

Questions & answers

1. What is the Business Growth Agenda?

The Business Growth Agenda is a detailed programme of initiatives and reforms the Government is taking to build a more productive and competitive economy. It complements the Government's other commitments to responsibly manage the government's finances, rebuild Canterbury and deliver better public services.

The agenda has six inter-connected work-streams, Export Markets, Innovation, Safe and Skilled Workplaces, Infrastructure, Natural Resources and Capital Markets. Progress reports have now been released on the first five work-streams. Together they contain more than 250 separate initiatives. The progress report for the sixth work-stream, Capital Markets, will be published early next year.

2. What is the purpose of the *Building Natural Resources* progress report?

The *Building Natural Resources* progress report canvases the important role our natural resources play in creating a more productive and innovative economy that provides more jobs in a sustainable way for New Zealanders. It sets out the actions the Government is taking to improve the way we use and manage our resources.

It encourages New Zealand businesses to find ways to become more innovative and entrepreneurial to get the best results for our economy and our environment. Importantly, it also sets a vision for ensuring that our natural resource base improves over time, while still achieving the growth needed to lift our exports to 40 per cent of GDP.

The Government is committed to high quality public dialogue about these issues. This report is a way to inform and encourage that dialogue.

3. Why are our natural resources so important?

New Zealand has abundant natural resources. We rank 8th in the world for our overall natural capital. We rank first if you calculate this on renewable resources per capita.

We need to look after this endowment – it is an important part of our economic advantage as well as our national identity. Many of our businesses depend on our natural resources for their success.

Our future prosperity depends on how we manage these resources.

4. How can New Zealand achieve the target of ensuring that our natural resource base improves over time, while still achieving the growth needed to lift our exports to 40% of GDP?

Our natural resource base will be a critical part of meeting the ambitious target we have set to lift our exports to 40 per cent of GDP by 2025. However, growth cannot continue without consequences and as we grow our exports we also need to manage our resources carefully.

The answer is to understand what the sustainable limits to resource use are, and then allocate access rights effectively, promptly and with the right protection to ensure the most productive use of our resources.

We must also apply the latest scientific knowledge to our resource use challenges. New Zealand has a proud history of productive innovation across our primary industries. Ensuring businesses have access to the latest technologies and encouraging them to adopt them is an important part of ensuring the best use of our resources.

5. How is the Government encouraging business to help meet this goal?

The Government is putting in place systems and regulations that will grow long-term sustainable growth of the sectors linked to our natural resource base. We are also looking at establishing indicators to help us measure progress towards greening economic growth.

We have already made some early changes to the Resource Management Act, including establishing the Environmental Protection Authority. More changes are underway that will streamline the regional planning and consenting processes. We are setting effective limits for water quality and quantity that will provide more certainty to businesses, and are investing in irrigation – in particular helping irrigation schemes to come on-line faster. We will continue to support innovation in the primary sector through the Primary Growth Partnership.

We have established a Forum with Maori and the private sector to progress opportunities related to natural resources. We are introducing regulations for the newly enacted Exclusive Economic Zone legislation that will create economic opportunities in our marine areas while better managing environmental effects. We are also encouraging businesses to become more energy efficient.

6. What will the Resource Management Reform Bill do?

There are two key components to the current Bill:

- Six-month consenting to give businesses and communities greater certainty about how long it will take for decisions to be made on medium-sized resource consent applications. Under the current process, the date by which decisions will be made on consent applications are uncertain and delays that can occur during the process are difficult to forecast.
- The Auckland Unitary Plan is a combined resource management plan that will include the Auckland Council's regional policy statement, regional plans and district plan. The Unitary Plan is the council's main tool for achieving integrated management of the natural and physical resources of the region and provides rules for what you can do on your land and property.

7. How will the government facilitate transition to low-carbon energy sources?

The recent reforms to the Resource Management Act have made it easier for businesses to obtain consents for new renewable energy projects. More than 300

MW of renewable electricity generating capacity is currently under construction and an additional 3,600 MW have the appropriate resource consents.

A number of innovative New Zealand businesses are leading the way, exploring and adopting new ways to use renewable resources to meet their own or the country's energy needs in an efficient, environmentally-responsible way. These include companies like Golden Bay Cement, which replaced nearly a third of coal burned in the company's kiln with waste wood fuel, and PlentyFlora, which uses geothermal energy to heat greenhouses and grow flowers.

8. How is the government working to ensure we realise the potential of our energy and minerals sector, while protecting our environment and our people?

The move to exclusive use of an annual block offer is another of the steps the government is taking to strengthen management of oil and gas resources. This involves maximising the potential of the Taranaki Basin and exploring frontier basins where discoveries will support the economy in the future. A robust evaluation process has ensured we will have the best operators with the best work programmes.

We are also committed to ensuring the risks to the environment and our people are managed responsibly. For example, the Crown Minerals (Permitting and Crown Land) Bill strengthens health, safety and environmental controls at the outset. We are also responding to the Pike River Royal Commission's report and the Parliamentary Commissioner for the Environment's interim report on hydraulic fracturing ("fracking").