

Annual report

for the year ended 30 June 2024



This document may be copied provided that the source is acknowledged. This report and other publications by the Parliamentary Commissioner for the Environment are available at pce.parliament.nz.

Parliamentary Commissioner for the Environment

Te Kaitiaki Taiao a Te Whare Pāremata

PO Box 10 241

Wellington 6140

Aotearoa New Zealand

Tel +64 4 495 8350

Email pce@pce.parliament.nz

Website pce.parliament.nz

September 2024

ISSN 1174-1325 (print)

ISSN 1174-1341 (electronic)

Cover images: Catchments in the top of the South Island, bottom of the North Island, source data: MfE Data Service (data.mfe.govt.nz) and LINZ Data Service (data.linz.govt.nz), analysis and visualisation: Toitū Te Whenua Land Information New Zealand. South Wairarapa District, Rob Suisted, naturepic.co.nz. Cyclone Gabrielle damage, February 2023, Hawke's Bay, Leonie Clough, Unsplash.

Chapter header images: Te Moeka o Tuawe Fox Glacier, Bernard Spragg, Flickr; Kura Tawhiti Castle Hill Conservation Area, Andre Bernhardt, Unsplash; Poor Knights Marine Reserve, Dr Sophie Mormede; Mayfly, Jon Sullivan, Flickr; Motukaraka Island, Look Up Look Down Photography, Unsplash; Horoirangi Glenduan, Nelson, Rich Hay, Unsplash; yellow flowering pōhutukawa *Metrosideros excelsa* Aurea, Pseudopanax, Wikimedia Commons; Blue Spring, Waihou River, Pauline Sallet, Flickr; Ō Tū Roto Lake Heron, Nora Lanari.

Annual report

for the year ended 30 June 2024

Presented to the House of Representatives pursuant
to section 44(1) of the Public Finance Act 1989 and
section 23 of the Environment Act 1986.



Parliamentary Commissioner for the Environment
Te Kaitiaki Taiao a Te Whare Pāremata

Parliamentary Commissioner for the Environment Te Kaitiaki Taiao a Te Whare Pāremata

The Rt Hon Gerry Brownlee
Speaker
House of Representatives
Parliament Buildings
Wellington

Mr Speaker In accordance with section 23 of the Environment Act 1986, I am pleased to submit my annual report for the year ended 30 June 2024.

Yours faithfully

A handwritten signature in black ink, consisting of a series of connected strokes that form a stylized, cursive name.

Rt Hon Simon Upton

**Parliamentary Commissioner for the Environment
Te Kaitiaki Taiao a Te Whare Pāremata**

Contents

1	Overview	3
1	Tirohanga whānui	7
2	Role of the Parliamentary Commissioner for the Environment	13
3	Reports, advice and other work	17
4	The office	27
5	Statement of responsibility and Independent Auditor's report	31
	Statement of responsibility	31
	Independent Auditor's report	32
6	Statement of service performance	37
7	Financial statements	47
	Statement of comprehensive revenue and expense	47
	Statement of financial position	48
	Statement of changes in equity	48
	Statement of cash flows	49
	Statement of commitments	50
	Statement of contingent liabilities and contingent assets	50
	Notes to the financial report	51
	Appropriation statements	61
8	Sustainability reporting	63

1



Overview

It is always useful to go back to one's statutory mandate when reflecting on the year that has passed. Section 16 of the Environment Act states that my role is, *inter alia*, "to review from time to time the system of agencies and processes established by the Government to manage the allocation, use, and preservation of natural and physical resources".

That could be a completely anodyne, antiseptic affair. Except that Parliament inserted a purpose for that review role: it is "with the objective of maintaining and improving the quality of the environment." Parliament has stated that, whatever the Government does in the name of the environment, my reviews of its handiwork should be founded on the premise that environmental quality should not be going backwards.

It is not hard to dig out evidence for the contention that our environmental management system has failed to hold the line. The Environment Act was passed in 1986.

- Since 1990, gross emissions of greenhouse gases have climbed 14%.¹
- About 90% of our wetlands have been lost in the past 150 years, and this decline is continuing.² Between 1996 and 2018, saline wetland area decreased by 180 hectares. Over the same period, freshwater wetland area decreased by 5,761 hectares, with 87% of this loss occurring through conversion into grazing grassland.³
- Waterways are polluted: 21.8% of catchments have excessive sediments loads, 14.5% have excessive total nitrogen, 7.0% have excessive phosphorus, and 1.3% of catchments have excess levels of all three contaminants. 'Excess' means all these catchments have loads above the levels that could be mitigated under existing land uses.⁴
- 94% of our reptile species, 82% of bird species, 80% of bat species, 76% of freshwater fish species, and 46% of vascular plant species are either facing extinction or are at risk of becoming threatened with extinction.⁵

¹ MfE, 2024. *New Zealand's Greenhouse Gas Inventory: Snapshot*. <https://environment.govt.nz/publications/new-zealands-greenhouse-gas-inventory-19902022-snapshot>.

² Dymond JR, Sabetizade M, Newsome PF, Harmsworth GR, & Ausseil A-G, 2021. *Revised extent of wetlands in New Zealand*. *New Zealand Journal of Ecology*, 45(2). 1-8. <https://www.jstor.org/stable/48621882>.

³ Stats NZ, 2021. *Wetland area*. <https://www.stats.govt.nz/indicators/wetland-area>.

⁴ PCE, 2024a. *Going with the grain: Changing land uses to fit a changing landscape*. <https://pce.parliament.nz/publications/going-with-the-grain-changing-land-uses-to-fit-a-changing-landscape>, p.14.

⁵ Stats NZ, 2023. *Our indigenous species are at risk of extinction*. <https://stats.govt.nz/news/our-indigenous-species-are-at-risk-of-extinction>.

The last State of the Environment report released by the Ministry for the Environment (MfE) and Stats NZ in 2022 noted a few tentatively positive trends that indicate things not everything is getting worse.

- In general terms, air quality is slowly improving at a majority of measurement sites in Aotearoa, although pollution levels are greater than World Health Organization guidelines for most air pollutants some of the time.⁶
- Between 2001 and 2020, trends were improving for nitrate-nitrite-nitrogen at 38% of monitoring sites, and for ammoniacal nitrogen at 61% of monitoring sites. For the same period, 67% of sites had improving trends for dissolved reactive phosphorus.⁷
- While estuaries generally have worse water quality than the open coast and are more polluted where there is higher urban or agricultural land cover upstream, between 2008 and 2017, 72% of coastal and estuarine water quality monitoring sites showed an improving trend for total phosphorus. However, 35% of sites showed a worsening trend for total nitrogen over this period, while only 18% showed an improvement. Across 9 of 12 marine water quality variables measured, more sites showed an improving trend than a worsening trend.⁸

While some of the environmental statistics might be sombre, Aotearoa is fortunate to have large numbers of passionate individuals, landowners, kaitiaki, iwi, hapū and community groups willing to devote their time and effort to protecting native species and biodiversity. One study estimated that there are at least 600 community environmental groups restoring degraded sites. Most of these restoration efforts require some control of weeds and planting of natives.⁹

But the truth is that we do not really know with any confidence whether we are making a difference. This was at the heart of my annual report last year in which I said:

“When it comes to the environment, I consider it is very hard to say whether or not the money being voted is sufficient for the challenges we face or achieving the declared outcomes that justify that expenditure. Without good quality environmental reporting we lack a picture of how environmental problems are evolving over time.”¹⁰

Nothing has happened in the last 12 months to suggest that tackling this critical problem is a priority. What has been a priority is another convulsion of legislative reform.

In the last 12 months, the environmental management system has been the subject of repeated upheavals. As the fiscal year began, Parliament was in the process of repealing the Resource Management Act 1991 (RMA) and replacing it with twin statutes – the Natural and Built Environment Act and the Spatial Planning Act. Within six months both had been repealed and the Resource Management Act re-enacted but with the promise of further fundamental reform within the life of the current Parliament.

⁶ MfE, 2022. *Environment Aotearoa 2022*. <https://environment.govt.nz/publications/environment-aotearoa-2022>, p.65.

⁷ MfE, 2022. p.41.

⁸ MfE, 2022. p.49.

⁹ Peters, M.A., Hamilton, D. and Eames, C., 2015. *Action on the ground: A review of community environmental groups' restoration objectives, activities and partnerships in New Zealand*. *New Zealand Journal of Ecology*, 39(2): 179–189.

¹⁰PCE, 2023a. *Annual report for the year ended 30 June 2023*. <https://pce.parliament.nz/publications/annual-report-for-the-year-ended-30-june-2023>, p.4.

In the meantime, ongoing stop-gap amendments to the RMA and national direction under it have been proposed along with a Fast-track Approvals Bill that explicitly excludes maintaining environmental quality from its purpose. The Minister for the Environment has stated that:¹¹

“We consider that the balance had swung too far towards environmental protection at the cost of not being able to get things done. ... And so, we consider there does need to be a rebalancing, not a disregard of the environment, but a rebalancing.”

The Minister admitted in an Official Information Act response that she “was not provided any specific advice or evidence from any agency to support my statement” and that “the information requested does not exist.”¹² Such conclusions cannot be drawn without hard evidence, especially when used to justify legislative change.

As I went on to say in last year’s report, without that evidence,

“we have no idea what an appropriate level of investment – or regulatory intervention – might be. What we do know, is that an environmental problem deferred today can be both an environmental liability and a fiscal risk that will have to be faced in the future.”¹³

The Fast-track Approvals Bill (which has occupied a significant fraction of my resources in the later part of this financial year) appears to be based on a different premise: that the deferral of some developments today will impose larger social and economic costs than any environmental values that might be protected. I will be following its enactment and implementation with great interest – always with the objective of ‘maintaining and improving the quality of the environment’.

Fast-track brings into the open just the latest iteration in a long-running debate about the balance between economic and social progress on the one hand and safeguarding the environment on the other. It has long been convenient to argue that the two are not in conflict – that we should aim to have both. That would be nice. But we need measures to know if we are making progress in any direction.

The evidence, such as it is, suggests that we have done neither a particularly good job of protecting the environment, nor of building a more productive economy. Annual per capita productivity growth over the last decade has averaged just 0.2%. With a rising population, low productivity growth almost inevitably means we are mining further into our natural capital just to stay still. It can be argued that mediocre economic performance is almost a guarantee of poor environmental performance. If our industries cannot afford to clean up their act because they are insufficiently profitable, the outlook for both the economy and the environment is bleak.

To help provide the evidence base to relate environmental and economic performance to one another I have in the last year embarked on a major project to investigate how we might make more efficient use of resources and choose those with the least environmentally damaging extraction and disposal. That project will likely be completed in the 2025/26 fiscal year and should add an economic dimension to the matters raised in my 2022 report, *Environmental reporting, research and investment: Do we know if we’re making a difference?*¹⁴

¹¹Environment Committee, 2024a. Hansard transcript 2024/25 Estimates for Vote Environment. https://www.parliament.nz/resource/en-NZ/54SCENV_EVI_a8194f8e-9cf8-4a28-0d90-08dc86791985_ENV74047716a6418734439c689ee291e18966af4c88c8f56.

¹²See <https://www.thepost.co.nz/nz-news/350360261/we-deserve-ministers-who-engage-evidence>.

¹³PCE, 2023a. p.4.

¹⁴PCE, 2022. *Environmental reporting, research and investment: Do we know if we’re making a difference?* <https://pce.parliament.nz/publications/environmental-reporting-research-and-investment>.

Another way we can know whether we are making a difference is to ensure that environmental policies work well together. This was the focus of another major report released earlier this year, *Going with the grain: Changing land uses to fit a changing landscape*.¹⁵ The fruit of nearly six years' investigation, *Going with the grain* focused on the labyrinth of complex policies, regulations and subsidies that have attempted to address the environmental footprint of our land-based industries.

We have spent over two decades trying to moderate the impact farming, forestry and other land uses have on water, soil, biodiversity and greenhouse gas emissions. We have also been using the land to store carbon dioxide emissions rather than reduce those emissions. The result is a landscape under pressure to change from many different and sometimes conflicting directions. Whether we are making a positive difference for both the environment and the economy is, once again, not at all clear. What is clear, is that there is a wide sense of frustration with the time and cost of current processes and significant distrust of the basis on which many environmental decisions are taken.

Going with the grain suggests that we should be trying to both incentivise and regulate for more sustainable land uses by harnessing greatly improved environmental information together with the skills and knowledge of the people and communities who rely on the land and water within actual catchments.

As Parliament embarks on another round of top-down legislative reform, I hope *Going with the grain* will provide a nudge to look from the other end of the telescope. There are many rural land users, communities and hapū who feel reforms are being done *to* them. Environmental law reform that incentivises those same people to lead those reforms and find solutions to them could unlock some solutions that policy and funding silos cannot.

After nearly seven years as Parliamentary Commissioner, I am confident that the case has been made for sustained investment in environmental information that can be read alongside our economic score cards. I am increasingly confident that if that information can be made freely available to those who live and work closest to the natural environment and they can be empowered to use it, we *will* be able to make a difference.



Simon Upton

Parliamentary Commissioner for the Environment

¹⁵PCE, 2024a.

1



Tirohanga whānui

He mea whaitake i ngā wā katoa kia hoki atu ki tōu ake mana whakahaere ā-ture ina whai whakaaro ana ki te tau kua hipa. E ai ki te wehenga 16 o te Ture Taiao, ko taku mahi, *i tua atu i kaupapa kē*, “kia arotake, i ētahi wā, te pūnaha o ngā tari kāwanatanga me ngā hātepe i whakatūria e te Kāwanatanga hei whakahaere i te tuari, te whakamahi, te whakauka hoki o ngā rauemi māori, ōkiko hoki”.

Tērā pea he kaupapa mākihakiha, wana-kore hoki tēnā. Engari, i whakauru kē te Pāremata i te take mō taua mahi arotake: ko “te whāinga kia whakanonoī, kia whakapai ake hoki i te kounga o te taiao.” Kua kī te Pāremata, ahakoa he aha te mahi a te Kāwanatanga mō te taiao, ko te tūāpapa o aku arotake i ana mahi kia kaua e hoki whakamuri te kounga o te taiao.

Ehara i te mea uaua kia ketuketū i te taunakitanga e whakaatu ana he tākohekohe tō tātou pūnaha whakahaere taiao. I whakamanahia te Ture mō te Taiao i te tau 1986.

- Mai i te tau 1990, kua 14 ōrau te pikitanga o ngā putanga tōpūtanga o ngā haurehu kati mahana.¹⁶
- Ko tōna 90 ōrau o ō tātou kūkūwai i ngaro i roto i ngā tau 150 kua hipa, ā, e heke iho tonu ana.¹⁷ I waenga i te tau 1996 me te tau 2018, he 180 heketea te hekenga o te takiwā kūkūwai waitai. I taua wā tonu, he 5,761 heketea te nui o te hekenga o te takiwā o te kūkūwai wai māori, ā, e 87 ōrau o tēnei hekenga nā te whakawhitinga ki te whenua pākihi hei kai mā ngā kararehe.¹⁸
- E parahangatia ana ngā arawai: He kawenga waipara tuhene i roto i te 21 ōrau o ngā hōpua, he 14.5 ōrau me te hauota tapeke tuhene, he 7.0 ōrau me te pūtūtaewhetū tuhene, ā, he taumata tuhene nō te katoa o ēnei tāhawa e toru ki te 1.3 ōrau o ēnei hōpua. Ko te tikanga o te kupu ‘tuhene’ kei ēnei hōpua katoa he kawenga nui ake i ngā taumata e taea ai te whakamauru i raro i ngā mahinga whenua onāiane.¹⁹

¹⁶MfE, 2024. *Ko te Rārangi Haurehu Kati Mahana o Aotearoa*: He whakarāpopoto. <https://environment.govt.nz/publications/new-zealands-greenhouse-gas-inventory-19902022-snapshot>.

¹⁷Dymond JR, Sabetizade M, Newsome PF, Harmsworth GR, & Ausseil A-G, 2021. *Revised extent of wetlands in New Zealand*. *New Zealand Journal of Ecology*, 45(2). 1-8. <https://www.jstor.org/stable/48621882>.

¹⁸Taturanga Aotearoa, 2021. Takiwā kūkūwai <https://www.stats.govt.nz/indicators/wetland-area>.

¹⁹PCE, 2024a. *Te whai i te kakano: Te panoni whakamahi whenua kia tau ki te horanuku panoni*. <https://pce.parliament.nz/publications/going-with-the-grain-changing-land-uses-to-fit-a-changing-landscape>, p.14.

- Kua tata mate ā-moa te 94 ōrau o ō tātou momo ngārara, 80 ōrau o ngā momo pekapeka, 76 ōrau o ngā momo ika wai māori, me te 46 ōrau o ngā momo tipu tariwai, e noho whakamōrea ana rānei kia mate ā-moa.²⁰

I roto i te pūrongo Āhua o te Taiao o mua, i whakaputaina e te Manatū Taiao: (MfE) me Tatauranga Aotearoa i te tau 2022, i kōrerotia ētahi ia angitu pea e tohu ana kāore e kino haere ana ngā mea katoa.

- E ai ki te tirohanga whānui, e pōturi ana te pikinga o te kounga hau takiwā i te nuinga o ngā wāhi inenga i Aotearoa, ahakoa he nui ake ngā taumata parahanga i ō ngā aratohu mō te nuinga o ngā parahanga hau takiwā i ētahi wā.²¹
- Atu i te tau 2001 tae noa ki te tau 2020, e piki ana te pai o te pākawa ota-pākati ota-hauota ki te 38 ōrau o ngā wāhi aroturuki, me te haukini hauota ki te 61 ōrau o ngā wāhi aroturuki. I taua wā tonu, i te piki haere te pai o te 67 ōrau o ngā wāhi i pāngia e te pūtūtaewhetū tauhohe i memeha.²²
- I te nuinga o te wā he kino iho te kounga wai o ngā pūahatanga i tō te takutai tuwhera, ā, he nui ake te parahanga mēnā he nui ake te uhi tāone, uhi whenua ahuhenua reremua rānei, i waenga i te tau 2008 me te tau 2017, i whakaatu ngā wāhi aroturuki kounga wai pūahatanga e 72 ōrau te ia whakapai ake mō te pūtūtaewhetū tapeke. Heoi anō, i te 35 ōrau o ngā wāhi i kino iho te ia o te hauota tapeke i roto i taua wā, engari 18 ōrau anake i piki ake te pai. Puta noa i ngā taurangi e 9 o ngā taurangi 12 i inea mō te kounga wai moana, he nui ake ngā wāhi i kitea he ia whakapai ake i tō te whakakino iho.²³

Ahakoa he pōuri pea ētahi o ngā tauanga taiao, e waimarie ana Aotearoa i te tokomaha o ngā tāngata takitahi, ngā kaipupuri whenua, ngā kaitiaki, ngā iwi, ngā hapū me ngā rōpū ā-hapori e ngākau nui ana kia whakapau kaha ki te whakahaumarua i ngā momo taketake me te kanorau koiroa. E ai ki te whakatau tata o tētahi rangahau kāore e iti iho i te 600 ngā rōpū taiao ā-hapori e whakahaumanu ana i ngā wāhi i whakakinotia. E hiahiatia ana e te nuinga o ēnei mahi whakahaumanu te whakahaeretia o ngā tarutaru me te whakatipu i ētahi tipu taketake.²⁴

Engari, ko te tikanga ia kāore mātou e tino mōhio ana mēnā e tutuki ana te kaupapa i a mātou. Kei te iho tēnei o taku pūrongo ā-tau i tērā tau, i kī ai au:

“E pā ana ki te taiao, he uaua te kī mēnā he rawaka te moni e pōtīhia ana mō ngā wero kei mua i a tātou, e whakatutuki ana rānei i ngā putanga i whakaatuhia kia parahau tonu i taua whakapaunga moni. Ki te kore he pūrongorongo taiao kounga pai, kāore mātou i te kite i te kuneroa o ngā raruraru taiao ina hipa ana te wā.”²⁵

²⁰Tatauranga Aotearoa, 2023. E noho whakamōrea ana ō tātou momo taketake kia mate ā-moa. <https://stats.govt.nz/news/our-indigenous-species-are-at-risk-of-extinction>.

²¹MfE, 2022. *Te Taiao Aotearoa 2022*. <https://environment.govt.nz/publications/environment-aotearoa-2022>, p.65.

²²MfE, 2022. p.41.

²³MfE, 2022. p.49.

²⁴Peters, M.A., Hamilton, D. me Eames, C., 2015. *Action on the ground: A review of community environmental groups' restoration objectives, activities and partnerships in New Zealand*. *New Zealand Journal of Ecology*, 39(2): 179–189.

²⁵PCE, 2023a. *Pūrongo ā-tau mō te tau i mutu i te 30 o Hune 2023*. <https://pce.parliament.nz/publications/annual-report-for-the-year-ended-30-june-2023>, p.4.

Kāore he mahi i roto i ngā marama 12 kua hipa hei tohu kua noho whakaarotau te kōkiri i tēnei raruraru. Ka noho kawatau kē te oreore anō o te whakahou ā-ture.

I roto i ngā marama 12 kua hipa, kua noho te pūnaha whakahaere taiao hei kaupapa o tēnā akaaka me tēnā akaaka. I te tīmatanga o te tau ahumoni, i te whakakore te Pāremata i te Resource Management Act 1991 (RMA) me te whakakapi ki ngā ture māhanga – te Natural and Built Environment Act me te Spatial Planning Act. I roto i ngā marama e ono kua whakakorengia ngā ture e rua, ā, i whakamanahia anōtia te Resource Management Act, engari me te taurangi o te whakahou tūāpapa anō i te wā o te tēnei Pāremata onāiane.

Heoi anō, i tēnei wā tonu, kua marohitia ngā menemana ki te RMA me te ahunga ā-motu i raro i taua ture hei whakakikī āputa, me te Pire mō ngā Whakaaetanga Ara-Tere e āta awere ana te whakanono i te kounga taiao i tana take. Kua kī te Minita mō te Taiao:²⁶

“Ki tā mātou titiro kua nui rawa te noho ki te whakahaumarua taiao, me te aha, kāore e taea ngā kaupapa te tutuki. ...Nā reira, ki a mātou e hiahia ana kia hangarite anō, kua ko te whakatuturi ki te taiao, engari he hangarite anō.”

I whakaae te Minita i roto i tētahi urupare i raro i te Ture Mōhiohia Ōkawa “kāore i whiwhi ki a [au] te tohutohu, te taunaki tauwhāiti rānei i tētahi tari kāwanatanga ki te tautoko i taku tauākī”, ā, “kāore he mōhiohia pērā i ngā mōhiohia i tonoa.”²⁷ Kāore e taea te whakataunga pērā ki te kore he taunakitanga tūturu, otirā ina whakamahia ana hei tautoko i te panonitanga ture.

Ko tētahi atu kōrero āku i te pūrongo o tērā tau, ki te kore taua taunakitanga:

“kāore i te mōhiohia e mātou he aha te taumata tika o te whakangao, o te wawao ā-ture rānei. Ko te mea e mōhio ana mātou, ina tārewahia te whakamōrea taiao ināiane, ka puta hei pūnama taiao, hei whakamōrea ahumoni hoki ā tōna wā.”²⁸

Ko te āhua nei, ko te tūāpapa o te Fast-track Approvals Bill (kua pau tētahi wāhanga nui o aku rauemi i te pito o tēnei tau ahumoni) he pūtake kē: ki te whakatārewa i ētahi o ngā whanaketanga ināiane, ka nui ake ngā utu ā-pāpori, ā-oaha hoki i te utu mō ngā uara taiao ka whakahaumarutia kētia pea. Ka nui taku hiamō i a au e whai ana i te whakamanatanga me te whakatinanatanga – me te whāinga kia “whakanono me te whakapai ake i te kounga o te taiao “i ngā wā katoa”.

Ka whakaatuhia tūmatanuihia e te ara-tere nei he wāhanga noa o te taupatupatu mauroa e pā ana ki te hangarite i waenga i te ahu whakamua ā-oaha, ā-pāpori hoki ki tētahi taha, me te whakamarutanga o te taiao ki tētahi taha. Kua roa e hāneanea ana te whakapae kāore ēnei mea e rua e taupatupatu ana – me whai ngā mea e rua. He pai te whakaaro. Engari e hiahia ana he inenga kia mōhio ai mēnā e ahu whakamua ana rānei tātou.

²⁶Tirohia <https://www.politik.co.nz/the-new-beehive-approach-to-the-environment>.

²⁷Tirohia <https://www.thepost.co.nz/nz-news/350360261/we-deserve-ministers-who-engage-evidence>.

²⁸PCE, 2023a. p.4.

E marohi ana te taunakitanga kei a tātou, kāore i te pai tā mātou whakahaumarū i te taiao, tā mātou waihanga rānei i te ohaoha whakaputa rānei. Ko te toharite o te whakatipu māpua mō ia tangata i te tekau tau kua hipa he 0.2 ōrau noa iho. Nā te mea e piki ana te taupori, kāore e kore ko te tikanga o te whakatipu māpua hahaka e tango noa ana tātou nō tō tātou haupū rawa māori kia tū noa. Ka taea te whakapae ina takarepa ana te tutukinga ohaoha e kino ai te mahinga taiao. Ki te kore e taea e ō tātou ahumahi te whakatika ā rātou mahi, nā te mea kāore i te pai te huamoni, he kino te anganga mō te ohaoha me te taiao.

Kia āwhina ki te whakarato i te pūtake taunakitanga kia hāngai te tutukinga taiao me te tutukinga ohaoha, tētahi ki tētahi, i roto i te tau kua hipa kua tīmata au i tētahi hinonga matua kia whakatewhatewha me pēhea e whāomo ake tā tātou whakamahi i ngā rauemi me te kōwhiri i ngā mea me te unuhanga me te whiunga e iti rawa ai te whakakino ki te taiao. Ko te āhua nei ka oti taua hinonga hei te tau ahumoni 2025/26, ā, mā konei e tāpiri tētahi ahunga ohaoha ki ngā take i kōrerotia i roto i taku pūrongo nō te tau 2022, *Environmental reporting, research and investment: Do we know if we're making a difference?*²⁹

Ko tētahi atu ara kia mōhio tātou mēnā e whaihua ana ā mātou mahi ko te whakatūturu he pai te mahi tahi a ngā kaupapahere ā-taiao. Koinei te arotahi o tētahi atu pūrongo matua i whakaputaina i te tīmatanga o tēnei tau, *Te whai i te kakano: Te panoni whakamahi whenua kia tau ki te horanuku panoni*.³⁰ He hua nō te whakatewhatewha e tata ana ki te ono tau te roa, i arotahi *Te whai i te kakano* ki te huhua o ngā kaupapahere, ngā waeture, me ngā pūtea āwhina huhua kua whakamātau ki te urupare i te tapuwae taiao o ō tātou ahumahi pūtake whenua.

Neke atu i te rua tekau tau mātou e whakapau kaha ana ki te whakamauru i te pāpātanga o te mahi pāmu, te ngāherehere me ētahi atu whakamahinga whenua ki te wai, te oneone, te kanorau koiora me ngā putanga haurehu kati mahana. I te whakamahi hoki tātou i te whenua ki te whakaputu i ngā putanga hauhā, kaua ko te whakaiti i aua putanga. Ko te hua he horanuku e pēhia ana kia panoni nō ngā ahunga maha e rerekē ana, ā, i ētahi wā e taupatupatu ana hoki. Ko taua āhua anō, kāore i te mārama mēnā e whaihua ana ā tātou mahi mō te taiao me te ohaoha. Ko te mea mārama, he tino whānui te kohuki ki te wā me te utu o ngā hātepe onāiane me te nui o te hihira ki te tūāpapa e puta ai ngā whakataunga taiao maha.

E marohi ana *Te whai i te kakano* me whakamātau tātou ki te poapoa me te whakarite hoki mō ngā whakamahinga whenua toitū ake mā te whakamahi i ngā mōhiohia taiao pai rawa ake me ngā pūkenga me ngā mātauranga o ngā tāngata me ngā hapori e whakawhirinaki ana ki te whenua me te wai nō aua hōpua ake.

²⁹PCE, 2022. Environmental reporting, research and investment: Do we know if we're making a difference? <https://pce.parliament.nz/publications/environmental-reporting-research-and-investment>.

³⁰PCE, 2024a.

Ina tīmata ana anō te Pāremata i tētahi huringa o te whakahou ā-ture nō runga, ko taku tūmanako mā *Te whai i te kakano* e āwhina kia tiro mai i te pito kē o te karu whakatata. He tokomaha ngā kaiwhakamahi whenua tuawhenua, ngā hapori me ngā hapū e whakaaro ana e pāngia ana rātou e ngā whakahou. Ka taea pea e te whakahou ture taiao e poapoa ana i aua tāngata tonu kia ārahi i aua whakahou me te kimi whakatikahanga e whakaputa ai pea i ētahi whakatikahanga e kore e taea e taua kaupapahere me ngā pūtea kōpapa.

Kua pau te whitu tau au e mahi ana hei Kaitiaki Taiao a Te Whare Pāremata, ā, e ngākau titikaha ana au kua whakamāramahia te take mō te whakangao haere tonu ki ngā mōhiohio taiao e taea ai te pānui me ā tātou kāri ine ohaoha. E piki ana taku ngākau titikaha, ina wātea ana ngā mōhiohio ki te hunga he tata te noho me te mahi ki te taiao māori, ā, ka whakamanahia rātou kia whakamahi i aua mōhiohio, ka whaihua ā tātou mahi.



Simon Upton

Te Kaitiaki Taiao a Te Whare Pāremata

2



Role of the Parliamentary Commissioner for the Environment

The Office of the Parliamentary Commissioner for the Environment was set up in 1986 with the passing of the Environment Act. It was established to provide parliamentarians with robust independent advice on environmental matters.

As an Officer of Parliament, I do not report to government ministers, but instead to Parliament as a whole. I have the privilege and responsibility of providing both ministers and opposition spokespeople with independent advice.

With a broad mandate, and a small supporting team, I try to focus our efforts on issues where we can add the greatest value. Specifically, I look at emerging areas of concern or issues that may be neglected. I am more selective about engaging with issues that already have strong stakeholder attention. I will get involved if I see an opportunity to offer independent analysis on difficult issues, such as agricultural emissions reductions or freshwater quality, in order to move the debate forward.

The Commissioner's team

I am in my second term as Commissioner, after being reappointed in October 2022. I am assisted in my role by a multidisciplinary team of 21 advisors and administrators based at my Wellington office.³¹

I am fortunate to be supported by staff with a broad range of expertise, including analytical modelling, biology, botany, chemistry, climate, communications, ecology, economics, environmental planning and policy, finance, forestry, geography, geology, history, law, linguistics, literature, marine science, mātauranga Māori, neuroscience, physics, planning, policy, psychology, resource management, risk analysis, social science, soil science, tikanga Māori and water governance.

³¹As at 30 June 2024. This number varies slightly over the course of the year due to staff changes.

Legal functions

The Environment Act 1986 lays out the functions and powers of the Commissioner. These form the basis of my ability to investigate environmental issues, processes and public agencies. The functions are wide-ranging and are set out in section 16(1) of the Environment Act 1986:

- a) to review the system of agencies and processes established by the Government to manage the allocation, use and preservation of natural and physical resources, and report to the House of Representatives; and
- b) to investigate the effectiveness of environmental planning and environmental management carried out by public authorities, and advise them on remedial action; and
- c) to investigate any matter where the environment may be or has been adversely affected, advise on preventive measures or remedial action and report to the House of Representatives; and
- d) at the request of the House of Representatives or any select committee, to report on any petition, bill or other matter that may have a significant effect on the environment; and
- e) on the direction of the House of Representatives, to inquire into any matter that has had or may have a substantial and damaging effect on the environment and report to the House; and
- f) to undertake and encourage the collection and dissemination of information relating to the environment; and
- g) to encourage preventive measures and remedial actions for the protection of the environment.

Our mission and values

In preparing, reporting and communicating advice to Parliament, we use the following shared mission and values to guide our work. I inherited this statement of mission and values in 2017 and they remain unchanged.

Our mission

To maintain or improve the quality of the New Zealand environment by providing robust independent advice that influences decisions.

Our values

Excellence

The questions we raise and the solutions we propose are based on sound science and reasoned argument. We are accountable to the people of New Zealand and deliver value for the funding we receive.

Determination

We bravely and constructively question the status quo. We persist in communicating the results of our work in different ways to maximise its usefulness.

Generosity of spirit

We work together in an open collegial way, sharing our expertise, listening carefully and not rushing to judgement. We actively acknowledge decisions and actions that benefit the environment.

Innovation

Our independence empowers us to think freely and creatively. We strive to get beyond describing problems to proposing solutions.

Effectiveness

Others trust and respond to our advice. Our work has a lasting and tangible impact on the New Zealand environment.

Tā mātau koromaki me ā mātau uara

Tā mātau koromaki

He pupuri, he whakapai ake i te taiao ki tērā e tika ana mā te tuku tohutohu motuhake whai kaha e mārama ai ngā whakatau.

Ā mātau uara

Hiranga

Ko ā mātau pātai me ngā whakautu he ū ki te pūtaiao matatau, he mārama hoki. Ka noho haepapa mātau ki te iwi o Aotearoa me te tuku uara mō ngā pūtea ka whakawhiwhia mai.

Manawa nui

He kaha te tuku pātai kia pai ake ngā āhuetanga. Ka ngana mātau ki te whakaputa i ngā hua o ā mātau mahi mā ngā tikanga rerekē kia kaha ai te whai take.

Te wairua manaaki

Ka mahi tahi mātau i runga i te mana ōrite, te whakawhiti whakaaro, te āta whakarongo, ā, kia kua e pukā te whakawā. Ka whakaae ki ngā whakataunga me ngā mahi e hua ai te taiao.

Auahatanga

Nā te pararau kore e tuwhera, e auaha te whakaaro. Ka ngana ki te whakatika raruraru, kua te noho i roto i te pōuri.

Tōtikatanga

Ka pono, ka ora hoki te tangata i ā mātau tohutohu. Ko ngā pānga, he pūmau te whai hua ki te taiao o Aotearoa.

3



Piriwai mayfly

Reports, advice and other work

The core work of my office is to review the strengths and weaknesses of New Zealand's current environmental management system and to make recommendations about how this system can be improved.

I provide six key types of advice:

- detailed investigations into specific environmental issues
- advice on legislative bills
- submissions on proposed policy changes
- reviews, commentaries or evaluations on government outputs (strategies, roadmaps etc.)
- responses to public concerns about the environment
- correspondence with ministers and other members of Parliament.

I share my work with parliamentarians and the public in a variety of ways, including presentations, speeches, meetings with members of Parliament and key stakeholders, webinars, articles and information on my office's website and social media channels.

Much of my advice to date has come from in-depth investigations undertaken by my team, but increasingly our time is spent on submissions and advice in response to a rapidly widening array of environmental reforms.

Reports

Investigations arise from various sources, including public concerns and past enquiries. Our findings are usually presented as reports to Parliament. These reports may be simply informative or contain recommendations. My staff and I work hard to ensure that reports are accurate and founded on a strong evidence base, and that any recommendations are practical and likely to be effective.

Over the past financial year, I presented five reports to Parliament covering a diverse range of environmental issues. These reports were:

- *How ministers and officials developed the first emissions reduction plan – and how to do it better next time* (6 September 2023)
- *Estimate of environmental expenditure 2023/24: Method and results* (14 February 2024)
- *Urban ground truths: Valuing soil and subsoil in urban development* (7 March 2024)
- *Going with the grain: Changing land uses to fit a changing landscape* (22 May 2024)
- *A review of freshwater models used to support the regulation and management of water in New Zealand* (26 June 2024).

My office also commissioned research on organic carbon stocks in marine sediments, which was released in November 2023, and published a literature review on resource use and waste generation in Aotearoa New Zealand in April 2024. This review is the first step of a major new investigation on this topic. In May I also published *Exploring land use change under different policy settings in two case study catchments* as a supporting document for my *Going with the grain* report.³²

How ministers and officials developed the first emissions reduction plan – and how to do it better next time

New Zealand's first emissions reduction plan (ERP) was released in May 2022. This plan, required by the Climate Change Response Act 2002, outlined how New Zealand will meet its emissions reduction budgets.

My report reviewed how the first ERP was put together – what worked well, what could be improved, and how advice to decision makers could be improved. It focused on how the Climate Change Commission's advice influenced the way the Government pulled together the ERP, but it did not review the content of the ERP, or how the Climate Change Commission performed its role in providing advice.

I found that despite the complexities of assembling the first ERP in the middle of the COVID-19 pandemic, officials were able to provide ministers with what was required: reasonable confidence that the actions in ERP1 could plausibly meet the first emissions budgets. But the process, and the Government's underlying approach to the ERP, could have been more focused and smoother.

My recommendations aim to ensure there is a consistent and robust process for future ERPs, regardless of who is in government.

- From the very outset of the process, ministers, with advice from officials, should address a small number of high-level questions that can serve as a framework to help resolve some of the key trade-offs that alternative policies raise.
- Ministers and officials should examine more than one possible pathway to meet New Zealand's mitigation obligations.
- The Prime Minister should continue to provide active political leadership over the emissions reduction plan.

³²PCE, 2024b. *Exploring land use change under different policy settings in two case study catchments*. <https://pce.parliament.nz/publications/exploring-land-use-change-under-different-policy-settings-in-two-case-study-catchments>.

- Chief executives should collectively focus on driving cross-agency decision making with independent advice and an independent chair.
- Ministers and chief executives should prioritise resourcing within their agencies for development of the emissions reduction plan and associated climate policy analysis.
- There should be more systematic and consistent modelling of both sector-specific and whole-of-economy pathways.
- A dedicated group should lead consultation with iwi and Māori and feed more directly into analysis and decision making.

After the release of the second ERP, I will assess whether my recommendations have been taken up and then consider whether formally reviewing the process for ERP2 would be a helpful exercise.

Estimate of environmental expenditure 2023/24: Method and results

In February, I released my third annual estimate of environmental expenditure by central government agencies. This found that for the 2023/24 fiscal year, agencies have budgeted \$3.6 billion on environmental protection and resource management. It also detailed the environmental spending of 20 agencies and mapped these against six enduring environmental outcomes.

The aim of these estimates is to provide members of Parliament with better information to help them scrutinise environmental spending. Such assessments enhance decision making and public accountability and provide a useful baseline against which changing government priorities can be measured. The next estimate will be released later this financial year.

Urban ground truths: Valuing soil and subsoil in urban development

This investigation grew out of my earlier enquiry into urban green space,³³ where I highlighted that the health of soil in urban residential developments risked undermining the biophysical services provided by urban green spaces.

In *Urban ground truths*, I took a detailed look at the fate of soil during urban residential land development processes. The report identified current construction practices undermining the health and extent of soil in new subdivisions and infill developments, and the market and regulatory drivers behind these practices. I made several recommendations for better protection of this important asset.

- National guidance should be provided on urban soil and the services it supports, including clarification for councils on their role in soil conservation. Guidance should include recommended depths of topsoil and subsoil in urban green spaces.
- Councils should look at incentives to encourage developers to conserve and protect soil and reuse soils on site where possible.
- Territorial authorities should be required to undertake prior planning for stormwater management for urban growth using tools such as integrated management catchment plans.

³³PCE, 2023b. *Are we building harder, hotter cities? The vital importance of urban green spaces*. <https://pce.parliament.nz/publications/are-we-building-harder-hotter-cities-the-vital-importance-of-urban-green-spaces>.

Going with the grain: Changing land uses to fit a changing landscape

This report was the culmination of six years research by my office on the difficult issue of land use change. At the heart of this enquiry is one central question facing policy makers: how do we respond to the environmental challenges of climate change, biodiversity loss and water quality while looking after the economic, social and cultural life of our regions?

Going with the grain attempted to provide some possible answers. It set out the multiple environmental problems facing rural New Zealand and made suggestions on how to approach the land use change needed to prevent further degradation.

In a change from previous reports, the investigation did not include concrete recommendations. Instead, it offered suggestions to encourage politicians from all parties, officials, regional councils, primary sector organisations, rural land users, iwi and environmental groups to think differently about managing land use and environment regulation. My office is planning extensive follow-up engagement with communities around New Zealand to further explain the ideas in the report. These ideas can be summarised as:

- We must take an integrated approach to environmental management, which is focused on the catchment rather than one-size-fits-all national regulation. This will make it easier to understand how environmental policies on water, climate and biodiversity interact.
- We need to rethink the roles of central government, regional councils, mana whenua and communities in decision making and involve catchment groups more in environmental management.
- Central government must enable farmers and regulators to have access to inexpensive, high-quality environmental information and underwrite it as a public good.
- Alternative financial tools can help fund land use transitions. The report discusses examples such as loans and grants, resource rentals on the commercial use of water and pricing biogenic methane.
- The costs of successful transition would be lower if we removed the barriers that are impeding progress, such as progressively removing forestry from the New Zealand Emissions Trading Scheme and creating a separate mechanism (or emissions trading scheme) to manage biogenic methane.

The report was rooted in two complementary case studies that were published separately.³⁴ These case studies explored how current and alternative approaches to environmental regulation could affect land use change in the Wairoa catchment in Te Tai Tokerau Northland and the Maitai catchment in Murihiku Southland. This was a report based on modelling, designed to demonstrate the scale of change that could occur under different scenarios. While the results were catchment specific and could not be generalised to other parts of New Zealand, the lessons learned in the exercise provided the basis for *Going with the grain*.

³⁴PCE, 2024b.

A review of freshwater models used to support the regulation and management of water in New Zealand

While New Zealand has plenty of freshwater, we are heavy users of this resource. Our water use is changing the mauri of the streams, rivers and lakes in many parts of the country.

Water resource models that help predict freshwater quantity and quality are important tools for making robust, evidence-based management decisions on issues like contaminant discharges and water takes. My report investigated how these models are being used by councils across New Zealand in freshwater management.

I found that freshwater modelling is fragmented, under-resourced, under-supported and lacking leadership, with many gaps, overlaps, inefficiencies and inconsistencies in modelling between councils. There is also a lack of commitment to, and investment in, mana whenua developed models and associated processes to involve mana whenua in the development and application of freshwater models.

I have recommended several actions to improve the status quo:

- the establishment of a national freshwater modelling support centre to provide guidance and practical advice to regional councils, unitary authorities and mana whenua
- further development of national guidance on the use of models in a regulatory context
- the establishment of a rōpū of experts to support the development and implementation of Māori freshwater models
- the evaluation of existing freshwater models against guidance
- the development of a preferred suite of models adaptable to local circumstances.

Advice

Advice to select committees

An important part of my role is providing advice to select committees on environmental issues.

Traditionally, I have supplied this advice through formal submissions on bills under consideration (see below). My role is not simply to provide advice and information, but also to help select committees analyse and investigate responses from the Government to that advice. Over the past couple of years, I have actively sought ways to provide additional support to help select committees do their work.

My report, *Environmental reporting, research and investment: Do we know if we're making a difference?* was aimed at helping select committees scrutinise government action, or inaction, on environmental outcomes. Rather than wait for the Government to respond to the report's recommendations, I assisted the previous Environment Committee to pilot questioning agencies about how they individually and jointly work to improve freshwater outcomes.

I have offered to continue this type of support to the new Environment Committee, including support for the new 'scrutiny weeks' Parliament has introduced this term. At its request, I provided advice on potential areas of focus for the Environment Committee's scrutiny plan. I hope to continue to assist the committee in shaping its future scrutiny of government performance and budgets.

On the request of the Finance and Expenditure Committee, I provided advice on its consideration of the report of the Controller and Auditor-General, *Commentary on Te Tai Waiora: Wellbeing in Aotearoa New Zealand*, drawing from the findings of my 2021 investigation *Wellbeing budgets and the environment: A promised land?*³⁵

I have also acted as a specialist advisor to the Environment Committee on its consideration of the Fast-track Approvals Bill.

Submissions

In the past financial year, I made submissions on the following legislative and regulatory changes:

- Amendments to the Hazardous Substances (Importers and Manufacturers) Notice 2015: (15 April 2024)
- Fast-track Approvals Bill (19 April 2024)
- Resource Management (Extended Duration of Coastal Permits for Marine Farms) Amendment Bill (16 June 2024)
- Land Transport (Clean Vehicle Standard) Amendment Bill (via a letter to Minister of Transport) (24 June 2024).

I also submitted on selected government policy consultation documents:

- He Āhurutanga Taiao: Draft Tourism Environment Action Plan (19 July 2023)
- Review of the New Zealand Emissions Trading Scheme and redesign of the permanent forestry category consultation (24 August 2023)
- Helping nature and people thrive: Exploring a biodiversity credit system for Aotearoa New Zealand – Discussion document (14 November 2023)
- Submission to the Science System Advisory Group (27 May 2024)
- The Climate Change Commission's draft advice on the fourth emissions budget and discussion document on inclusion of emissions from international shipping and aviation (31 May 2024).

Letters

I regularly communicate with ministers, select committees and others in the environmental management system to highlight issues in need of consideration, challenge positions and actions or inactions and to provide information and advice. I also send letters to enquire about the uptake of my recommendations.

- Letter to Minister Verrall regarding the loss of parasitology expertise and capacity (10 October 2023)
- Letter to DairyNZ, Beef + Lamb NZ and Federated Farmers regarding their submission on agricultural emissions (12 October 2023)
- Letter to MfE and the Department of Conservation (DOC) regarding the health of Otago's deep-water alpine lakes (29 November 2023)

³⁵PCE, 2021. *Wellbeing budgets and the environment: A promised land?* <https://pce.parliament.nz/publications/wellbeing-budgets-and-the-environment>.

- Letter to Minister van Velden regarding oil and gas exploration ban comments (6 December 2023)
- Letter to Minister Simmonds regarding the environment portfolio (12 December 2023)
- Letter to Minister Collins regarding changes to the National River Water Quality Network (16 January 2024)
- Various correspondence with ministers on air quality regulations (May 2023 to January 2024)
- Letter to Minister Simmonds about expectations of the Environmental Protection Authority (EPA) with regards to chemical assessments (11 April 2024)
- Letter to various ministers regarding research position cuts at NIWA (17 May 2024).

Public engagement

An important part of my role is raising levels of awareness of environmental issues and fostering informed public debate. I endeavour to share my work through public speaking engagements, regular conversations with key stakeholders and the office's communication channels. I also respond to a steady stream of confidential public concerns on environmental issues.

Speaking engagements

Throughout the year, I had the opportunity to speak to a variety of audiences on both the results of my investigations and broader environmental issues that need consideration.

- Forest & Bird Centennial Conference: 100 years of conservation (29 July 2023). *Why bold leadership needs boring foundations*. Thoughts on the need to link better, publicly funded environmental data to local knowledge to effect greater environmental change.
- Wilding Pine Network Conference 2023: Wildings in the backyard (20 October 2023). *Wilding conifers: why long-term environmental issues need long-term funding*. A discussion on why long-term environmental issues need long-term funding or risk losing any gains made.
- Urban Forest Futures Symposium (9 April 2024). Further discussion of findings from investigations into urban soil and urban green spaces
- 2024 New Zealand Institute of Landscape Architects Tuia Pito Ora Wānanga (17 May 2024). Discussion of findings from investigations into urban soil and urban green spaces
- Environmental Defence Society 2024 Conference (12 June 2024). *Environment and economics: A marriage of (in)convenience?* A presentation of five economic truths that must underlie environmental decisions.

Additionally, my staff presented findings on my behalf at various events. My Chief Economist Geoff Simmons presented at the Chartered Accountants Australia and New Zealand Tax Conference on the topic *Are environmental taxes the perfect solution that nobody wants?* (22 November 2023). Geoff also shared findings from the *Going with the grain* report at the Our Land and Water Symposium He Manawa Piharau in May and E Tipu 2024: The Boma Agri Summit in June.

My Chief Scientist Geoffroy Lamarche presented findings from our commissioned report into organic carbon stored in marine sediments at the New Zealand Geoscience Society Annual Conference (16 December 2023). He also provided the keynote address at the Ifremer-Cawthron Inaugural Workshop: Transitioning to a Thriving Blue Economy.

Communication channels

My work is shared publicly through the office's website and social media channels. All reports, submissions and letters are published on the website. Over the past year, my team has updated the website so the public can now browse through resources relating to recent topics of investigation. The updated section of the website includes animations, interactive StoryMaps and summaries of my work, which are a more interactive and user-friendly way to engage with report findings.

The PCE website (pce.parliament.nz) had 86,000 page views over the past financial year, and 32,000 new users. Our reports were downloaded 17,000 times in this period.

I also author articles and opinion pieces to further the reach of my work. In the last year I published a think-piece on the need for enduring reform of the Resource Management Act, as well as articles for Build and Water New Zealand magazines on report findings of interest to those audiences.

Public concerns

This year, the office received 95 public concerns on environmental matters, compared to 52 received in the previous year. Topics raised include air quality, microplastics in the environment, Resource Management Act reform and wilding pines.

With limited resources, I cannot investigate every issue. Where possible, I will enquire into the concern and make specific recommendations to appropriate agencies. In some cases, I will direct the complainant to the appropriate legally mandated body, and if a response has been slow, I will follow up on the complainant's behalf. I will also continue to monitor these issues to ensure that action is taken. Currently, my office is monitoring 13 ongoing concerns.

Monitoring public concerns is a useful way for my office to gauge the current state of environmental management and the adequacy of regulations.

Current and future work

My office is currently working on a significant body of investigations across a range of environmental issues.

Afforestation alternatives

Calls to increase afforestation for carbon sequestration, biodiversity and land stabilisation often seem ambitious. Currently most new forests compose of a single species: radiata pine. This project sets out to test whether alternative species could support some of the environmental services being sought. It reviews what we do and do not know about establishing forests of native and exotic species (other than radiata pine) and what the challenges might be in increasing diverse afforestation. Some of the challenges already identified are a lack of knowledge and infrastructure, commercial viability and regulatory barriers, including the New Zealand Emissions Trading Scheme.

Technologies to unlock environmental information

A lack of, or inaccessible, environmental information is impeding better environmental management and adding costs to the system. This problem seems to be greater for environmental information than for economic and social data due to a fragmented system. Environmental information is collected by a wide range of public and private organisations, each with its own functions, priorities and methodologies. The project will investigate how technological advances (including data processing, sensor technology and artificial intelligence) could make it easier and cheaper to bring together existing environmental data, make the data more accessible and secure, and fill the many gaps that exist.

Marine biosecurity

Invasive species in the marine environment can pose huge risks to our fisheries, aquaculture and native marine biodiversity, yet they often remain unseen until it is too late. Managing pests on land is hard; doing so underwater is much more challenging and expensive. This project will look at how our biosecurity system functions and how it could become better at identifying and managing marine invasive species.

Resource efficiency of the New Zealand economy

Improving environmental outcomes and maintaining current lifestyles requires us to make more efficient use of resources and choosing to use those with the least environmentally damaging extraction and disposal. This project will examine how we can use the world's resources in a more environmentally sustainable way. It asks several important questions: How big a challenge would it be to have a circular or zero waste economy? What are the resource demands of transitioning to a low emissions economy? What impacts will economic and population growth have on our environmental footprint? Even beginning to consider how we might answer these questions requires a good understanding of what materials we are extracting and importing, and what the ultimate environmental fate is of the resources embedded in them.

Annual estimate of environmental expenditure

The traditional way of displaying the Government's financial accounts by department (or Vote) is not useful to understand how much a government is spending on specific environmental outcomes, as actions are spread across departments. Since 2022, PCE has mapped annual government expenditure to six enduring environmental outcomes. This information is provided to members of Parliament and others to better scrutinise public spending on the environment. PCE plans to continue this work until such reporting is taken up by the Government.

4



Motukaraka Island

The office

Organisational health

I work with a highly skilled and very productive team who complement my own skills and experience.

Under the coalition Government, environmental management and regulation is undergoing significant change. Many of the Government's reforms have the potential to fundamentally change how we manage New Zealand's environment. It is my task to inform Parliament's consideration of these changes.

My budget was used to:

- ensure the office can continue to attract and maintain capable staff to deliver the outputs of the office
- contract additional external specialist analysis and advice on issues outside the expertise and competency of in-house staff
- fund depreciation and other occupancy costs.

My work requires a high level of capability across a broad spectrum of disciplines. Hiring decisions are made with this in mind. I am also committed to developing an equal employment opportunities environment where diversity and inclusion is sought and valued. I endeavour to make my office a stimulating place to work, with interesting topics to tackle, a good work-life balance, and a supportive and rewarding environment where excellence is valued. As of 30 June 2024, there were 21 staff employed within the office (Table 1).

Where I do not have staff with discipline-specific knowledge, I engage consultants to fill the gaps. The appropriation assists me to source additional external analysis and advice on technical and legal issues, much of which would not make prudent financial sense to have permanently in house.

Table 1: Demographic profile of staff as at 30 June 2024.

	2023/24 Staff	2023/24 FTE	2022/23 Staff	2022/23 FTE	2021/22 Staff	2021/22 FTE	2020/21 Staff	2020/21 FTE
Female	11	10.84	9	7.28	11	9.20	10	8.70
Male	9	8.5	10	9.85	10	8.85	11	9.85
Prefer not to say	1	1	1	1	–	–	–	–
Total employees	21	20.34	20	18.13	21	18.05	21	18.55
	Staff	Percent- age	Staff	Percent- age	Staff	Percent- age	Staff	Percent- age
New Zealand European/ Pākehā	18	85%	17	85%	11	52%	12	57%
Māori	1	5%	1	5%	1	5%	2	10%
Pasifika	–	0%	–	0%	–	0%	–	0%
Other	1	5%	1	5%	9	43%	7	33%
Prefer not to say	1	5%	1	5%	–	–	–	–
Total employees	21		20		21		21	

Training and development

Staff members are supported to plan their own professional and personal development goals. This is considered an investment in their future, which in turn benefits the organisation and its stakeholders.

All employees are involved in the organisation's drive for performance and innovation. This includes regular opportunities to provide feedback on office processes and on colleagues' work. We encourage an environment of curiosity, learning and excellence.

Staff need to keep up to date with a wide range of environmental issues and developments. This is achieved through attendance at conferences and seminars and involvement in internal, science-based hubs that focus on various areas of research relevant to the work of my office.

Managers meet regularly for one-on-one and team meetings with their staff, and there are frequent opportunities to raise issues, ask questions and arrange professional development opportunities. All staff also discuss their development plans with the Commissioner.

In the past financial year, 1.09% of the total personnel budget was allocated to staff training and development. Training was undertaken in areas such as te ao Māori (all staff), project management, influencing and persuasion skills, first aid and finance coaching.

I see an understanding of te ao Māori as an essential skill for my team. The kaupapa of the office reflects the vision of Te Māngai Pāho that te reo Māori and tikanga Māori are spoken, heard, seen and valued. The office has also implemented a working group to establish governance of te ao Māori.

Staff are supported by our Kaiwhakahaere Mātauranga Māori Leana Barriball to improve mātauranga and tikanga knowledge, te reo Māori and engagement skills. Guidance is also given for external pōwhiri and mihi whakatau when presenting and at general hui.

5



Hoirangi Glenduan, Nelson

Statement of responsibility and Independent Auditor's report

Statement of responsibility

As the Parliamentary Commissioner for the Environment, I am responsible for:

- the preparation of the financial statements, and statements of expenses and capital expenditure and for the judgements expressed in them
- having in place a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting
- ensuring that end-of-year performance information on each appropriation administered by the Parliamentary Commissioner for the Environment is provided in accordance with sections 19A to 19C of the Public Finance Act 1989, whether or not that information is included in the annual report, and
- the accuracy of any end-of-year performance information, whether or not that information is included in the annual report.

In my opinion:

- the annual report fairly reflects the operations, progress, and the organisational health and capability of the Parliamentary Commissioner for the Environment,
- the financial statements fairly reflect the financial position of the Parliamentary Commissioner for the Environment as at 30 June 2024 and its operations for the year ended on that date,
- the 2024/25 forecast financial statements fairly reflect the forecast financial position of the Parliamentary Commissioner for the Environment as at 30 June 2025, and its operations for the year ending on that date.

A handwritten signature in black ink, consisting of a stylized, cursive script that is difficult to read but appears to be the name of the signatory.

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

27 September 2024

Independent Auditor's Report

32

To the readers of the Parliamentary Commissioner for the Environment's annual report for the year ended 30 June 2024

The Auditor General is the auditor of the Parliamentary Commissioner for the Environment (the Commissioner). The Auditor General has appointed me, Rehan Badar, using the staff and resources of Audit New Zealand, to carry out, on his behalf, the audit of:

- the financial statements of the Commissioner on pages 47 to 61, that comprise the statement of financial position, statement of commitments, and statement of contingent liabilities and contingent assets as at 30 June 2024, the statement of comprehensive revenue and expense, statement of changes in equity, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information;
- the performance information for the appropriations administered by the Commissioner for the year ended 30 June 2024 on pages 37 to 45; and
- the statements of expenses and capital expenditure of the Commissioner for the year ended 30 June 2024 on page 61 and 62.

Opinion

In our opinion:

- the financial statements of the Commissioner:
 - o present fairly, in all material respects:
 - its financial position as at 30 June 2024; and
 - its financial performance and cash flows for the year ended on that date; and
 - o comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards Reduced Disclosure Regime.
- the performance information for the appropriations administered by the Commissioner, for the year ended 30 June 2024:
 - o presents fairly, in all material respects:
 - what has been achieved with the appropriation; and
 - the actual expenses or capital expenditure incurred compared with the expenses or capital expenditure that were appropriated or forecast to be incurred; and
 - o complies with generally accepted accounting practice in New Zealand.
- the statements of expenses and capital expenditure of the Commissioner are presented, in all material respects, in accordance with the requirements of section 45A of the Public Finance Act 1989.

Our audit was completed on 27 September 2024. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Commissioner and our responsibilities relating to the information to be audited, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Commissioner for the information to be audited

The Commissioner is responsible for preparing:

- financial statements that present fairly the Commissioner's financial position, financial performance, and cash flows, and that comply with generally accepted accounting practice in New Zealand.
- performance information that presents fairly what has been achieved with each appropriation, the expenditure incurred as compared with expenditure expected to be incurred, and that complies with generally accepted accounting practice in New Zealand.
- statements of expenses and capital expenditure of the Commissioner, that are presented fairly, in accordance with the requirements of the Public Finance Act 1989.

The Commissioner is responsible for such internal control as is determined is necessary to enable the preparation of the information to be audited that is free from material misstatement, whether due to fraud or error.

In preparing the information to be audited, the Commissioner is responsible for assessing his office's ability to continue as a going concern. The Commissioner is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Commissioner, or there is no realistic alternative but to do so.

The Commissioner's responsibilities arise from the Environment Act 1986 and the Public Finance Act 1989.

Responsibilities of the auditor for the information to be audited

Our objectives are to obtain reasonable assurance about whether the information we audited, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of the information we audited.

For the budget information reported in the information we audited, our procedures were limited to checking that the information agreed to the Commissioner's Strategic Intentions 2023 -2027, the relevant Estimates and Supplementary Estimates of Appropriations 2023/24, and the 2023/24 forecast figures included in the Commissioner's 2022/23 Annual Report.

We did not evaluate the security and controls over the electronic publication of the information we audited.

As part of an audit in accordance with the Auditor General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the information we audited, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commissioner's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Commissioner.
- We evaluate the appropriateness of the reported performance information for the appropriations administered by the Commissioner.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Commissioner and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on his office's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the information we audited or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Office of the Commissioner to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the information we audited, including the disclosures, and whether the information we audited represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Commissioner regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Commissioner is responsible for the other information. The other information comprises the information included on pages 1 to 64, but does not include the information we audited, and our auditor's report thereon.

Our opinion on the information we audited does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the information we audited or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Commissioner in accordance with the independence requirements of the Auditor General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests, in the Office of the Commissioner.



Rehan Badar
Audit New Zealand
On behalf of the Auditor General
Wellington, New Zealand

6



Yellow flowering pōhutukawa Metrosideros excelsa Aurea

Statement of service performance

The primary impact that the Parliamentary Commissioner for the Environment seeks is to inform and encourage decisions that will restore, maintain or improve the quality of the New Zealand environment, and improve the quality of material available to Parliament in debating those decisions.

The performance measures below are an attempt to provide some indication of whether my work is having that effect. As indicated in my 2022/23 annual report, I have updated these measures for this financial year to better assess my impact and influence. This has involved the inclusion of a new measure and the deletion of two outdated measures. Full details of the changes are outlined in my Strategic intentions 2023–2027.³⁶

Output: Reports and advice

Reports and advice are the sole output class appropriated through Vote: Parliamentary Commissioner for the Environment, although there are a variety of other activities that result from my work. Outputs include:

- reports of investigations
- presentations to select committees on investigations and other matters
- provision of advice and/or briefings to members of Parliament on investigations and other matters
- advice and submissions on bills and inquiries to select committees
- submissions on proposed regulations and government policy proposals
- follow-up on responses to recommendations made by the Commissioner
- presentations on environmental issues to a wide variety of groups
- responses to concerns and enquiries from members of the public.

Budgeted and actual expenditure relating to the above outputs is detailed on pages 61 and 62.

³⁶PCE, 2023c. *Strategic intentions 2023–2027*. <https://pce.parliament.nz/publications/strategic-intentions-2023-2027>.

Performance

38

As an officer with only advisory powers, I have limited control over the uptake of my recommendations by members of Parliament or government agencies. It is difficult to attribute my recommendations to any improvements in the actual environment because their implementation is carried out by third parties (e.g. government agencies, local government or through regulating the actions of others). Environmental improvements may also well be measured over timeframes of decades rather than parliamentary terms.

A key performance measure therefore focuses on parliamentarians' perceptions of the quality and value of PCE's work, i.e. the factors that influence impact rather than direct impact. Other performance measures assess whether the PCE work programme is balanced, responsive and meets legal requirements.

Table 2 shows performance on updated non-financial measures and targets. Explanations of major variances (greater than 10%) against targets are given in the notes below Table 2. Detail of how each measure was met in 2023/24 are in the sections below the table. Each years' performance numbers are updated based on responses to 30 June 2024.

Table 2: Non-financial performance measures and targets.

Measure	Target	Performance 2023/24	Performance 2022/23	Performance 2021/22	Performance 2020/21	Performance 2019/20
Select committee reports indicate PCE reports are useful (NEW)	100%	100%	NA	NA	NA	NA
Number of briefings given to members of Parliament during the year	30	41	31	37	69	37
Proportion of recommendations adopted or partially adopted during the tenure of the current Commissioner ¹	65%	41%	43%	38%	34%	27%
Number of reports, commentaries and submissions published during the year ²	6–8	26 ³	20	16	6	14
Reports and commentaries externally peer reviewed and content checked	100%	100%	100%	100%	100%	100%
Response to public concerns and information requests within required timeframes	100%	100%	96%	96%	95%	95%

Notes

1. Each year's performance numbers are updated based on responses received to 30 June 2024. This measure is calculated by scoring fully accepted recommendations as 1 and partially accepted recommendations as 0.5. The total score is divided by the number of recommendations where responses have been received. Results for previous financial years change over time, and are updated accordingly, as responses are often received in subsequent financial years. (Note that previous annual reports showed response rates for the recommendations issued during each financial year only, rather than across the tenure of the Commissioner.)
2. Including other advice, such as submissions to ministries and departments, letters to ministers or ministries, and general notes.
3. The number of reports and submissions produced in the year (26) is significantly higher than the target of 6–8. The metric is particularly high in 2023/24 because there were a number of legislative bills and government policy proposals where the Commissioner felt a PCE submission would add value to the discussion.

Assumptions and judgements used in reporting

In preparing the Statement of Service Performance, the Parliamentary Commissioner for the Environment has not made any judgements on the application of reporting standards and estimates and assumptions related to future events.

Usefulness to select committees

As a primary audience, all PCE work should be useful for parliamentarians, in particular Parliament's select committees. The new performance measure target introduced this financial year is that "all" PCE reports examined by committees are deemed "useful". This should be evident from the commentary that select committees provide in reports to Parliament.

Select committees publish reports for the House of Representatives regarding their examinations of PCE investigations.³⁷ Committee examinations may extend over several years, with final reports on up to three PCE investigations published each calendar year. In July, my office examined how PCE's work has been discussed in the past year's committee examination reports regarding *Space invaders: A review of how New Zealand manages weeds that threaten native ecosystems*, which I published in November 2021.³⁸

In its examination of the *Space invaders* report, the committee received submissions from DOC, the Ministry for Primary Industries (MPI), six regional councils, and technical biosecurity experts from 10 regional councils.³⁹ It was noted that DOC "found the Commissioner's report to be thorough, well-considered, and 'a welcome contribution to improving work in this area'".⁴⁰

The committee found the report useful for learning about native ecosystem weeds and challenges as well as understanding more about this issue from a te ao Māori perspective. The committee acknowledged the need to improve New Zealand's weed management system and strongly encouraged the Government to implement the report's recommendations.⁴¹ Specifically, it recommended that the Government:

- set a strong policy for the national control of exotic weeds and fund it accordingly
- lead the establishment of an integrated, well-resourced weed identification and management system
- fund regional scanning and surveillance for emerging threats to New Zealand's native ecosystems
- fund an effective function for newly emerging risks, including resourcing iwi and hapū to contribute to the scanning for and coordinated management of emerging native ecosystem weeds.⁴²

³⁷The spacing of these reports, however, means that some financial years (July to June) may see no select committee reports published (as in 2020/21 and 2022/23), while other financial years may contain two or three committee reports (as in 2018/19, 2019/20 and 2021/22).

³⁸Environment Committee, 2023a. Report of the Parliamentary Commissioner for the Environment, Te Kaitiaki Taiao a Te Whare Pāremata: *Space invaders: A review of how New Zealand manages weeds that threaten native ecosystems*. August 2023.

³⁹Environment Committee, 2023a, p.2.

⁴⁰Environment Committee, 2023a, p.13.

⁴¹Environment Committee, 2023a, pp.4–6, 25.

⁴²Environment Committee, 2023a, p.2.

The committee commented on the continuing lack of a “nationally mandated strategy to fill in known data gaps”,⁴³ noting that a 2019 PCE report had recommended action on this, but such a strategy had not yet been developed.⁴⁴

Wider usefulness to the House

My new key performance indicator, noted above, is narrowly focused on select committee examinations of PCE reports. The number and range of PCE outputs mentioned in select committee proceedings and Hansard transcripts during the financial year provides further insights into the usefulness of PCE work.

To ascertain this, searches were made of the terms “PCE” and “commissioner for the environment” on the Parliamentary website for the period 1 July 2023 to 30 June 2024. Mentions of PCE outputs in select committee reports and transcripts, plus mention in House debates, speeches and questions were noted. Analysis omitted mention of PCE in evidence to select committees, House agendas and process, or questions about PCE administration.

PCE advice or findings were mentioned in a total of 15 select committee reports or transcripts during 2023/24: 12 from the Environment Committee, 1 from the Primary Production Committee, 1 from the Finance and Expenditure Committee, and 1 from the Standing Orders Committee.

Fifteen PCE outputs were mentioned and discussed by these select committees, five of these outputs were published by previous Commissioners (indicating that PCE outputs remain useful over many years and even decades). The output mentioned most frequently (in nine reports) was my 2022 report *Environmental reporting, research and investment: Do we know if we’re making a difference?*

The Finance and Expenditure Committee noted that PCE’s annual estimate of environmental expenditure, which is an outcome of this report, “illustrates the complexity of tracking funding that comes from multiple appropriations or agencies and is directed at the same outcome. We would like to see more reporting like the Commissioner’s.”⁴⁵ In the debate on the annual review, the chair of the Finance and Expenditure Committee, Stuart Smith expanded on this view: “We found quite useful the Parliamentary Commissioner for the Environment’s attempt at teasing out expenditure based on the agencies the money goes to. I think that’s a really good thing for us to focus on in the future”.⁴⁶

PCE advice was also mentioned 50 times in the House during 2023/24: in 11 written questions and 4 oral questions, House deliberation on 9 bills, 4 other debates, and 1 maiden statement.

Seventeen PCE outputs were mentioned or alluded to, seven of which were also mentioned in select committee reports. One example came from former Green party leader James Shaw when debating the repeal of the Productivity Commission: “the Parliamentary Commissioner for the Environment finds themselves in a similar situation (to the Productivity Commission), where they produce extremely good work, some of which, kind of gets legs and, you know, various Governments and parliaments run with it.”⁴⁷

⁴³Environment Committee, 2023a, p.25.

⁴⁴PCE, 2019. *Focusing Aotearoa New Zealand’s environmental reporting system*. <https://pce.parliament.nz/publications/focusing-aotearoa-new-zealand-s-environmental-reporting-system>; PCE, 2022.

⁴⁵2022/2023 Review of Treasury. Final report, 13 February 2024, pp.12–13.

⁴⁶Stuart Smith, Chairperson of the Finance and Expenditure Committee, Annual Review Debate – Finance – Appropriation (2022/2023 Confirmation and Validation) Bill, 30 April 2024.

⁴⁷Hon James Shaw, New Zealand Productivity Commission Act Repeal Bill – Second Reading, 30 Jan 2024.

The advice mentioned most frequently in the House was an open letter to the Minister of Transport, published in June, regarding the Land Transport (Clean Vehicle Standard) Amendment Bill. This bill was being debated under urgency and my letter was repeatedly referred to during the committee stage of deliberation. During the first reading, Hon Dr Megan Woods specifically directed members to read my letter and the concerns it raised.⁴⁸

Recommendation uptake

This indicator needs careful interpretation. There is often a lag time – sometimes years – between when reports are released and their impact. That is because it takes time for governments to consider the recommendations and incorporate them into work programmes. In some cases, my reports challenge the status quo, and it may take some time for those recommendations to be agreed to.

Linking government action to recommendations can be challenging. Sometimes governments are immediately forthcoming about their intentions, while on other occasions, the adoption of recommendations only becomes apparent as new policies are announced.

Not all recommendations are of equal significance: some are site-specific or minor, while others address nationally significant and/or cumulative issues; some are easier to implement, others are more complicated.

The target of 65% for recommendation uptake represents a balanced approach. A high percentage of uptake could indicate too many easy recommendations, while a low percentage could indicate a lack of pragmatism or being out of step with political realities.

This year I have issued 91 recommendations. (This high number is largely due to my submission on the Fast-track Approvals Bill, which contained 8 primary and 42 technical recommendations.) Of the ten recommendations responded to by the Government and officials to date, only one was adopted. Nine were rejected. Five recommendations are no longer valid due to changes in legislation or policies. The rest (76 recommendations) are still pending.

In the preceding year (2022/23) I issued 53 recommendations. By June 2024, responses had been received for 36 of them. 18 of these recommendations were fully adopted and 4 were partially adopted, for an uptake score of 56%. Responses were still pending on 17 of the recommendations I made in the previous financial year.

The key performance indicator reported (see Table 2) is the cumulative uptake of responses during a commissioner's tenure. To calculate that, scores are attributed only to those where a response has been forthcoming. As of 30 June 2024, there have been responses to 139 of the 276 recommendations issued since October 2017 (compared to 124 of 185 recommendations up to 30 June 2023). Nine recommendations are no longer applicable. The remaining 128 recommendations that have not been responded to are mostly from reports and submissions issued in the past three financial years.

The cumulative 'uptake rate' for the 139 responses gleaned since October 2017 was 41%, with 42 recommendations fully actioned (1 point each) and 31 partially actioned (half a point each).

⁴⁸Hon Dr Megan Woods. Land Transport (Clean Vehicle Standard) Amendment Bill – First Reading. 25 June 2024.

Advice released this year

Only one of the recommendations I issued this year has so far been accepted. In November 2023, I sent a letter to MfE and DOC regarding the health of Otago's deep-water alpine lakes. I recommended that both agencies should join the Otago Deep Lakes Management Working Group and the Otago Inland Deep Lakes Technical Advisory Group (TAG). MfE confirmed their commitment to participate in the governance of the working group and to support (as members) the TAG. DOC replied that they would join the working group proposed by the regional council.

In April 2024, I issued a submission to the EPA regarding a proposed amendment to the Hazardous Substances (Importers and Manufacturers) Notice 2015. Two of my three recommendations were not adopted. A third recommendation related to Appendix 4, which listed additional chemicals of interest. I proposed including reporting requirements for all adjuvants that have known chemical risks. However, Appendix 4 was eventually removed from the final amendment notice, making my recommendation no longer valid.

I also provided a substantive submission on the Fast-track Approvals Bill in April 2024. My submission included 50 recommendations: 8 key recommendations, and 42 technical recommendations. I also served as an advisor to the Environment Committee on this bill. Responses to all my recommendations are still pending.

I issued six recommendations in the submission I provided in June 2024 on the Resource Management (Extended Duration of Coastal Permits for Marine Farms) Amendment Bill. None of these were adopted by the select committee.

In June 2024, I also issued an open letter to the Minister of Transport regarding the Land Transport (Clean Vehicle Standard) Amendment Bill. This bill was passed under urgency on 25–26 June. My letter, containing a recommended change to the bill, was mentioned over a dozen times during the readings and in committee. However, it was not adopted.

The investigation reports I published this year contained 22 recommendations. Responses to all these recommendations are still pending.

Advice from previous years

During the 2023/24 financial year, a few recommendations made in previous years gained slight traction, with more significant parliamentary response to my 2022 report *Environmental reporting, research and investment: Do we know if we're making a difference?*

Space invaders: A review of how New Zealand manages weeds that threaten native ecosystems

In November 2021, I published a report examining Aotearoa New Zealand's weed management system. One of my recommendations was that the Director-General of MPI Biosecurity New Zealand and the Director-General of DOC should jointly provide leadership for managing native ecosystem weeds that are already present in New Zealand.

A Biodiversity and Biosecurity Leadership Group has now been established with membership from MPI, DOC and some councils. They meet quarterly with the aim to provide some leadership on biodiversity and biosecurity issues (not limited to weeds). I regard this as a partial uptake of my recommendation, and a step the right direction.

Knowing what's out there: Regulating the environmental fate of chemicals

In 2019 I sent a letter to the Minister for the Environment noting that every developed country except New Zealand has pollutant release and transfer registers and suggested that the Minister consider establishing such a register. No action was forthcoming, so I decided to take a more in-depth look at how well our regulatory system manages the chemical contaminants reaching and affecting our environment. That report, released in March 2022, identified significant gaps in the way we monitor chemicals in the environment and in how we interpret their impact on living things.

One recommendation was that MfE should develop regulations to require and empower the EPA to collate, collect and report on the quantity and use of chemicals in New Zealand. The EPA has now amended the Hazardous Substances (Importers and Manufacturers) Amendment Notice. This amendment requires quantities of certain hazardous substances imported to, and/or manufactured in New Zealand, to be reported to the EPA annually. The first of these annual reports is due 31 May 2026, for the 2025 calendar year.

Wellbeing budgets and the environment: A promised land?

Wellbeing budgets have created a need to link the environment to wellbeing. In December 2021, I published a report reviewing what we know about the link between the environment and wellbeing and how this has been incorporated into decisions about government spending.

This was the third report in a series on environmental information. One of my recommendations was that the social discount rate currently used to evaluate initiatives was replaced with one that better reflected the longer-term, intergenerational costs and benefits that pertain to the environment. The Minister of Finance has recently agreed that the Treasury implements new public sector discount rates, with a significantly lower discount rate for non-commercial proposals from 1 October 2024.

Environmental reporting, research and investment: Do we know if we're making a difference?

In October 2022, I released a report that completed a five-year cycle of investigations into environmental reporting, research and expenditure. This report pulled together key elements from three previous investigations with the aim of answering a fundamentally important question: do we know whether government actions to improve the environment are working?

Our public finance system needs to be able to better demonstrate links between what is being spent and what environmental reporting and research is telling us. While some links exist, they are often tenuous. Part of the issue is that our current system is focused on individual agencies, rather than what is happening at an all-of-government level. It is also difficult to track environmental spending through the public finance system. My six recommendations sought to improve the clarity and accountability of decision making, so that the effectiveness of expenditure can be better assessed.

Although action on these recommendations is still pending, during the past year, the Environment Committee undertook a pilot briefing on environmental outcomes for freshwater. This briefing involved multiple departments and spending programmes, in contrast to the orthodox approach of scrutinising individual Votes and departments. Responses to written questions were sought from each department and a hearing involving all these agencies was held. The committee obtained assistance from the Office of the Auditor-General and PCE before and after this hearing. It published an interim report of their findings in August 2023, which contained seven recommendations to the Government regarding freshwater outcomes.⁴⁹

In May 2024, the new Environment Committee published a Scrutiny Plan for the 54th Parliament, prepared with the assistance of the Office of the Auditor-General and PCE. Scrutiny Plan, are a new initiative aimed at improving Select Committee scrutiny of the Executive.⁵⁰ In their plan, the committee intends “to dedicate a significant portion of our scrutiny activities to the ways that agencies are working together to meet the Government’s environmental goals and identifying opportunities and gaps. We will seek information on subjects including joint programmes, data and resource pooling, and shared research”.⁵¹

Quality assurance

It is vital that the work produced by the office is well researched, argued and communicated. All work is internally reviewed. Major projects, reports and commentaries are externally reviewed for technical accuracy.

Response to public concerns and requests

The office receives a range of correspondence from the public about environmental matters. I have set three timeframes to respond to public concerns and information requests:

- all correspondence is to be acknowledged within ten working days
- all public concerns and requests for investigations are to receive a response within nine months
- all requests for official information are to be responded to within the statutory timeframe of 20 working days.

In 2023/24, 96% of public concerns and information requests were responded to within required timeframes. This is the same as 2021/22. Five official information requests were received. All were responded to within the statutory timeframe. We regularly review our processes with a view to continued improvement in this area.

⁴⁹Environment Committee, 2023b. Briefing on environmental outcomes – freshwater. Interim report of the Environment Committee, August 2023.

⁵⁰Environment Committee, 2024b. Environment Committee Scrutiny Plan for the 54th Parliament. www.parliament.nz/media/11210/compendium-of-scrutiny-plans_2024-june.pdf, pp.3–4.

⁵¹Environment Committee, 2024b, p.8.

7



Blue Spring, Waihou River

Financial statements

Statement of comprehensive revenue and expense for the year ended 30 June 2024

Actual 2023 \$(000)		Note	Actual 2024 \$(000)	Unaudited budget 2024 \$(000)	Unaudited forecast 2025 \$(000)
Revenue					
4,341	Revenue Crown		4,345	4,341	4,345
26	Other revenue		–	3	3
4,367	Total revenue		4,345	4,344	4,348
Expenses					
2,452	Personnel costs	(2)	2,787	2,602	2,749
106	Depreciation	(5)	113	137	116
31	Capital charge	(3)	31	–	31
1,522	Other operating expenses	(4)	1,357	1,605	1,452
4,111	Total expenses		4,288	4,344	4,348
256	Net surplus		57	–	–
	– Other comprehensive revenue and expenses		–	–	–
256	Total comprehensive revenue and expenses		57	–	–

Explanations of major variances against the original 2023/24 budget are detailed in note 12.

The accompanying notes form part of these financial statements.

Statement of financial position as at 30 June 2024

Actual 2023 \$(000)	Note	Actual 2024 \$(000)	Unaudited budget 2024 \$(000)	Unaudited forecast 2025 \$(000)
Assets				
Current assets				
1,175	Cash and cash equivalents	944	601	983
1,175	Total current assets	944	601	983
Non-current assets				
461	Property, plant and equipment (5)	356	445	373
461	Total non-current assets	356	445	373
1,636	Total Assets	1,300	1,046	1,356
Liabilities				
Current liabilities				
488	Creditors and other payables (6)	324	179	359
256	Repayment of surplus (7)	57	–	–
281	Employee entitlements (8)	308	256	386
1,025	Total current liabilities	689	435	745
1,025	Total liabilities	689	435	745
611	Net assets	611	611	611
Equity				
611	Taxpayers' fund	611	611	611
611	Total equity	611	611	611

Statement of changes in equity for the year ended 30 June 2024

Actual 2023 \$(000)		Actual 2024 \$(000)	Unaudited budget 2024 \$(000)	Unaudited forecast 2025 \$(000)
611	Opening balance	611	611	611
256	Total comprehensive revenue and expense	57	–	–
(256)	Return of operating surplus to the Crown	(57)	–	–
611	Closing balance	611	611	611

Explanations of major variances against the original 2023/24 budget are detailed in note 12.

The accompanying notes form part of these financial statements.

Statement of cash flows for the year ended 30 June 2024

Actual 2023 \$(000)	Actual 2024 \$(000)	Unaudited budget 2024 \$(000)	Unaudited forecast 2025 \$(000)
Cash flows from operating activities			
4,618	4,345	4,341	4,345
35	–	3	3
(1,314)	(1,518)	(1,535)	(1,452)
(2,425)	(2,760)	(2,602)	(2,678)
(31)	(31)	(31)	(31)
14	(3)	–	–
897	33	176	187
Cash flows from investing activities			
(90)	(8)	(72)	(72)
(90)	(8)	(72)	(72)
Cash flows from financing activities			
(161)	(256)	–	–
(161)	(256)	–	–
646	(231)	104	115
529	1,175	497	868
1,175	944	601	983

The goods and services tax (GST) (net) component of operating activities reflects the net GST paid and received to/from the Inland Revenue Department. The GST component has been presented on a net basis, as the gross amounts do not provide meaningful information for the readers of the financial statements.

Explanations of major variances against the original 2023/24 budget are detailed in note 12.

The accompanying notes form part of these financial statements.

Statement of commitments

As at 30 June 2024, the Parliamentary Commissioner for the Environment had no capital commitments (2023: Nil).

Non-cancellable operating lease commitments

The Parliamentary Commissioner for the Environment entered an office lease in March 2022 at a monthly cost of \$17,509. The lease expires on 28 March 2028.

Other non-cancellable commitments

Actual 2023 \$(000)		Actual 2024 \$(000)
	Non-cancellable operating lease commitments	
210	No later than one year	210
788	Later than one year and no later than five years	578
998	Total operating lease commitments	788
	Other non-cancellable commitments	
9	No later than one year	6
6	Later than one year and no later than five years	–
15	Total other commitments	6

There are no restrictions placed on the Parliamentary Commissioner for the Environment from the leasing arrangements.

Statement of contingent liabilities and contingent assets

The Parliamentary Commissioner for the Environment has no known quantifiable or unquantifiable contingent liabilities as at 30 June 2024 (2023: Nil).

The Parliamentary Commissioner for the Environment has no contingent assets as at 30 June 2024 (2023: Nil).

The accompanying notes form part of these financial statements.

Notes to the financial report

1. Statement of accounting policies

Reporting entity

The Parliamentary Commissioner for the Environment was established under the Environmental Act 1986 and is designated as an Office of Parliament under the Public Finance Act 1989.

The Commissioner's primary objective is to investigate environmental concerns independent of government. The Parliamentary Commissioner for the Environment has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The financial statements and statement of service performance for the Parliamentary Commissioner for the Environment are for the year ended 30 June 2024 and were authorised for issue on 27 September 2024.

The service performance information is contained within the service performance reporting section of the annual report, notably the section titled statement of service performance pages 37 to 45.

Basis of preparation

These financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

Statement of compliance

The financial statements and statement of service performance have been prepared in accordance with the requirements of the Public Finance Act 1989, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP), and Treasury Instructions.

The financial statements and statement of service performance have been prepared in accordance with Tier 2 PBE accounting standards. The Parliamentary Commissioner for the Environment qualifies for the reduced disclosure regime as a Tier 2 entity as its expenses are less than \$33 million and it has no public accountability.

These financial statements comply with PBE accounting standards reduced disclosure regime.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000).

New or amended standards adopted

2022 Omnibus Amendments to PBE Standards, issued June 2022

The 2022 Omnibus Amendments issued by the External Reporting Board (XRB) include several general updates and amendments to several Tier 1 and Tier 2 PBE accounting standards, effective for reporting periods starting 1 January 2023. The Parliamentary Commissioner for the Environment has adopted the revised PBE standards, and the adoption did not result in any significant impact on the Parliamentary Commissioner for the Environment's financial statements.

Summary of significant accounting policies

Revenue

Revenue from the Crown is measured based on the Parliamentary Commissioner for the Environment's funding entitlement for the reporting period. The funding entitlement is established by Parliament when it passes the Appropriation Acts for the financial year. The amount of non-exchange revenue recognised takes into account any amendments to appropriations approved in the Appropriation (Supplementary Estimates) Act for the year and certain other unconditional funding adjustments formally approved prior to balance date.

There are no conditions attached to the funding from the Crown. However, the Parliamentary Commissioner for the Environment can only incur expenses within the scope and limits of its appropriations.

The fair value of Revenue Crown has been determined to be equivalent to the funding entitlement.

Capital charge

The capital charge is recognised as an expense in the financial year to which the charge relates.

Operating leases

An operating lease is a lease that does not transfer substantially all risks and rewards incidental to ownership of an asset to the lessee.

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Lease incentives received are recognised in the surplus or deficit as a reduction of rental expenses over the lease term.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, and deposits held with banks.

The Parliamentary Commissioner for the Environment is only permitted to expend its cash and cash equivalents within the scope and limits of its appropriations.

Receivables

Short-term receivables are recorded at the amount due, less any allowance for credit losses.

The Parliamentary Commissioner for the Environment applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables. In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics.

Short-term receivables are written off when there is no reasonable expectation of recovery.

Payables

Short-term payables are recorded at the amount payable.

Property, plant and equipment

Property, plant and equipment consist of the following asset classes: furniture, fittings and fixtures, computer hardware, office equipment and leasehold improvements.

Assets are shown at cost less any accumulated depreciation and impairment losses.

Individual assets, or groups of assets, are capitalised if their cost is greater than \$1,000.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits or service potential associated with the item will flow to the Parliamentary Commissioner for the Environment and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the surplus or deficit.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Parliamentary Commissioner for the Environment and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment is recognised in the surplus or deficit as they are incurred.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment at rates that will write off the cost of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of property, plant and equipment have been estimated as follows:

Furniture and fittings	5–14.3 years	7–20%
Computer hardware	2.5–4.8 years	21–40%
Office equipment	3.3–5 years	20–30%

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining useful life of the improvements, whichever is the shorter.

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year.

Impairment of plant, property and equipment

The Parliamentary Commissioner for the Environment does not hold any cash generating assets. Assets are considered cash generating where their primary objective is to generate a commercial return.

Non-cash generating assets

Property, plant and equipment held at cost and that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is the present value of the asset's remaining service potential. Value in use is determined by using an approach based on either a depreciated replacement cost approach, restoration cost approach or a service unit approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

Employee entitlements

Short-term employee entitlements

Employee entitlements that are due to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date and the projected accrual to balance date.

Presentation of employee entitlements

Accrued salaries and wages, and accrued annual leave are classified as current liabilities.

Superannuation schemes

Defined contribution schemes

Obligations for contributions to KiwiSaver are accounted for as defined contribution superannuation scheme and are recognised as an expense in the surplus or deficit as incurred.

Equity

Equity has been classified as taxpayer funds and is the Crown's investment in the Parliamentary Commissioner for the Environment. It is measured as the difference between total assets and total liabilities. Repayment of any surplus is made to the Crown before 31 October each year and is classified as a liability until date of payment, with a corresponding entry through equity.

Commitments

Commitments are future expenses and liabilities to be incurred on contracts that have been entered into on or before the financial year end (30 June). Information on non-cancellable capital and lease commitments are reported in the statement of commitments.

Cancellable commitments that have a penalty or exit costs explicit in the agreement on exercising that option to cancel are reported in the statement of commitments at the lower of the remaining contractual commitment and the value of those penalty or exit costs (i.e. the minimum future payments).

Goods and Services Tax (GST)

All items in the financial statements and appropriation statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the cost of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department is included as part of receivables or payables in the statement of financial position.

The net GST paid, or received from, the Inland Revenue Department, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Income tax

The Parliamentary Commissioner for the Environment is a public authority and consequently is exempt from the payment of income tax. Accordingly, no provision for income tax has been made.

Statement of cost accounting policies

The Parliamentary Commissioner for the Environment only has one output. All costs are allocated directly to that output.

There have been no changes in cost accounting policies since the date of the last audited financial statements.

Critical accounting estimates and assumptions

In preparing these financial statements, the Parliamentary Commissioner for the Environment has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Budget and forecast figures

Basis of the budget and forecast figures

The unaudited budget for 2023/24 was published in the 2022/23 annual report. It is consistent with the Parliamentary Commissioner for the Environment's financial budget as set out in the Government's Estimates of Appropriations for the year ended 2022/23.

The 2024/25 unaudited forecast figures are for the year ending 30 June 2025. They are consistent with the Parliamentary Commissioner for the Environment's financial budget as set out in the Government's Estimates of Appropriations for the year ending 2023/24.

The budget financial statements have been reported as required by the Public Finance Act 1989 to communicate forecast financial information for accountability purposes.

The budget figures are unaudited and have been prepared using the accounting policies adopted in preparing these financial statements.

The 2023/24 unaudited budget and 2024/25 unaudited forecast figures were prepared in accordance with PBE FRS 42 *Prospective Financial Statements* and comply with PBE FRS 42.

The 2024/25 forecast financial statements were approved for issue by the Commissioner on 30 May 2024. The Commissioner is responsible for the forecast financial statements, including the appropriateness of the assumptions underlying them and all other required disclosures.

Significant assumptions used in preparing the forecast financials

The forecast figures contained in these financial statements reflect the Parliamentary Commissioner for the Environment's purpose and activities and are based on a number of assumptions on what may occur during the 2024/25 year.

The main assumptions, which were adopted as at 30 May 2024, were as follows.

- The Parliamentary Commissioner for the Environment's activities and output expectations will remain substantially the same as the previous year.
- Personnel costs are based on 20 full-time equivalent staff positions plus the Commissioner.
- Operating costs are based on historical experience and other factors that are believed to be reasonable in the circumstances. Remuneration rates are based on current wage and salary costs, adjusted for anticipated remuneration changes.

The actual financial results achieved for 30 June 2024 are likely to vary from the forecast information presented, and the variations may be material.

2. Personnel costs

Actual 2023 \$(000)		Actual 2024 \$(000)
2,382	Salaries and wages	2,698
56	Employer contributions to defined contribution plans	67
14	Increase/(decrease) in annual leave	22
2,452	Total personnel costs	2,787

3. Capital charge

The Parliamentary Commissioner for the Environment pays a capital charge to the Crown on its equity as at 31 December and 30 June each year. The capital charge rate is set by the Treasury during the year. The capital charge rate for the year ended 30 June 2024 was 5% (2023: 5%).

The total capital charge incurred for the year ended 30 June 2024 was \$31,000 (2023: \$31,000).

4. Other operating expenses

Included within other operating costs are:

Actual 2023 \$(000)		Actual 2024 \$(000)
33	Audit fees for the annual report audit	36
288	Operating leases	300
851	Consultancy	639
92	Maintenance	142
36	Accommodation (excluding office lease)	42
27	Communication	19
71	Travel	53
12	Consumables	10
32	Professional fees and development	32
13	Library acquisitions	9
–	Loss on write-off	1
67	General expenses	74
1,522	Total	1,357

5. Property, plant and equipment

	Furniture and fittings \$(000)	Computer hardware \$(000)	Office equipment \$(000)	Leasehold improvements \$(000)	Total \$(000)
Cost					
Balance at 1 July 2022	100	133	38	375	646
Additions	7	67	–	16	90
Balance at 30 June 2023	107	200	38	391	736
Additions	3	5	–	–	8
Disposals	–	(1)	–	–	(1)
Balance at 30 June 2024	110	204	38	391	743
Accumulated depreciation					
Balance at 1 July 2022	27	85	37	20	169
Depreciation expense	8	33	1	64	106
Balance at 30 June 2023	35	118	38	84	275
Depreciation expense	9	39	–	65	113
Reversal of accumulated depreciation on disposal	–	(1)	–	–	(1)
Balance at 30 June 2024	44	156	38	149	387
Carrying amounts					
Balance at 1 July 2022	73	48	1	355	477
At 30 June 2023	72	82	–	307	461
At 30 June 2024	66	48	–	242	356

There are no restrictions over the title of the Parliamentary Commissioner for the Environment's property, plant and equipment, nor are any property, plant and equipment assets pledged as security for liabilities.

6. Creditors and other payables

Actual 2023 \$(000)		Actual 2024 \$(000)
Exchange		
329	Creditors	235
119	Accrued expenses	52
Non exchange		
40	GST payable	37
488	Total creditors and other payables	324

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms and therefore the carrying value of creditors and other payables approximates their fair value.

7. Repayment of surplus

Actual 2023 \$(000)		Actual 2024 \$(000)
256	Net surplus	57
256	Total repayment of surplus	57

The repayment of surplus is required to be paid by 31 October of each year.

8. Employee entitlements

Actual 2023 \$(000)		Actual 2024 \$(000)
213	Annual leave	235
68	Accrued salaries	73
281	Total employee entitlements	308

The Parliamentary Commissioner for the Environment has no retirement leave or long service leave obligations. The annual leave liability is calculated from the actual leave days owing to the Commissioner and employees, as well as the projected accrual to 30 June 2024.

9. Related party transactions and key management personnel

The Parliamentary Commissioner for the Environment is a wholly owned entity of the Crown.

Related party transactions

Related party disclosures have not been made for transactions with related parties that are within a normal supplier, or client/recipient, relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the Parliamentary Commissioner for the Environment would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangement between government agencies and undertaken on the normal terms and conditions for such transactions.

Related party transactions required to be disclosed

Parliament significantly influences the work of the Parliamentary Commissioner for the Environment as well as being its major source of revenue.

There were no transactions carried out with other related parties requiring disclosure.

Key management personnel compensation

Actual 2023 \$(000)		Actual 2024 \$(000)
Senior leadership team, including the Commissioner		
1,047	Remuneration	1,275
5	Full-time equivalent staff	6

Key management personnel are the senior leadership team, which comprises the Commissioner, Chief Advisor Economics, General Counsel, Chief Advisor Policy and Programmes, Chief Advisor Science and Chief Operating Officer (2023: Commissioner, Chief Advisor Economics, General Counsel, Chief Advisor Programmes, Chief Advisor Science and Chief Operating Officer).

Full-time equivalent staff is determined by the time period of employment during the year.

10. Events after the balance date

No significant events have occurred subsequent to balance date. (2023: Nil)

11. Categories of financial instruments

The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

Actual 2023 \$(000)		Actual 2024 \$(000)
Financial assets measured at amortised cost		
1,175	Cash and cash equivalents	944
Financial liabilities measured at amortised cost		
448	Creditors and other payables (excluding GST payable)	287

12. Explanations of major variances against budget

Statement of comprehensive revenue and expense

Revenue

Revenue Crown was \$4k higher than budgeted due to decisions undertaken as part of the 2023/24 Supplementary Estimates.

Other revenue was \$3k lower than budget due to no outgoing secondments, and therefore no recoveries, during the year.

Personnel costs

Personnel costs were higher than budget by \$185k due to a different resourcing mix against the original personnel budget. This is offset against cost savings in other operating expenditure.

Other operating expenditure

Other operating expenditure was lower than budgeted by \$248k due to a decreased consultancy requirement during the year.

Statement of financial position**Current assets**

Current assets were higher than budget by \$343k due to unutilised budgeted capital expenditure and timing of when creditors and other payables fell due.

Non-current assets

Planned furniture and computer hardware upgrades were no longer required within the financial year and resulted in a \$89k decrease against budgeted non-current assets.

Current liabilities

Current liabilities were higher than budgeted by \$254k largely driven by project-related costs and payments to these suppliers only made after 30 June 2024.

Statement of cash flows**Cash flows from operating activities**

Payments to employees were higher than budget by \$158k due to a different resourcing mix against original budget, offset by higher utilisation of annual leave than budgeted.

Cash flows from investing activities

Planned furniture and computer hardware upgrades no longer required within the financial year resulted in a \$64k decrease in cash used for purchases of property, plant and equipment.

Appropriation statements

The following statements report information about the expenses and capital expenditure incurred against each appropriation administered by the Parliamentary Commissioner for the Environment for the year ended 30 June 2024. They are prepared on a GST exclusive basis.

Statement of budgeted and actual expenses and capital expenditure incurred against appropriations for the year ended 30 June 2024

Annual and permanent appropriations for Vote Parliamentary Commissioner for the Environment

Actual 2023 \$(000)		Actual 2024 \$(000)	Appropriation Voted 2024 \$(000)
	Output expenses		
3,713	Parliamentary Commissioner for the Environment – Reports and Advice	3,886	3,946
3,713	Total output expenses	3,886	3,946
	Appropriation for other expenses		
398	Remuneration of the Parliamentary Commissioner for the Environment (Permanent Legislative Authority)	402	402
398	Total other expenses	402	402
	Capital expenditure		
90	Parliamentary Commissioner for the Environment – Capital Expenditure (Permanent Legislative Authority)	8	72
90	Total capital expenditure	8	72
4,201	Total annual and permanent appropriations	4,296	4,420

End-of-year output performance information has been reported in the statement of objectives and service performance (pages 37 to 45) of this annual report.

The Parliamentary Commissioner for the Environment leads the performance of the office. The performance of the Commissioner is reflected in the output performance measures and targets of the office as detailed in Table 2 (page 39).

Capital expenditure is based on the replacement of assets required in order for the office of the Parliamentary Commissioner to operate effectively. Performance measures for capital expenditure are reflected in the output performance measures of the office as detailed in statement of objectives and service performance (pages 37 to 45).

Statement of expenses and capital expenditure incurred without, or in excess of, appropriation or other authority for the year ended 30 June 2024

The Parliamentary Commissioner for the Environment has not incurred any expenses or capital expenditure without, or in excess of, appropriation or other authority (2022/23: Nil).

Statement of capital injections for the year ended 30 June 2024

The Parliamentary Commissioner for the Environment has not received any capital injections during the year (2022/23: Nil).

Statement of capital injections without, or in excess of, authority for the year ended 30 June 2024

The Parliamentary Commissioner for the Environment has not received any capital injections during the year without, or in excess of, authority (2022/23: Nil).

8



Ō Tū Roto Lake Heron

Sustainability reporting

My office is committed to operating in an emissions and energy-efficient environment. While it is not mandatory for the office to meet the requirements of the Carbon Neutral Government Programme, we wish to monitor our emissions and, where possible, minimise them.

Our emissions have been independently verified by Toitū Envirocare (Enviro-mark Solutions Ltd) in line with ISO 14064-3:2019. A copy of our Toitū carbonreduce certification disclosure can be viewed on the Toitū website.⁵²

This is the second year of reporting under the Toitū carbonreduce programme. An absolute reduction in category 2 and 4 emissions of 1.26 tonnes of carbon dioxide equivalent was achieved against base year (2022/23). There has been an overall increase in emissions from base year (attributable to category 3 emissions).

An increase in emissions intensity (for category 1 and 2 and mandatory category 3 and 4 emissions) of 0.42 tonnes of carbon dioxide equivalent per million dollars has occurred based upon a two-year rolling average, adjusted for inflation.

My office has committed to reducing total category 1 and 2 emissions in compliance with Toitū requirements. We will be guided by the Carbon Neutral Government Programme target in estimating our reduction targets for 2025.

As a small entity my office has limited means to significantly reduce our carbon footprint. All expenditure that has a carbon footprint is carefully considered prior to approval, thus minimising the likelihood of any waste.

The top three emissions sources all related to air travel for business purposes, which increased by 3 tonnes of carbon dioxide equivalent from last financial year. Air travel is often required during investigations to visit sites and carry out iwi and community consultations. The level of air travel is dependent on what kinds of investigations are underway and whether a travel component is needed.

⁵²See <https://www.toitu.co.nz/our-members/members/Parliamentary-Commissioner-for-the-Environment>.

Emissions from imported electricity use and employee commuting reduced slightly from last year. My office is currently working on reducing organisation-wide electricity use and has undertaken a project to increase the number of automated light sensors in the office to ensure lights are not left on unnecessarily.

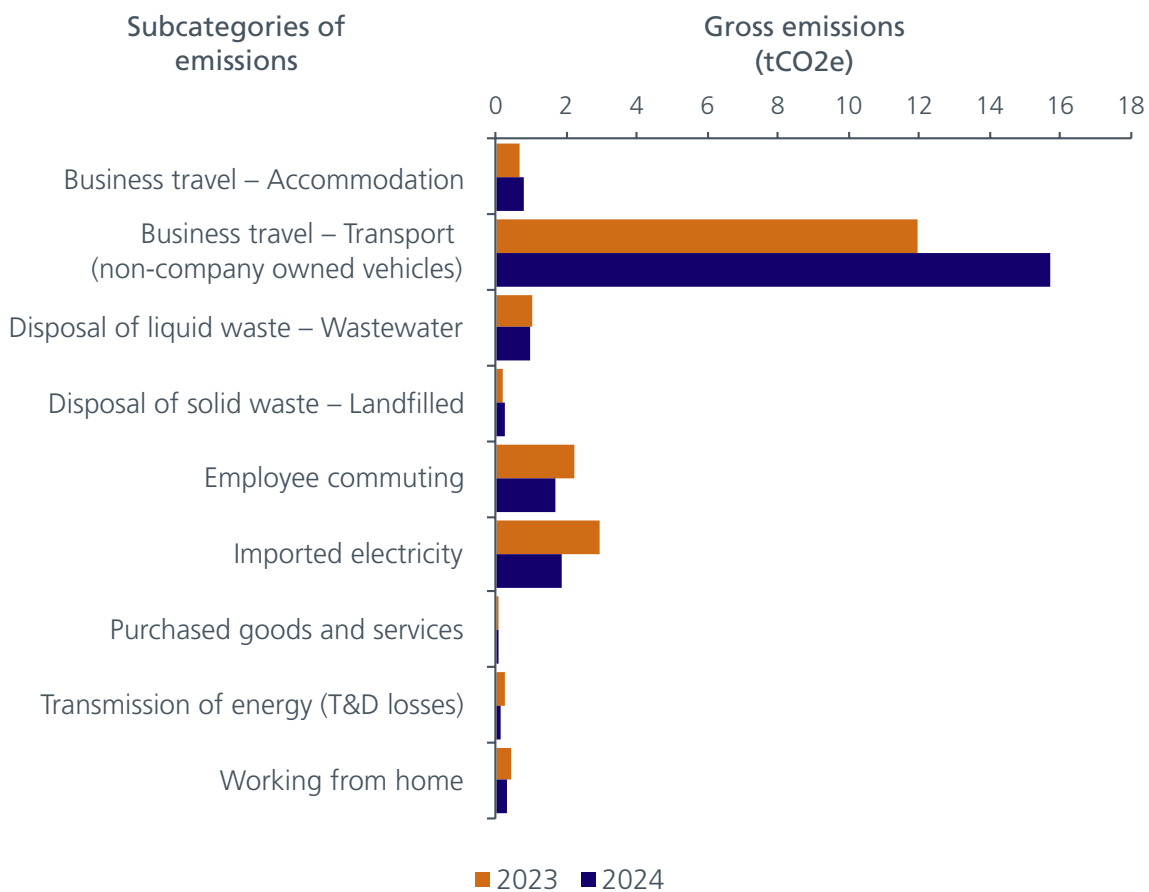


Figure 8.1: The office of the Parliamentary Commissioner for the Environment gross emissions by subcategory for 2023 and 2024.

Parliamentary Commissioner for the Environment
Te Kaitiaki Taiao a Te Whare Pāremata

PO Box 10 241
Wellington 6140
Aotearoa New Zealand
Tel +64 4 495 8350
Email pce@pce.parliament.nz
Website pce.parliament.nz



Parliamentary Commissioner for the Environment
Te Kaitiaki Taiao a Te Whare Pāremata