

NEW ZEALAND'S ENVIRONMENTAL PERFORMANCE: GETTING A GREEN CARD?

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Introduction

In November 1996, the OECD's Environmental Performance Review of New Zealand was released. The review, part of the OECD's regular programme of reviews of member countries, assesses New Zealand's environmental performance in areas such as nature conservation, water management, waste management, and discusses the extent to which environmental considerations have been integrated with economic policy, and into the energy and agricultural sectors. It also looks into New Zealand's environmental record on the international level. Given the high public profile of the OECD's reports, the (claimed) independence by which the review is undertaken, and the scope of the assessment, the OECD's review is significant, from an environmental as well as political point of view.

First, the OECD's involvement in evaluating the environmental performance of Member countries will be explained shortly. Second, the paper looks into the report in some detail to see which areas and issues have been identified as points of concern. Third, the review is analysed as an evaluation exercise, to determine its nature, scope and limitations. Finally, the follow-up and (possible) implications of the review for the future development of environmental policy in New Zealand are assessed. Has New Zealand received a "Green Card", or is it likely to get one, soon?

The OECD's Programme of Environmental Performance Reviews

The Organisation of Economic Co-operation and Development (OECD) was established in 1961 with the achievement of "the highest sustainable economic growth and employment and a rising standard of living in Member countries" as its main purpose (OECD, 1996:2). Initially, the organisation had 20 members, mostly from Europe and North America. In the 1960s and 1970s, four other countries joined the organisation: Japan (in 1964), Finland (in 1969), Australia (in 1971), and New Zealand (in 1973). More recently, three more countries acceded: Mexico (in 1994), the Czech Republic (in 1995), and Hungary (in 1996), to make up a total membership of 27 countries (OECD, 1996:2).¹

Although the primary goal of the OECD has been the promotion of economic growth, it has gradually expanded its sphere of interest to other areas, such as social and environmental

¹ Original Member countries were Austria, Belgium, Canada, Denmark, France, Germany, Greece, Iceland, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, the United Kingdom, and the United States (OECD, 1996:2).

issues.² This expansion occurred in recognition of the interdependence between policy areas, and the multiple, often conflicting, demands on governments. Early on, organisation acknowledged the importance of co-ordination and integration across policy areas to enhance their effectiveness, such as between economic and environmental policies (OECD, 1985). This has also led to the development of a programme addressing issues associated with public management and co-ordination at the broadest and highest levels (OECD, 1997).

Some of the means by which these issues are addressed by the OECD are research, the collection and exchange of information, the publishing of reports, the organisation of meetings and conferences, and the undertaking of reviews or surveys of the policy performance of Member countries. The longest established and best-known programme of reporting is that on the economic performance of Member states. Although environmental reporting occurred during the 1970s, it was done ad hoc, infrequent, and only at the request of governments.³ A programme involving the systematic and periodic review of all Member states was adopted only in 1991 (OECD, 1996:3).⁴

The principal aim of the OECD's programme of environmental performance reviews is to "help Member countries improve their individual and collective performances in environmental management" (OECD, 1996:3). The primary goals of the programme are described as:

- "- to help individual governments assess progress by establishing baseline conditions, trends, policy commitment, institutional arrangements and routine capabilities for carrying out national evaluations;
- to promote environmental improvements and a continuous policy dialogue among Member countries, through a peer review process and by the transfer of information on policies, approaches and experiences of reviewed countries; and
- to stimulate greater accountability from Member countries' governments towards public opinion within developed countries and beyond [original emphasis]" (OECD, 1996:3).

The format adopted for the environmental reviews is the same for all countries. A review committee, consisting of officials from other countries than the country reviewed is appointed by the OECD's "Group on Environmental Performance". The government whose

² Formally, the goals of the organisation have been formulated as the promotion of "policies designed:

- to achieve the highest sustainable economic growth and employment and a rising standard of living in Member countries, while maintaining financial stability, and thus to contribute to the development of the world economy;
- to contribute to sound economic expansion in Member as well as non-member countries in the process of economic development; and
- to contribute to the expansion of world trade on a multilateral, non-discriminatory basis in accordance with international obligations" (OECD, 1996:2).

³ An example is the OECD's review of New Zealand's environmental policy in 1981, which occurred at the invitation of the Muldoon Government (following a suggestion from the then Commissioner for the Environment). The assessment and many of the recommendations in the report were, however, seen as unwelcome by the Government, and consequently ignored until the Labour Government picked up some of the more important suggestions during the process of reform initiated after its election in 1984 (Bührs, 1991:358-359; Horrocks, 1984; OECD, 1981).

⁴ The programme aims to review each member country approximately every four years.

policies are reviewed has no say in the composition of the review committee. Members are appointed for their experience or expertise in national policy development. The review committee visits the country involved to obtain information, and talks with interested parties within and outside government. All reviews address common themes, such as the question of integration between economic and environmental policy, the integration between environmental and sectoral policies (such as energy policy), and analyses environmental performance in particular environmental policy areas. A draft report is produced which is used as a basis for a formal "examination meeting" led by the "Group on Environmental Performance" at its headquarters in Paris. Following this, the report is finalised and published.

How's New Zealand Doing? The OECD's assessment

As noted above, the OECD environmental performance reviews are based on a standard format in which the assessment of common themes is combined with a focus on areas which are considered to be of particular relevance to the country involved. In the case of New Zealand, the specific environmental policy areas subjected to scrutiny were nature conservation, water management, and waste management.

With regard to nature conservation, the OECD's report notes the relatively high proportion of protected areas in New Zealand compared to other OECD countries, close to 30 per cent of the total land area, compared to an average of 9 per cent for the OECD as a whole. The total protected area has grown from 4.5 million hectares in 1983 to about 8 million hectares in 1995, and much of that (62 per cent) is "highly protected" (OECD, 1996:47;189). The report also praises the "very high standard" of management of these areas (53) and notes the potential importance of the Resource Management Act as a mechanism for the protection of nature outside protected areas (52-53).

However, the report also notes important weaknesses in this area, in particular the threat to the Department of Conservation's ability to implement its responsibilities effectively, as a result of budget and staff cuts (55), the continuing decline in biodiversity, and the absence (as yet) of a national biodiversity strategy (42-44; 53-54), the slow pace at which remaining unprotected natural areas are surveyed (54), the patchwork of categories of protected areas, and the limited use of the RMA by local authorities for the protection of ecosystems (58). With regard to the protection of marine ecosystems, the small number and size of marine protected areas is questioned (54), and the difficulties associated with the implementation of the fisheries quota management system noted (51-52). In several of these issues, the importance of the involvement of Māori is also mentioned (46;57).

The second specific environmental policy area that the review focuses on is water management. Given the abundance of fresh water in New Zealand, and the small population, only a small fraction of the resource (0.6 of one percent) is used, compared to, for instance, Japan (that uses more than 20 per cent of available resources) (61). Regional disparities in water resources and demand, however, imply that competition between different uses of water within regions do exist, and that occasionally supply problems do occur. Apart from these problems, there are also issues associated with water quality (pollution from industry, agriculture, sewage disposal), the views of Māori on water, and the rather casual attitudes towards the resource (resulting in wastage, the neglect of leakage in supply systems).

The review acknowledges the soundness of New Zealand's system of water management on a watershed basis, and calls the "holistic" approach to its management under the Resource Management Act "impressive" (68-69). However, it also makes the point that it is hard to tell whether the system actually works, as there is a lack of information (including baseline information) about the problems associated with water. For instance, although it has been determined that drinking water used by 8.5 per cent of the population is potentially unsafe, it is not known whether the drinking water used by 35 per cent of the population meets safety guidelines (72). It is also indicated that it is hard to say whether the pressures on water resources from agricultural practices are decreasing or increasing (70).

The third policy area scrutinised in the review is that of waste management. This is perhaps the area where the report is most scathing of New Zealand's performance. Again, the lack of systematic and co-ordinated monitoring on the national level is highlighted (75). But also, the policies, institutional arrangements, and management practices in this area are found wanting. Existing hazardous waste management is described as piecemeal (75), the absence of a facility dedicated to the treatment of hazardous waste in New Zealand, and the export of some waste to Australia, France, and Asian countries, noted (79), as well as New Zealand's apparent reservations about an international agreement to ban such exports. The existence of thousands of contaminated sites, and the weakness of current legislation to deal effectively with these problems, is also pointed out (80-81). The review concludes that waste management "was long regarded as not especially pressing in New Zealand" and that there is still no comprehensive legislation to deal specifically with the issue (82). The prevailing regional approach leads to disparities, and possibly an increase in waste movements across the country (83). The report calls for the strengthening of national policy in these matters as a matter of urgency (83-85). Overall, New Zealand's performance in this area is judged to be far from impressive.

The other areas subjected to review in the report are associated with a theme common to all the OECD's environmental performance reviews: the integration of environmental policy with economic policy, and with other policy sectors (in this case, energy and agriculture). The rationale for focusing on this theme, as mentioned above, is that the interdependence between policy areas requires their co-ordination or integration. Without such co-ordination or integration, policies may well work against each other (for instance, by having conflicting goals), whereas their alignment is likely to enhance effectiveness and efficiency. The need for integration or co-ordination is strongest where the potential for counter-productiveness is highest, such as between environmental policy on the one hand, and policies oriented foremost towards the promotion of economic growth and development on the other.

The OECD review notes that no environmental assessment was made of the economic policies and restructuring pursued in New Zealand since 1984, and that any environmental implications of the reforms (positive or negative) were incidental to their immediate economic objectives (90). Whether the reforms have been beneficial to the environment (had an "environmental dividend"), as widely believed, is actually difficult to prove, given the absence of (baseline) information and the lack of a comprehensive monitoring system and, associated with that, regular and quantified reviews of the state of the environment in New Zealand (91;106). Also, although it appears that environmental considerations are increasingly taken on board in some policy sectors, such as agriculture, it is noted that some other ministries "have yet to make much progress in this respect" (109). The report argues that the issue of market failure, the non-internalisation of environmental externalities in price signals,

is crucial in this matter, and that "getting the economic signals right" should be an essential part of New Zealand's action agenda (91-109).

The review also points out the limited ability for local authorities to internalise the environmental effects of development under the RMA, given the lack of (baseline) information, including data on the economic dimensions of resource use (106), and the limited use of economic instruments to ensure that "full costs" are expressed in process or charges (102-104; 109). Although the emphasis in New Zealand's environmental management approach on effects is not challenged and seen as consistent with a commitment towards a greater reliance on market forces (96), it is also pointed out that this approach has "dramatically increased the need for good environmental data" (112), and therefore requires a coherent and consistent system of environmental monitoring and reporting. The lack of progress in this area is seen as a "significant barrier to effective implementation of all of New Zealand's environmental policies" (112).

Although the Environment 2010 Strategy is favourably depicted in the report as a "clear and coherent policy framework which could be used as a model in many Member countries", it is also noted that New Zealand faces difficulties with translating the Strategy into "practical changes in economic decisions and practices" (108). Although the RMA is seen as a potential mechanism for achieving many of the long-term goals of the Strategy (by internalising environmental costs and protecting all natural resources) (101), it is also recommended that the Strategy is complemented with "quantitative, dated and verifiable targets", environmental indicators to measure progress towards these targets, and a prioritisation of issues (108-109).

As for the integration of environmental considerations into the energy sector, the report notes the almost total absence of quantitative targets, and the limitations of the government's reliance on primarily competition and corporatisation to achieve its qualitative objectives. Apart from the government's target of returning (net) CO₂ emission levels to the 1990 level by the year 2000, a target that is likely to be exceeded by 22-25% if no additional measures are taken (125), the government has not set any other targets to measure progress against. Noting the rise (until 1993) in New Zealand's energy intensity (in contrast to most other OECD countries, where a decline has occurred)(127), the absence of energy efficiency targets, the relatively low energy prices (122; 129), the absence of tests for vehicle emissions (123), cuts in funding of public transport (123), air pollution problems in Auckland and Christchurch (116), and the absence of significant financial inducements or incentives to invest in or consume energy produced from renewable sources (126), and the lack of data to monitor the environmental performance of the energy sector (127), the report sketches an image of poor performance. Implicitly, the reliance primarily on "the market" to integrate environmental concerns is criticised as it is argued that the energy sector reforms "will not address these externalities, which are a classic example of a market failure justifying public intervention" (129). Equally, the reliance on regional councils to internalise externalities is questioned given their limited capacity, the potentiality of regional inconsistencies, the fact that some emissions (such as those of CO₂) transcend regional (ambient) air quality, and that the RMA is designed to operate on a case-by-case basis, are advanced as reasons for a stronger policy effort on the national level (129-130).

The commitment to incorporate environmental values into agricultural policies and practices in New Zealand is judged somewhat more positively by the review. It is stated that the incorporation of sustainable land management into the RMA has led to a "significant change in

community attitudes to land management" (148), noted that the Ministry of Agriculture has developed a policy position on sustainable agriculture (140), that a Sustainable Land Management Fund has been set up (142), and that relations between the agriculture and environment ministries are good (148). Yet, also in this area the review highlights the difficulty of assessing the actual environmental performance, given the lack of systematic monitoring and data (147-148).

Although the abolition of virtually all financial support to the agricultural is widely believed to have had positive environmental effects, environmental considerations were not the rationale for these changes, and nor is it certain, according to the OECD review team, that these benefits will persist, given continued growth in the sector, remaining high animal density (134), rising trends in the use of fertilisers (137), and ongoing high levels of pesticide use (138). Notwithstanding New Zealand's often projected image as a "clean and green" country, the OECD report points out that agriculture has been ranked (also in New Zealand) as the major source of water pollution (134), that it has been a main culprit of forest clearance, the loss of biodiversity, and of massive soil erosion (136). "Normal" agricultural practices, such as the use of fertiliser and pesticides, are not subject to the RMA (no resource consents required), but may have significant environmental effects, such as (ground)water pollution, eutrophication (137), and contribute to global warming (76% of methane emissions, and overall half of New Zealand's greenhouse emissions, stem from agriculture) (138;148).

Also for this sector, the review urges the New Zealand government to develop better means of measuring environmental performance (indicators and monitoring (144; 148), and notes the absence of specific objectives or targets (141-143). Until these have been put in place, "it will not be clear whether New Zealand agriculture has actually achieved its overall objectives with respect to the environment" (148).

The final chapter of the OECD's review discusses New Zealand's environmental efforts at the international level. New Zealand's "eagerness" to maintain international free trade and to project and enhance its image as a "clean and green" country are noted, as is the fact that four of its nine environmental priority areas (as identified in the Environment 2010 Strategy) are directly related to international issues (153). In some issues, such as ozone depletion, and issues affecting the Antarctic, New Zealand, perhaps more so than most other countries, has a strong interest in international co-operation and agreements.

In some issues, such as ozone depletion and drift-net fishing, New Zealand has indeed been at the forefront (159; 169). With regard to the Antarctic, it has also played an important role, but took a more protective stance only when pressured by the environmental movement (156). And although New Zealand has been an active participant in many other international environmental issues, it has not been at the forefront, and has been dragging its heels in some areas (such as with regard to marine pollution, from land-based sources as well as from ships) (157-158; 184). Nor has it been a major financial sponsor of sustainable environmental development in developing countries (166-167).

Moreover, although New Zealand has been a party to many international environmental agreements, its commitment to implementing such agreements domestically does not always seem forceful. In the ozone depletion issue, it is not as rapid in the phasing out of some important contributing chemicals as the review thinks it should be (161). It has been totally ineffective in its commitment towards controlling CO₂ emissions (161-162), rather slow in the development of a national biodiversity action plan (164), made no visible progress towards its

commitment (under Agenda 21) towards reducing unsustainable consumption patterns (165), and falls "somewhat short of Rio Principle No. 10, which says states should facilitate public awareness by making information widely available" (165).

Overall, New Zealand's international environmental policy is assessed by the OECD as having "improved considerably in the past ten years" but also as in need of "further efforts and funding [...] to achieve full implementation" (167-168). In particular, the government is urged to consider the development of national policy statements on climate change ("as a useful step towards a significant improvement of the current policy"), and biological diversity (170-171). It further recommends that some of the basic principles in the Environment 2010 Strategy are incorporated into domestic law, to strengthen the implementation of the Rio Declaration, and notes that the experience of other Member countries in this respect may be worthwhile (171).

In conclusion, the OECD review is not full of praise for New Zealand's environmental performance. On the contrary, it seems that the reviewers were not very impressed at all. In all areas surveyed, important shortcomings are pointed out. Although it is recognised that the new approach taken to environmental management with the introduction of the RMA is still "under development" (173), significant gaps and shortcomings are identified with regard to monitoring and data gathering, the ability of local government to implement the RMA, the (non-) internalisation of externalities, and the guidance provided on the national level (with regard to these matters and specific policy areas). In many respects, it was found that performance is hard to assess because of a lack of information (including baseline data). To improve performance, and to be able to measure progress, it is suggested that the central government provides stronger guidance and leadership.

Interpreting The OECD's Review: The Complexities of Evaluation

What does the OECD's assessment amount to? Is it a damning report, exposing New Zealand's "clean, green" image as a fake, and its claim to environmental leadership as unfounded? Should New Zealand's environmental performance even be characterised as poor? Are its environmental policies a failure?

Based on first impressions, such a conclusion may seem plausible. And for those who wish to discredit the government's performance, it may also be tempting. However, as a systematic attempt to determine the worth or merit of things, evaluation is a complex exercise (Bühns & Bartlett, 1993:28-29; Scriven, 1991). Many of the difficulties inherent to evaluation can be centred around three questions: Who evaluates? What to evaluate? How to evaluate? To assess the significance of the OECD's review of New Zealand's environmental performance, it is important to analyse who has been involved in the review, the scope of the review, and the approach that was taken to the evaluation.

Who Evaluates? Who has been involved?

The question "Who evaluates?" is important as evaluation is inherently a "value-based" process, and therefore inevitably subjective in the sense of being influenced by the values of

the evaluator. Evaluation always takes place on the basis of (explicit or implicit) criteria derived from the values of those who evaluate or commission the evaluation. Consequently, whether an evaluation and its outcomes are accepted or rejected depends in large part on who undertakes the evaluation and on whose values are used as a basis for the evaluation.

Although evaluation is never "objective", the subjectivity in evaluation is one of degree. Evaluation can be based on a single criterion or value or based on a (broad) range of criteria or values. Directed at achieving particular outcomes, it can be deliberately selective or even manipulative in the selection and processing of data and information (biased)⁵, or it can be more comprehensive and open-minded in its regard for the "facts".

Evaluation processes vary also in the degree of inclusiveness or exclusiveness (of people, interests and values), and the extent to which different (possibly contradictory) interpretations are considered and incorporated. An evaluation is more likely to be widely accepted if it is inclusive or "pluralist" and allows for the participation or input from a broad range of groups and interests (Subirats, 1995).

The OECD review was undertaken by a panel of eight investigators consisting of officials from OECD member countries other than New Zealand, joined by experts from the OECD secretariat and consultants. The New Zealand government did not have any direct involvement with the nomination of the members of the panel. The formal examination was conducted by the OECD's Group on Environmental Performance in Paris on which New Zealand was not represented at that occasion. The whole review process was therefore conducted by non-New Zealanders independent from the New Zealand government.

Nor did the New Zealand government have any influence over the terms of reference for the investigation and the scope of the review, which took place according to a standard format. However, the Ministry for the Environment was responsible for the coordination of the investigation in New Zealand and provided the bulk of information obtained by the reviewers. There was no open process by which people were invited to make submissions to the review team.

The team spent a week speaking to officials from central and local government, non-governmental organisations, iwi representatives, business, and independent experts (The Dominion, 21 June 1995, p.1; Ministry for the Environment, 1996b:13). However, no public or open meetings were held to allow people who were not invited to speak to the review team to have an input.

A draft report was circulated to governments of the OECD and reviewed by New Zealand officials and Ministers in April/May 1996, but was not made public. Extensive comments were provided to the OECD secretariat by the New Zealand government, but no submissions were sought from other groups. Nor was there any involvement other than that from OECD and New Zealand government officials in the formal examination. The final version of the report was produced by OECD officials.

⁵ Bias and subjectivity often are treated incorrectly as synonyms. The distinction is quite important, however, as subjectivity is inevitable, inherent to the value-system(s) and frame(s) of reference of the evaluator(s), and bias--the deliberate manipulation of data and interpretation to achieve pre-determined outcomes--is neither inherent nor inevitable.

Given the rather limited range of people who were involved in the review, and the rather closed nature of the review process, it would be misleading to characterise the review as a participatory or "pluralist" evaluation exercise (Subirats, 1995). Although a plurality of views was sought at the initial stage of the investigation, this plurality was not self-selected, and was greatly diminished after that stage. Apart from the New Zealand government and its officials, no other people in New Zealand got a chance to see the draft report, let alone to participate in the discussions following it.

Nevertheless, the fact that the government was greatly concerned about the draft report, and put considerable effort into "improving the quality and accuracy of the document" (Ministry for the Environment, 1996:13), proves that the reviewers exercised their role genuinely independent from the New Zealand government. As does the fact that, even after "improvements" were made, the report remains rather critical of New Zealand's performance.

What to evaluate? The scope of the review

In the context of policy performance evaluation, the question "What is evaluated?" seems so straightforward that it is often answered without being considered explicitly. In many cases, policies are exclusively assessed on the basis of the extent to which they achieve their objectives. Depending on the extent to which the desired outcomes are achieved, policies are characterised as more or less effective, and often as a success or failure. By far, outcome evaluation is the most common and prevailing form of policy evaluation, reflecting the prevailing view of policy as being mainly concerned with the achievement of goals or objectives.

Evaluating policies only on their outcomes is, however, problematic. Often, the goals or objectives of policies are multiple, vague, and conflicting. Given the complexities of policy design and implementation, goals and objectives often only emerge, or become clearer, during the policy process (including implementation) itself, and keep on evolving. The selection of a timeframe is crucial to the assessment of policy outcomes, as policies may become more or less effective over time. And least but not last, it is always difficult to determine whether or to what extent outcomes can be attributed to particular policies, as policies do not operate in a vacuum, and may be influenced by many uncontrolled and uncontrollable events and variables (context).

Most of the time, therefore, labelling policies in terms of "failure or success" exclusively on the basis of outcomes is neither justified nor meaningful (Bartlett, 1994). By such a measure, many if not most policies are doomed to be evaluated as failures (Deutscher, 1977). And it makes even less sense to judge environmental policy performance as a whole on such grounds, as environmental policy encompasses a very broad range of (ecological, social, and economic) policies, or aspects thereof.

For policy evaluation to be more meaningful, account has to be taken of other things than objectives and outcomes, such as processes and institutions. Policies are often important because of the processes that are associated with them (such as problem recognition, information gathering, learning, public participation, debate, development of options or scenarios, and evaluation) rather than for their formal objectives.

Furthermore, to understand their full significance, limitations and potential, one has to assess how policies are shaped by, and may contribute to a reshaping of, the institutional framework within which they evolve (Bartlett, 1994). Policies reflect what carries weight in the society from which they originate, and as such are expressions of prevailing values, norms, traditions, power relations, and aspirations that are not necessarily expressed in specific objectives. But they may also be directed at, or contribute to, changing the institutional framework in which they evolve (by changing rules, influencing values, or rearranging positions and relations). Indirectly, such (meta-)policies can have very significant effects or "outcomes", even though these may be hard to demonstrate or measure.

But despite the importance of processes and institutions, outcomes remain a very important, if not the most important, test of environmental policy. If, in the end, environmental policies do not bring about an improvement in environmental quality, as assessed by indicators, it is hard to maintain that those policies are sound or successful. Although processes and institutions may be intrinsically important (associated with such values as democracy and public involvement, historical and socio-cultural values) their value is likely to come into question if they fail to contribute to, or even stand in the way of, improving environmental quality. Processes and institutions are more than means to ends, and often ends in themselves, but their desirability or even legitimacy may be compromised if they conflict with other goals that are becoming increasingly important. Outcome evaluation, therefore, although not providing the full picture of the worth or merit of policy efforts, remains the "litmus test" of environmental policy performance.

As mentioned above, the scope of the OECD review was largely determined by a standard format. In large part, the reviews focus on developments in environmental quality, and on environmental policy objectives and outcomes. One of the purposes of the OECD reviews, as mentioned above, is to establish baseline conditions and trends in environmental resources and quality. The reviews use a range of standard indicators to assess, for instance, the size of protected areas, forest cover, the proportion of species threatened, emissions of major pollutants, the rate of water withdrawal, the amount of waste generated, and noise levels (OECD, 1996:188-189).

In the case of New Zealand, the focus on environmental quality, objectives and outcomes led to the identification of major gaps in data and information, including baseline data, and of a lack of measurable objectives in many policy areas. The lack of measurable goals and data make it very difficult, and in many cases impossible, to determine the extent, or even direction of, change in environmental quality, and of the degree of progress in environmental policy. Without such information, the report indicates, it is hard to determine the effectiveness of New Zealand's environmental policies (OECD, 1996:175;178).

The review finds no reason for satisfaction, let alone praise, about New Zealand's achievements in even one of the environmental policy areas reviewed. Even in the area of nature conservation, where figures indicate that New Zealand is among the countries in the OECD with the highest proportion of total area protected, there is little ground for boasting, as the number of threatened species is also among the highest in the OECD. With regard to the rate of water extraction, New Zealand compares well to other countries, but this is more a reflection of the abundance of the resource relative to the demands on it, not a result of water conservation policies.

In the report, the Environment 2010 Strategy is acknowledged as providing a "clear and coherent policy framework" that sets goals for the broad range of environmental issues. However, it is also noted that some of these are not translated into measurable targets, and that the government should consider incorporating some of the principles on which the Strategy is based into law to give them greater weight and effect (OECD, 1996:37; 108; 185).

Judged on outcomes and objectives alone, New Zealand's environmental performance as sketched by the OECD, can be characterised as either poor or unknown. The information available indicates that New Zealand has significant environmental problems in all policy areas reviewed, and few if any grounds for claiming to be "clean and green". These findings stand in sharp contrast with the picture often depicted of New Zealand overseas, and that cultivated in the tourism industry and the export sector.

The OECD review, however, does not only look at outcomes and how these compare with objectives. The report also comments on processes and institutions, on the way(s) New Zealand addresses environmental problems. As an assessment of policy processes and institutions may provide important indications of the potential for environmental policy to evolve, of the capacity for policy learning, and of whether more effective policies in the future (in terms of outcomes) can be expected, positive findings in these respects may compensate for poor outcome performance in the short term.

Aspects of New Zealand's environmental policy processes and institutions that are commented upon in the OECD review relate to the policy areas reviewed (nature conservation, water management, and waste management), to issues associated with the integration of policies (notably between environmental policies on the one hand, and economic, energy, and agricultural policies on the other), and to New Zealand's involvement in the international arena.

With regard to nature conservation in protected areas, the report seems overall positive about the institutional framework and the processes by which policies evolve. No questions are raised regarding the role and functioning of the Department of Conservation, which is perhaps somewhat surprising given the public attention for, and discussions concerning, the department in the wake of the Cave Creek disaster in 1995 (Chapple, 1995). The report finds that "the management of the protected areas is of a very high standard" (OECD, 1996:53). The principal issues identified by the review are those of resources (funding and staffing constraints), and the protection of nature outside protected areas. With regard to the latter, the RMA is seen as providing a "comprehensive and integrated framework", but problems are perceived to be associated with the extent to which regional and territorial councils take up these opportunities, which is seen as related to insufficient "data, assessment, guidelines, training and commitment" (OECD, 1996:53;56).

Also in the case of water management is the Resource Management Act considered to be a good framework that stumbles upon implementation difficulties. Again, the performance of local government is questioned, and the problems identified associated with inadequate resources and insufficient guidance and co-ordination on the national level (OECD, 1996:69;72-73).

With regard to waste management, problems are seen to be associated with institutional framework itself. The lack of comprehensive legislation, the absence of a system for comprehensive monitoring, the limited authority and capacity of local government, and

insufficient guidance on the national level are identified as the most important shortcomings, especially with regard to the management of hazardous waste. In this case, the issues go deeper than implementation, and require institutional change on the national level.

As for New Zealand's capacity for integrating environmental concerns into economic policy, energy policy, and agricultural policy, the RMA is again seen as a key institution. But although the potential of the RMA for integrating policies is recognised (OECD, 1996:101;129;141), it is also noted that for that to occur, stronger guidance on the national level, and further capacity building on all levels, is required. This applies in particular to the need for monitoring/data collection and environment reporting, where local and central government efforts need to be brought in line with each other.

The shift in focus, with the introduction of the RMA, from managing activities to managing effects is described by the review as "consistent with New Zealand's commitment to reform based on a greater reliance on market forces and reducing the role of the state in the economy" (OECD, 1996:96). The shift in itself is not questioned or praised, but it is indicated that, for the approach to work, availability and quality of information (baseline data on environmental conditions, resource stocks and flows) is "absolutely critical" (OECD, 1996:106). In the absence of such information, it is impossible for councils to ensure that all significant effects (including those of a cumulative nature) are identified, and all "externalities" internalised. It is also questioned whether local authorities have the ability to undertake these tasks and suggested that these requirements may need to be met on a national level (OECD, 1996:110-112).

Other issues associated with the RMA raised in the report relate to the adversarial nature of the process, and the threat to public participation stemming from the imposition of costs on individuals and community groups who challenge proposals (OECD, 1996:110-111).

The limitations of the devolution of responsibilities for resource decisions to local authorities and the "market" are pointed out clearly with regard to the energy sector. It is explicitly stated that occurrence of environmental externalities of energy production and use is "a classic example of market failure justifying public intervention" and that central Government may be better placed than regional councils to address these issues. This applies in particular to air pollution and greenhouse gas emissions (OECD, 1996:129-130).

That New Zealand's effects-based approach to environmental management, inspired by the desire to reduce the regulatory role of the state, is rather exceptional among OECD countries, particularly where toxic or hazardous substances are concerned, is hinted at in the context of the discussion of the country's international involvement in the control of pollution of coastal waters (OECD, 1996:169). However, the review does not discuss whether, or to what extent, this approach is problematic in the context of New Zealand's participation in the formation or implementation of international policies, apart from noting that the effects-based approach under the RMA may be inconsistent with the need to control greenhouse gas emissions, as the effects of such emissions are global, but assessed (and arguably not significant) on a regional level (OECD, 1996:130).

How to evaluate? How was the review conducted?

The question "How to evaluate?" is closely associated with and affected by the previous two questions. Depending on what is evaluated and by whom, evaluations will be more or less systematic or "professional", and differ in methodology and techniques. Cost-benefit analysis, for instance, is an evaluation technique preferred by economists, and is primarily focused on and assessment of (likely) effects or outcomes. Risk analysis is also oriented towards an assessment of (possible) effects, based largely on quantitative methodology, and has become the domain of a new class of experts. Evaluation based on such methods and techniques is by its nature exclusive (by excluding the participation of people other than experts). Although such approaches may be useful (as long as their underlying assumptions and limitations are recognised), they are not "value-free" or objective, and cannot substitute for more inclusive, qualitative, and participatory approaches.

As pointed out above, how an evaluation is conducted is largely dependent on who undertakes it and what is assessed. Given the diversity of background of the members of the review panel (from different countries as well as disciplines), and the broad standard format for the reviews (assessment of a range of policy areas and issues), it is not surprising that the methodology taken to the reviews is not very well-defined or circumscribed.

The reviews rely largely on qualitative methods, such as interviews, discussions, and the consultation of written documentation. But to the extent that data of a measurable nature are gathered, the reviews also rely on quantitative and statistical methods. The New Zealand report gives the impression that the investigation has been conscientious if not rigorous, as it reflects a considerable amount of research and a good understanding of the New Zealand situation and contains few and minor factual errors.

Moreover, the report is written in a non-technical and readable style that makes it accessible to many people. In this respect, the report goes towards meeting one of the aims of the environmental performance reviews, namely to "stimulate greater accountability from Member countries' governments towards public opinion" (OECD, 1996:3). On the other hand, the price of the report (more than NZ\$ 50.-) puts it beyond the reach of many people and is likely to imply a rather limited circulation.

Limitations: What does the Review not address?

It should be noted that the OECD's review does not set out to assess all areas or aspects of New Zealand's environmental policy, processes and institutions. The review does not aim to assess the implementation of the RMA (and other environmental legislation) as a whole, nor to evaluate the performance of all government agencies with environmental responsibilities. For various reasons, among which the desire to give the country reviews a comparative value, the scope of the reviews is confined to a range of policy areas and themes. Nevertheless, the areas and themes discussed in the NZ review, and their attention for outcomes, processes and institutions, certainly provide a good indication New Zealand's environmental performance.

However, some important policy areas and issues are not addressed by the review. Among the policy areas which are not assessed, but nevertheless significant in the New Zealand context, are mining and fisheries policy. But perhaps the most striking, if not most important, issues not addressed in the report are the organisational aspects of New Zealand's institutional framework.

Foremost among these are questions regarding the role, capacity and functioning of the agency most central to New Zealand's environmental policy development, the Ministry for the Environment (MfE). As the Ministry plays, or is expected to play, a key role in the development and co-ordination of environmental policy, including most of the policy areas discussed in the review, it is important that its role, responsibility, capacity and performance is included in an assessment. Arguably, many of the shortcomings noted in New Zealand's environmental performance may lead back to the key agency responsible for environmental policy.

Itself a product of the environmental reforms initiated after 1984, it is still a relatively young agency (established in 1986), and has not yet been subject to an external, independent review (even though it has experienced internal reorganisations). Even though the Ministry has not been the subject of great controversy or accusations (as DOC has), some concerns have been raised about its mandate, its power and capacity (in particular with regard to the integration of environmental considerations into policies), and a perceived reluctance to take the lead or provide guidance. Only the latter is implicitly referred to in the OECD review (in particular with regard to the RMA; OECD, 1996:110), but the role and effectiveness of the Ministry, and whether these can be improved, are not explicitly addressed in the report.

Similarly, the review does not discuss the role and functioning of the Office of the Parliamentary Commissioner for the Environment, New Zealand's "environmental watchdog", although the Office is described in general terms (OECD, 1996:31). The report does contain a proposal to "strengthen the effectiveness of the Parliamentary Commissioner for the Environment" (OECD, 1996:176), but gives no analysis or assessment on which this recommendation is based. Given that the Office has a role in keeping New Zealand's environmental performance under review, and is independent from the Government in doing so, it is an important, and to some extent unique, element in New Zealand's institutional framework that has the potential to address many of the issues raised by the OECD's review. However, what exactly the Office can and should do, and how it can be made more effective, is subject to debate (Bührs, 1996).

Above, it has been noted that the role and functioning of the Department of Conservation is also not addressed in the review, although that department certainly has been the subject of debate and controversy. Even though more recently (after the OECD' review took place) the Department has been reorganised, that reorganisation itself has come in for criticism, and it would appear that a more wide-ranging and independent review is long overdue.

Although, here and there, the review questions the capacity and commitment of local authorities with regard to their environmental responsibilities, it does not explicitly address the issue of (the extent of) decentralisation, whether the power and resources of local authorities are appropriate to their tasks or seek to systematically assess local authority performance. Again, this is not surprising given scope of such tasks. But nevertheless, these issues are vital to any assessment of how New Zealand's environmental performance is likely to develop.

Predominantly, the focus in the OECD's review has been on environmental policies, objectives and outcomes, and on some aspects of the institutional framework that appear to affect performance in these areas. It is not, and was not intended to be, a systematic assessment of the institutional framework and processes of environmental policy development as a whole. Foremost, the review assesses the extent to which New Zealand appears to be effective in

addressing environmental problems, as apparent from available data. Most comments made on institutions and processes are related to their perceived effectiveness in producing the outputs or outcomes desired.

The focus of the OECD review on policies and outcomes is appropriate for an evaluation by an agency external to New Zealand. A country's institutional framework and processes develops on the basis of its own political-legal history and traditions, socio-cultural values and norms, and national "policy styles". Comparative environmental policy studies indicate that differences in institutional frameworks do not necessarily produce greatly different outcomes with regard to environmental policy performance (Hoberg, 1986; Bennett, 1991). How a country tackles environmental problems, by what institutions and means, is a question that properly belongs within the domain of national politics. To what extent an approach is effective is something that may well be assessed by people or agencies external to a country.

This does not mean that assessing environmental policy institutions and processes is not important. On the contrary, assessment is vital if the sources or factors for inadequate performance are to be addressed. It is also important in order to determine their appropriateness on the basis of political, legal, social and ethical criteria that are deemed to be important in a country. It is, however, the right and responsibility of the citizens of the country involved to undertake that task. And it is up to them to decide the nature of institutional change to be made.

Nor does this imply that an assessment of the institutional basis of environmental policy development is purely or exclusively a matter to be conducted in a national context. Increasingly, countries adopt and adapt ideas, approaches and practices from each other, or from international agencies, in the development of their national institutions for environmental policy development as reflected, for instance, in the spread of environmental assessment and management systems and practices over the world. Countries can, and one may argue need to, learn from each other in designing more effective institutions and approaches. But the extent and nature of such learning is determined foremost within the realm of national political systems.

Summarising the OECD's assessment of New Zealand's environmental policy performance, it is not considered to be impressive in terms of outcomes and measurable developments in environmental quality. Moreover, the review suggests that many of the institutional reforms undertaken by New Zealand during the last decade or so, do not appear to be effective, or are difficult to assess on their effectiveness, given a lack of data. The latter is itself a reflection of a weakness in New Zealand's institutional framework, namely with regard to its environmental monitoring and reporting capacity.

Assessing the OECD's review as an evaluation exercise, it can be concluded that it has been based on a range of values and views independent from those of the New Zealand government, but that it has not been as open and inclusive as it could have been. The emphasis on objectives and outcomes is appropriate for an external review, and important in that it reveals many gaps and unknowns, and a record that is much less flattering than the "clean and green" image that is often claimed and simply assumed. The review also hints at the existence of institutional weaknesses in New Zealand's environmental framework (in terms of their effectiveness), but does not provide a systematic assessment, and does not address important elements, of that framework.

As an evaluation of New Zealand's environmental performance, the OECD's review therefore has important but limited significance. Its importance lies primarily in revealing, from an independent point of view, the paucity of New Zealand's environmental record in terms of (known) results, and in the identification of problem areas and issues. As such, it instigates the New Zealand government to do better, to improve its performance. The principal limitation of the review lies in the extent of analysis of the factors or "causes" in the institutional framework that underlie the weaknesses in performance. Although some obvious gaps are identified, the report does not provide an in-depth analysis of New Zealand's institutional framework, and therefore gives limited guidance as to how New Zealand's performance can or should be improved. That, however, can be seen as not the role of the OECD, but primarily a task for New Zealanders, including the New Zealand government (and perhaps more specifically the Parliamentary Commissioner for the Environment) to undertake. But whether and what New Zealand learns from the review, and what the effect of the review has been, or will be, is foremost a political question. It is to that question that we now turn.

Consequences of the OECD review: The Politics of Environmental Policy Evaluation

Policy evaluation is not only, or even primarily, an academic exercise. Policy evaluation is also a profoundly political activity, often undertaken by political actors to praise themselves or to discredit adversaries. As a tool in the struggle for power, policy evaluation can affect the political position of governments, and even seal their fate. This applies no less, but probably even more so, if evaluation is undertaken by an independent agency such as the OECD. Also, the degree to which a policy evaluation leads to policy change is largely a matter of politics, of how much political weight it has.

To assess the significance of the OECD's review of New Zealand's future environmental policy, therefore, it is necessary analyse the political importance of the review, in a domestic and international context. A first question that arises is what follow-up the report has received, or is likely to receive, from the Government. Second, but largely associated and dependent on the first question, the report may have (had) influence on the programmes of government agencies with environmental responsibilities. Third, and in particular if the follow-up on the report in these first two respects has not been, or is not likely to be, very consequential, it may be significant in its adoption and use by other groups, such as the Parliamentary opposition and environmental NGOs. Finally, the report may have implications beyond New Zealand that, in turn, may feed back to the domestic level.

As the time that has passed since the publication of the report is still rather short, and information about its follow-up difficult to obtain, the following discussion is by necessity tentative and provisional, and to a large extent based on conjecture. But although it may still be early days, there are some indications as to what the main political and policy significance of the review will be.

The Government released the report together with an "update document" in which it is stated that this document "does not attempt to respond the OECD's recommendations - that will be for the incoming Government to consider. It simply sets out where we are now and what is under current action" (Minister for the Environment, 1996). But the document addresses the

issues raised by the report virtually point by point, and mentions initiatives, sometimes involving additional spending, in many of the areas that have been identified in the OECD review as being in need of improved performance, such as the development of a National Biodiversity Strategy, the production of a first State of the Environment Report, additional funding for the Parliamentary Commissioner for the Environment, the development of national water quality standards, and improved monitoring of the implementation of the RMA. The point here is not to assess whether these initiatives address adequately the concerns raised in the OECD report, but to note that the fact that these steps were taken is an indication of the effect of the OECD review even prior to the official release of the report.

Probably most significant among the policy initiatives that were encouraged, if not instigated, by the review are those contained in the "Green Package" that accompanied the June 1996 budget, shortly after the formal examination of New Zealand's environmental policy was undertaken, but prior to when the final report was written. In various ways, the "Green Package", involving the additional spending of \$110 million on environmental initiatives over three years, foreshadows the gaps and limitations in New Zealand's environmental performance identified by the OECD, such as the need for the development of environmental indicators, greater effort from the Ministry for the Environment with regard to environmental monitoring and reporting, and the need for greater spending on conservation (Minister for the Environment, 1996).

It is also noteworthy that the OECD review was released not before, but a few months after, the elections in October 1996. Although a copy of the final text of the report was received by the Ministry for the Environment in August, the printing of the report was expected to be completed by the end of October (Ministry for the Environment, 1996:13). Arguably, therefore, the report could not have been released before the elections, but it should be noted that the timing of the release (19 November) was significant. The political effect of the report might have been considerably greater had it been released prior to the elections instead of at a time when Parliament was about to rise for the summer break.

At the time of writing, there has not (yet) been a public or official response to the report from the new coalition government, nor has it been tabled in Parliament for debate. Whether the Government will, or intends, to officially respond to the report is not clear, but seems unlikely. Given the not-so-positive nature of the OECD's evaluation, it is not surprising that the government prefers not to remind anyone of the report, unless or until significant improvements in New Zealand's record can be clearly demonstrated. Politically, it stands to gain very little from an official and comprehensive response.

Instead, the government is more likely to commit itself to specific areas or issues raised in the review, for a number of reasons, including budgetary constraints, and considerations of feasibility, priority, and potential political gain. Already, this is reflected in the coalition agreement between National and New Zealand First, in which various "key initiatives of policy" are identified that reflect several of the concerns raised in the OECD report, such as with regard to "State of the Environment" reporting, national policies on sustainable land development and biodiversity, the development of national standards, the reduction of waste, and increased funding for the Department of Conservation (New Zealand Government, 1996).

It seems likely, also, that the June 1997 budget will again contain a "Green Package" containing additional funding for a range of these issues, even though no mention was made

of that in the Budget Statement issued in March 1997, and although environmental issues were not mentioned in the Statement among areas of priority (for that matter, environmental matters were not mentioned at all in the Statement). But presenting expenditure on a range of issues as a "package", even though the amount of increase overall is modest, suggests that the matters contained in the package have priority, and thereby enhances the impression of political commitment.

Associated with these specific initiatives inspired by the OECD review, the programmes and priorities of some government departments, in particular the Ministry for the Environment and the Department of Conservation, have been affected. In practice, this means that some activities have been given higher priority and more resources. However, the review does not seem to have brought about any major policy reorientation, nor any initiatives for the in-depth consideration of the adequacy of institutional arrangements, such as the RMA, the extent of devolution of environmental responsibilities, or the role or mandates of government departments. It appears that the absence of a systematic evaluation of New Zealand's institutional framework in the OECD review is interpreted as "approval in principle", not as an area for concern or further consideration. This suggests that the prevailing view among politicians and government departments is that New Zealand's institutional framework is "fundamentally sound" and that what is needed to improve New Zealand's environmental performance is primarily, if not exclusively, a question of more effective implementation and the allocation of more resources.

How New Zealand's environmental performance is affected by gaps or shortcomings associated with the institutional framework is a question certainly lying within the mandate of the Parliamentary Commissioner for the Environment. The Commissioner, whose task it is to keep under review New Zealand's environmental management system, is fully independent from the government, and often referred to as New Zealand's environmental watchdog or "system guardian". Although it is debatable whether the Commissioner should be involved with the evaluation of environmental policy, and most definitely it is not within its mandate to prescribe, or even advise on, policy changes, the office can be seen as the most appropriate agency for undertaking a thorough review of the institutional factors affecting New Zealand's environmental policy performance (Bührs, 1996).

Among the institutional questions that are potentially important in this context are the role and functioning of central government agencies (including the Ministry for the Environment), the Resource Management Act (and its underlying assumptions, explicit and implicit, regarding the requirements of effective implementation), the extent of decentralisation of environmental responsibilities, and the system and responsibilities for monitoring and environmental reporting. If New Zealand's environmental policy performance is to be improved, it is necessary that the institutional sources of the present shortcomings in environmental performance are identified and analysed rigorously. Such a task lies at the heart of the Commissioner's role.

For various reasons, however, it has been difficult if not impossible for the Commissioner to take up this task. Important among these is the very low level of resources at the disposal of the office. Also, multiple demands of various kinds are made upon the office, which arguably have deflected the Commissioner from the "system guardian" role (Bührs, 1996). However, a new Commissioner has been appointed only recently, and the question of whether and how the future role of the office should be sharpened is in the process of being discussed (Ministry for the Environment, 1997:6). Also, some additional funding has been allocated to the Office

in the 1995 and 1996 budgets (Minister for the Environment, 1996:3). However, it is not apparent yet what consequence is given to the OECD report by the Office.

For reasons mentioned above, the absence of a formal government response to the OECD's report is not surprising. But what seems surprising is that, so far, the Parliamentary opposition has not reacted to the report. Given the rather critical nature of the report, one would have expected the opposition parties to "use" it to discredit the Government's environmental policies and performance, to claim superiority of its own policies, or for announcing a commitment to improving performance in areas where the Government is seen as not responding to the OECD's concerns. Until the time of writing, however, nothing of the sort has eventuated. Possibly, a factor in this has been the timing of the release of the report (just before the House rose for the summer break). Perhaps, also, the OECD's assessment is not seen as having much "political capital" value. As one opposition MP indicates: "I think everyone thinks 'Ho hum - the government hasn't done its job again' - so who's surprised?" (Fitzsimons, 1997).

In part, the relatively low amount of "political capital" that the opposition parties see in the OECD's report may be associated with the rather low level of attention given to the OECD review in the media. When the review team visited New Zealand, that was reported in small articles in some of the main newspapers.⁶ When the report was released, this also did not receive much attention in the newspapers, and certainly was not front-page news. Nor did it receive much attention on radio and television.⁷

The release of the report has also not been used much by the main environmental organisations in New Zealand as an opportunity to publicly highlight the shortcomings in New Zealand's environmental performance (for instance, in press releases). Although the report was extensively summarised and welcomed in the newsletter of ECO, the umbrella organisation encompassing most of New Zealand's environmental organisations (Ecolink, December 1996), and mentioned in the newsletter of the Royal Forest & Bird Protection Society (Conservation News, January 1997), it does not seem to have been used (yet) as a basis or catalyst for any major action programmes, new initiatives or demands.

Overall, then, the OECD's review has not caused any big waves in New Zealand. Despite its rather critical assessment of New Zealand's environmental performance, the review has not been exploited by those who one would have expected to use it to press demands for change or a stronger commitment. Nor does a formal and extensive response to the review's recommendations seem to be on the government's list of priorities, or to be high on the agenda of government agencies with environmental responsibilities. It is also unlikely that many people of the general public will have heard about the report, and even more unlikely that it has had, or will have, any effect on their attitudes towards the government. For that matter, many other issues and events have drawn the public's attention and been much more important.

⁶ The Evening Post, "OECD to look at NZ environmental record", 19 May 1995, p.5; The Dominion, "OECD team finishes NZ's environmental assessment", 21 June 1995, p.2.

⁷ The Press, "Group faults NZ environmental policy", 2 December 1996, p.18; New Zealand Herald, "Environment criticism deflected", 20 November 1996, p.20.

Ironically, the greatest significance of the report may not lie in its effects within, but outside New Zealand. What the review certainly does not do is to confirm New Zealand's image of a "clean and green" country, probably very much to the disappointment of those for whom that image is important for commercial reasons (exports, tourism). On the contrary, as the report contains little praise and is rather critical of New Zealand's environmental performance, it may more likely tarnish that image.

It is a fear of the latter that gives the OECD's review its most powerful effect. New Zealand's clean and green image is put forward by the Ministry for the Environment in its briefing papers for the incoming government as being of "immense value to our agricultural, horticultural, fishing, forestry, and tourism industries". The Ministry notes that "New Zealand's trading image has come to rely heavily on our clean and green status", but also that the image is vulnerable and threatened, and that New Zealand needs to ensure that there is substance behind that image for it to survive (Ministry for the Environment, 1996a:3,7). It is the possibility that not receiving a "green card" from the OECD may be felt in a loss of hard currency, that provides the strongest incentive to improve its environmental performance.

Conclusion

The OECD's review of New Zealand's environmental performance, released in November 1996, provides few grounds for self-congratulation. The review exposes a range of instances in which environmental problems do not seem to have been addressed effectively, and even more examples of cases where the extent of environmental problems, and the effectiveness of policies, cannot be determined because of the absence of data, including baseline information, and a lack of measurable goals. Altogether, the report does not sketch a very positive picture of New Zealand's environmental performance and fails to endorse an image of New Zealand as a "clean and green" country.

Although the review is substantially an evaluation of environmental policy objectives and outcomes, it points out some of the problematic aspects of New Zealand's institutional framework for environmental management. In particular, it reveals some of the crucial (but implicit) assumptions underlying the effects-oriented approach of the Resource Management Act, raises issues regarding the effectiveness of the Act's implementation, notes continuing gaps and barriers with regard to the integration of environmental policy and other policy areas, and exposes shortcomings in New Zealand's ability to measure its own progress. Although it did not set out to assess systematically New Zealand's institutional framework for the development of environmental policy, it does point towards weaknesses in that framework. In some areas, it also hints at the need for greater political commitment (and funding).

The OECD's review has been significant as a catalyst for initiatives and developments in a range of environmental policy areas, even prior to its formal release. These developments may have contributed to the rather unremarkable reception of the report in New Zealand, and the virtual absence, as far as could be established, of efforts to use the report for political purposes. It appears that under the coalition government that came to power at the end of 1996, this process of incremental policy adjustments is set to continue, notably in areas that have been singled out by the OECD as needing attention. But so far, it has not led

to the consideration of any major reforms, or even investigations, of New Zealand's institutional framework that are likely to be required if a significant improvement in environmental performance is to be achieved.

The greatest, but indirect, effect of the OECD's review is likely to stem from its potential influence on New Zealand's perception as a (more or less) "clean and green" country overseas, and the consequences thereof for New Zealand's export and tourism industries and its attractiveness to investors associated with these qualities. As the OECD's programme of environmental performance reviews sets out to review each member country's approximately every four years, this may well provide the strongest incentive to the New Zealand government to improve its performance. This time, New Zealand did not get a green card. Whether it will get one next time, depends to a large extent on how serious the penalties for not getting one will prove to be.

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