

Hon Dr Nick Smith

Minister for the Environment



13 August 2015

Speech

Next steps in National's Bluegreen agenda

Speech to Environmental Defence Society's 'Wild Things' Conference.

I love the title of your 2015 conference. I hope my presentation is not as scary as my renditions to my children of the delightful book by Maurice Sendak, *Where the Wild Things Are*. I think I enjoyed reading the bits about when the wild things roared their terrible roars, gnashed their terrible teeth and rolled their terrible eyes more than my children did.

The part that is most valuable about the EDS annual conferences is bringing environmental and industry groups together. Neither need fear the other. New Zealand needs an environmental sector that understands the industries that power our economy, and industry needs to better understand the effects they have on nature and the values New Zealanders cherish about our environment.

I also want to acknowledge Environmental Defence Society's ongoing contribution to improved environmental management in New Zealand. The two substantive books on *Sustainable Seas* and *Vanishing Nature* produced in the last year are invaluable in challenging us to drive new policy. I only wish I could deliver legislative reform at the same pace EDS produces books of this quality.

The topic of my speech this year is 'Next steps in National's Bluegreen Agenda.' I want to use this opportunity to outline our Government's forward programme of priorities, as well as to make a couple of announcements. I want to reinforce the Bluegreen values that have been at the core of our programme over the last six years and which will continue to underpin our work.

Bluegreen Approach

Our ambition is not to be the greenest party or Government, but to be the best at marrying together good economic and environmental policy. High environmental standards go with successful economies. We want a country

with high-paying jobs, that keep and attract the best and brightest, but also a country that maintains its great lifestyle and clean, healthy environment.

A key ingredient to our Bluegreen mix of policies is robust science. On issues like 1080, biotechnology or fluoride treatment of drinking water, we take an evidence-based approach. Kiwis are amongst the most environmentally conscious citizens in the world but we also put a high value on our scientific heritage, from the Ernest Rutherfords to the Paul Callaghans.

We view scientific innovation in areas like pest control, water management and mitigating greenhouse gases as critical to the more prosperous and more sustainable future we seek for New Zealand. We will, this term, be developing a long-term environmental science strategy.

The second core Bluegreen value is encouraging a more collaborative approach to our environmental challenges. It has enabled us to make real progress on improving freshwater management with the Land and Water Forum, and on marine protection in areas like Kaikōura. This term we want to reinforce these collaborative mechanisms by recognising them in laws governing resource management and marine protection. We are also keen to advance work on a National Policy Statement on Biodiversity through a collaborative approach between farmers and conservationists.

Bluegreens are also attracted to using financial instruments for improving environmental outcomes. We have successfully implemented the waste levy and funded over 100 waste initiatives. The cap and trade system on Lake Taupō has achieved the 170 tonne annual reduction in nutrients three years ahead of schedule. The Emissions Trading Scheme (ETS), particularly since 1 January this year when the carbon price was uncoupled from the over-supply of international units, is shifting power generation from thermals to renewables. The ETS review that will commence later this year is an opportunity to recalibrate this tool relative to some of the positive progress being made internationally on climate change.

The other dimension to our Bluegreen value set is ensuring we enhance New Zealanders' unique birth right to access and enjoy our special places. The national network of cycleways continues to expand and blossom. DOC has opened 10 new campgrounds. There is a new community partnership with recreational clubs for upgrading hut and track facilities. Expect more in this space with my colleague Maggie Barry championing the Healthy Parks/Healthy People approach from Australia, on which you are this afternoon hearing from Chris Rose from Parks Victoria.

Freshwater Management

The first area of work I want to cover is the Government's drive for improving New Zealand's freshwater management. New Zealand is richly blessed with an abundance of freshwater but this has led us to be too casual in its use and management.

We've taken five substantive steps forward and have more planned.

Our first step was backing the Land and Water Forum, an initiative that was spawned at EDS's 2008 conference. Freshwater stakeholders stopped talking past each other and have been setting the agenda for ongoing substantial reform.

Our second step was requiring metering of water extraction because you cannot manage what you don't measure. Only 30 per cent of takes were metered prior to our national regulations. We now have accurate metering for over 90 per cent of water taken and are on track to achieve 98 per cent by 2018.

The third step was the 2011 National Policy Statement (NPS) on Freshwater Management. That it took 20 years from the passage of the Resource Management Act (RMA) to this first NPS is a disappointing commentary on the level of national direction that our Government is seeking to correct.

The fourth step was the significant commitment to fund clean-ups. We have lifted by five-fold the Government support across the country for programmes to address water quality from the Waituna Lagoon in the south to the Waikato River in the north and Te Waihora, Ellesmere in the east to Lake Brunner in the west.

The fifth step was the National Standards introduced last year as amendments that give much needed detail to the National Policy Statement. It set for the first time national bottom lines for ecosystem and human health.

These are significant steps in freshwater management but we have a way to go. I'm sure you've experienced those long car trips with family when, a few kilometres from home, the kids plead, "Are we there yet?" I'd say we've got the destination determined, the seat belts on, the car fuelled but we are only in the starting stretches of what is going to be a substantial and sometimes bumpy journey.

Today, I'm launching the Ministry's national guidelines on implementing the 2014 National Policy Statement for Freshwater Management. This document is intended as a map to support regions and communities to navigate their way forward on managing our lakes, rivers and aquifers within the newly detailed limits. This 100-odd page document produced by the Ministries for the Environment and Primary Industries has been subject to engagement and feedback from dozens of organisations that I want to acknowledge.

There are six further issues on freshwater management that we need to progress. There is the question of whether to and how to include the Macroinvertebrate Community Index, or MCI. The National Policy Statement provides for 'exceptions' to the bottom lines for existing infrastructure and we need to consult on which of these are justified for gazettal. There is the complex issue of iwi rights and interests in freshwater on which we are in discussion with iwi leaders. We also need to determine how the policy applies

to coastal lagoons and the interaction with the New Zealand Coastal Policy Statement. We are proposing a national regulation on ensuring dairy cows are kept out of streams and rivers and we want to consult on the detail of this. We are also committed to a further \$100 million on clean-ups and want to ensure we target and coordinate this to get the maximum environmental dividend.

We are working on a public discussion paper, "Next Steps in Freshwater Management," on these six issues for release early next year and we will welcome your input.

It is important that I stress this programme of work is not just about improving freshwater quality but about making better use of New Zealand's freshwater resources for regional development. I challenge those who argue irrigation schemes are synonymous with degradation of water quality and only about dairying.

The Ministries for the Environment and Primary Industries have just completed a case study on proposals for water storage on the Waimea Plains in which I confess to having a parochial interest as the local Member of Parliament. Irrigation covers about half the available area, mainly in apples, vegetables and grapes. The other half is dryland pasture that cannot get access to water because the Waimea is over-allocated. We've got a pollution and recreation problem in summer because of inadequate flows.

A new community dam up the Lee Valley has just been consented. It will lift the minimum flows in the river by five-fold and the storage will enable thousands of hectares of dryland pasture to be converted into horticultural crops like apples. Too few people realise that crops like apples and grapes leach less nitrogen than dry stock farming. This water storage and irrigation scheme will enable us to raise minimum flows, reduce nitrogen leaching and significantly grow exports and jobs in Nelson. We have to go after these genuine win-win opportunities with freshwater.

Resource Management Act

The second policy area I want to canvass is the Resource Management Act. We need to heed the message in last year's OECD study that found New Zealand's system of environmental regulation ineffective and expensive. This is reinforced in Local Government New Zealand's report on people's negative experience with the RMA and it being one of the most criticised areas of councils' work.

We set out on a two-phase reform process and successfully implemented changes around national consenting, trade competitors and more timely consenting in 2009.

We are in the process of securing Parliamentary support from the Government's support parties for our second phase. Our objective is to secure better management of natural hazards, to introduce a system of

standardised templates, to eliminate the need for consents for minor activities and streamline the plan-making process. The job of getting parliamentary support has become more challenging with the loss of the Northland by-election, but I remain hopeful of getting a Bill before Parliament later this year.

Legislative reform is just part of the programme. There is significant opportunity to improve the performance of the RMA through use of National Policy Statements and Environmental Standards. Our Government has made greater use of these tools than any other Government in the life of the RMA and we intend to continue this approach.

In this year's Budget, \$20 million was set aside over the next four years for more effective implementation of the Act. Today I am releasing the Government's programme of national direction under the RMA.

There are four National Policy Statements we want to advance. The first is urban development. Councils have not adequately planned for growth and that has contributed to the sorts of housing supply and affordability problems in places like Auckland and Queenstown. Councils have been excessively captured by nimbyism that has seen insufficient provision made for either greenfields or brownfields development. The purpose of the NPS on housing will be to require more robust planning processes and better provision for growth.

The second area is aquaculture. This is a difficult area in which regional councils have struggled to provide space for the growth of this industry which offers substantial opportunities for regional development. Our objective is to give clearer national direction and improve certainty for investment.

A third area we are keen to advance national direction is on biodiversity, an issue at the core of this 'Wild Things'-themed conference. This is an area fraught with difficulty that has to date been unable to be progressed by Governments of either persuasion. Positions have been highly polarised between those who view property rights as an absolute right to do whatever they wish on their own land, to those whose passions for nature are so strong that they see no difference between National Parks and private land. This issue is being re-litigated repeatedly across the country and we need stronger national guidance.

My preferred way forward would be through a collaborative process involving farmers and conservationists in a format similar to the Land and Water Forum. I believe a way forward is possible for three reasons.

Firstly, farmers have come a long way in recognising the importance of biodiversity and are now at the forefront of many community initiatives to retain our local flora and fauna.

I also think there is increasing common ground between farmers and conservationists with the increased understanding of the significance of pests rather than habitat loss being the main driver of biodiversity loss.

My final reason for optimism is that I sense the same sort of frustration that preceded the Land and Water Forum on freshwater policy. People are tired of the uncertainty and are looking for national direction and consistency.

The Government cannot force a collaborative process but I am encouraged by recent discussions with organisations like Federated Farmers, Forest and Bird and the Environmental Defence Society. My Ministry will be inviting representatives to discuss potential terms of reference and if agreement can be reached, we would be prepared to resource such a process.

I also want to flag a fourth National Policy Statement in this programme of national direction, on natural hazards. New Zealand is a young, rugged nation with more than our fair share of risks from earthquakes, floods, volcanoes, landslides and tsunamis. Following proposed amendments to Section 6, we want to strengthen New Zealand's system for managing those risks.

We also have an ambitious programme of work on National Environmental Standards. We are currently consulting on Standards for Telecommunications Facilities. There are enormous costs for no environmental gain in having 68 different rules for the rollout of technologies like 4G, UFB and Wi-Fi.

The National Environmental Standard on Plantation Forestry is about rules for planting, managing and harvested trees that are aligned to the actual level of erosion, wilding pine or fish spawning rather than which side of some arbitrary local government boundary you are on.

Our objective with both these standards is requiring fewer consents but providing for better environmental protection.

We also have on our programme national direction on pest control and getting a better alignment of the Hazardous Substances Act to enable more efficient and more effective predator management. The bureaucratic process of getting resource consents for pest control operations for the likes of new sanctuaries such as Brook Waimarama in Nelson drives up the costs and means we save less birds for our buck.

In the next year we will be consulting on standards for air quality and contaminated soils. The former follows a substantial report from the Parliamentary Commissioner for the Environment on improvements we should make in how we regulate particulate pollution.

Oceans

The third area I want to canvass is our Bluegreen ambition for New Zealand to lead in oceans management.

Our ocean estate is more than 20 times our land area and one of the largest in the world. We have 15,000 km of coastline and nearly six million square kilometres of ocean to responsibly manage.

We have a good framework for managing our fisheries. Our Quota Management System is recognised by publications like the Science and Marine Policy Journals as world-leading. The system needs to be continuously enhanced and next year we will be further strengthening the regime.

I am proud of our record in Government in putting in place the EEZ law that now requires consents and environmental assessments of activities in these huge ocean areas. Some applications have subsequently been approved; some declined, but that is as a robust framework should be. The regime is to be further strengthened later this year with the transfer from the Ministry of Transport of regulatory responsibility for discharges and dumping in the marine environment. We also ended the practice of shark finning in New Zealand waters last year.

Our Government has also been successful in progressing international negotiations to improve marine management in the High Seas. Our jointly sponsored resolution was passed by the United Nations in June, so that work can advance on a new treaty to better conserve and manage the 70 per cent of oceans outside national jurisdictions. We continue our diplomatic efforts to secure a significant marine protected area in the Ross Sea.

The crucial next step is for us to improve our framework for marine protection at home. We are proud of our record in advancing 10 new marine reserves last year in areas like the sub-Antarctic islands, the West Coast, Akaroa and Kaikōura, but we all know the Marine Reserves Act passed during the Holyoake era is past its use-by date.

The purpose of marine reserves is way too narrow. The mechanisms are cumbersome and divisive. We need to provide for a graduated approach to marine protection as is now world best practice and we need to recognise a wider range of marine species other than just marine mammals may be in need of sanctuaries.

We are now well advanced in work on a new Marine Protected Areas Act and will be later this year seeking comment on a discussion paper on a way forward. This is a complex task with so many differing agencies and stakeholders involved but I am confident we will be able to deliver a reform that will match up to New Zealand's strong heritage of leadership in marine management.

Environmental Reporting

The last area I want to cover is environmental reporting. We will be passing the new Act this month and this new law will give improved integrity to New Zealand's clean, green brand.

We have been the only OECD country without a statutory requirement for regular and independent reporting on the state of the environment.

The measure is a parallel to the Fiscal Responsibility Act that National previously passed requiring the Treasury to independently report on the state of our public finances. It has helped transform New Zealand from having one of the worst set of public accounts to one of the best. We have taken a similar approach with the Education Standard Acts which requires open reporting on student achievement.

Measuring and reporting on the natural world is a complex task that is going to take some refinement to get the detail right.

This November the Secretary for the Environment and the Government Statistician will release the first full report. This report is being prepared quite independently under the same protocols as applies with other Tier 1 statistics. I do not get to see it or know its contents until it is released publicly.

Following this process, the Ministry will be consulting on the regulations that relate to the topics covered under each of the domains: air, atmosphere and climate, land, freshwater and marine. This will provide an opportunity following the publication of the first synthesis report for us to refine and improve the approach. The additional mechanism to ensure the integrity of the reporting is the audit report from the Parliamentary Commissioner for the Environment.

The new Act will come into effect next year with six-monthly rolling reports on each of the domains starting with the freshwater domain in the middle of next year.

There are dual benefits from this new environmental reporting regime. First, it gives some transparency to New Zealand's clean, green brand and a reliable assessment of just how well we match up. Good quality information on our environment will also help us make progress on improvements by moving the debate on from whether we have a problem to actually getting on and resolving it.

Conclusion

Thanks again for the opportunity to participate in this conference and outline our Bluegreen priorities for the year ahead. Few countries are as blessed with freshwater as we are, few countries have such stunning scenery, few countries have as much coast or ocean to call their own, few countries have such a diversity of unique wild things as we do.

We share an enormous responsibility to protect these taonga. Ko te taiao, he taonga tuku iho mo āpōpō. Our environment is a treasured gift which we inherit for the benefit of tomorrow.