

07-B-1142

31 October 2007

### Minister for the Environment

<b>Subject</b>	<b>Briefing for new Minister for the Environment</b>	<b>Priority: None</b>
<b>Purpose</b>	To provide background information about the Environment Portfolio and the Ministry for the Environment	
<b>Action/s sought</b>	(a) Note the background information about the Environment Portfolio and the Ministry for the Environment (b) Advise the Ministry of further briefings and information you require.	
<b>Deadline</b>	No deadline	
<b>MfE contact</b>	Hugh Logan, Chief Executive. Phone: (04) 439 7457 or 027 273 1619 Lindsay Gow, Deputy Chief Executive. Phone: (04) 439 7461 or 027 448 5299	

### Minister's office comments

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Date:

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Hon Trevor Mallard

**Minister for the Environment**

## **Briefing for new Minister for the Environment**

1. The work of the Ministry for the Environment is focused on environmental sustainability which supports economic and social well-being. We are seeking to achieve four main outcomes:
  - New Zealand's air, water, land and built communities are healthy
  - New Zealand is able to capitalise on its natural environmental advantages
  - New Zealand's natural resources are managed effectively and New Zealanders are encouraged to use resources sustainably
  - Risks to people, the economy and the environment from pollution, contamination and other environmental hazards are minimised.
2. The government expects the Ministry to provide leadership on sustainability, particularly environmental sustainability.

## **Towards a Sustainable New Zealand**

3. The government recognises that New Zealand's future prosperity depends on long-term sustainable strategies for the economy, society, environment, culture and our way of life.
4. In February 2007, the Prime Minister outlined the government's vision for New Zealand to be the first country to be truly sustainable, and for sustainability to become central to New Zealand's national identity in the 21<sup>st</sup> century. The pursuit of sustainability is at the heart of the government's three priority themes of economic transformation, national identity and families young and old.
5. A healthy environment is important for New Zealand's future economic and social well-being. Our economy depends on the bio-physical environment and use of natural resources. Internationally we face some particular threats related to the need to reduce greenhouse gas emissions. This means that the long-distance transport of our food products and tourists is under increasing scrutiny.
6. Acting more sustainably will protect the local environment, contribute to dealing with global environmental challenges, and offer economic opportunities. New Zealand has the opportunity to position itself as a world-leading exponent of smart, innovative and business-savvy responses to environmental issues.

## **Six flagship sustainability initiatives**

7. The government has introduced six new initiatives as part of the broader sustainability agenda:
  - Household sustainability programme – making it easier for Kiwis to take simple practical steps to improve their sustainability at home
  - Business partnerships for sustainability – making it easier for New Zealand businesses to learn about and implement sustainable business practices
  - Waste minimisation and management – a new drive to cut down on waste and make recycling in public places easier
  - Towards a carbon neutral public service – government leading by example, with six departments to be carbon neutral by 2012 and all departments acting now to be on the path to carbon neutrality

- Sustainable government procurement – government using its purchasing power to grow the market for environmentally friendly services and products
  - Enhanced eco-verification – demonstrating the sustainability of goods and services.
8. The six initiatives sit alongside more than 100 other government projects that are leading New Zealand towards greater sustainability in our resource use and way of life. These include work on climate change, energy, transport, fresh water and sustainable land management. Other recent sustainability-related initiatives include the biofuels sales obligation, the \$72 million EnergyWise Homes package and \$23 million Healthy Housing programme announced in Budget 2007, and the launch of the Smarter Homes website, which provides guidance for home owners.
  9. The Minister for the Environment and the Ministry (working in conjunction with the Department of Prime Minister and Cabinet) are responsible for the overall management and coordination of the six initiatives. Three of these initiatives are being led by the Ministry for the Environment (household sustainability programme, carbon neutral public service, and waste minimisation and management), and three are led by the Ministry of Economic Development with support from us (business partnerships, eco-verification and sustainable government procurement).
  10. Since Cabinet approved implementation plans in May 2007, we have made progress in delivering all of the initiatives. Some highlights include development of a strapline and branding for the package, the first of the regional forums for the household sustainability programme, good progress on emissions inventories and reduction plans for the six Stage 1 agencies in the carbon neutral public service initiative, and development of the Supplementary Order Paper on the Waste Minimisation (Solids) Bill.

### **Sustainability outcomes**

11. The Ministry is leading a whole-of-government approach to measure New Zealand's progress towards environmental sustainability. We are developing a set of national sustainability outcomes, and meaningful indicators and potential targets to measure progress against the outcomes. We will be reporting to you and the Minister of Economic Development by 31 January 2008.
12. We are also working with the Ministry of Economic Development to clarify outcomes from the Government's six flagship sustainability initiatives and develop indicators by June 2008 to measure progress towards those outcomes.

### **Government walking the talk**

13. The Government recognises that it must demonstrate its commitment to sustainability through practical action in the public sector. In addition to the new project to move the public sector towards carbon neutrality, for some years the Ministry for the Environment has been working with other agencies to improve the sustainability of government activities.
14. Government sustainability is led and encouraged through the Ministry's Govt<sup>3</sup> programme. This programme works with 47 organisations from the public sector, including the 33 core departments and a range of non-public service agencies. The Ministry provides practical guidance on buildings, waste, transport and office consumables. The Carbon Neutral Public Service initiative focuses on reducing the greenhouse gas emissions of public sector agencies through measurement, mitigation and offsetting.

15. Public sector action and buying power also supports and encourages businesses dedicated to sustainable products and services, allowing a shift in the market towards more environmentally sustainable options.
16. We are helping to create mechanisms for influence at a strategic level (for example through the Sustainable Procurement guidelines recently launched by the Ministry for Economic Development with significant input from the Ministry for the Environment).

### **Shifting environmental sustainability into the mainstream**

17. Apart from leadership across central and local government, the Ministry is also helping to shift environmental sustainability into the business mainstream. Our efforts are focused on practical partnerships with business.
18. In partnership with the Ministry of Economic Development, we are working with sectors critical to the New Zealand economy such as tourism, food and beverage, and agriculture on opportunities to capitalise on environmental sustainability. We are participating in export market development to capitalise on the "Clean Green" New Zealand image, and we are leading work on building capability for sustainable practice into New Zealand businesses.

### **Relationships with business**

19. Critical to progress on environmental sustainability is engagement with key influencers. A number of policies across the Ministry require engagement with business interests.
20. Key players in the business sector include Business New Zealand, the New Zealand Business Council for Sustainable Development, the Retailers Association, the Sustainable Business Network, Fonterra and others.
21. We are also building relationships with key stakeholder groups through existing forums established by the Ministry of Economic Development and New Zealand Trade and Enterprise, such as The Growth and Innovation Advisory Board and Better by Design.

### **Waste minimisation and management**

22. The 2007 OECD report on New Zealand's environmental performance described waste policy as improved but still needing work, particularly on national leadership and data integrity. Waste minimisation is a critical issue for the public, with concern particularly focused on litter, plastic bags and hazardous substances.
23. The Ministry for the Environment is responsible for providing national leadership for waste minimisation. The New Zealand Waste Strategy (2002) set out government's aspirations for waste minimisation.
24. A recent review of progress towards the targets of the Strategy shows a need to focus on large waste streams (i.e. construction and demolition waste and organic waste), work with local government to benchmark best practice, and progress the legislative and regulatory framework for waste.
25. The Government has chosen to support the Green Party's Waste Minimisation (Solids) Bill in order to further develop the legislative framework for waste minimisation. The Local Government and Environment Select Committee hearing the Bill is due to report back to the House by 3 March 2008. A Supplementary Order Paper has been drafted to reflect government policy decisions. This has been referred to the Select Committee to debate and report back to the House. The legislation is likely to attract significant stakeholder response.

## **Contaminated land**

26. The Ministry is responsible for policy and guidance on managing contaminated land. In addition, the Ministry manages a fund of \$3.28m for the investigation and clean up of contaminated sites around the country. The fund is allocated to regional councils to help them progress remediation of significant contamination in their regions.
27. The clean up of New Zealand's most contaminated site, at Mapua near Nelson, was led by the Ministry using technology developed in New Zealand. This work is nearing completion. However there are several outstanding issues regarding consent conditions and retrospective funding.
28. Additional funding was secured in the 2007/08 Budget to remediate another of this country's most contaminated sites, Tui Mine, in Waikato. Work is getting under way on this.
29. Investigation and clean up of contaminated sites is costly. The level of funding available means that the Ministry cannot contribute as much government funding as local government expects. On occasion, particular councils seek to influence funding allocations by contacting the Minister. For example, there are issues with negotiation over the clean up of the Waiwhetu Stream in Lower Hutt, which has had local media coverage.

## **Natural and built environment**

30. The Environment Act 1986, under which the Ministry for the Environment was established, defines 'environment' to include ecosystems, people and communities, and natural and physical resources. The Ministry's work covers both the natural and built environment.

## **Sustainable Water Programme of Action**

31. The sustainable water programme is currently picking its way through complex issues in relation to Māori involvement, engagement, and values. These issues have held up the programme. Officials have sought to engage in discussion over the programme of national policy statements and national environmental standards, while Māori are seeking a wider discussion about fresh water. It is still possible that the programme could yet become caught up in wider debate around kaitiakitanga and ownership issues.
32. Providing these matters are resolved, the policy phase of the sustainable water programme should draw to a close over the next 8-12 months. The primary outputs – a national policy statement and two national environmental standards – will then be completed and the programme will move into its implementation phase.

## **Land use and management**

33. Many of the programmes on which we are working with other departments – water, floods management, and adaptation to climate change – intersect. They have their genesis in how we manage land in New Zealand and, increasingly, in how we manage (or don't manage) the intensification of land use.
34. We see this area as becoming a key focus over the next 12-36 months as the policy phase of water and floods reviews draw to a close and they enter their implementation phases.

## **Oceans Policy**

35. The government has agreed that oceans policy development will focus in the short term on fixing the most pressing marine problems, while over time taking a more co-ordinated and integrated approach to marine management. The government has given priority to improving the regulatory regime for environmental impacts in the Exclusive Economic Zone (EEZ).
36. This year we are consulting the public and key stakeholders on proposals for the EEZ (August and September 2007), then reporting to Cabinet with a summary of submissions and seeking agreement to next steps (November 2007). We will undertake further work as directed by Cabinet.

## **Aquaculture**

37. We are working on technical amendments on aquaculture to the Resource Management Act and other laws to correct problems that have arisen in Tasman following litigation and to improve the private plan change process. We are also working with the Ministry of Fisheries, Ministry of Economic Development, Te Puni Kokiri and the Department of Conservation on issues concerning experimental aquaculture and wider issues with the current law and implementation. We will be reporting on this to you and other Ministers in the next month.

## **Urban development**

38. New Zealand is one of most urbanised societies in the world with over 85 per cent of the population living in cities and towns. New Zealand cities (especially Auckland) will increasingly influence the future direction and success of the country. For these reasons it is important that cities become more sustainable and efficient across all four well-beings (environmental, social, economic and cultural).
39. Affordable housing and economic transformation are key themes for the government. An important part of achieving economic transformation is the ability to undertake large-scale urban development projects that integrate objectives such as economic development, local employment, affordable housing, public transport, and infrastructure provision, as well as other local, regional and national priorities. We see a need for greater public sector leadership in urban growth and transformation.
40. [Withheld under section 9 (2) (f) (iv) of the Official Information Act 1982]

## **Climate change and energy efficiency**

41. Under Vote Climate Change and Energy Efficiency, the Ministry co-ordinates the climate change work programme across government. This includes policy, implementation, preparing for and adapting to the impacts of climate change, international negotiations, and international reporting. Climate change policies intersect with other environmental policy initiatives. Hence, the Ministry seeks to ensure close integration between issues in the environment portfolio and the climate change portfolio.
42. We are also involved in work on energy efficiency with the Energy Efficiency and Conservation Authority (EECA). The Ministry has a significant role in supporting EECA in its energy efficiency delivery role, by monitoring progress and financial management, and by providing policy advice.

43. While this is under the portfolio of the Minister of Energy, the work aligns well with our environmental and sustainability programmes.

## **Māori interests in natural resources**

### **Treaty of Waitangi settlements**

44. Māori are increasingly seeking to further their aspirations for the management of natural resources through Treaty of Waitangi settlements. New settlement instruments such as guardians groups and river forums will require the Ministry to provide staff time and travel in support of these arrangements. The Ministry has signalled that such settlement obligations need to be explicitly budgeted for in the settlement arrangements. (Similar issues arise in foreshore and seabed negotiations.)
45. The Ministry is working closely with the Office of Treaty Settlements in these negotiations to ensure consistency with the provisions of the Resource Management Act.

### **Strategic Issues for Māori**

46. Strategic issues for Māori include the complex issues of natural resources policy, sustainability, and Resource Management Act implementation.
47. Māori leaders wish to engage in climate change policy, based on the significance of Māori in the primary sector of the economy, an acknowledgement of the importance of climate change to the nation, Māori focus on sustainability and investment for the future, and a Treaty right in relation to climate change policy.
48. The Ministry, with support from Te Puni Kokiri and the Ministry of Agriculture and Forestry, is leading engagement on climate change through the Māori Reference Group and hui about the emissions trading scheme. We have also let a contract to analyse the economic and social impacts on Māori of current policy proposals.
49. Māori have also stated that there are Treaty rights to be addressed in the policy development under the sustainable water programme of action. Officials are working with the advisers to the Māori Leaders group and the Iwi Technical Advisory Group to clarify understanding of their principles in relation to water allocation and customary and property rights.
50. Māori continue to look to the Ministry for support in realising the opportunities promised by Part 2 of the Resource Management Act and facilitated in the recent RMA Amendments of 2003 and 2005. Specific support is sought for training iwi RMA practitioners, assistance with developing iwi resource management plans, and improving relationships with local government.
51. In line with the significant proportion of Māori in urban areas, an initiative by Māori design professionals, iwi and Māori local government representatives has led to the development of Te Aranga, the Māori Cultural Landscapes Design Strategy. A draft Mana Whenua Sustainability Strategy has been developed to complement and influence the Auckland Sustainability Framework.

## **Environmental legislation**

52. 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. The main laws with responsibilities for the Minister for the Environment are the

Resource Management Act 1991 (RMA) and the Hazardous Substances and New Organisms Act 1996 (HSNO).

53. Local government is responsible for most of the day to day environmental management in New Zealand. Many of the Ministry's policies and programmes rely on councils, especially regional councils, to implement them.
54. Under the HSNO Act, the Environmental Risk Management Authority makes decisions about introduction of hazardous substances and new (including genetically modified) live organisms.

### **Leadership and intervention powers under the RMA**

55. Making decisions under the Resource Management Act is generally the responsibility of local authorities. The Act assumes that decisions about resources should be made by the community most closely affected by the use of those resources.
56. The Act provides for the Minister for the Environment to set national direction through national policy statements and national environmental standards. As well as those noted under the Sustainable Water Programme of Action, we are currently working on a suite of national policy statements for electricity transmission, urban design, flood risk management and renewable energy; and national environmental standards for drinking water sources, telecommunications facilities, contaminated sites and septic tanks.
57. The Resource Management Act also provides for the Minister to intervene on proposals of national significance through use of call-in and other powers.
58. There is increasing demand for the Government to exercise its leadership and intervention powers under the Resource Management Act.
59. [Withheld under section 9 (2) (g) (i) of the Official Information Act 1982]
60. Local government may see frequent use of intervention powers as a shift away from local decision making and a vote of no confidence in council performance. Conversely, some agencies may request the use of intervention powers as a way to deal with difficult issues that could be dealt with locally.

### **RMA planning and process**

61. The RMA is now 16 years old. There are repeated calls— both from development and business interests, and, in relation to plan making, from local government itself – that the RMA is too costly, slow and difficult. The NGO community repeatedly states that the RMA and/or local government process does not deliver adequate protection for key environmental values.
62. While there have been a number of amendments improving processes under the RMA, and we are working to provide national direction on a range of issues, the Ministry's view is that there needs to be a significant improvement in performance and in the quality of second generation plans. Council performance in the timeliness of the resource consent process is too variable.
63. The Ministry has a major programme of work focused on improving practice (via best practice guidance and training) and processes (through performance review and assistance to councils in some cases). There is a limit to how fast changes can be driven, however, given resources and the autonomous status of local government.

## **Hazardous Substances and New Organisms**

64. The overriding purpose of the Ministry's role with hazardous substances policy is to maximise the potential benefits (economic and environmental) from appropriate and safe use of hazardous substances while minimising the risk to people and the environment.
65. Cabinet approved the Hazardous Substance Compliance and Enforcement Strategy in December 2006 to effectively implement the relevant aspects of the Hazardous Substances and New Organisms (HSNO) Act 1996. The Ministry is working closely with the Environmental Risk Management Authority and the Department of Labour to progress the implementation of the Strategy.
66. There are some real operational challenges to improve industry understanding of and compliance with the hazardous substances regime under the HSNO Act. There is also a need to improve the capability and capacity of enforcement agencies, particularly the Department of Labour. Additional resources are needed for effective enforcement, and for monitoring and hazardous substances reassessments by ERMA New Zealand.

## **International environmental agreements**

67. The Ministry assists in negotiating and implementing environmental agreements under the 2001 Framework for Integrating Environment and Labour Issues into Free Trade Agreements. This is creating an increasing work load.
68. New Zealand at present has two agreements, one with Thailand and the other, called the Trans-Pacific Strategic Economic Partnership, with Brunei, Singapore and Chile. In the near future we are likely to have an agreement with China and at least two countries from the ASEAN group (Philippines and Indonesia). Further into the future we may have agreements with the Gulf States, Japan, South Korea and possibly Mexico.
69. Implementing these agreements involves a two-way exchange of information, expertise and experience between New Zealand and our trade partners, with benefits to both. As these agreements proliferate, the Ministry will need to take a more strategic approach to the nature and extent of our engagement.

## **Environmental reporting, science and research**

### **State of the Environment report**

70. *Environment New Zealand 2007* is the second national-level state of the environment report (the first was in 1997). The report was considered by Cabinet on 29 October, and agreement given in principle for the Ministry to publicly release it in late December 2007, subject to your approval.
71. The report examines key pressures on our environment (household consumption, energy, transport, waste), and trends in and the current state of our air, freshwater, atmosphere, land, oceans and biodiversity.
72. In line with common practice internationally, the report is a neutral presentation of the facts about the state of the environment. While it does include some brief high-level information on key policy responses to the issues under discussion, it is not intended to provide comprehensive information on government policies in place. The Cabinet paper accompanying the report will examine the key findings of the report, identify if these are new or known, outline whether the findings are in line with key commentary (e.g. the

OECD Environmental Performance Review of New Zealand), and illustrate relevant regional and government initiatives and policies.

73. A communications plan and materials will be developed in advance of the release. These will identify areas of risk and opportunity and outline how best to ensure the findings of the report can be used to inform policy development and management decisions in future.

### **Reporting framework**

74. *Environment New Zealand 2007* is the first product from the newly established 'reporting framework' approved by Cabinet. The framework will build on existing information-sharing agreements with other agencies (eg regional councils). It will enable the Ministry to use environmental information held by these agencies to track progress against a set of national environmental indicators and report on specific aspects of the environment (e.g. water allocation).

### **Science to support environmental policy development and management**

75. Our science work programme focuses on working with the New Zealand science system to promote relevant science and research, and to ensure the information needs for policy development and environmental management are met. The current focus of the work programme is supporting key policy directions in water, sustainable land management, oceans, urban and climate change.

## **Community engagement**

### **World Environment Day 2008 (5 June 2008)**

76. The government has agreed that New Zealand should host international celebrations for World Environment Day 2008 on behalf of the United Nations Environment Programme. The planning for this event is led by the Ministry and will involve other government agencies, local government and the community in delivering a week of events in June 2008.
77. The international theme for the event is 'Kick the habit' – with a focus on working towards a low-carbon economy and lifestyle. This event will put New Zealand on the international stage and is a great opportunity for the Government to deliver key environmental messages. The Minister for the Environment will need to be an integral part of the celebrations throughout the week.

### **Sustainable Management Fund**

78. The Sustainable Management Fund of \$3.6 million provides financial support to projects which produce long-term environmental benefits. Community groups, industry and local government are awarded funds annually for projects that align with the Ministry's priority areas for the environment. Successful projects provide great opportunities to interact with the community through Ministerial visits.
79. The fund is oversubscribed each year by over \$20 million. The Minister for the Environment is often contacted by unsuccessful applicants to express their disappointment about the process. New measures are being put in place to focus the fund on the Government's sustainability priorities, thereby narrowing the focus of eligible applicants.

## **Stakeholder engagement and communications**

80. The Ministry has established a new team to focus on further developing and maintaining relationships with key stakeholders. We are building the capacity of the Ministry to engage with and influence key stakeholders and the wider community on sustainability issues and programmes. This work is now separate from, but linked with, the very busy communications planning and media liaison activity in our Communications team which supports policy development and implementation.

## **Further information**

81. Further information about the Ministry's strategic direction and current work programmes can be found in our:

- Statement of Intent 2007-2010
- Report of the Ministry for the Environment for the year ended 30 June 2007.

Hugh Logan  
**Chief Executive**