



A Bluegreen Vision for New Zealand

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1. Vision and Goals

Clean air, clean water and well-managed resources ought to be achievable throughout New Zealand within one generation.

Tackling environmental problems in New Zealand, especially through the operations of the Resource Management Act, has been synonymous with dispute and adversarial procedures. Need it be so?

National believes many New Zealanders are yearning to do things differently.

Clean air, clean water and well-managed resources ought to be achievable throughout New Zealand within one generation.

To deliver on this vision, we believe New Zealand needs to work toward a national consensus around some clearly-stated goals and milestones for environmental policy.

Evidence from systems used in the Nordic countries (briefly described in the box opposite) suggests that it is well worth making serious efforts to achieve an environmental consensus at the national level.

There are four important, potential benefits:

1. Effectiveness in getting results: Broad national consensus on goals and targets can lead to more harmonious, more consistent and more effective implementation efforts by the various agencies of central government, local government and the private sector. This leads to better environmental results on the ground;
2. Long-term consistency: Environmental policies can only succeed if they are consistently pursued for the long term. An emphasis on multi-stakeholder agreement can help to ensure policy lurches do not occur with changes of government. Where policy change is needed, an emphasis on a negotiated approach can elicit a constructive engagement from stakeholders and politicians of most parties;
3. Reducing delay and cost: Certainty for investors can be improved by specifying exactly what the resource management system is seeking to achieve. The delay and cost in decision processes can be reduced by minimising the scope for argument and litigation, and fostering a less adversarial approach to environmental policy.
4. Better use of technical information: Good environmental policy is built on achieving a good understanding of multi-disciplinary technical information, including benefit-cost analysis. It also requires judgments to be made about uncertainty. These things can often be done better in a non-adversarial, roundtable situation at the national level. Such an approach can save

some unnecessary duplication at regional and local levels, and can also reduce the tendency for standard setting to move by default to costly resolution in adversarial settings in the environment courts.

New Zealand itself has some experience with consensual problem solving, including negotiated accords such as the NZ Forest Accord, the Fiordland marine reserves and the Waiau River agreements. These have played a constructive role and remind us what is possible in this country.

However, fostering this approach depends on strengthening the incentives for co-operation throughout the system, and will mean committing to several new practices:

- Empowering stakeholders, especially environmental groups and business, and providing them with strong incentives to reach agreement with each other on environmental goals and policies;
- Fostering a sense of commitment to a shared national interest in sustainable development;
- Establishing a system that can independently monitor environmental performance and provide honest appraisals of how agencies and councils are doing, and where improvements or new measures are needed.

Making collaborative practices possible in various fields of environmental endeavour is a theme throughout this discussion paper.

PROPOSALS

National believes New Zealand should aim to solve all its domestic environmental problems within one generation.

In government, we would invite stakeholders to work with us to reach agreement on up to 20 national environmental goals to be achieved by specified dates, at the latest by 2030.

If that process is successful, we will work in the same collaborative way to establish appropriate milestones and policies to achieve the goals.

Climate change policy will have to be treated separately because it depends crucially on the co-operation of other countries. Nonetheless, National believes it is desirable to achieve a multi-party agreement in this policy area, as New Zealand needs consistent, long-term policy settings.

COLLABORATIVE GOVERNANCE IN THE NORDIC COUNTRIES¹

The Nordic countries – Finland, Sweden, Norway and Denmark – have dynamic, open, market economies with higher living standards than New Zealand. They also have large primary production sectors. Yet at the same time they stand out for their leadership in environmental policy achievement. They show us that high levels of economic performance are compatible with high environmental standards.

International surveys of people's values have shown that New Zealanders and the Nordic peoples hold similarly strong environmental values, significantly stronger than the average for OECD countries. The difference is that the Nordic countries have been more successful than New Zealand in translating people's environmental values into effective policies.

The main reason for this appears to be the strong emphasis that the Nordic countries place on collaborative governance: put simply, they work together to solve their problems.

Though their resource management decision-making systems are for the most part decentralised to regional and local authorities, the Nordic countries place a stronger emphasis than New Zealand has done on the role of national leadership. This involves the setting of very long term goals, and the alignment of everyone's efforts to achieve these goals through multiple processes – research, education, incentives, skills and infrastructure provision, voluntary commitments and, where necessary, regulation.

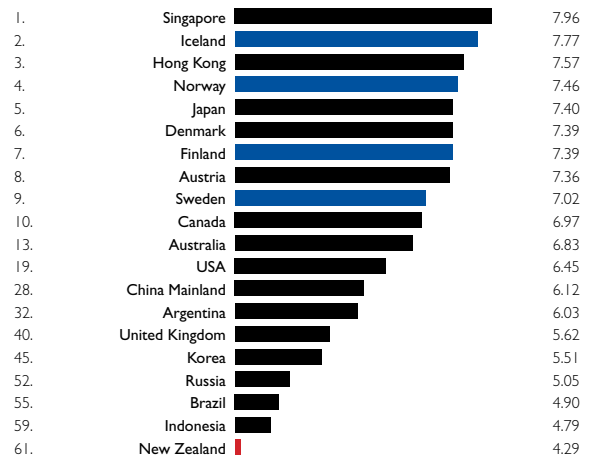
Environment policies in the Nordic countries are characteristically formed by roundtable processes that, from the start, bring industry and environmental stakeholders together with government officials.

In many cases elected politicians are involved at this stage as well, and usually on a multi-party basis. The aim is to achieve consensus, or as near to consensus as possible.

These roundtable "commissions" work together for many months. The participants immerse themselves deeply in information, consult the public, seek to develop a consensus around a policy approach, and commission any research they may need, including cost-benefit analysis.

Though all the Nordic countries use long-term goals to drive environmental policy, Sweden has taken the most comprehensive approach to this. In 1999 the Swedish Parliament unanimously adopted 15 national environmental goals recommended by a roundtable commission.

Environmental law and business



The 2006 IMD World Competitiveness yearbook, based on a survey of business executives, ranked New Zealand 61 of 61 countries in terms of environmental laws hindering business competitiveness. The Nordic countries have high environmental standards, but strong support from business, suggesting a better model.

Sweden's goals are big picture, simple objectives like clean air and zero eutrophication, each accompanied by a more technical specification and a date for achievement.

While the climate change issue was set to one side, because it depends on negotiation with other countries, the Parliament decided that all Sweden's other environment problems should be resolved within one generation – by the year 2020.

Also unanimously decided on were 71 clearly specified, interim milestones, together with an independent council to monitor progress and report to Parliament.

Could New Zealand adopt a more collaborative approach to our national interests? It is worth noting that the Nordic countries have not always acted like this – they have had divisive politics in the past, and in Finland's case, even a civil war.

Collaborative governance is something they have slowly and painfully learnt how to do. It flourishes best in those policy areas such as the environment and foreign policy where a long-term, stable approach is important to the national interest.

¹ Information in this box is derived from an ongoing research programme, "Institutions for Sustainable Development," funded by the Foundation for Research Science and Technology (FRST) and being implemented by the Ecologic Foundation. Findings are being written up over the next year in a series of reports and papers that will be available at www.ecologic.org.nz. For details of Sweden's environmental goals see <http://miljomal.nu/english/english.php>.

2. Climate Change and Energy

New Zealand needs to reduce the risks of climate change by constraining emissions, encouraging renewables, improving energy efficiency, and by investing in research and technology.

Climate change policy is about risk management. Just as we require buildings to be strengthened against earthquake risk, and we take out earthquake insurance, so too do we need to take measures against the risk of climate change. Most scientists consider that continuing high emissions of carbon dioxide and methane present a risk of destabilising the global climate, possibly leading to irreversible consequences.

How big is this risk? Many years of scientific work, summarised by the National Academies of Science of all the main countries, including the United States, and by the Intergovernmental Panel on Climate Change, confirms the risk is serious, although uncertainty remains about the rate and timing of global climate change and its regional effects.¹ These uncertainties are not an excuse for doing nothing.

Though there is now sufficient evidence to show that climate risk needs to be actively managed, the level of our response should remain under ongoing review. We need to be able to scale our efforts up – or down – as further scientific evidence comes to hand. Also, climate policy needs to be advanced carefully if damage to the economy is to be avoided. Having key trading competitors like Australia, the United States and China outside the emissions reductions framework of the Kyoto Protocol has put New Zealand at a competitive disadvantage in a globalised world.

The Government has talked much about climate change, but its policies have all failed. The fart tax, the carbon tax and the negotiated greenhouse agreements have all been abandoned. More than \$100 million has been spent on an energy efficiency strategy, which has seen the annual rate of energy efficiency improvement fall to 0.4 percent per year over the past five years, compared with 0.75 percent over the previous five years under National.² Tree-planting has dropped dramatically, and is now exceeded by forest clearance (see graph on page 10).³ New Zealand emissions have been growing more quickly than those in almost any other country.⁴

The message from business is now clear: they want to see stability and certainty in climate change policy to underpin invest-

ments that need to be made in many areas, including long-lived infrastructure. New Zealand's influence in international negotiations would be stronger with a consistent, unified national policy. For these reasons, National has offered to participate in a bi-partisan process of developing climate change policy.⁵

We believe there are three broad climate policy priorities for New Zealand:

1. A New, Global Treaty:

The highest priority is to negotiate a truly global treaty on climate change, to take effect when the Kyoto Protocol expires in 2012. The treaty we need must include commitments from all major emitting countries, and New Zealand's commitments should be aligned with those of our trading partners, especially Australia.

2. New Technologies:

To stabilise atmospheric concentrations of greenhouse gases at a safe level, emission reductions of 50 percent or more are widely expected to be required by 2050.⁶ To achieve this, major new technologies will be needed in transport, power generation and agriculture. For the most part, these technologies will be developed overseas, and New Zealand will be a technology taker. However, our expertise in agricultural research means we should make a focused effort to develop technologies of global usefulness for reducing farming emissions.

3. Tradable Emissions Permits:

Though New Zealand's emissions are a tiny part of the global picture, getting global agreement on a new treaty depends on everyone being seen to pull their weight. Therefore, there needs to be a domestic emissions policy. A tradable emissions permit system offers New Zealand the best way forward.⁷ By putting a price on emissions, such a system would elicit the least-cost combination of emission reductions and forest plantings to absorb emissions. It would stimulate energy efficiency and renewables while also allowing the competitiveness of vulnerable export sectors to be addressed. It would take some years to design

1 See United States National Research Council 2001: Climate Change Science - An Analysis of Some Key Questions and also Intergovernmental Panel on Climate Change: Third Assessment Report and also Joint Science Academies' statement Global Response to Climate Change 7th June 2005 and also Levin & Pershing 2006: World Climate Science 2005 - Major New Discoveries.

2 Energy Efficiency and Conservation Authority (EECA), 2006: Situation assessment report on the National Energy Efficiency and Conservation Strategy.

3 MAF Forestry Statistics 2006.

4 United Nations Framework Convention on Climate Change 2003 annual reporting.

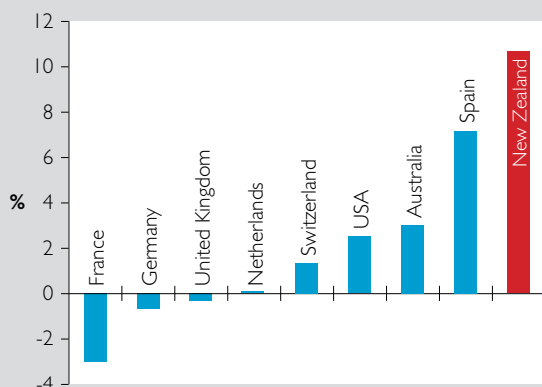
5 Hon Dr Nick Smith letter to Minister Responsible for Climate Change Issues, 22 December 2005.

6 California's governor Arnold Schwarzenegger has set a target of an 80 percent reduction below 1990 levels by 2050, with an interim 25 percent reduction by 2020; while the UK's Conservative Party leader, David Cameron, has called for a target of 60 percent reduction by 2050, with legally binding annual steps to achieve it.

7 Working Group on CO2 Policy 1996: Climate Change and CO2 Policy - A Durable Response.

Emissions Growth⁴

New Zealand Greenhouse Gas emissions since 1999 have increased faster than almost any other country.



such a system, and to co-ordinate it with international mechanisms and markets. In the meantime, a first step can be taken by introducing this approach in the electricity generation sector.

A Way Forward

As an immediate first step, any additional emissions over current levels from power stations burning fossil fuels would need to be offset by purchasing emission permits. Permits would be earned either through certified emission reductions elsewhere in the economy, or by establishing permanent forests to store carbon out of the atmosphere. Emission permits would be tradable, and industries that could supply them (such as forestry and renewable energy) would grow. Emissions from the electricity sector have more than doubled since 1990, faster than any other sector. This policy measure would cap them.

PROPOSALS

Introduce a tradeable emissions permit system to manage New Zealand's Greenhouse Gas emissions.

The first step will be capping electricity emissions by requiring all additional emissions from fossil-fuel power stations to be offset by forestry planting or other emission reductions.

At the same time, the Government's 10 percent deforestation cap should be abolished, as it has become counterproductive to both the economy and the environment. Reforms of the Resource Management Act (RMA), as proposed on pages 28 and 29, are also needed to help renewable energy development.

Research and development investment needs to be boosted substantially to equip farmers with the practical tools they need to contribute to New Zealand's national emission reduction effort. New Zealand should join the Asia-Pacific Partnership for Clean Development, which is leading a major emissions-related research effort of great potential value to this country.

There are a series of common sense, practical measures that New Zealand could be taking, such as:

- Updating the Building Code to reflect the importance of energy-efficient buildings;
- Mandating clear, standardised product labels to show appliance efficiency and vehicle fuel efficiency;
- Requiring a blend of biodiesel in fuel used and sold in New Zealand, subject to availability;
- Providing incentives for more fuel-efficient imported vehicles, financed through penalties for inefficient vehicles, as proposed by the Business Council for Sustainable Development.¹

PROPOSALS

- **Abolish the Government's deforestation cap;**
- **Boost research and development, especially on agricultural emissions reduction;**
- **New Zealand should join the Asia-Pacific Partnership for Clean Development;**
- **Update the Building Code to emphasise energy efficiency;**
- **Introduce clear standardised product labels for appliance efficiency and fuel efficiency;**
- **Blend biodiesel into fuel;**
- **Establish incentives for more fuel-efficient vehicles;**
- **Reform the RMA to facilitate renewable energy.**

¹ New Zealand Business Council for Sustainable Development (NZBCSD) 2005: Proposal for Incentivising Green Vehicles.

3. Nature Conservation

The next step forward for conserving our unique flora and fauna is in encouraging and funding the initiatives of thousands of volunteers and dozens of organisations in community conservation projects.

New Zealand's heritage of native plants and animals has survived in almost total isolation from the rest of the world for 70 million years. Our forests and many of our native animals, including the kiwi, are not greatly changed from a time when New Zealand was part of the ancient continent of Gondwanaland.¹

This heritage is unique. It provides the world with a fascinating glimpse of the life-forms and ecosystems of early pre-human times. For New Zealanders, it is a shared part of the memorable backdrop of our lives – our childhoods, our outdoors experiences and the places we love.

Our capacity to care for them all is one of the impressive things about New Zealanders. It helps to define who we are as a people. That is why the voluntary efforts which individuals and small community groups make for nature conservation are particularly worthy of note (see box).

No government department could hope to conserve New Zealand's heritage without such community support. This is not just a question of funding. Much of what needs to be protected, especially in New Zealand's lowland and coastal environments, will always be in private ownership.

National views private and community nature conservation and eco-restoration as an exciting new frontier for conservation achievement. This is one of the key purposes of the \$1 billion Sustainable Investment Fund (SIF).

PROPOSAL

Community conservation initiatives should be more strongly backed by government with public funding.

Larger-scale nature conservation and restoration projects, including lake and wetland restoration, require intensive scientific input, professional management and funding on a larger scale. To increase the country's capacity to tackle such projects, further impetus needs to be provided for the Department of Conservation (DOC) to enhance its flow of revenues, including in-kind resources from the private sector.

¹ Fleming, C. The Geological History of New Zealand and Its Life. Auckland University Press 1979.



Photo: Peter Reese, Karori Wildlife Sanctuary

A pair of North Island Kaka at Karori Wildlife Sanctuary, recently refused public funding by the Government.

DOC currently collects \$13 million from rents and concessions on its land holdings. This revenue, or potential revenue, arises from tourism concessions, telecommunications sites, buildings, marinas, private jetties, grazing leases, mining activities and other permitted activities on its land.

There is an opportunity for creating an incentive framework that enhances this flow of revenue and focuses it on major eco-restoration projects, both on conservation land and on private land. This could be achieved by applying the principle of 'net conservation benefit' to the department's dealings with the private sector. Under this principle, DOC should agree to concessions and development proposals on the conservation estate, foreshore, and seabed when, and only when, the benefits of conservation gains significantly exceed the adverse effects on conservation values.

Such an approach would have some important advantages:

- Private sector resources would become increasingly available for valuable conservation and restoration work. Private companies and landowners are often in a position to carry out conservation projects more economically than DOC. Where that is not the case, they could contribute funds, enabling the project to be carried out by DOC or on its behalf.
- Win-win outcomes for conservation and development would be fostered, along with more co-operative attitudes. At present, DOC's staff and supporters in the community understandably feel that every development that occurs on the conservation estate is, more or less, a loss for conservation. With net conservation benefit decision making, they would see such developments as a potential opportunity meriting serious consideration and discussion.

Certain safeguards would be needed to give integrity to the proposed decision-making system:

- DOC should have independence from political influence in dealing with would-be developers. To achieve this, the NZ Conservation Authority could be reconstituted as an independent board of directors.
- Guaranteed long-term baseline funding to ensure funds earned from projects are additional.
- Local conservation boards should be consulted on all significant net conservation benefit trade-offs in their region.

PROPOSAL

The New Zealand Conservation Authority should be reconstituted as an independent board of DOC, with guaranteed long-term funding and a mandate to make decisions on the basis of net conservation benefit.

National parks

Ten of New Zealand's national parks are in the South Island and the remaining four are in the lower and eastern North Island. Yet 50% of the population lives north of Taupo. It is time to advance two new national parks in the north.

The magnificent Kauri forests of Northland rate as one of the natural wonders of the world. Tane Mahuta is a national treasure. These forests deserve the highest protection and should be gazetted as national park.

The Waitakere Ranges in Auckland are iconic. West Aucklander and new National MP Paula Bennett's idea of the public lands becoming a new national park is worthy of proper investigation by the Department of Conservation.

PROPOSALS

A new Kauri National Park be established in Northland's Waipoua and surrounding Kauri forests.

The case for a new national park centred on the public lands in the Waitakere Ranges should be investigated.

CASE STUDY

PRIVATE AND COMMUNITY CONSERVATION

Private and community conservation efforts have multiplied enormously in the past few years. The Queen Elizabeth II National Trust, established by a National government in 1977, has played a vital role in fostering conservation on private land. By mid-2006, the trust had registered 2,358 covenants over 77,000 hectares of particularly valuable native vegetation. This establishes legal protection and fencing, and builds the goodwill of landowners, who often get involved in weed and pest control as well as encouraging friends and neighbours to establish covenants on their own land.

Today, with support and encouragement from DOC, a further 14 conservation trusts are establishing intensive conservation management on 9000 hectares of special sanctuaries on the mainland, and an additional seven are taking responsibility for eco-restoration of important island refuges in the Hauraki Gulf and elsewhere. Other fund-raising trusts and many private companies are playing a vital role in bringing threatened plant and wildlife species back from the brink, including such icons as pohutukawa, kiwi and kakapo.

More informal groups, characterised as landcare, streamcare, coastcare and naturalist groups, as well as local branches of Forest and Bird and local councils of Fish and Game, are undertaking a huge range of important conservation tasks. These include trapping stoats and re-introducing vulnerable species like blue duck; re-vegetating islands and stream banks; fencing remnants of native forest and restoring wetlands; protecting vulnerable wildlife species on beaches and riverbeds; helping with wildlife and plant surveys; and ensuring children have opportunities to encounter and learn about nature in the wild.

Private and community conservation effort is no longer an optional extra. Today it contributes an indispensable part of New Zealand's total conservation effort.



Photo: Dave Willis, Crown copyright DOC.

Community conservation efforts around the Tauranga Harbour, Coromandel and at Omaha have saved the northern NZ dotterel, which lays its eggs vulnerably on the beach, and until recently was threatened with extinction.

4. Healthy Air

The death toll from air pollution needs to be reduced by tightening vehicle emission standards, testing vehicle emissions, and assisting households to change to clean heating.

Air pollution damages our health. The main source of the problem is tiny sooty particles produced by vehicle exhausts and home fires. Measuring less than 10 microns across, and therefore invisible to the naked eye, these particles are known to scientists as PM10s.

Other harmful pollutants – not as well understood in New Zealand conditions as PM10s – include carbon monoxide, nitrogen dioxide, sulphur dioxide, benzene and ozone. Poorly tuned or old diesel vehicles are a particular problem as the particulate that comes from diesel exhausts – a polycyclic aromatic hydrocarbon – is very carcinogenic.

Everyone in New Zealand is aware of the high toll of road accidents – but the number of deaths which scientists attribute to air pollution from PM10s alone is far larger. The best estimate of annual premature deaths (among people aged more than 30) from air pollution in New Zealand is 970.¹ This compares with 368 road deaths (all ages) in the 12 months to the end of August 2006.²

Older people are disproportionately affected by air pollution, whereas the road toll takes out younger people. But the two sets of statistics can be compared on the basis of the number of years of life lost. Even when measured on that basis, air pollution in New Zealand stands out as causing more years of life lost in total than traffic accidents do.³

For many people, air pollution also causes days of 'restricted activity,' such as absences from school or work due to respiratory symptoms. For Christchurch alone, 'restricted activity days' have been estimated at between 300,000 and 600,000 each year.⁴ Asthmatics are particularly affected.

It is surprising that New Zealand has been so slow to act on its air pollution problems. For many years, New Zealand has been unusual among OECD countries in having no air quality standards, no vehicle emission standards and no vehicle emissions testing requirement. After years of delay and several changes of policy, the Government has started to address these deficiencies. But the solutions it has come to are inadequate. They lack a sense of the urgency and seriousness of the problem.

1 Fisher et al. 2002: Health effects due to motor vehicle air pollution in New Zealand.

2 Land Transport New Zealand 2006.

3 Fisher et al 2002.

4 Wilton 1999: Update: The health effects of suspended particulate.

Air quality standards

The Government has promulgated a national air quality standard for PM10s, which requires healthy air to be achieved by 2013. Christchurch and a number of provincial cities and towns, especially throughout the South Island, do not currently meet this standard.⁵ On many cold, still winter nights, an inversion layer of cold air forms over these towns and smoke from wood burners and/or coal fires is trapped within it, allowing PM10 concentrations to build up to unhealthy levels.

A national air quality standard, though welcome, can be seen as only the first step in solving this problem. Affordable home heating is just as essential to good health as is clean air, yet for many households, the cost of changing over to clean heating is simply too high unless some financial assistance is available. Many older homes also require proper insulation if energy resources are not to be wasted.

Several communities have looked at the level of council-funded assistance that would be needed to upgrade home heating and insulation to meet the 2013 air quality deadline, and found that it is quite high. In many cases, local government – already under criticism for raising rates – cannot afford to provide assistance at the necessary level to achieve compliance by 2013.⁶

This is clearly a standard that should be met, and met on time. However, there is a great need for some central government assistance to make this happen. The Sustainability Investment Fund should play a role here (see page 15), and there should be a mid-term review of progress in meeting the standard.

PROPOSALS

The national environmental standard for air quality should be supported, with a review of progress carried out in 2010.

Councils should be eligible to apply to the Sustainability Investment Fund for financial assistance to help low-income households change over to clean heating, so that their communities can comply with the standard by 2013.

5 'No ECan targeted rate to fund cleaner air', Environment Canterbury Press release, June 7 2006.

6 For example, Timaru, Rangiora, Richmond and Kaiapoi.



Photo: The Press.

On many cold, still winter nights an inversion layer of cold air forms over Christchurch and smoke from wood burners and/or coal fires is trapped within it, causing unhealthy air pollution.

Vehicle pollution

The total nationwide cost of health damage and mortality attributable to air pollution from vehicles was estimated in 2005 at \$440 million per year, with two-thirds of this cost occurring in Auckland.¹ The worst 10 percent of vehicles produced 40 to 50 percent of the total vehicle emissions, according to a survey carried out by the Auckland Regional Council (ARC).

In August 2000, the ARC launched a public campaign to 'dob in a smokey vehicle.' The campaign was hugely popular, with more than 11,000 calls being received in the first two weeks.² Despite this clear message from Aucklanders that they wanted vehicle pollution cleaned up, the Government delayed for a further six years before announcing that a visible smoke test will henceforth form part of the six-monthly warrant of fitness test for all vehicles.³ Vehicles which fail the test will have to be tuned or repaired, or if that is not possible, their owners will have to replace them if they wish to continue driving.

But the Ministry of Transport estimates that the visible smoke test will pick up only about 2 percent of the vehicle fleet – far short of the 10 percent of vehicles that are estimated to be causing 40 to 50 percent of the pollution.⁴ More sophisticated testing is needed to identify the remaining vehicles that are

causing unacceptable levels of air pollution, so that they can be fixed. Such testing systems are used in overseas countries, but they are also relatively more expensive. There is a case, however, for requiring a higher standard of testing in a few places – notably Auckland – where vehicle emissions are causing an unacceptable health hazard to large numbers of people.

In addition, vehicle emission standards on new vehicles would eliminate the worst-polluting group of older, second-hand imports. As the national vehicle fleet gradually turns over, vehicles meeting the standard would make up a larger and larger proportion of the fleet.

PROPOSALS

More sophisticated emissions testing equipment, and associated standards, should be introduced in those areas where large numbers of people are adversely affected by air pollution from vehicles. This would start in Auckland and extend progressively to other centres.

Vehicle emission standards should also be introduced and enforced for imported vehicles.

¹ Booz Allen and Hamilton 2005: Surface Transport costs and charges.

² Auckland Regional Council.

³ Tizard 2006, Press release, "Kiwis encouraged to choke the smoke".

⁴ Land Transport New Zealand 2006: Vehicle exhaust emissions.

5. Soils and Erosion

It is better to prevent erosion by encouraging planting and discouraging unwise development, than having to spend millions in the aftermath of flood events.

Soil erosion and flooding are linked, and much of New Zealand is vulnerable to them. National believes that a pro-active, long-term view must be taken if the threats they pose to our living environments are to be brought under control.

In February 2004, intense rainfall ravaged the Manawatu, Rangitikei and Wanganui catchments, triggering extensive landslides and flooding. An estimated \$360 million of damage was done to property.¹ It was a heartbreaking experience for thousands of families.

The Government approved relief and reconstruction payments totalling \$130 million.² Many of the payments to individual landowners exceeded \$400,000.³

Unfortunately, this spending has largely re-established the existing pattern of land use, with re-building on vulnerable parts of flood plains, and re-grassing of highly erodible hill slopes.

There is a need for leadership and community assistance in changing this pattern of land use.

Periods of intense rainfall leading to widespread landslides and flooding are a regular, predictable event. In the Manawatu-Wanganui region, the same trend of restoring the existing land use pattern was followed after the last big, damaging event, in 1992, despite calls for a new approach.⁴

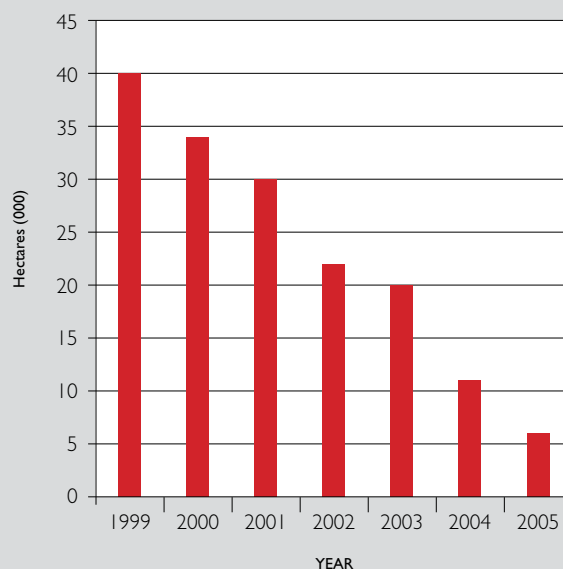
Riverside properties on the lower Rangitikei floodplain have doubled in value since the area was flooded to 3.7 metres' depth only two-and-a-half years ago (see picture). The high land values reflect the fact that those developing such sites enjoy the benefits of subsidised flood protection and flood relief.

PROPOSAL

Flood hazard policies will be reviewed to discourage unwise development, and to ensure that those developing on highly flood-vulnerable sites face the full costs which their actions impose on the rest of the community.

Forestry plays an important role in reducing erosion, but new forest plantings have plummeted (see graph above). This has been a consequence of reduced returns relative to other

New Zealand Forest Plantings



Forest plantings have collapsed in response to poor returns and disincentives created by Labour's Kyoto policies.

land uses, and the Government's Kyoto policies that impose a potential carbon liability on harvesting and no recognition for carbon capture.

The deforestation cap is a disincentive to planting forestry and should be dropped. There needs to be some economic recognition of the carbon capture from forestry through a tradable emissions permit system (see page 5).

PROPOSAL

Economic incentives for forestry planting in erosion prone areas need to be introduced.

During the Manawatu floods, 200 million tonnes of sediment moved from the hill slopes into the region's river systems. During eight hours at the peak of the flood, scientists used sampling to determine that the amount of sediment moving under Palmerston North's Fitzherbert Bridge was 28 tonnes every second.⁵

¹ "MAF offers financial help for flood-damaged forests" NZ Herald 21 September 2004.

² "Government digs deeper for flood work," NZ Herald 18 March 2004.

³ "\$34m flood relief paid to farmers" Manawatu Standard 11 October 2005.

⁴ Eyles, G and Fletcher, J 1992: Erosion of Hill Country in the Manawatu-Wanganui Region.

⁵ Landcare Research press release, 25 April 2005.

Analysis of carbon, nitrogen and phosphate in the samples showed that 25 percent of the sediment was made up of valuable topsoil that had taken hundreds of years to form.

Huge tonnages of sediment accumulated in stream beds and riverbeds, lifting their levels and making them more flood-prone than before: regional flooding occurred seven times in the first 12 months after the floods.

Soil erosion also means water quality becomes degraded on a longer term basis. Fine suspended silt cuts light entering the water, damaging fisheries and making waters unsuitable for swimming.

In many rivers, estuary shellfisheries and coastal rocky reef fisheries become smothered with silt and lose their value to local communities.

What can be done to curb erosion on the hill country? In most cases, space plantings of trees on farms can dramatically reduce the risk of soil losses, and improve long term farm viability. The problem for many farmers is affordability.

Land values are high, and they do not reflect an obligation to invest in erosion prevention.

Regional councils spend \$12 million annually on partnerships with farmers for erosion prevention,¹ but despite their efforts, in most hill country regions soil erosion plantings have been declining since the 1980s. Existing policies are not dealing with the situation.

A previous National government developed the East Coast Forestry Project to assist land use change, but this is confined to the Gisborne district and at the present rate of progress will take over a century to achieve its stated goals. Recently, Manawatu local authorities have developed a proposal for action in their region, involving a contribution from government of \$40 million over 10 years.²

What is needed is a sharing of the cost of moving farm properties through a transition from the present pattern of land use to a new sustainable pattern in which there is an enforceable obligation to adopt best erosion-prevention practices.

1 Ministry of Agriculture and Forestry (MAF) 2006 report to the Organisation of Economic Co-operation and Development (OECD).

2 'Farmers Back Council's Hillside Plans, The Manawatu Standard, 29 August 2006.



Photo: Horizons Regional Council

Scotts Ferry houses under floodwaters

Two years after Scotts Ferry was submerged under 3.7 metres of floodwater, land values have more than doubled as development opportunities are snapped up on this vulnerable floodplain site. But taxpayers will again have to pay up the next time it is flooded.

PROPOSAL

Long-term financial support will be made available from the Sustainability Investment Fund for approved regional council programmes which can reduce long-term erosion.

In recent years there has been a large increase in the removal of native tussock and scrub vegetation from hill country in Southland and Otago for pastoral development. Some of this is occurring on land where accelerated soil and nutrient losses are likely, yet resource management controls are either absent or ineffective. A more precautionary approach is needed here, and possibly in other regions where land clearance and land use intensification is occurring on hill country.

PROPOSAL

The scale and effects of land clearance and development on hill country will be investigated with a view to establishing a national policy statement on the issue.

6. Water Allocation

Many streams and small rivers do not have enough water left in them during the summer months when they would be at their most valuable for fishing, swimming and family activities.

New Zealand's systems for allocating water are not working well. Many streams and small rivers do not have enough water left in them during the summer months when they would be at their most valuable for fishing, swimming and family activities. Too little flow means too little flushing: slime and weed builds up and rots, dying fish flop about in warm stagnant pools and, in several areas, riverbeds have been drying up altogether.

Under the existing allocation system, some aquifers are being over-committed. As well as depriving streams of inflow, this lowers the groundwater level, increases pumping costs and reduces security of supply to everyone. As well as being over-used, the water resource is often inefficiently used. Once the water resources in a particular catchment have become over-committed, the existing regulatory system effectively presents a barrier to new entrants and to changes in land use.

This knot of problems can be untied in two steps:

1. By establishing legal minimum environmental flows in all waterways (and maximum allowable draw-offs from all aquifers);
2. By making water-use permits transferable between users.

Some regional councils have made more progress than others in setting environmental flows in their rivers and streams, and in enforcing them. Even where environmental flows have been set, many flows are too low, or are not properly monitored or enforced, and there is no default standard which applies nationally.

Building water storage – in catchments where suitable sites are available and projects are economically viable – can be win-win for the environment and the economy, allowing improved in-stream flows and more irrigation to go forward together. However, clarity is needed on desired environmental flows as a basis for investment in such schemes.

Government assistance for water storage should be considered where there are clear public environmental benefits, like improving minimum in-stream flows. This is one of the intended purposes of the Sustainable Investment Fund (SIF) (see page 15).

PROPOSALS

The problem of inadequate or undefined environmental flows should be fixed by promulgating national policies and standards which:

- Establish default flow regimes for all waterways, including minimum flows, flow sharing and capping of abstractions;
- Provide a required methodology and timetable for establishing, monitoring and enforcing environmental flows;
- Set minimum information requirements to ensure that the allocation of groundwater resources is sustainable.

Funding assistance should be available through the SIF for projects to improve minimum in-stream flows.

The ability to transfer water-use permits from one user to another would have a number of important environmental and economic benefits (see box on opposite page).

Several countries have tried using systems of tradable water rights, and it is important that New Zealand learns from the mistakes made in some of these countries – for example, the Australian Government is having to spend hundreds of millions of dollars buying back water rights from irrigators.

From these experiences we know that various safeguards are needed to underpin any system of transferable water permits. For example:

- The system needs to be capable of reasonable adjustment to cope with future change in circumstances, and with mistakes;
- Adequate environmental flows and aquifer draw-down limits need to be established before permits are made transferable;
- Separate consents need to be required for site-specific effects beyond a certain level specified in regional plans, to protect other irrigators as well as environmental values.

HOW TRANSFERABLE WATER PERMITS WORK ¹



Transferable water permits provide strong incentives to reduce water wastage and encourage investment in the most efficient irrigation technology.

In designing a system of transferable water permits, the devil is in the detail. Examples of important design issues include:

- Establishing a sustainable allocation of water permits in catchments where water resources have been over-committed by past decisions;
- Establishing the best way to deal with uncertainties in flows and changes in flows from future climate change;
- Whether water users should be charged a fee for the administration and management of the water resource and if so, how much?
- Whether water permits should be allocated in perpetuity or for a fixed term.

These issues arise whether permits are transferable or not. Introducing transferability will make some of them easier to solve, and will give impetus to finding solutions. However, getting this right will require careful thought and thorough public consultation.

PROPOSAL

The Resource Management Act should be amended to provide an environmentally and economically sound framework for introducing transferable water permits. This would not be rushed, but would be subject to careful analysis of all issues arising, and thorough consultation with water users and the public.

Where water resources are fully allocated, businesses cannot expand their use of water, nor can a new water-using enterprise get established and bring prosperity to the area. Allowing water permits to be transferred frees this up. Those who value water highly can make an offer for the amount they need; those who are not making efficient use of their permitted water have an incentive to use less. For example, a factory may invest in water recycling, and sell the surplus water allocation to someone else. With transferability, water permits flow to their most highly valued use, and efficient use of water is encouraged.

Transferability is even more important where a water resource is over-allocated, resulting in loss of security of supply to irrigators in dry summers, or where the community wants better environmental flows in its streams. In such cases the regional council must review existing water permits and cut them back – as Environment Canterbury has announced it will do.² However, imposing equal reductions across hundreds of water users, without allowing them to trade, will damage businesses that cannot easily adjust their use of water. Enabling trade in water permits means those who can reduce water use at low cost will do so, selling their surplus water to those who cannot. This way, the cheapest reductions in water use are taken up first. Overall, the community can achieve its goal of restoring the resource at a lower cost.

The idea of enabling water permits to be traded illustrates typical advantages of an incentive-based system for environmental management. There are financial incentives for people to recycle water, reduce wastage, and create storage. It creates a feedback mechanism for a sustainable economy – as the resource gets scarce, its price increases, stimulating innovation and needed change in resource use. It enables water users to adjust dynamically to changing demands over time, and it makes improved environmental circumstances less costly to achieve.

¹ For more detail see Salmon, G & Sinner, J: How Economic Incentives Motivate Sustainable Development: An Introduction. NZ Business Council for Sustainable Development, Auckland 2003.

² Restorative Programme for Lowland Streams Announced. Environment Canterbury press release 21 July 2006.

7. Water Quality

New Zealand's rivers, lakes and streams should be swimmable, fishable and in good ecological health, and groundwaters should be drinkable.

Numerous surveys of public opinion have confirmed that good water quality is rated by New Zealanders as their highest environmental priority. Lincoln University's biennial Survey of Environmental Perceptions shows big increases in the number of people concerned about water quality over the past four years.

It is true that New Zealand has made reasonable progress in improving discharges from factories, municipal sewage plants, and dairy sheds. However, in lowland areas our freshwater resources remain in generally poor condition.¹ In the case of lowland streams, there is evidence in some regions of substantial deterioration (see graph). There is a general consensus that the key to obtaining acceptable water quality now lies in tackling diffuse source pollution, which comes from livestock and farm fields.

The Clean Streams Accord has initiated real progress on this from the dairy industry. Accord targets for getting livestock fenced out of streams are being met or exceeded in most regions. This performance has demonstrated that dairy farmers share the values of all New Zealanders when it comes to restoring good quality streams and rivers. There are, however, several difficult issues that still have to be addressed:

1. Pollution entering waterways is often sourced from smaller streams and drains than those covered by the accord. Additional effort will be needed to fence these off, and also to curb irrigation run-off water from entering streams. Planting of stream buffer strips, as pioneered on a large scale in Taranaki, with excellent results, is needed more widely around New Zealand.
2. Nutrient management is running well behind Clean Streams Accord targets. This threatens drinking water aquifers and downstream water resources. In some catchments where there are sensitive lakes or estuaries, restoration will be too costly for farmers to face on their own, and public funds are needed to help.
3. Much of New Zealand's degraded water quality arises from soil erosion, especially in rivers flowing from the North Island's pastoral hill country, occupied by sheep and beef producers. Public funds will be needed to help achieve a transition to sustainable land use and improved water quality across much of this country (see pages 10 and 11).

¹ National Institute of Water and Atmospheric Research 2004: Water Quality In Low Elevation Streams and Rivers.

It is important to recognise that, because of the need for significant investment in land-use change, good quality waters cannot be achieved overnight. Those countries that have been successful in improving water quality have set long-term goals, together with interim milestones to be achieved along the way. National proposes to follow their example.

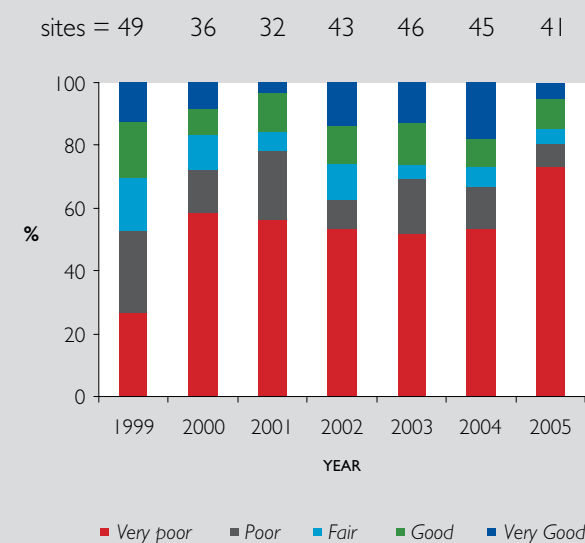
PROPOSALS

National's goal is to restore the quality of all our water resources so that we can hand on to the next generation rivers, lakes and streams that are swimmable, fishable and in good ecological health, and groundwaters that are drinkable.

To achieve such an outcome by 2030, New Zealand must start now with an ambitious and sustained policy effort, including education, incentives, and regulation where necessary. Interim milestones will be set, and progress monitored.

We will be looking for a joint commitment by agricultural sector organisations to work with us on these issues. We are prepared to share the cost of making progress, and water quality will be the highest priority for National's proposed Sustainability Investment Fund (SIF) (see opposite page).

Water Quality in Canterbury Lowland Streams



Source: Environment Canterbury (ECan).

8. Sustainability Investment Fund

A substantial financial investment is required from government to fund New Zealand's transition to a sustainable future.

Good environmental policy is not free. National recognises that a substantial financial commitment must be placed behind the environmental improvements it wants to make.

National supports the polluter-pays principle. This means that the responsibility for reversing environmental degradation belongs to those who have caused it. But in some cases, resources have been damaged over many generations, or the restoration task is beyond the financial ability of those immediately involved. In such cases, the regional council may currently raise a special rate, or subsidise improvement activities from its general rates. But councils everywhere are under pressure over rates. Regional councils draw on port revenues as well as their rating bases, but both tend to vary greatly between councils. In some areas, councils' revenues are simply dwarfed by the size of their environmental tasks.

It is not surprising therefore that Environment Bay of Plenty is seeking \$100 million from the Government over 10 years to help with the cost of restoring the Rotorua lakes; or that Horizons Regional Council, the regional council for the Manawatu-Wanganui region, has been asking for \$60 million over a similar period to help with the cost of preventing soil erosion over a huge area of pastoral hill country. Some South Island regions need help to upgrade heating systems in low-income homes if they are to meet the new air quality standard.

These requests reflect the fact that New Zealand is moving through a transition to a new, more sustainable set of property ownership rights and obligations. In the future, homes in sensitive airsheds will be required to operate with clean heating systems; erodible pastoral hill country land will need to be space-planted or converted to forestry, in accordance with land capability; and land use activities in lake catchments will have to operate with low levels of nutrient leakage. But in each case, to get from here to there is a costly transition. It will take time, and New Zealanders will need to share the cost with those directly affected.

National therefore proposes to establish a Sustainability Investment Fund (SIF), to which applications could be made for financial assistance for sustainability projects of national importance. Priority would be given to environmental projects which are:

- Needed to achieve agreed national environmental objectives and milestones (see pages 2 and 3);

- Partly funded by others, but are too large to be completely funded at the local or regional level;
- Part of a clear transition strategy leading to new, ongoing sustainable management practices by property owners.

We propose to finance the SIF to the level of at least \$1 billion over ten years.

We envisage the SIF playing a key role for implementation of the policies set out in this discussion paper on:

- Nature Conservation – pages 6-7
- Soils and Erosion – pages 8-9
- Air Quality – pages 10-11
- Water quantity and quality – pages 12 and 14

PROPOSALS

A Sustainability Investment Fund (SIF) will be launched with funds totalling at least \$1 billion over the next decade. Its purpose is to enable major environmental restoration investments which could not otherwise be financed from local or regional resources. The Fund would be used primarily to help achieve national environmental objectives in the fields of restoring rivers, lakes and streams, curbing soil erosion, advancing nature conservation and achieving healthy air.



Photo: The Press.

The Waihora-Ellesmere Trust, backed by Environment Canterbury, is developing a restoration strategy for Lake Ellesmere, one of New Zealand's most degraded lakes. As with Lake Taupo, this task is beyond local resources and will require funding support from central government.

9. Forestry

New incentives are needed to recognise the environmental benefits of forestry and more consistent rules are needed to ensure forests are sustainably managed.

When it comes from well-managed forests, wood is an environmentally friendly material. New Zealand's forests – both native and planted forests – protect large areas of steep hill slopes from erosion, and they safeguard water quality in many of our stream and river catchments. Forests are also the main habitat of many of our distinctive native bird species.

By absorbing carbon dioxide and storing it out of the atmosphere on a long-term basis, forests contribute to the stabilisation of the global climate. Whenever wood is used for building purposes in place of emissions-intensive products like steel, aluminium or cement, there is a climate benefit.

There is a fast-growing international demand for sustainably produced wood. To date, 660,000 hectares of New Zealand's planted forests and 12,000 hectares of native beech forests have been independently certified as well-managed forests by the well-respected Forest Stewardship Council (FSC) (see box).

New Zealand is thus moving toward a strong 'clean, green' brand position on forestry. But there are three important problems that need attention:

1. The area of new forest being planted each year has been dropping dramatically since 1996, and in 2005 it went negative – more forest was felled than was planted (see graph page 10). This sad turnaround in the forest sector has contributed greatly to New Zealand's failure to meet its net emissions target under the Kyoto Protocol. While trends in land and log prices have also been unhelpful, the key problem is the Government's failed climate change policy, under which forest owners receive no economic

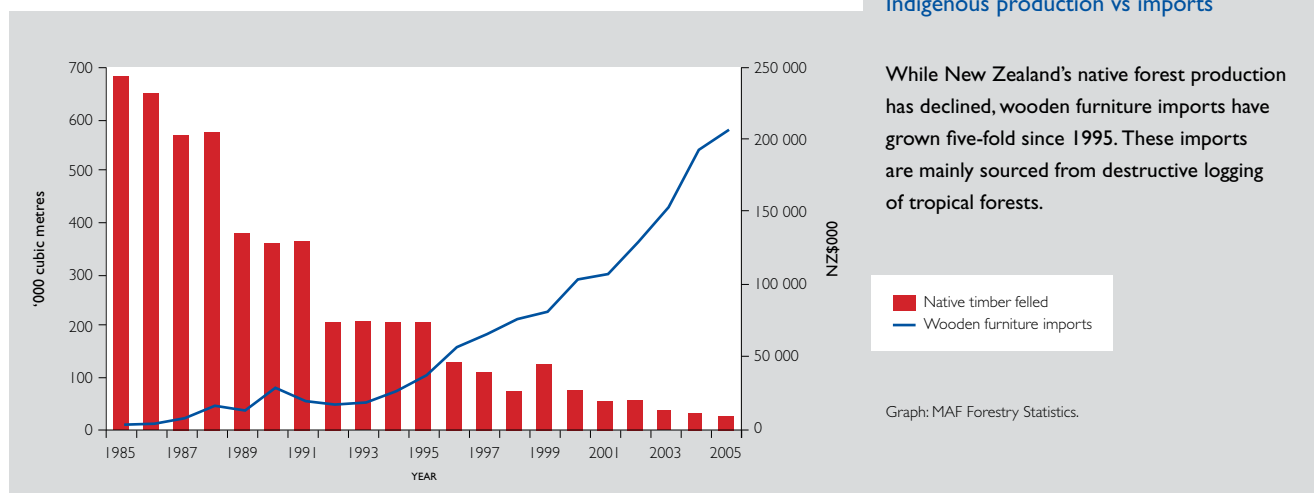
return for the climate change benefits that they provide to society. Indeed, under the deforestation cap, growers face a potentially large penalty for clearing forests after 2008, a penalty that is encouraging the felling of immature forests before 2008.

PROPOSALS

National's proposed policy on climate change (see pages 4-5) addresses this problem. If implemented, it will provide a low-cost, high-benefit way of meeting New Zealand's climate change obligations. It will reverse the decline in forest planting and will ensure that both native and exotic forests expand where they are most needed from an environmental point of view.

2. While 98 percent of New Zealand's wood harvest is Radiata Pine, New Zealanders demand a much more varied range of woods for specialty purposes such as panelling and furniture. As New Zealand's wood production from native forest has declined in recent years, the country's demand for specialty timbers has been met by imports. New Zealand's imports of wooden furniture, which had never exceeded \$40 million a year prior to 1995, rocketed upward to reach \$206 million last year (see graph). This increase is sourced mainly from tropical countries, where illegal and destructive logging is rife.

According to the International Tropical Timber Organisation, less than five percent of the world's tropical forest is well-managed on a sustainable basis. It is a sad fact that, while imposing sustainable management requirements on our own native



forest owners, we have inadvertently fuelled the destruction of tropical forests by importing unsustainably produced wood products, sourced mainly from our neighbours in the Asia-Pacific region.

PROPOSALS

National will take up this issue with neighbouring countries and seek to reach an agreement, consistent with our World Trade Organisation (WTO) obligations, to ensure that imported wood products meet technical standards for sustainable forest management similar to those which New Zealand producers meet. This will include assisting these countries with upgrading their forest management governance and capability.

In the meantime, we will work with New Zealand wood product importers and retailers to achieve a voluntary accord focused on the introduction of certified, well-managed sources of supply, and will support a public awareness programme to encourage New Zealanders to buy FSC-certified wood products. We will also focus government department procurement policies on FSC-certified sources.

3. Despite years of campaigns by conservation organisations, native forests are still being harvested in an unsustainable way in New Zealand – and in western Southland they are even being clear-felled (see photo right). This is because of a loophole in the Forests Act in relation to Maori land. In addition, forests can still be cleared if the wood is used for firewood.

PROPOSALS

Loopholes in the Forests Act that have allowed some Maori landowners to be exempted from the requirement to have sustainable management plans or permits under that Act, and that also allow clearance for firewood, should be closed.

Rather than allow native forests to be clear-felled, National will take an up front approach to the underlying land claim, by negotiating a fair, equitable and speedy settlement.

CASE STUDY

FOREST STEWARDSHIP COUNCIL

A numbered certificate from the Forest Stewardship Council (FSC) assures you that the wood product you are buying is sourced from a well-managed forest.

Many wood products from tropical countries are sourced from illegal logging operations and are often accompanied by fake letters of certification. The FSC certification system provides a much needed, verifiable system of traceability and inspections that retailers and consumers can rely on.

Over the last decade, the FSC has certified 73 million hectares of forest in 72 countries including New Zealand. Thousands of wood products are produced using FSC certified wood and carrying the FSC trademark.

FSC has its headquarters in Germany and is owned by a worldwide association of stakeholders including environmental groups and forestry companies.



Photo: Guy Salmon

The 1993 Forests Amendment Act was supposed to make wood production from native forests sustainable. However, clear-felling as pictured above has been taking place in Southland, and is still happening today, because loggers are exploiting a loophole in the Act relating to some Maori land.

10. Biosecurity

A firmer approach to biosecurity is needed at the border and in response to incursions to protect New Zealand's primary industries and unique flora and fauna from pests and weeds.

New Zealand's isolated geological history, unique flora and fauna, and economic dependence on primary industries make us far more vulnerable than any other country to pests, weeds and diseases from abroad.

The economic costs of biosecurity breaches are huge. Didymo is expected to cost up to \$285 million and the Varroa Bee Mite up to \$661 million. The Clover Root Weevil is expected to cost \$1 billion in lost production. A foot and mouth outbreak could cost up to \$10 billion.¹ To this must be added the environmental damage to New Zealand of an organism like didymo and the health harm done by a disease like the Ross River Virus.

Barely a week goes by without a biosecurity breach. There have been 229 incursions in the last five years.² The concern is compounded by the predictions of an increased number of incursions in the next ten years and the critical reports by the Controller and Auditor-General in 2002 and 2006.

These systems failures are not limited to the border. There was intense embarrassment that the presence of Seasquirt in New Zealand was found by a visiting overseas scientist. Incursions are often discovered so slowly that the species have bred and spread to the point where control is not possible.

Councils bear much of communities' frustration over biosecurity. The Government is often keen to pass on the responsibility and costs to councils for controlling pests, as has occurred with Varroa, Argentine Ants, Undaria, Didymo and the Clover Root Weevil. Ratepayers are reluctant to bear the bill. This standoff can delay a response so long that control is pointless. The problem with expecting councils to pay is that much of the benefits of control and eradication accrues as much to neighbouring districts as to the local council. It tilts the scales too much in favour of inaction.

Industry groups such as the pig and beekeeping industries are also frustrated with having to bear the costs for biosecurity breaches and control. This is an issue when others are mainly responsible for the risks.

Improving New Zealand's biosecurity requires that more is done to prevent incursions at the border and that better systems are introduced to enable a faster response when incursions do occur.

¹ Ministry of Agriculture and Forestry (MAF), Economic impact statistics.

² As at May 2006. Pete Thompson, Biosecurity New Zealand.



Photo: Fish and Game New Zealand

Didymo in the Mararoa River, discovered in 2004 and described by NIWA as "the most significant event to happen to New Zealand's fresh waters in 50 years".

THE DIDYMO DISASTER

A firmer approach to border security is required. The illegal importation by aircraft passengers last year of 16 tonnes of fruit, 8 tonnes of meat, 4 tonnes of seeds and 3 tonnes of dairy products shows the message is not getting through.¹ The instant fines of up to \$200 are insufficient and should be increased to \$800. Visitors who deliberately conceal products that pose a biosecurity risk should be immediately deported at the expense of the airline. It will not take many deportations under this policy for airlines, travel agents and visitors to get the message that New Zealand is serious about biosecurity.

PROPOSALS

Visitors who deliberately breach New Zealand's biosecurity laws should face immediate deportation.

Instant fines for illegal importation of meat, fruit, seeds and dairy products should be increased from a maximum of \$200 to \$800.

The risks from half a million containers being imported into New Zealand also need better management, as identified in the May 2006 report from the Controller and Auditor-General. Inspections need to be more robust and better targeted at those posing the greatest risk. There needs to be greater investment in new technologies. More stringent inspections of used imported cars are also required.

Three improvements are needed to better manage incursions. Pest management strategies need to be planned and agreed with industry before incursions occur for high-risk organisms. We cannot allow repeats of the fiasco over Varroa Bee Mite where it was discovered in April 2000 but no plan was put in place until February 2005. Second, surveillance must be given a higher priority so new outbreaks are detected earlier. Marine biosecurity surveillance is an urgent priority.

PROPOSALS

Container inspections need to be more thorough and better targeted as identified in the May 2006 Auditor-General's Report and there needs to be more stringent inspections of imported used cars.

Responses to incursions need to occur far more quickly by increasing surveillance (particularly with marine biosecurity) and by ensuring pest management strategies are developed with industry before the organism takes hold.

¹ Hon Jim Anderton 2006: Answer to written parliamentary questions 4298, 4299, 4300.

Didymo was first discovered in Southland's Lower Wairau River in October 2004. National Institute for Water and Atmosphere (NIWA) scientists immediately notified Biosecurity New Zealand, describing the discovery as "the most significant event to happen to New Zealand's fresh waters in 50 years". The Minister of Biosecurity was briefed in November 2004, but no action was taken until November 2005.

By then Didymo had spread to the Oreti River and Lake Manapouri in Southland, the Hawera and Clutha Rivers in Otago, the Waitaki and Ahuriri Rivers in Canterbury and to the Buller River near Nelson Lakes. Regional councils, Fish and Game councils and tourism interests have been damning of the Government's response.

The Taupo and Tongariro communities fear the impact of didymo to their prized trout and tourism sectors. Requests for Government assistance with local information campaigns and signs to help prevent the disease spreading to the North Island have been refused on the basis that Didymo has not yet been detected in the North Island.

The third issue that needs considering is the establishment of Biosecurity Contingency Fund. Too often incursion responses are delayed by debates over whose baseline the cost should come from or over requirements to get appropriations outside of the normal budget process. Examples include Didymo, Varroa, Asian Gypsy Moth and Styela Clava. These delays add hugely to the cost of eradication and create a false economy. The proposal is an annual appropriation in advance for possible incursions with the funds being released by a streamlined process simply requiring the approval of the Ministers of Finance and Biosecurity.

PROPOSAL

A Biosecurity Contingency Fund is required to enable finances to be made available quickly to control incursions once discovered.

11. Outdoor Recreation

Fishing, hunting and outdoor recreation are part of New Zealand's unique way of life that needs to be enhanced by involving the participants more in managing their recreation.

New Zealanders share a unique birthright: to enjoy our country's parks, beaches and stunning scenery. Outdoor recreation is part of our national character. It is fundamental to make sure that current and future generations have the opportunity to camp, hunt, fish, tramp, picnic and enjoy New Zealand's wild and beautiful places.

The idea of allowing outdoor recreation enthusiasts a greater role and responsibility in managing the resources they rely on is already well-established in the case of trout fishers and duck shooters through the network of Fish and Game councils. There must be scope for providing a greater management role and responsibility for recreational game hunters and sea fishers as well.

Recreational hunting

For many years, deer and other game hunters have been denied that opportunity on the grounds that excess numbers of the animals they hunt can be detrimental to native flora and fauna, and can cause erosion, and that these animals therefore need to be strictly controlled by the state.

Today however, the threat of game animals getting out of control is much less than it was in the 1950s, and there is a much better knowledge of the ecosystems in which they roam, so that the emergence of any adverse effects can readily be monitored and remedial action taken. Moreover, the great majority of hunters take an enlightened approach and do not want to degrade the forests and tussock grasslands through which they roam. It is time for hunters to be given more responsibility in the management of game animals.

Amongst other things, this should involve the selection of areas of conservation land where management by recreational hunters could be given a special role. This would require careful assessment of proposed areas to identify those where potential conflict with conservation values would be minimised, and a framework to ensure that conservation values can be protected if required.

Conservation boards could provide a useful forum for reconciling potential conflicts between hunting and other activities and values on the conservation estate, but to do this, the boards need to have better representation from the hunting community, and a stronger focus on the recreation side of their responsibilities.

PROPOSALS

Hunter-managed recreational hunting areas should be established at selected sites on the conservation estate, using a framework that protects conservation values.

Conservation Boards should be re-named as Conservation and Outdoor Recreation Boards, and should become a key forum for reconciling and resolving any conflicts between conservation and recreation values.

Public Access

New Zealand farmers are normally generous in providing access when asked, and there are good reasons for them to be aware of other people on their property. Difficulties with access, although reported to be growing, are still relatively uncommon and are focused mainly in identifiable, sensitive areas of New Zealand.

Clumsy attempts by Government to address access issues by suggesting access may be forced over private property rights have been counter-productive. The way forward is to respect property rights and provide improved processes for negotiated access agreements. Compensation to landowners should be available where property rights are significantly affected.

Access issues are inherently local. The reconstituted 14 Conservation and Outdoor Recreation boards are well placed to act as advocates for improved public access.

PROPOSAL

Public access improvements are best advanced through negotiated agreements with Conservation and Outdoor Recreation Boards given the role of facilitating local solutions.

Sea fishing

An essential part of New Zealand culture is being able to go to the sea and catch a fish. The pressures of increased population, tourism and over-fishing are putting this traditional recreation at risk. The legal position of commercial and iwi fishing interests has been strengthened. The risk is that recreational interests will be squeezed out.

Recreational fisheries are under increasing pressure, especially in the northern half of the North Island. Quota management areas are very large, and they can become badly depleted



in localised areas – often the very areas where recreational fishers are regular users. This can happen even though commercial fishers are operating within their overall quota for the wider area. It's a problem crying out to be fixed.

The rights and roles of recreational fishers need to be bolstered. There needs to be greater use of options for local fisheries to be locally managed in areas like the Hauraki Gulf, Kaipara Harbour and Marlborough Sounds. The trade-off for greater input into management is greater responsibility for stock sustainability and enforcement of catch limits.

Local area management can provide focused action on all threats to fishing resources, including managing local biosecurity issues, addressing land-based sources of sediment and pollution, and targeting over-fishing. Better mechanisms to safeguard the interests of recreational fishers in relation to commercial fishing allocations need to be considered as part of this. This can be done in a way that respects existing rights under the quota management system.

PROPOSALS

Rights and roles of recreational fishers should be bolstered.

Ways of achieving local management of local fisheries should be encouraged.

Trout fishing licence fee

New Zealand is internationally recognised as a trout fishing paradise and anglers come from all over the world specifically to fish here.

Many overseas countries, including the United States, charge more to non-residents for the privilege of accessing their recreational fishing resources. It is often found – and this is increasingly the case in New Zealand – that foreign fishermen put intensive pressure on the best back-country streams and rivers.

Fish and Game councils rightly try to minimise their licence fees so that they do not become a barrier to New Zealanders to enjoy our great outdoors. These fees cover the administration and management but put little or no value on the underlying resource. This is fair for New Zealanders who have a share in this ownership but it undervalues the resource for visitors. Some Fish and Game councils have sought to differentially charge but currently this is not allowed.

PROPOSAL

Fish and Game councils should have the option to charge a differential licence fee for non-resident fishers.

Camping grounds

Family camping is one of the iconic New Zealand experiences, creating the sort of great memories that years later, bring Kiwis home from overseas again. Yet affordable opportunities for New Zealand families to go camping, especially around the coast, are dwindling. We have lost 6 percent of our campgrounds since 1996. The loss has been concentrated in the northern half of the North Island, with Coromandel, for example, having lost a third of its camping capacity over this period.

The Department of Conservation should identify suitable public lands to be made available for businesses to open new campgrounds.

PROPOSAL

25 new campgrounds should be created on public land to provide affordable camping sites for New Zealand families.

12. Oceans

Proper environmental rules beyond the territorial sea and a new Marine Resources Act are required to better manage New Zealand's vast ocean resources.

New Zealand's ocean environment is the fourth largest of any country, and eighteen times the nation's land area. It is not well managed because of inconsistent statutes, unnecessary divisiveness and the involvement of a multitude of public agencies.

The need for reform was identified by former Environment Minister Hon Simon Upton and Hon Dr Nick Smith, then Conservation Minister, in setting up the ocean policy review in 1999. Seventy-one public meetings were held in 2001 and 1160 submissions written, from which it was concluded that there was a strong public consensus that a new framework was required. Three million dollars has been spent on public consultation, consultants and advice,¹ including the publication of 20 official reports. After seven years, there is no sign of any political will to make progress.

¹ Answer to written parliamentary question 6388.

The core of the problem is the lack of integration of the Fisheries Act, Resource Management Act and Marine Reserves Act. Regional and Unitary Councils are charged with writing coastal management plans and determining suitable areas of aquaculture and marinas under the Resource Management Act. This process is at odds with the Marine Reserves Act which provides for the Department of Conservation to create and manage marine reserves and marine mammal sanctuaries. The Ministry of Fisheries, under the Fisheries Act, runs another set of public processes around managing commercial, recreational and cultural fishing areas.

The practical implications of this regulatory mess are well illustrated in Kaikoura in the debates over its coastal management. There are proposals for marine reserves, marine mammal sanctuaries, marina developments, and recreational and cultural fishing areas. Each is considered under a different law and by a different agency. Interest groups feel compelled to oppose alternatives until their own project is advanced. The end result is little progress and enormous frustration.

The way forward is well illustrated by the innovative approach taken to these challenges by the West Coast and Southland communities along the Fiordland coast (see insert). They got around the complex statutory processes by getting all the key stakeholders together on an integrated plan that was then implemented by way of special legislation.

The law should not be a barrier that communities have to find a way around. These statutes need to be rewritten to help and encourage other communities around New Zealand to work together on the right mix of reserves, restricted fishing areas, sanctuaries and aquaculture for their area.

The Marine Reserves Act 1971 is in urgent need of attention. There is constant criticism of the processes for establishing reserves by both advocates and opponents. A Bill to reform the Act was introduced in 2002 but fails to make the changes necessary and has been left to stagnate in the Select Committee. The key to its passage is to amend it to enable the early engagement of local communities, fishers, iwi and conservationists on proposals.

New Zealand's Exclusive Economic Zone (EEZ)



Source: Land Information New Zealand data. Crown Copyright Reserved.

A WAY FORWARD: FIORDLAND

There are currently no statutory requirements for assessing environmental impacts of activities beyond the 22 kilometres of territorial sea. This accounts for 96 percent of our ocean area. Petroleum and mining interests, alongside environmental organisations, are calling for a proper statutory process for addressing this huge anomaly.

PROPOSALS

The Oceans Policy work should be completed and a new overarching framework put in place for managing New Zealand's ocean resources.

The process for establishing new marine reserves needs to be streamlined and stakeholders given a greater role in the decisions over where reserves are created.

A new statutory process for assessing and regulating environmental effects beyond the 22 kilometres territorial sea should be introduced.



Black Coral and Snakestar, Fiordland Marine Area.

Photo: Crown copyright DOC. Date and photographer unknown.

Fiordland is one of our best known natural icons. It has a globally unique marine environment, towering fiords, and diverse fisheries stocks that are important to both commercial and recreational fishers. Every year, more than 300,000 tourists visit Milford Sound.

The Fiordland marine environment has been facing increasing pressures from an escalation in human activity, and increasing risks of oil spills, biosecurity threats, over-fishing, and anchoring damage to sensitive corals.

The frustration of local conservation, fishing, iwi and tourism groups was that the separate public agencies with responsibility for Fiordland's coastal waters were incapable of addressing the issues in a comprehensive way. In 1995, they formed the 'Guardians of Fiordland'.

In 2003, after careful negotiation and consultation, the Guardians presented a draft strategy to the Government to address their key issues: the sustainability of fish stocks, the need to protect values of special significance, human generated environmental risks, and threats to the expression of kaitiakitanga (guardianship).

The Fiordland (Te Moana o Atawhenua) Marine Management Act was passed unanimously by Parliament in April 2005. The Act created the Fiordland Marine Area, encompassing 882,000 hectares, including Milford and Doubtful Sounds, as well as eight new marine reserves, totalling about 9430 hectares. The eight new reserves compares to four created by the Department of Conservation for the rest of New Zealand and these were created without a single voice of opposition.

But just as importantly, the Act recognised the significance of the environment to local peoples by creating a new advisory body, the Fiordland Marine Guardians advisory committee. This allows valuable local knowledge and concerns to be fed directly back to management agencies and ministers, so that the people who live and work in the Fiordland Marine Area are also recognised as an integral part of it.

13. Urban Growth

Attractive, liveable cities that are easy to get around are hugely important both for quality of life and for economic competitiveness.

Two factors driving the transformation of our cities are population growth and traffic growth. The way we respond to these factors has huge environmental and economic consequences. Dumb, inflexible responses will increase congestion, make housing unaffordable, and reduce the liveability of many urban areas. Intelligent responses can reverse these trends, by making less use of rigid rules, and making more use of incentive-based environmental management.

Managing urban growth

The integration of urban growth planning and transport planning, the encouragement of denser development along transport corridors, and the use of practical measures to foster the trend to public transport, are all significant developments. Under the Resource Management Act (RMA), more flexible types of planning have emerged, with a greater variety of urban living options. The RMA has shown it can be used effectively to protect neighbourhood amenities as well as environmentally valued areas such as sensitive catchments and areas of natural coastline.

However, one strategy that has not worked so well is the attempt to use the RMA to cram cities within strict metropolitan urban limits, while directing the growth of population into an ever-denser pattern of residential living. What has happened in practice is that popular pressure for chosen lifestyles has subverted or simply overturned limits imposed in plans. Lifestyle blocks have proliferated – often larger than necessary – and sprawl has over-taken the urban limits in many areas. Is there a better way of tackling this issue?

The key is to enable people to make their own choices about where to live, while ensuring they face the full costs of those choices. The cost of extending infrastructure such as water supply and sewerage reticulation to new areas is a major factor here. In theory, these costs are charged to developers through development levies. In practice, in many councils, these costs are partially spread across all ratepayers. This is a subsidy to subdivision developers, and thus a subsidy to sprawl. Establishing fully-costed levies on development for infrastructure is a smarter approach to sprawl than simply imposing zoning limits. In short, those who would expand urban areas should face the full costs of doing so.

Councils can be tempted to use excessive development levies to cross-subsidise rates. A mechanism is needed to provide a check on councils, to ensure their levies are a fair charge for the additional council infrastructure of the development.

What about the transport and emissions issues associated with outlying subdivisions? Again, it is better to tackle these issues by progressively moving toward realistic pricing of transport options and emissions, rather than trying to limit subdivision by imposing urban limits. Attempts to use limits unfortunately create a new problem: of people leapfrogging them and moving further out still, to rural lifestyle blocks, often larger-than-needed, with private vehicle use and emissions increasing even more.

PROPOSAL

The use of fully-costed infrastructure levies, including a right of appeal in their determination, should be developed as an alternative to metropolitan urban limits, while retaining the ability to protect special sites from subdivision and development for environmental reasons.

Managing traffic impacts

Traffic congestion has a larger impact on the well-being of people in urban areas than most other environmental factors. It also imposes a heavy economic cost on the ability to do business in a congested city, and on the international competitiveness of that city. The best estimate of the costs of congestion to Auckland exceeds \$1 billion.¹

Good urban planning can help to reduce demand for motorised transport, by improving the environment for walking and cycling, by encouraging practices like 'walking school buses' and by encouraging nodes of medium density living where living, working and shopping opportunities are close together. Beyond that, the issue is how best to align transport infrastructure with the growth in demand for mobility. The solution in part is to invest in both roading and public transport. In part, it is also to put the right incentives in place in future to ensure that the transport choices which people and businesses make are priced to realistically reflect their true costs.

PROPOSAL

A balanced approach to resolving traffic congestion is required that includes new roading infrastructure and investment in improving public transport systems.

¹ Ministry of Transport: New Zealand Transport Strategy 2002.

14. Noise

Tough new vehicle noise control rules, backed up by proper enforcement, are needed to restore the peace and quiet in neighbourhoods affected by boy racers.

Excessive noise is a form of pollution. It is regulated reasonably successfully by councils under the Resource Management Act (RMA). However, vehicles do not require a resource consent and their noise is causing considerable angst all over New Zealand.

The Noise Off Charitable Trust describes the problem as a noise epidemic affecting hundreds of thousands of New Zealanders. Restaurants and cafes are losing business. Angry tourists in areas like Cathedral Square in Christchurch are so fed up they check out sleepless, refusing to pay their hotel bill. A survey by acoustic experts of homes adjacent to Dyers Pass Road found noise levels in bedrooms were on average double World Health Organisation standards for sleeping and up to four times for some cars with modified exhausts.

The regulation of vehicle noise in New Zealand is weak by international standards. The 81dBA limit for passenger vehicles and 88dBA limit for trucks compares to Australia's 74dBA for cars and 80dBA for trucks. A car in New Zealand is allowed to be noisier than a truck in Australia!

The problem is that other countries have been tightening the standard as new technology becomes available whereas New Zealand's standard has not been revised in over 20 years (see graph).

The problem of noisy cars is exacerbated by allowing thousands of perfectly good muffler systems to be replaced by wide-bore exhausts designed to be as noisy as possible. Most countries only allow such mufflers on raceways. New regulations approved by the Government in February 2005 softened the noise reduction requirements of modified exhaust systems. It is now estimated that 70,000 cars have wide-bore noisy mufflers.

Associate Environment Spokeswoman Nicky Wagner's petition of 2,656 signatures calls for tougher rules to control boy racer exhaust noise and her Member's Bill proposes noise checks as part of warrant of fitness testing.

PROPOSAL

New Zealand traffic regulations need to be amended to bring standards for new cars in line with latest European and Australian noise limits.

Vehicle exhaust systems need to be checked for noise as part of warrant of fitness tests.

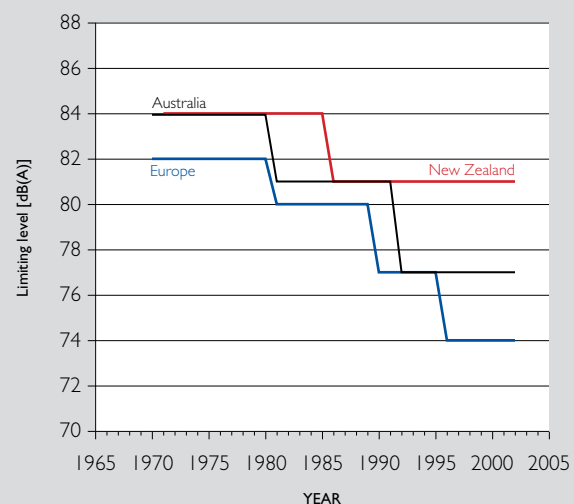


Photo courtesy of The Nelson Mail.

No more noise

Associate Environment Spokeswoman Nicky Wagner, MP Nick Smith and Nelson residents launching the campaign against wide bore exhausts.

Noise Reductions Passenger Cars



15. Solid Waste

To reduce waste, recycling needs stronger national leadership and businesses and communities need the right incentives.

Recycling has caught on in most parts of New Zealand, with some communities finding they have been able to reduce waste going to landfill by over 60 percent.

One of the drivers for resource recovery and recycling is the cost and angst that communities know they must go through to establish a new landfill site. Spinning out the life of landfills for as long as possible makes sense if the landfill is safe, and recycling and waste reduction can be done at reasonable cost. But there is another, more important reason to support resource recovery and recycling: it can save society the pollution and greenhouse gas costs of producing more virgin materials. At the present time, many of these environmental costs are not charged for at source, so the prices available for recycled materials tend to understate their true value to society.

This situation provides a rationale – and widespread public, professional and private sector support already exists – for making waste reduction and safe waste disposal, as the two broad waste management objectives to be pursued in public policy. Incentives need to be aligned to these objectives.

Improving actual practice

Actual practice around the country remains quite variable. There are many barriers to waste reduction and safe disposal. They include:

- In some parts of New Zealand, the cost of waste disposal is so low that waste reduction and recycling is discouraged. This occurs where local authorities still rely on cheap rubbish dumps, which have neither impervious lining, nor gas and leachate collection systems to protect the environment from contamination. The environment is effectively subsidising rubbish disposal. Also, subsidising landfills from council rates is still a common practice. In either case, safe disposal practices, and the incentives to reduce waste or recover resources from the waste stream, are both limited or absent.
- In other places, local authorities have been proactive in establishing user-pays, safe waste disposal policies and kerbside recycling facilities. But their efforts are sometimes being undercut by waste companies offering a cheap, bulk wheelie bin service, which effectively removes the incentive on households to segregate their wastes for recycling. Again, this is possible because these operators are not being charged the full costs of meeting the community's waste management objectives.

- Overall, there are many ambitious targets for waste reduction and resource recovery, but progress toward these targets cannot be sustained unless there is an infrastructure of reprocessing facilities, collection systems and market development for compost and recyclables. There is a gap between the incentives facing stakeholders, and the actions that are desired of them.

An incentive-based approach

Incentives are better than regulation at reducing waste. Either a waste levy or a system of Tradable Resource Recovery Certificates (TRRCs) could achieve this. A TRRC system would help the viability of recycling and resource recovery businesses and it would allow costs and benefits to be more closely monitored and controlled. How would a TRRC system work?

- A waste collection company taking loads of rubbish to a landfill would need to present a certificate showing that a certain tonnage of waste had been recovered for reuse or recycling.
- There would be a recovery obligation for a certain proportion of waste taken to landfill. The proportion could be adjusted from time to time.
- The Resource Recovery Certificate would be tradable. Industries that provide resource recovery and recycling services would be able to issue the certificates, subject to verification and audit requirements.

The TRRC approach would need to be complemented by continued progress in phasing out sub-standard landfills and landfill subsidies. A national policy statement and a national environmental standard could provide the required framework for that. It is reasonable that technical landfill standards should enter into force for new landfills by 2010, and the remaining substandard landfills should be closed by 2012.

A number of benefits would flow from pursuing the above approaches:

- Waste would be safely disposed of, from 2012 onward;
- A transparent market price would emerge, to reflect the value society places on avoiding waste and land-filling;
- This would stimulate large scale application of new technologies for resource recovery;

- There would be an incentive to purchase products which lend themselves to re-use, recycling or resource recovery, rather than those that do not; this incentive would feed back into the design of products, with long term benefits to society;
- A level playing field would be created between different waste management organizations, so that those who undertake efficient recycling activities could no longer be undermined by those who do not;
- The price of compost would fall, strengthening the business case for using compost in market gardens and in intensive cropping for export;
- Identified waste reduction targets would be met, rather than just talked about and striven towards.

PROPOSALS

Waste reduction and safe disposal should be the goals of waste policy.

A national landfill standard should be written, to enter into force by 2010, and old non-complying landfills should be closed by 2012. All landfills should be required to operate on an unsubsidised, user-pays basis.

An incentive-based system for stimulating resource recovery, such as Tradable Resource Recovery Certificates, should be investigated.

In business, solid waste and wasted energy are very often two sides of the same coin. Technical advice on the one is best integrated with advice on the other, in the re-design and improvement of industry processes. EECA – the Energy Efficiency and Conservation Authority – has played a useful role in educating businesses and households about using less energy. There are potential advantages in adding to its responsibilities the reduction of solid waste as well. The aim would be to provide a stronger, more integrated focus on the reduction of all forms of waste.

PROPOSAL

Solid waste reduction should be added to the existing mandate of the Energy Efficiency and Conservation Authority, renaming it as the Waste Reduction Authority, with a focus on all forms of waste.



The Oamaru Resource Recovery Park is leading the way with recycling, and is supported by Associate Environment Spokeswoman and Otago MP Jacqui Dean.

Public awareness is the cornerstone of a good waste management system. To support this, there should be a standardised national system of coloured recycling bins, as followed in some overseas countries (e.g. red for plastics, green for paper, grey for glass, etc.). As well, an annual national Clean Up New Zealand Day should be organised by the Waste Reduction Authority, in conjunction with local authorities and the private sector.

PROPOSALS

Public awareness should be fostered through a re-energised Clean Up New Zealand Day, and through the introduction of a standardised national system of coloured recycling bins.

16. Resource Management

The real problems with the Resource Management Act (RMA) over uncertainty, delay and cost need to be fixed while maintaining high environmental standards.

The central challenge is to make the RMA work better for everybody. It is a vital piece of environmental legislation, but the uncertainty, delay and cost of its processes are real concerns.

This is not just an issue for development interests and infrastructure providers. Trout fishers defending a river, property owners seeking to protect their neighbourhood's amenities, or environmentalists wanting to limit coastal subdivision all face the same problems.

The main driver of uncertainty, delay and cost is a lack of clarity about what we are trying to achieve with the RMA and its processes. Unclear, muddled and conflicting objectives and standards pervade the RMA system. The result is to create an unnecessary and undesirable degree of discretionary decision-making.

More discretionary hearings have to be held than would otherwise be the case. More submitters have a crack at the process than otherwise would. At the hearings themselves, a wider range of matters has to be addressed in evidence than would otherwise be the case. When it comes to the decision, there is more scope for unpredictable outcomes and costly, unexpected conditions being imposed than would otherwise be the case. There is also more scope for appeals to the Environment Court than there would otherwise be.

The failure begins at the top: there are no agreed national environmental objectives, and only a handful of clear standards. This lack of leadership and clarity of objectives flows down through the whole system, creating a decision-making swamp. The Act itself adds to the confusion. It says there is a duty to avoid, remedy and mitigate adverse effects on the environment, and then defines the environment so broadly that irrelevant and inappropriate matters can be brought into the decision-making. It contains a vague and unhelpful reference to 'Treaty principles'.

The Treaty reference should be removed, and the definition of 'environment' should be revised so that it covers natural and physical resources and amenity only. This would mean there would no longer be a statutory requirement in the RMA to avoid, remedy and mitigate adverse effects on socio-economic conditions. This would curb unwanted planning activities and, in conjunction with increased use of standards, would reduce the scope for businesses to use the Act to litigate against other businesses for competitive reasons.

Writing good clear objectives and standards requires a lot of technical analysis, and our system is badly short of the needed expertise. Moreover, what technical expertise we do have is dispersed thinly around 16 regional councils and unitary authorities. To support and guide the councils, there is a strong case for developing a concentration of specialized expertise in a national body, such as the Environmental Protection Administration (EPA) found in the US, in many European countries and Australian state governments.

Complex developments will, of course, still require hearings. But they should not commonly require two hearings, often of several weeks each. Large and complex cases should be directly referred to the Environment Court for a single hearing.

Council processes have become more efficient, but there are still consents that take far too long to process. Applicants are already bearing the cost of processing their applications, and any delay usually represents additional cost. The public faces penalties for not complying with statutory timeframes and so too should public bodies. Ways should be developed to apply the principle that 'a late consent is a free consent.'

Incentive-based resource management

Another way of reducing our reliance on discretionary hearing processes is to provide incentive frameworks for the resolution of conflict through direct negotiation between affected parties. There is much scope for this in the resource management field, using mechanisms such as:

- transferable water permits (see page 13);
- net conservation benefit decision frameworks (see page 6);
- more use of infrastructure levies (see page 24);
- cap-and-trade systems for discharges: systems such as that currently proposed for Lake Taupo could be used to control discharges in a wide range of other catchments.

Establishing the right frameworks for incentive-based resource management requires careful policy design and public consultation, and cannot be rushed. Nonetheless, clear leadership will be needed in moving such approaches forward.

A growing culture of polarised attitudes and mistrust adds to the difficulties we are experiencing with the RMA. However, some success has been achieved with facilitated mediation in resolving disputes over rules in plans, and over consent applica-

tions. We must find ways of making such approaches more widely useable, by providing the right leadership, and strengthening the incentives and facilities for their use.

Intense NIMBY ('not in my back yard') opposition is sometimes getting in the way of needed infrastructure development. In part, such opposition is understandable, because New Zealand's legal provisions for compensating property owners affected by infrastructure such as power pylons on their land are not particularly generous. The compensation law should be reviewed with a view to providing a premium to reflect disruption of people's settled use of their property.

Change is also needed in the legalistic culture around the Resource Management Act. There is too much emphasis on legal arguments over the meaning of wordy plans and too little on robust environmental science. Public funding for community groups should be refocused on assisting with independent technical and scientific expertise. Legal aid should still be available for major consents referred directly to the Environment Court.

The Ministerial veto of Environmental Court decisions politicizes sound environmental decision making and adds considerable delays to an already lengthy process. The Minister of Conservation already writes and approves the National Coastal Policy Statement, approves Regional Coastal Plans and appoints a panel member on consent hearings, as well as having the right to submit and appeal any decisions. The veto is unnecessary.

To achieve important environmental objectives such as healthy air, fishable and swimmable waterways, and sustainable land management, there is a need to complement rules-based approaches by using education, extension and cost-sharing of environmental improvement activities carried out by landowners. Regional councils and unitary authorities vary greatly in their capacity to finance such approaches. The proposed Sustainability Investment Fund (see page 15) is designed to ensure that such incentive-based resource management becomes more widely used.

PROPOSALS

Policies and plans under the Act need far more clarity and consistency, to reduce uncertainty, disputes and litigation. This can be achieved by:

- Amending the Act, to limit the definition of 'environment' to natural and physical resources and amenity, and to remove vague Treaty of Waitangi references;
- Establishing a set of national environmental objectives and milestones;
- Establishing an Environment Protection Authority (EPA) with the technical know-how to promulgate a wide range of effective national standards and policies.

Incentive-based mechanisms should be introduced, to enhance flexibility and give greater impetus to the resolution of conflict. These should include transferable water permits; cap-and-trade systems for discharges like nitrogen; net conservation benefit decision frameworks; and more use of infrastructure levies and of negotiated solutions. Careful policy design and consultation will be essential in the development of these approaches.

Further steps to reduce the time taken to reach decisions should include:

- Applying the principle that a late consent is a free consent;
- Enabling direct referral of large complex cases to the Environment Court;
- Removing ministerial veto from coastal consents.

The high level of polarisation around new developments must be proactively addressed, by:

- Reviewing the compensation entitlement for property compulsorily taken for infrastructure works, with a view to including a premium for disruption;
- Providing leadership, facilities and the incentives for resolving conflict through negotiation;
- Re-focusing the availability of legal aid for community groups toward mediation; scientific advice; and by limiting it otherwise to large, complex cases which are subject to direct referral to the Environment Court.

Councils should be provided, through the proposed Sustainability Investment Fund, with the resources to make more use of education, extension and financial assistance programmes to achieve their objectives.

Accountability for local government performance under the Act should be increased through the establishment of national objectives and milestones, and regular reporting on progress.

17. Administering the Environment

To achieve national environmental goals, an Environmental Protection Authority is needed and the role of the Parliamentary Commissioner for the Environment should be expanded to include regular independent reports on progress towards achieving these goals.

Decentralisation of environmental management is important for matters such as urban planning, where citizen involvement in shaping the amenities of communities and neighbourhoods is essential. But some aspects of environmental management can benefit from a more centralised, nationwide approach. This is recognised in the new national standards for air quality. Devolution of environmental management in New Zealand has been too sweeping. Some important policy- and standard-setting functions under the Resource Management Act (RMA), that it was originally envisaged would be carried out at the national level have not been picked up.

Several problems have resulted

The wheel has been reinvented in different parts of the country. Scarce technical expertise has been duplicated around regional councils, and has been lacking in some others. Many councils have done well in these difficult circumstances. Nonetheless, there is a lack of consistency of standards; there are many vague and complex rules that encourage dispute; and there are critical gaps. These deficiencies hamper both development and environmental protection, and raise the cost of operating the RMA. Often it is hard to see much value in the many variations around the country.

A better approach

A better approach would review which technical and regulatory functions could be most efficiently and effectively performed at the national level, and locate them right there. When regulation has to be used, it is important that it is done well, by a specialist agency strong in technical expertise. Many countries use a dedicated Environment Protection Agency for this purpose. This raises the question of the role of the existing Ministry for the Environment, which has never been reviewed since it was formed 20 years ago.

The Ministry is finding that many of today's environmental problems are cross-sectoral issues that can only be resolved by working interactively at a strategic level with other agencies in diverse fields like transport, agriculture, energy and economic development. In this role, its mission is to promote policies for an environmentally sustainable pattern of national development across the whole of government. This is a very different task from the nitty-gritty of writing specialised technical standards for resource management. It calls for different skills and a different culture.

Two tasks, two organisations

To get both tasks done well, a new structure is needed. Our proposal is to create a small Ministry for Sustainable Development, tasked with working closely across the whole of government on strategic issues; and a separate, more technically-focused Environmental Protection Agency (EPA). The EPA would fill the implementation gap at the national level in the RMA's provisions for national policy statements, national standards and economic instruments. There are also some regulatory functions it should assume at the national level, including the functions of ERMA, the Environmental Risk Management Authority.

Monitoring the system

A key function is monitoring and reporting on how the whole system is working. The Parliamentary Commissioner for the Environment (PCE) has produced many reports, but these have not had as much influence as they should have done. The PCE should be given responsibility to report systematically against the proposed framework of national environmental goals and milestones described on page 2 of this paper. The PCE should identify those councils or agencies which are under-performing, and recommend what further action should be taken to ensure the achievement of New Zealand's environmental goals and milestones.

PROPOSALS

The Ministry for the Environment should be replaced with:

- A Ministry for Sustainable Development
- An Environmental Protection Agency.

The Parliamentary Commissioner for the Environment should be required to monitor, review and report to Parliament on the achievement of New Zealand's agreed environmental goals and milestones, including the performance of central, regional and local government agencies.

FEEDBACK. National's Bluegreen Vision for New Zealand

The National Caucus wants your feedback on these policy proposals and would welcome your submission. Please send your comments to Hon Dr Nick Smith, Parliament Buildings, Wellington; environment@national.org.nz; or visit www.national.org.nz for an online version.

	Agree	Disagree
To assist your submission you may respond on this form, but you should feel free to comment more broadly if you wish.		
1. VISION AND GOALS		
Clean air, clean water and well-managed resources ought to be achievable throughout New Zealand within one generation.	<input type="checkbox"/>	<input type="checkbox"/>
2. CLIMATE CHANGE AND ENERGY		
Greenhouse gas emissions need to be constrained and forestry encouraged by introducing a tradable emission permit system that initially applies to the electricity sector.	<input type="checkbox"/>	<input type="checkbox"/>
3. NATURE CONSERVATION		
a. There should be increased financial support for community conservation projects that restore habitat and help protect native flora and fauna.	<input type="checkbox"/>	<input type="checkbox"/>
b. New national parks should be established in Northland's Kauri forests and the Waitakere Ranges.	<input type="checkbox"/>	<input type="checkbox"/>
4. HEALTHY AIR		
a. Tighter vehicle emissions standards should be introduced, and in high pollution areas, testing introduced to ensure compliance.	<input type="checkbox"/>	<input type="checkbox"/>
b. Government should assist households in polluted areas convert to clean heating.	<input type="checkbox"/>	<input type="checkbox"/>
5. SOILS AND EROSION		
It is better to prevent erosion by encouraging planting and discouraging unwise development than having to spend millions in the aftermath of flood events.	<input type="checkbox"/>	<input type="checkbox"/>
6. WATER ALLOCATION		
An environmental and economically sound framework for transferable water permits needs to be developed to encourage more efficient water use.	<input type="checkbox"/>	<input type="checkbox"/>
7. WATER QUALITY		
Education, incentives and regulation will be necessary to ensure rivers, lakes and streams are swimmable, fishable and in good ecological health and that groundwaters are drinkable.	<input type="checkbox"/>	<input type="checkbox"/>
8. SUSTAINABILITY INVESTMENT FUND		
A \$1 Billion Sustainability Investment Fund should be established to help achieve national environment goals.	<input type="checkbox"/>	<input type="checkbox"/>
9. FORESTRY		
New Zealand should take steps to ensure imported wood products meet standards for sustainable forest management.	<input type="checkbox"/>	<input type="checkbox"/>

FEEDBACK. National's Bluegreen Vision for New Zealand

	Agree	Disagree
10. BIOSECURITY		
Visitors who deliberately breach New Zealand's biosecurity laws should be immediately deported, and instant fines for all breaches should be increased.	<input type="checkbox"/>	<input type="checkbox"/>
11. OUTDOOR RECREATION		
a. Hunter-managed recreational hunting areas should be established.	<input type="checkbox"/>	<input type="checkbox"/>
b. Rights and roles of recreational fishers need to be strengthened.	<input type="checkbox"/>	<input type="checkbox"/>
12. OCEANS		
a. The process for establishing marine reserves needs to be streamlined and stakeholders given a greater role in deciding where reserves are created.	<input type="checkbox"/>	<input type="checkbox"/>
b. A new statutory process for regulating environmental efforts beyond 22km territorial sea should be introduced.	<input type="checkbox"/>	<input type="checkbox"/>
13. URBAN GROWTH		
Fully costed infrastructure levies should be introduced as an alternative to metropolitan urban limits.	<input type="checkbox"/>	<input type="checkbox"/>
14. NOISE		
New Zealand's vehicle noise standards should be toughened in line with Australia and Europe and properly enforced.	<input type="checkbox"/>	<input type="checkbox"/>
15. SOLID WASTE		
a. All landfills should operate on a user-pays basis and incentives provided for recycling.	<input type="checkbox"/>	<input type="checkbox"/>
b. Standardised national recycling bins and a re-energised Clean Up New Zealand Day	<input type="checkbox"/>	<input type="checkbox"/>
16. RESOURCE MANAGEMENT		
a. Large complex cases should be directly referred to the Environment Court.	<input type="checkbox"/>	<input type="checkbox"/>
b. Environment Court decisions should not be able to be overturned by Ministers.	<input type="checkbox"/>	<input type="checkbox"/>
c. Public Works Act compensation should be enhanced.	<input type="checkbox"/>	<input type="checkbox"/>
17. ADMINISTERING THE ENVIRONMENT		
a. A New Zealand Environment Protection Agency should be established, to perform national regulatory tasks for the environment.	<input type="checkbox"/>	<input type="checkbox"/>
b. The Parliamentary Commissioner for the Environment should independently report on progress towards national environmental goals and milestones.	<input type="checkbox"/>	<input type="checkbox"/>

National's Bluegreen Team



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