



## Parliamentary Commissioner for the Environment

Te Kaitiaki Taiao a Te Whare Pāremata

# Submission on The future of eco-nomics: Proposed topic for the 2026 long-term insights briefing – consultation

To Stats NZ Tatauranga Aotearoa

9 October 2024

## Submitter details

This submission is from the Office of the Parliamentary Commissioner for the Environment.

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## Parliamentary Commissioner for the Environment

The Parliamentary Commissioner for the Environment was established under the Environment Act 1986. As an independent Officer of Parliament, the Commissioner has broad powers to investigate environmental concerns and is wholly independent of the government of the day. The current Parliamentary Commissioner for the Environment is Simon Upton.

## Introduction

Thank you for the opportunity to provide feedback on Stats NZ's proposed topic for the 2026 long-term insights briefing (LTIB) consultation. It is encouraging to see Stats NZ's ongoing commitment to improving measurement of economy–environment interactions as demonstrated by the proposed LTIB topic.

The importance of improving the integration of economic and environmental measurement initiatives should not be understated. New Zealand is a biologically based economy with primary industries and tourism being important contributors to economic production and foreign exchange. The continued operation of these economic activities depends on a raft of ecosystem services and natural resources. Accordingly, initiatives that support better measurement of the environmental impact of the economy and the economic impact of the environment should be prioritised.

Work undertaken by the Parliamentary Commissioner for the Environment and his staff has found that there are important deficiencies in the underlying information base regarding economy–environment interactions:

- In 2021, the office released a report entitled *Wellbeing budgets and the environment: A promised land?*.<sup>1</sup> The review looked at what we know about the link between the environment and wellbeing, and how this has been incorporated into the budgetary process. The review found that existing environmental information is not fit for purpose and often deficient in terms of its link to wellbeing.
- A recently published literature review on resource use and waste generation in Aotearoa New Zealand attempted to catalogue resource flows across the environment–economy boundary.<sup>2</sup> This required compiling data from a range of sources but only provided a partial measure of natural resource and associated environmental pressures.

Deficiencies in this underpinning information hinder the development of a more sophisticated set of metrics that measure economy–environment interactions. For example, New Zealand does not currently have the statistical information necessary to derive estimates of environmentally adjusted productivity. Such measures would augment the traditional focus on labour and produced capital with measures of natural capital, including water and land. This would enable policy makers to understand the extent to which growth in economic output was attributable to New Zealand’s natural capital base.

These deficiencies demonstrate that work to enable the more coherent and comprehensive integration of economic and environmental statistics is warranted. Accordingly, we support the general scope and content of the proposed LTIB topic.

While the consultation document includes a section on what the briefing could cover, it is high-level. So as part of the preparation of the LTIB, we would also encourage Stats NZ to identify and discuss:

- A core set of natural capital accounts that would supplement the existing suite produced by Stats NZ to provide a consistent measure of New Zealand’s most important natural capital assets.
- Opportunities for the strategic integration of environmental–economic statistics with other initiatives across the public sector. This could include integration into the Treasury’s Living Standards Framework and policy work intended to support the transition towards a circular or bioeconomy. This will leverage the expertise of Stats NZ as Government Chief Data Steward to support better use of data as a resource across government to deliver better services to New Zealanders.

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<sup>1</sup> See <https://pce.parliament.nz/publications/wellbeing-budgets-and-the-environment/>.

<sup>2</sup> See <https://pce.parliament.nz/publications/resource-use-and-waste-generation-in-aotearoa-new-zealand-a-literature-review>.

We look forward to continuing our engagement with Stats NZ on this important topic.

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke at the end.

Geoff Simmons

**Chief Economic Advisor**

**Office of the Parliamentary Commissioner for the Environment**