



*Ministry for the*  
**Environment**  
*Manatū Mō Te Taiao*

# **Protecting People and the Environment**

**Briefing to the incoming  
Minister for the Environment  
Election 2005**

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# 1 Introduction

The big environmental issues for the early 21st century are also economic, social and public health issues. Access to clean fresh water, energy demands, and intensification of agriculture are just some examples of these.

The many linkages between our environment, economy and society highlight the importance of a sustainable development approach in New Zealand.

Sustainable development challenges countries to think broadly across economic, environmental, social and cultural objectives and to take a long-term view. It requires an integrated approach to policy and decision making. It encourages governments to act as a coherent whole rather than a number of parallel, sometimes conflicting, parts.

The Ministry for the Environment can play a significant role in the sustainable development of New Zealand.

Environmental policy affects everyone in New Zealand in some way. Its focus is on people and the places where they live, work and play, as well as on the natural world and how we behave towards it.

We consider that most New Zealanders want:

- clean air and water
- freedom from imposed risks
- a place that is good to live in and good to make a living in
- opportunities for experiences in the natural world.

What these concepts mean to people will, of course, vary but it is clear that environment matters to New Zealanders. Research, such as that carried out for the Growth and Innovation Advisory Board in 2004, indicates that New Zealanders value their quality of life and quality of the natural environment very highly. They expect that economic growth will not be at the expense of the environment.

At the same time, our environment is the essential capital base for our economy. Agriculture and horticulture use more than 50% of the land and rely heavily on other natural resources such as water. Intensification of agriculture has an impact on land, streams, rivers and lakes. Increasingly consumers in key markets such as Britain and the United States are taking an interest in the source of their food as well as the quality.

Tourism is a major growth industry in New Zealand and one of the largest single sources of foreign exchange revenue. It, too, depends on our environment – international visitors to this country are seeking spectacular landscapes, unique plants and animals, and opportunities for outdoor recreation.

Our communities and most of our export businesses rely on a clean, safe and healthy environment.

“Environment” is very broad: it includes people and communities, natural and physical resources, and ecosystems.

The Environment Portfolio covers a broad and diverse range of issues – from air, water and land, to waste, hazardous substances and land contamination, through to sustainable industry and liveable urban environments.

## 2 Responsibilities of the Minister for the Environment

You have some specific responsibilities in law.

The Resource Management Act 1991 is the primary legislation in New Zealand for managing our environment. Under this Act, the Minister for the Environment is responsible for:

- recommending national policy statements and national environmental standards
- calling in proposals of national significance for ministerial decision, which you would make after considering the recommendations of a Board of Inquiry
- recommending that an applicant be approved as a requiring authority or as a heritage protection authority
- recommending water conservation orders and monitoring their implementation
- monitoring the effect and implementation of the Resource Management Act (including any regulations in force under it), national policy statements and national environmental standards
- monitoring the relationship between the functions, powers and duties of central government and local government
- investigating matters of environmental significance
- considering the use of economic instruments.

You have limited powers to:

- appoint people to carry out the functions of a local authority if you consider that it is not performing to the extent necessary to achieve the purpose of the Act
- make grants and loans to assist in achieving the purpose of the Resource Management Act. (Several funds exist for this purpose.)

The Resource Management Amendment Act No 5 (2005) gave the Minister for the Environment additional powers to:

- review the performance of councils
- direct a council to prepare a plan to address resource management issues in a region or direct a territorial authority to change its district plan
- request information held by a council at no cost to the Minister.

The Hazardous Substances and New Organisms Act 1996 controls the introduction to New Zealand of hazardous substances and new organisms, including genetically modified organisms. Under this Act, the Minister for the Environment may:

- appoint members to the Environmental Risk Management Authority
- issue policy directions to the Authority
- call in an application which has significant effects, and make a decision on the application, using the Authority as advisers.

The Minister for the Environment has powers (though no obligation) under the Soil Conservation and Rivers Control Act 1941 to make grants and loans for fencing, planting and other work to prevent soil erosion.

The Ministry will provide support for you in carrying out these responsibilities, as well as informing and supporting your decision making on all aspects of environmental policy and administration.

As Minister for the Environment you are responsible for directing and overseeing the work of the Ministry for the Environment. The broad direction of our work over the next few years is set out in our *Statement of Intent 2005 – 2008*. We will discuss with you the activities proposed for 2005/06, which are documented in our Output Plan.

Though the Ministry for the Environment is responsible for leading whole of government work on climate change and oceans policy, to date these have not been the responsibility of the Minister for the Environment.

## **Crown agencies**

The Ministry for the Environment works closely with the two Crown agencies for which our Ministers have responsibility. We monitor their activities and performance on behalf of Ministers, and also provide advice on appointments to the boards of these authorities.

The Environmental Risk Management Authority makes decisions about the introduction to New Zealand of hazardous substances and new organisms, including genetically modified organisms. It is accountable to the Minister for the Environment.

The Energy Efficiency and Conservation Authority promotes energy efficiency, energy conservation, and the use of sources of renewable energy. It is accountable to the Minister of Energy.

These agencies will provide separate briefings about their activities.

## **Bioethics Council**

The Bioethics Council was set up as a Ministerial Advisory Committee, in response to the recommendations of the Royal Commission on Genetic Modification. It reports to the Government through the Minister for the Environment. The Council's role is to:

- provide independent advice to government on biotechnological issues involving significant cultural, ethical and spiritual dimensions
- promote and participate in public dialogue on cultural, ethical and spiritual aspects of biotechnology, and enable public participation in the Council's activities
- provide information on the cultural, ethical and spiritual aspects of biotechnology.

The Minister for the Environment appoints the members of the Bioethics Council. The Council is supported by a secretariat in the Ministry for the Environment.

# 3 About the Ministry for the Environment

The Ministry for the Environment is the Government's principal adviser on the New Zealand environment and on international matters that affect our environment. We are working to deliver the environment that New Zealanders expect and deserve.

We see our role as:

- providing leadership across government and the community on environment
- working in partnership with key sectors and organisations to improve our environment
- fixing problems that require central government intervention
- ensuring that New Zealand has good environmental governance.

This approach is based on extensive discussions with key people and organisations in 2002.

Because we recognise the importance of New Zealand's environment to our economy and our society, we have identified three strategic priorities for our work:

- a healthy environment
- sustainable economic growth
- good environmental governance.

These priorities focus our work programmes and the outcomes we are seeking as the result our work. The outcomes and work programmes are set out in our Statement of Intent.

Over the past three years the Ministry for the Environment has transformed itself from primarily a provider of policy advice to an organisation that works effectively with others to achieve the sustainable development of New Zealand. While protecting and enhancing the environment continues to be the driver for our work, we acknowledge both the impact of environmental policy on communities and businesses and the role that many others play in environmental management in New Zealand.

## Partnerships and relationships

The Ministry for the Environment has some particular strengths that can help foster a sustainable development approach in New Zealand.

First, we have experience and capability in leading whole of government policy development. We have demonstrated this in leading elements of the Sustainable Development Programme of Action, the climate change programme, and the 2004 review of the Resource Management Act – which involved nine government departments as well as Local Government New Zealand. We have regular business connections at senior levels with about 20 other central government agencies.

Second, we have the strongest relationship with local government of any central government agency. New Zealand has a very devolved system of environmental management, so relies on local government, especially regional councils, for day to day environmental management. Nearly 20 years after the reforms of the 1980s, local government generally has considerable experience and capability in managing a diverse environment.

While there is still room for the relationship to improve, especially with city and district councils, we and local government are actively seeking to build stronger partnerships. We see value both in local government bringing a practical perspective to policy development and in the Ministry working closely with councils to ensure policy implementation is effective.

In the past few years there has been a significant shift in our engagement with local government, especially at a senior level, towards more strategic partnerships.

The best example of this is the Chief Executives Environment Forum, where we bring together chief executives from regional government with chief executives of the government departments that have strong interests in environment and resource management – Environment, Agriculture and Forestry, Economic Development, Fisheries, Conservation, Transport, Internal Affairs, State Services Commission, Department of Prime Minister and Cabinet, and Te Puni Kokiri.

The forum, which meets four times a year, is a place for exchanging information and views, planning joint work programmes, agreeing on complementary activities, and resolving problems. Both central and regional government are committed to adding value to the work done through the Chief Executives Environment Forum.

A group of deputy secretaries across government is also developing strong working relationships with the metro city councils on urban affairs and sustainable cities priorities.

Recently we have established a forum with iwi leaders and central and local government to strengthen relationships, discuss issues and identify opportunities to work together.

## **Other relationships**

Because any action taken on environmental issues is likely to cut across someone else's business, a very broad range of other stakeholders takes a close interest in our work. This includes many industry sectors, Crown research institutes, iwi, environment and conservation organisations, and professions such as law, planning, and surveying. We keep in regular contact with the key players across all sectors and often involve them in our activities.

We have many partnerships with sectors such as industry, for example the Dairying and Clean Streams Accord with Fonterra and regional councils, and the Environmentally Sustainable Tourism Project. We are also working with relevant iwi and local government to improve water quality in Lake Taupo and the Rotorua lakes.

## **Staffing and structure**

The Ministry for the Environment currently has about 260 full time and part time staff, with skills in fields such as planning, resource management, law, economics and communications. Many have experience in local government or other government agencies.

The Ministry is structured into five main business groups, each of which has a number of teams. The groups are:

- Urban, led by Lindsay Gow (Deputy Chief Executive)
- Corporate and Community, led by Fiona Morgan (General Manager)
- Sustainable Industry and Climate Change, led by Bill Bayfield (General Manager)
- Working with Local Government, led by Sue Powell (General Manager)
- Working with Central Government, led by Dave Brash (General Manager)
- Reporting and Review, led by Maryanne Macleod (General Manager)

Together with the Chief Executive, Barry Carbon, these Group Leaders form the Ministry's senior management team.

# 4 Sustainable Development

Sustainable development is the context for all of the Ministry's work. Sustainable development is 'development which meets the needs of the present generation without compromising the ability of future generations to meet their own needs'.

The connections between environment and economy and environment and society are central to the activities of the Ministry for the Environment, though our primary focus is to protect and enhance the environment.

The last decade has seen a move away from treating environmental policy aims alongside, but separately from, social, economic and cultural aims and towards integrating them as part of a sustainable development framework.

This evolution has been made possible, in significant part, by successful efforts to address obvious and immediate threats to key natural resources. Initiatives such as new air quality standards, improvements in sewage and stormwater systems, closure of sub-standard landfills, and clean-up of priority contaminated sites are leading to measurable improvements in the quality of air, land and water resources.

Access to natural resources, water quality, urban issues and climate change are major sustainable development issues for New Zealand in the early years of the 21st century.

There is tension between those who seek access to natural resources for infrastructure development, irrigation and other human uses and those who want to protect biodiversity and natural landscapes. There are also tensions between people's desire for a secure supply of electricity, a good roading network and other community facilities, and their unwillingness to have power plants, transmission lines, motorways or landfills near their homes.

The Resource Management Act 1991 provides for public participation when communities, through their regional, city or district council, are making decisions about resource consents for such facilities.

## Environment and society

Environmental policy has a key role to play in the health and well-being of New Zealanders. Clean air and water, and protection from toxic substances and pollution, are vital to people's health. Our quality of life is closely connected with the effective functioning of our cities, towns and communities.

### Urban issues

New Zealand is an urbanised country, with 86% of our population living in urban areas and one in three New Zealanders living in Auckland. Our cities have the potential to offer a high quality of life, liveability and other key benefits that will help New Zealand to retain and attract the skilled people we need. Cities, therefore, are essential places to strengthen quality of life and sustainable development.

Many of our towns and cities are grappling with issues such as how to maintain infrastructure, improve air quality, facilitate more affordable housing, improve social inclusion, maintain the vitality of city centres, reduce urban sprawl and deal with traffic congestion. An ageing population, immigration growth and high levels of international visitors increase the pressure on towns and cities – including air and water quality, transport and sewerage systems – and consequently on quality of life.

Urban areas are where both the positive and negative effects of people, our lifestyles and our economy are most concentrated. Towns and cities need energy, water, food and materials to function and they produce significant waste products.

Growth in and around our towns and cities requires new infrastructure to support it. Even in places where there is little or no growth, significant expenditure is necessary to maintain and replace existing infrastructure networks.

A key need is to improve the integration of infrastructure provision, both across central government and with long-term strategic planning processes in local government. Better linkages between transport and urban form are needed.

The Ministry leads the Sustainable Cities workstream of the Sustainable Development Programme of Action and is making progress in setting priorities for urban affairs work. The outcome we want is towns and cities that function well, and that are healthy and attractive for business, social and cultural life.

The work programme is being tackled at two levels:

- national – under the Urban Affairs portfolio, through activities such as the New Zealand Urban Design Protocol
- regional – through the Auckland Sustainable Cities Programme.

The New Zealand Urban Design Protocol, launched in 2005, calls for a significant step up in the quality of urban design in New Zealand and a change in the way we think about our towns and cities. A commitment to implement the Protocol and improve the quality of the built environment has been made by 100 organisations, including government departments, local councils, developers, investors and professional organisations.

## **Air quality**

New Zealand has relatively good air quality. However, there are some areas (mostly urban) where concentrations of air pollution are quite high, especially where home heating is mainly by open fires or wood burners.

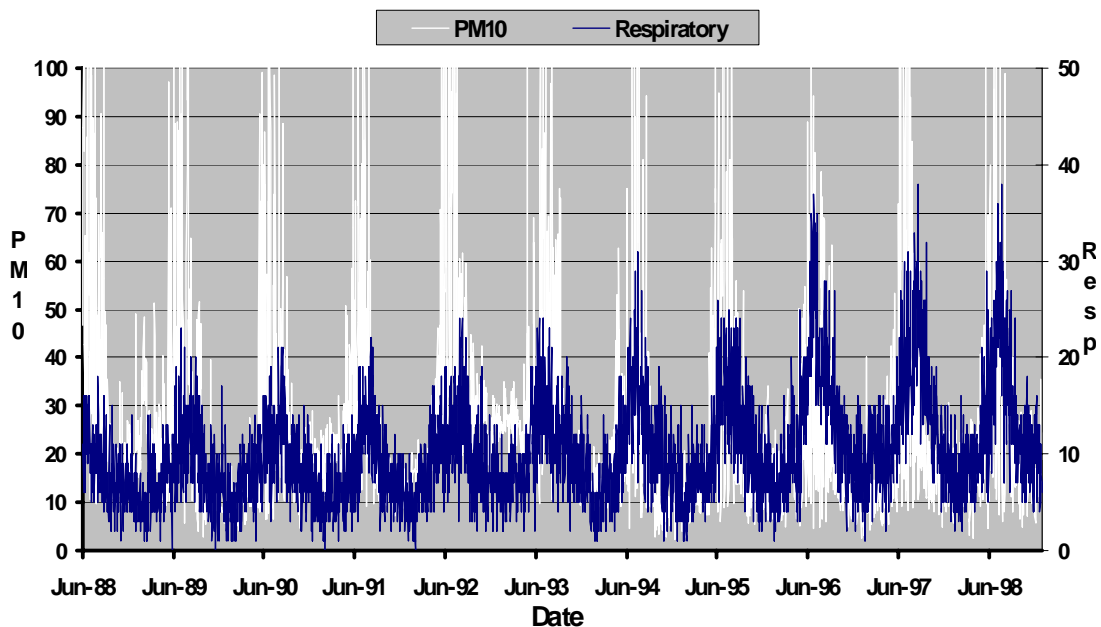
The main concern is pollution from fine particles, which is a major health risk for the young, the elderly, and those suffering from respiratory diseases. Measurements suggest that more people in New Zealand are likely to die prematurely from fine particle pollution than are killed on the roads. The primary source of fine particle pollution is home heating using wood and coal, though in Greater Auckland vehicles are a major contributor.

The graph below shows the relationship between average daily levels of fine particles and hospital admissions for respiratory illnesses over 10 years in Christchurch. Large increases in fine particle emissions in the winter months result in a corresponding increase in the number of hospital admissions. Admissions rose throughout the period, from about 20 per day in the winter months, to nearly 40.

The first national environmental standards under the Resource Management Act, approved in 2004, focus mainly on improving air quality. The 14 standards include:

- seven standards banning activities that discharge significant quantities of dioxins and other toxics into the air
- five standards for ambient (outdoor) air quality
- a design standard for new wood burners installed in urban areas
- a requirement for landfills over 1 million tonnes of refuse to collect greenhouse gas emissions.

**Figure 1: Average daily level of PM10 and number of respiratory admissions in Christchurch, 1988–98**



Source: McGowan et al, 2002 (*Australian and New Zealand Journal of Public Health*, 26(1))

The Ministry for the Environment is working with local government on implementation of the standards. While almost all of New Zealand can meet the standards, some population centres will find this difficult. Christchurch, for example, recorded 32 high-pollution days this winter (which is lower than most winters).

The Ministry's involvement includes funding \$800,000 of air quality monitoring equipment for regional councils and the multi-year Warm Homes project, which is investigating ways to encourage a move to cleaner heating and warmer homes – bringing both public health and environmental benefits.

To clean up the air, we also need direct policy intervention to have cleaner, more efficient motor vehicles.

## **Waste**

The New Zealand Waste Strategy is consistent with a sustainable development approach. It aims to lower the social costs and risks of waste, reduce damage to the environment from waste generation and disposal, and increase economic benefit by more efficient use of materials.

The Strategy, which set a new direction for dealing with waste in New Zealand, contains broad policies and objectives as well as specific targets. It is explicitly linked to the National Energy Efficiency and Conservation Strategy and to climate change policies. Good progress is being made towards the targets and support for the Strategy is high.

Solid waste disposal is generally well managed in New Zealand. Nationally we dispose of 3.4 million tonnes of waste into our landfills every year, with similar amounts of waste from building and demolition sites disposed of into cleanfill sites. The total number of operating landfills has reduced from over 300 in 1995 to under 100 now, following the closure of full or sub-standard facilities. More than 95% of New Zealanders now have access to kerbside recycling collections.

Two areas where there are still potential for gains are in management of hazardous wastes and industry responsibility for 'special' wastes such as used tyres and electronic waste.

Most elements of a comprehensive and integrated policy framework for management of hazardous wastes are expected to be in place by December 2005. Provisions for tracking hazardous waste still need to be put in place, though a pilot tracking system began in May 2005. The proposed tracking system will also provide useful data on hazardous waste generation, treatment and disposal, which is not currently collected nationally.

Product stewardship (industry responsibility for special wastes) offers considerable potential for a sustainable development approach leading to environmental benefits. Voluntary approaches are currently in place with packaging, tyres and used oil, and some businesses have taken their own initiatives. However, there are limits to what a voluntary approach can achieve – there are issues of 'free riders' and sometimes unwillingness by industry to effectively address problems.

We have been working towards legislation that would allow regulation to be used as a backstop measure if there are significant waste problems with particular products such as electronic goods and no voluntary scheme can deal with these. A discussion document outlining this proposal was released in July 2005.

## **Environment and economy**

Much of our economy relies on our natural environment, but can also have a negative impact on it. The challenge for New Zealand is to facilitate sustainable economic development while protecting ecosystems and the quality of our environment.

### **Rural issues**

While most New Zealanders live in an urban environment, much of our land supports the agriculture, food and forestry industries that are the core of New Zealand's economy. Because about 52% of the land is used for primary production, rural land use has a major impact on the sustainability of New Zealand's soil and water and its biodiversity.

Many environment, conservation and biosecurity issues have a major impact on rural people. These include forestry issues, pest issues, public access to land, high country conservation issues, biodiversity strategy and national policy statement, climate change, resource consents, sustainable water programme of action, and other water-related issues (such as Lake Taupo, Rotorua lakes, Waitaki Catchment). Tourism also affects people in rural areas.

However, the wide range of policies and programmes directed at rural people are generally dealt with separately, by a number of different departments. Central government does not take a coordinated approach to the rural environment in the same way we are beginning to with urban issues and sustainable cities.

There would be value for both government and rural people in a more integrated, whole of government, approach to working together for a sustainable rural environment.

## **Water**

Water has many uses critical to our economic and social well-being, as well as having ecological and cultural importance. Human uses include agriculture and horticulture, hydro-electricity, industrial and domestic use, tourism and recreation.

The demand and competition for fresh water is increasing. Demand is starting to exceed the capacity to supply in dry east coast areas. Water quality is also under pressure, particularly from the intensification of farming and urban run-off. Water-related issues include:

- water quality in rivers, lakes and groundwater
- access to fresh water for irrigation, water supply, electricity generation and recreation while protecting minimum flows in rivers
- managing excess water in flood-prone areas of the country.

The Ministry for the Environment and the Ministry of Agriculture and Forestry are jointly leading work on the Sustainable Water Programme of Action, which focuses on fresh water quality, water allocation, and water bodies of national significance.

A consultation process, completed in March 2005, will influence the design of specific goals and actions in the next phase of the programme. Feedback from the consultation process suggested that defining central government's role in improving the management of freshwater quality and allocation is an important next step.

The Ministry for the Environment is also leading a review of flood risk management in New Zealand. The Manawatu and Bay of Plenty floods in 2004 highlighted the vulnerability of communities when a major flood hits. About 100 New Zealand cities and towns, along with some of the most productive farmland, are located on floodplains.

Many factors affect our future flood risk, including changing land use patterns, climate change, and how well flood risk is currently being managed. The review will provide a good picture of New Zealand's current and future flood risk situation. It will also address what the role of local and central government should be in managing flood risk.

## Oceans

New Zealand has the fourth largest Exclusive Economic Zone in the world and we are still defining the limits of our continental shelf. Our uses of the ocean include recreation, customary activities, shipping, telecommunications, fishing, aquaculture, tourism, energy (both extraction of gas and oil and new renewable energy options) and extraction of other mineral and biological resources. New technologies are developing that will enable increasing access to these resources.

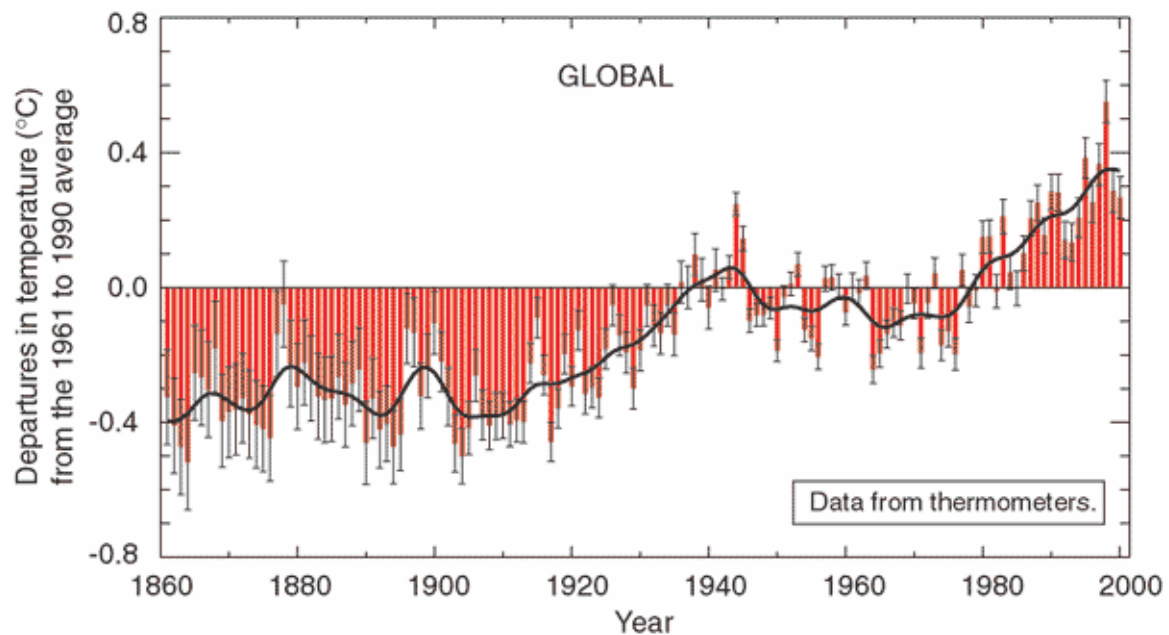
This wide range of activities is managed through different, and sometimes unconnected, institutions and legislation. In the short term, adjustments to the existing system can be made to deal with new interests as they arise, though with increasing difficulty. However, with better management we can improve the value of our oceans for New Zealand. We can also be more proactive in managing the growing demand for, and pressures on, marine space, resources and ecosystems.

The Ministry for the Environment is leading work across central government to develop an Oceans Policy that will ensure integrated and consistent management of the oceans within New Zealand's jurisdiction.

## Climate change

Most international climate scientists agree there is strong evidence that most of the global warming observed over the past 50 years is caused by human activity increasing the level of greenhouse gases in the atmosphere. The likely result is not simply higher temperatures, but more floods, storms, droughts and other extremes of weather, and a rise in sea levels that would affect coastal communities. The graph below illustrates the international trends.

**Figure 2: Global warming**



Source: IPCC 2001

Countries around the world have agreed that they will work together to slow the rate of climate change by tackling the rise in greenhouse gases. New Zealand – like 150 other countries – has ratified the Kyoto Protocol, a major international agreement to take action. The Protocol sets compulsory targets for reducing emissions. It recognises that the comparatively rich, developed countries have caused most of the growth in greenhouse gases so that is where the effort to cut emissions must start.

New Zealand's target under the Kyoto Protocol in the first commitment period, from 2008 to 2012, is to reduce its emissions to the level they were in 1990 or take responsibility for the excess. If New Zealand's climate change policies do not reduce emissions to the levels they were in 1990, then 'taking responsibility' will mean either buying emission units ('carbon credits') on the international market from countries that reduce their emissions below the target level, or offsetting the emissions with young forests that will absorb carbon dioxide as they grow.

International negotiations on the design of future commitment periods will begin soon. New Zealand will be seeking to negotiate rules and targets that are fair and protect our national interests and competitiveness.

New Zealand is unusual in world terms in three ways:

- 49% of our emissions come from agriculture – methane produced by animals and nitrous oxide from fertilisers and soils
- 70% of our electricity comes from renewable sources – only 8% of our greenhouse gases come from electricity generation
- We have high levels of forestry compared to many developed countries. These 'carbon sinks' can be used to offset our greenhouse gas emissions to a significant extent.

New Zealand's greenhouse gas emissions have increased by 22.5% since 1990. The growth has been mainly in transport emissions, methane emissions from dairy cows, and emissions produced by the use of nitrogenous fertilisers in agriculture and consumption of fossil fuel for generating electricity.

The increase in emissions is primarily the result of strong economic growth. The causes include expansion of dairy farming and increased use of nitrogenous fertilisers, more cars and trucks on the road, using more electricity per capita, and an increasing population.

## **Policies and net position**

New Zealand's climate change policies, adopted in 2002, were focused on meeting our commitments in 2008 – 2012 and obligations that may be agreed internationally in future. Key elements included:

- improving energy efficiency, including encouraging energy-efficient transport choices, and reducing energy wastage (the National Energy Efficiency and Conservation Strategy and New Zealand Transport Strategy are important in this)
- supporting projects that will help to reduce emissions by awarding them Kyoto emission units that can be traded on the international market
- imposing a carbon tax on fossil fuels that emit carbon dioxide, initially at \$15 per tonne, from April 2007

- assisting businesses that will be seriously affected by the carbon tax through:
  - Negotiated Greenhouse Agreements that will give full or partial relief from the tax for eligible companies, if they commit to moving to international best practice in managing greenhouse gas emissions
  - assisting energy-intensive businesses through grants to encourage investment in energy efficient technologies, demonstration projects to increase innovation and technology uptake, and providing information
- supporting local government and the community to reduce greenhouse gas emissions and prepare for the effects of climate change.

Although emissions from agriculture are large, until at least 2012 the agricultural sector will be exempt from any tax on these emissions. The agricultural sector and the government have agreed to jointly fund research into reducing emissions.

A strong and profitable forest industry will play a key role in reducing our net greenhouse gas emissions, as growing trees absorb and store CO<sub>2</sub>. Under the Kyoto Protocol countries have to account for the carbon stored in and released from forests. This requires a robust carbon accounting system in order to claim sink credits and to trade carbon. Cabinet approved development of such a system in early August 2005.

New Zealand will be able to earn credits from carbon taken up by new forests, but must hold emission units to cover the CO<sub>2</sub> released when trees are harvested or forests cleared. The government decided to manage these ‘sink’ credits and the implications of changing land use from forestry, at least for the first commitment period of the Kyoto Protocol. This allows forests planted before 1990 to be harvested or cleared without any cost to the forestry sector.

The owners of forests planted since 1990 will not face any penalties when they harvest or clear their forests. An initiative now being developed will give owners of permanent forests the sink credits for their newly established forests.

Each year New Zealand must report to the United Nations on all human-caused emissions and removals of greenhouse gases in New Zealand. This greenhouse gas inventory also records the trends in emissions since 1990.

A further report, the net position projection, estimates how close New Zealand will be to its target under the Kyoto Protocol’s first commitment period (2008 – 2012). In 2005 these estimates suggested that New Zealand will have a net deficit (ie, greenhouse gas emissions are expected to be higher than the target, even with adjustments made for our sink credits). The most likely value of the deficit is forecast to be 36 million tonnes of carbon dioxide equivalent. This position reflects both the forecast continuation of growth in emissions and a reduction in carbon sinks.

As with all forecasts, the results depend on the quality of the data and the assumptions and variables used in the models. There is uncertainty over some major variables, for example the amount of deforestation and the future impact of policies. An independent review of the methodologies and estimated emissions used to calculate the balance of figures now describes the New Zealand approach to forecasts as reasonable.

In recognition of the expected net deficit, The Treasury has listed an equivalent liability (\$307 million) in the Government financial statements. This does not rule out future changes in the net position calculations.

A whole-of-government team is leading a review which will analyse and consider changes to the current emissions reduction goal and the climate change policy mix. The main objective of the review is to identify, at a high level, an appropriate mix of policies that New Zealand should adopt to meet its obligations in the first commitment period of the Kyoto Protocol and beyond. Advice on this will be provided to Cabinet by 31 October 2005, at which time it will be the decision of the incoming government to choose the policy direction for climate change.

New Zealand could be asked for a preliminary position on what happens after the first Kyoto Protocol commitment period (2012) as early as November 2005.

## **Hazardous substances and pollution**

Chemicals and substances that readily explode, burn, oxidise, corrode metals or poison living things are an essential part of industry and are often used in our daily lives. However, they can be a risk to people and to the environment if not well managed. The Hazardous Substances and New Organisms Act and regulations control storage, handling, transport, and use, from import or manufacture to disposal of substances that have hazardous properties.

Further information about the Hazardous Substances and New Organisms Act can be found on page 19. Information about management of hazardous waste is on page 10.

Compared to many industrialised nations, New Zealand has generally low levels of toxic contaminants in the environment. However, we have some specific sites contaminated in the past when they were used for industries such as timber treatment or gas works.

Responsibility for contaminated land rests mainly with local government. The Ministry for the Environment is leading work on historical problems by assisting councils to remediate or manage high-risk areas, developing national environmental standards, expanding existing guidelines, and leading a national collection of unwanted agricultural chemicals. Government policy is to implement remediation or management programmes for all high-risk contaminated sites by December 2015.

The Ministry for the Environment, in partnership with Tasman District Council is leading the clean-up of New Zealand's most contaminated site, the former Fruitgrowers Chemical Company site at Mapua, near Nelson. Planning has started for the clean up of the Tui Mine, on the slopes of Mt Te Aroha.

## **Sustainable industry**

In 2002 the Ministry for the Environment established a 'sustainable industry' function to encourage good environmental performance and sustainable growth in New Zealand industry.

The Ministry is working in partnership with industry to integrate environmental concerns and policies into industry practice. Voluntary measures can often achieve good results at a lower cost to society than regulation. Industry can be effective in achieving positive environmental outcomes rather than relying just on rules imposed by regulatory agencies.

Some examples of partnership initiatives between the Ministry and other government agencies and industry include:

- Dairying and Clean Streams Accord: Signed by the government, Fonterra and regional councils, this aims to achieve clean healthy streams, rivers, lakes, ground water and wetlands in dairying areas
- New Zealand Packaging Accord: A voluntary collaborative effort to improve the sustainability of packaging used in New Zealand.
- Tyre Track: A collection system intended to discourage illegal dumping of tyres and to improve the certainty of supply for would-be recyclers.

The Environmentally Sustainable Tourism Project was developed by the Ministry for the Environment and Ministry of Tourism. It aims to develop and implement sustainable tourism charters in six regions over a four-year period by partnering with regional tourism organisations. The clusters of regional businesses involved in this project will adopt environmentally sustainable business practices such as energy efficiency and waste minimisation. The project will help in managing the increasing environmental pressure from tourism through improved business practices and/or the use of new resources and approaches.

Many business sector groups and companies are starting to promote environmentally responsible performance themselves and to see good environmental management as part of the way they do business. This is reflected in the increasing uptake of environmental management systems, ecolabels and environmental reporting.

The Ministry plans to continue encouraging and working with business sector-initiatives.

### **Sustainable practices in central government**

The Ministry for the Environment has taken a lead in encouraging central government agencies to improve the sustainability of their activities through the Govt<sup>3</sup> programme. (The '3' stands for the three pillars of sustainability: environmental, social, and economic.) The Ministry provides information, practical tools, networking, and encouragement to participating agencies, and promotes a learning by sharing approach.

In 2004/05, the first full year of operation, 57 agencies participated in the programme in some way. For 2005/2006, agencies have been encouraged to make a written commitment from their Chief Executive. As of 1 August 2005, 40 agencies had signed up to Govt<sup>3</sup> membership. Three further agencies, while unable to join formally, have indicated similar levels of commitment.

## **Environment and trade**

New Zealand has taken a strong position internationally on sustainable trade. This is reflected in frameworks for integrating environment (and labour) standards and trade approved by Cabinet in 2001. It is important both environmentally and for trade competitiveness that environmental factors are not used as disguised barriers to trade, and that our trading partners do not gain trade advantages through low environmental standards.

The Ministry for the Environment supports the work led by the Ministry of Foreign Affairs and Trade in the World Trade Organisation and in New Zealand's bilateral trade negotiations. We have negotiated environmental provisions associated with the recently signed Thailand/New Zealand Closer Economic Partnership, and the Trans Pacific Strategic Economic Partnership (Chile, Singapore, Brunei and New Zealand). Negotiations are underway with China, Malaysia and ASEAN/Australia.

# 5 Framework for Environmental Protection

Since 1991, New Zealand's environmental laws have contained a number of common themes. Chief among these is the principle of sustainability, which is now the umbrella principle for management of natural and physical resources, indigenous forests, and fisheries.

While the sustainable development approach will help New Zealand find solutions that provide the best outcomes for the environment, economy and society, every country needs a framework for bottom-line environmental protection. New Zealand needs credible and effective environmental legislation that works efficiently and good environmental governance.

A number of laws connect with management of our environment or natural and physical resources. However, two key laws for which the Ministry is responsible are crucial to environmental management in New Zealand. Both laws have an impact on how people do business or develop their own properties, so sometimes create controversy and debate.

## Resource Management Act 1991 (RMA)

The Resource Management Act 1991 is the cornerstone of New Zealand's environmental laws. It sets out how we manage our environment, including air, water, soil, biodiversity, the coastal environment, noise, subdivision and land use planning in general.

The principle of sustainable management of natural and physical resources promoted in the Resource Management Act is one element of the wider concept of sustainable development. The Act also promotes local decision making and communities being able to have their say about matters that affect them. It relies heavily on local government and the courts to implement it. It is clear that the good intentions of the Resource Management Act have not always been realised in practice, despite many improvements in implementation in recent years.

A whole of government review of the Act in 2004 led to a package of proposals for amendments to the legislation and initiatives to improve practice under the Act. The Resource Management Amendment Act No 5 was passed in August 2005. Considerable effort is still required to ensure that local government, business and professional groups are well informed about the changes and the implications for their activities.

The Ministry is working on a series of other initiatives to improve implementation of the Act. This includes the very successful Making Good Decisions programme, which provides knowledge and skills for RMA decision makers and which has already trained about 700 people. It will be the basis of an accreditation programme for resource consent hearings panels.

We are also developing a programme of national policy statements and standards under the Resource Management Act. Businesses working across a number of regions and resource management professionals support more national direction as a way to reduce compliance costs and improve consistency across the country.

National policy statements provide national leadership and direction on matters of importance. There is only one national policy statement under the Resource Management Act – the New Zealand Coastal Policy Statement. A review of the Coastal Policy Statement is being led by the Department of Conservation.

National environmental standards are mandatory bottom-line requirements that must be met by all. National environmental standards to improve air quality (6), limit release of dioxins and other toxins (7) and require collection of gases from large landfills (1) were approved in 2004. Local government has raised concerns about meeting one standard and we have been working with regional councils to support implementation (see Air Quality on page 8.)

The Ministry for the Environment has been developing a national policy statement on the protection of rare and depleted indigenous vegetation and is currently discussing this with local government. We are also working with the Ministry of Economic Development to consider options for national policy statements and standards for electricity transmission, electricity generation and telecommunications facilities.

Other proposed national environmental standards include drinking water sources, clean up of contaminated land and use of biosolids on land. The list of possibilities includes land transport noise, stormwater runoff, gas pipelines and facilities, septic tanks, fresh water, and urban issues.

Under the Resource Management Act, any decisions on the sustainable management of natural and physical resources must take account of the principles of the Treaty of Waitangi. Recent legislative amendments, including the Resource Management Amendment Act, place a significant emphasis on involving Maori in local government planning.

The Ministry is leading a process of engaging with senior Maori and local government representatives to identify opportunities for improving both environmental outcomes and Maori development through more effective engagement with management of natural resources.

## **Hazardous Substances and New Organisms Act 1996 (HSNO)**

The Hazardous Substances and New Organisms Act 1996 (HSNO) is an important piece of legislation at the interface between the economy, the environment and public health. The purpose of the Act is to protect the environment, and the health and safety of people and communities, by preventing or managing the adverse effects of hazardous substances and new organisms (including genetically modified organisms).

The Act is administered by the Ministry for the Environment but is implemented by the Environmental Risk Management Authority (ERMA) and enforced by various agencies, including the Department of Labour and local government.

The Environmental Risk Management Authority (for which you have responsibility) makes decisions on the introduction of new hazardous substances or new organisms to New Zealand. It also places controls on the manufacture, handling, use and storage of hazardous substances and conditions on approvals to field test or release new organisms.

Some workability issues with implementation of the Hazardous Substances and New Organisms Act became evident several years ago. These have been addressed through a strategy intended to reduce the cost of complying with the Act without compromising public safety and the environment.

A Bill to improve the workability of the hazardous substances provisions of the Hazardous Substances and New Organisms Act was introduced to Parliament in February 2005. Though it completed the process of Select Committee consideration, it was not passed in the last term of Parliament. It was well received by all parties during the Select Committee process as being good for business and reducing costs while not compromising protection of the environment.

The proposed amendments are extremely important in providing an efficient way to transfer most of the 70,000 notified toxic substances in New Zealand to the control of the Hazardous Substances and New Organisms Act by June 2006. Without provision for the group standards introduced through these amendments, the transfer could cost the government about \$2 million extra. The Hazardous Substances and New Organisms (Approvals and Enforcement) Amendment Bill will need to be revived in the new term of Parliament.

Together with the Ministry of Agriculture and Forestry and the Environmental Risk Management Authority, the Ministry is reviewing options for resolving impediments to trade in the interface between the HSNO Act and the Biosecurity Act. The problem concerns unintended organisms on imported goods. The organisms can be cleared under the Biosecurity Act as not presenting a risk, but if the organism is a new organism under the HSNO Act, it has to be refused entry. One example is taro mites present on taro imports.

The Environmental Risk Management Authority also makes decisions about applications to import, develop, field test or release genetically modified organisms. In 2001 the government endorsed the recommendation of the Royal Commission on Genetic Modification to take a precautionary approach which preserved options for the future.

While a number of field tests have been approved, no applications to release a genetically modified (live) organism have yet been received. When such an application is received, it is likely to generate significant public debate.

The Ministry for the Environment provides support for the Bioethics Council, which was established on the advice of the Royal Commission to advise, guide and promote dialogue on the cultural, ethical and spiritual issues associated with biotechnology.

## 6 Conclusion

This briefing provides a short overview of the Environment Portfolio and the work of the Ministry for the Environment. We can supply more background information through our *Statement of Intent 2005 – 2008*, Output Plan for 2005/2006 and documents on specific policy issues.

We would like an opportunity for an early discussion with you about your strategic priorities and the issues and challenges ahead.

# 7 Issues that the Minister will Need to Consider in the First Month of Office

- Encourage early appointment of a new Chief Executive for the Ministry.

Issues for the Minister for the Environment to make decisions on:

- Waitaki Catchment Water Allocation Plan: watch if other parties appeal during October.
- Legislative agenda priorities: The Hazardous Substances and New Organisms (Approvals and Enforcement) Amendment Bill was reported back from Select Committee but was not passed before the House rose. A delay in enactment past December 2005 will mean that the deadline for transition of toxic substances will need to be extended and this could cost over \$500,000.
- Hazardous Substances and New Organisms Act:
  - several reports are due to Cabinet
  - a proposal to simplify and improve the enforcement and compliance regime (mainly affects Environmental Risk Management Authority and Department of Labour), including a budget bid
  - report back on Environmental Risk Management Authority's progress in implementing Treaty of Waitangi issues.
- Bioethics Council:
  - receive Council report on xenotransplantation
  - report from the Ministry on progress of departments in implementing the Council's report on Human Genes in Other Organisms.
- Cartagena Protocol: The Interim National Report on the Protocol needs to be signed out.
- Urban Affairs Statement of Priorities: consider releasing this for consultation.
- Water Conservation Orders:
  - Buller River: a decision is required on whether to appoint a special tribunal to consider a variation to the Buller Water Conservation Order, as requested by Fish & Game New Zealand. Another variation is already being considered by a special tribunal – Fish & Game would like both applications to be considered together
  - Oreti River: a decision is needed on appointing a Board of Inquiry to consider an application for a Water Conservation Order for the Oreti River.
- Requiring Authorities: Requiring Authority status under the Resource Management Act provides certain powers, including allowing utility companies to designate land and apply to the Minister to compulsorily acquire land. Two applications are awaiting a decision:
  - Far North Holdings Limited: Kaitia airport
  - Central Plains Irrigation: Mid Canterbury irrigation scheme.
- Budget bids for 2006/07: Depending on the budget timetable, you will need to consider possible bids.

Items that might require a response from the Minister for the Environment:

- Local Government Review: We are working with local government to develop a process for reviewing their performance in implementing the Resource Management Act and other environmental legislation. A report to Cabinet on progress is due provisionally to take place early in 2006.
- Accept and release Packaging Accord annual report, which will raise issues around waste glass, particularly the voluntary levy.
- Nationally significant developments under the Resource Management Act: The Amendment Act provides for a new process for non-local decision making. We are preparing advice on how this function will work.
  - You may be approached by prospective developers (eg, Transpower)
  - You may need to decide in November if you wish to call in the Transpower transmission upgrade in the Waikato.
- Hazardous Substances and New Organisms Act
  - Applications for genetic modification of roses and onions may be received by ERMA and use of your call-in power would need to be considered.

Issues for the Minister responsible for Climate Change:

- Greenhouse gas emissions: Following an independent review process, a draft report concludes that the approach to projections of greenhouse gas emissions is reasonable. The Audit New Zealand management letter is also available.
- Recommendations from Climate Change Policy Review – Cabinet Paper due 31 October 2005.
- Negotiated Greenhouse Agreements:
  - eligibility of Fonterra for a Negotiated Greenhouse Agreement
  - consideration of prospective Negotiated Greenhouse Agreement Climate Change Policy Settings
  - advice on Projects to Reduce Emissions.