly to the right at the top.

Rt Hon Simon Upton
Parliamentary Commissioner for the Environment
Te Kaitiaki Taiao a Te Whare Pāremata

Cc James Palmer, Secretary for the Environment