

NEW ZEALAND

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1 Main Environmental Problems

New Zealanders pride themselves on the natural beauty of their country. Uninhabited by humans until about 700-800 years ago, with its majestic mountains and volcanoes, sparkling rivers and streams, splendid coasts, extensive natural forests, and scenic landscapes, the country is sometimes referred to as “God’s own”. This beautiful, almost pristine, and “clean and green” image is a carefully cultivated part of New Zealand’s identity, and an important economic asset.

But however much one wants to believe in that image, there is no denying that New Zealand’s environment has been drastically altered since the beginning of settlement by the Maori, the country’s “first people”, and particularly following the arrival of the first European settlers in the 1840s. Already prior to New Zealand’s (Aotearoa’s) European colonisation, fires lit by humans had caused a decline in the area covered by forests from 85 to 53 percent of New Zealand’s total area, and a range of animals, among which the Moa, had become extinct (Ministry for the Environment, 1997a: 9.28-9.29).

With the increase in immigration from Britain, human impact on the environment intensified significantly. Forests were slashed and burnt to create space for large-scale agriculture (mainly sheep grazing), to the extent that the area covered by forests was reduced to 23 percent of the country, with 13 percent of the total area of New Zealand denuded in a single decade (Ministry for the Environment, 1997a: 8.30). The rate of animal extinction also went up, and it is estimated that since European settlement, 16 land birds and more than a dozen of other animals have disappeared (Ministry for the Environment, 1997a: 9.30).

Today, the threat to New Zealand’s remaining biodiversity is considered by many as the most serious environmental problem facing the country. Despite the fact that most indigenous forests are now under some form of protection, these forests, and many animal species endemic to New Zealand with them, are still under threat, largely from introduced animals and plants. Also the kiwi, the flightless bird that became New Zealand’s national icon, is in sharp decline and faces extinction if present trends continue (Ministry for the Environment, 1997a: 9.19).

The concern about New Zealand’s natural environment may attract most attention, but it is not the only type of environmental problem affecting the country. Despite its small population (of about 3.6 million), low population density (of 17 people per square kilometre), and relatively low level of industrialisation (the

economy is largely dependent on the export of primary products), New Zealand shares many of the environmental problems that prevail in much of the rest of the world, be it on a smaller scale. For instance, air pollution is a serious problem in some urban centres, such as Christchurch, where at times various pollutants reach levels higher than those recommended by the World Health Organisation. Water pollution is also a serious problem in some locations, where the treatment of industrial waste and/or sewage is inadequate, and because of agricultural run-off and the contamination of stormwater. Erosion and other forms of land degradation affect much of New Zealand. It has been estimated that 7,800 sites may be chemically contaminated, 1,500 of which seriously, from landfills, service stations, timber treatment, and other industrial practices (Ministry for the Environment, 1997a: 8.6).

Congruent with the image of New Zealand as a "clean and green" country is the perception that the quality of life in New Zealand is of a high standard. Yet, although defensible in some respects, also this view needs qualification. It is true that living in New Zealand offers advantages that many naturally less endowed, and more densely populated, countries can't offer, notably with regard to opportunities for outdoor recreational activities in beautiful and uncrowded natural surroundings. Yet, traffic congestion is a growing problem in some cities, notably in the Auckland region, where more than a quarter of the population of New Zealand is concentrated. Also, during the last fifteen years, income inequality, poverty, and many other social problems have been on the increase. On the social (quality of life) dimension of environmental quality, New Zealand is far from being the paradise that some people may (want to) believe.

In some respects, New Zealand's environmental performance or conditions are worse than those of many other countries. For instance, the level of energy intensity (the amount of primary energy used per unit of GDP), is high by OECD standards, and energy consumption per head of population is still increasing. In recent years, energy intensity has started to come down, but the decrease lags behind the decline observed in many other western countries (Ministry for the Environment, 1997a: 3.22). Ozone depletion in the upper atmosphere, for which of course New Zealand cannot be blamed alone, exposes (not only human) life in the country to increasing levels of damaging UV radiation. Also, although New Zealand's contribution to greenhouse gas emissions is a very small proportion of the global total, it is higher than that of many other countries on a *per capita* basis, in large part because of the methane produced by the large number of sheep and cattle (Ministry for the Environment, 1997a: 5.23).

Precisely how serious New Zealand's environmental problems are, and whether they are diminishing or worsening is hard to tell, mainly because the information is lacking or inadequate. The first state of the environment report was published only in 1997, and although environmental data have been gathered for some time, this has occurred without the benefit of a co-ordinated and systematic approach. Given the paucity of information on many aspects of New Zealand's environment, New Zealanders have been able, for quite some time, to hold on to the belief that their country was (or still is) one of the "cleanest and greenest" in the world. More recently, however, that belief has been shaken with the discovery that New Zealand is not free from the same kind of serious pollution problems that exist in the rest of the developed world. With more information becoming available, it is

likely that the element of denial in the country's environmental psyche will be receding further.

2 Environmental Policy Evolution

Five stages can be identified in the evolution of environmental policy in New Zealand: the "pre-environmental" era until the early 1970s, the first wave of environmental reforms in 1972 and 1973, a period of stagnation from 1974 to 1984, a second period of reform from 1984 to 1991, and a period of consolidation since 1992. Environmental policy evolution can be characterised as a process of "punctuated equilibria", where periods of little and slow change are interrupted by relatively short bursts of rapid change.

In New Zealand, as in most other western countries, there was an upsurge in environmental concerns and demands during the early 1970s. Prior to that, concern about the environment was focused foremost on nature conservation issues, and had led to the establishment of a Nature Conservation Council with an advisory role in these matters in 1962. Water and soil legislation had a somewhat longer history, and was largely directed at the prevention or mitigation of erosion problems and conflicts over water use (by granting "water rights"). Since the 1950s, land use had been made subject to a planning regime akin to that in Britain (Town and Country Planning Act), based on district plans, zoning, and a permit system. Various other environmental problems were kept under control as "nuisances" under other legislation (Commission for the Environment, 1984; Milne, 1992; Williams, 1980).

1972 was a watershed year in the evolution of New Zealand's environmental policy. With environmental issues (many from outside New Zealand or of a general nature) receiving an upsurge in media attention, the first international conference on the human environment pending, and the environment becoming a political "bandwagon", the government appointed the first Minister for the Environment. Later in the year, a Commission for the Environment was established as a *de facto* government department with the responsibility to provide policy advice on environmental matters and to promote the co-ordination of environmental policy (Bührs, 1991a). Also in the same year, a Clean Air Act was passed, modelled on British legislation.

New Zealand was also one of the first countries to adopt a system of environmental impact assessment, introduced in 1973, influenced by the American and Canadian precedents. For all public and private development proposals that were considered to have significant environmental effects, or that required permits under environmental legislation, an environmental impact report had to be produced which was submitted to the Commission for the Environment for independent scrutiny ("auditing") and public perusal and comment.

After this first wave of environmental reform, not much change occurred for about a decade. During that time, the advocates of environmental protection were very much put on the backfoot by governments that assigned foremost priority to New Zealand's deteriorating economic situation, in particular by the promotion of capital intensive industrial and energy projects. During this "Think Big" era, in which the state itself was heavily involved in pushing projects that were perceived

by environmentalists as environmentally damaging ("state sponsored vandalism"), life was made very difficult, and at times even precarious, for the Commission for the Environment. The principal reform that occurred during that period was the introduction of legislation (the National Development Act, repealed by a later government), that rationalised and sped up the process of granting permits for projects that were considered to be in the "national interest", with nefarious consequences for public participation and influence.

With the election of the Fourth Labour Government in 1984, New Zealand entered a period of radical reform, not only in all areas of policy, but also in the very foundations on which public decision making occurs. Virtually no stone remained unturned. Under the influence of "New Right" ideology regarding the role of the state, and neo-classical theories of economic management emanating from within Treasury and embraced by a "Troika" of key government ministers, the whole of the public service was "down-sized", reorganised and put on a "New Public Management" basis (Boston, 1991; Boston et al., 1996). Many state owned enterprises were first corporatised, then privatised. The speed and consistency with which this occurred was unprecedented, and turned New Zealand into a model for "New Right" protagonists in many other countries. But when the economic and social pain caused by the reforms started to bite, and their benefits appeared uncertain if not illusive, this led to also unprecedented levels of public cynicism towards politicians to an extent that the New Zealand political system can be said to suffer from a crisis of legitimacy.

Perhaps paradoxically, many aspects of these reforms, and the environmental reforms in particular, have been considered as major improvements from an environmental point of view. Financial support from the government for economic activities, such as subsidies for agriculture, were almost totally abolished, with positive environmental effects. In 1986, a Ministry for the Environment was established with a stronger mandate for environmental policy development to replace the rather weak (non-statutory) Commission for the Environment. A new Department of Conservation, amalgamating a range of fragmented agencies with responsibility for the protection of natural areas on publicly owned land, comprising almost twenty-three per cent of New Zealand, was created in 1987. A new office, of the Parliamentary Commissioner for the Environment, was also set up in 1986 as an independent "watchdog" over the whole system of environmental management (Bührs and Bartlett, 1993; Memon, 1993).

The Resource Management Act, passed in 1991 after more than three years of preparation and extensive public consultation, is the *pièce de résistance* among New Zealand's environmental legislation. The Act replaces a broad range of previously existing pieces of legislation, provides a framework for the development of environmental policy from the national to the local level, and establishes an integrated system for granting permits ("consents") for all types of development, based on an assessment of their environmental effects. Under the Act, Regional and Local Councils are required to develop and implement mutually consistent plans that address all environmental issues in their areas, and that provide a framework for decisions regarding the granting of consents (by the same councils). All plans and consent decisions must be based on the sole purpose of the legislation, the sustainable management of natural resources. The Act also allows for public input at all stages of plan formation and decision making, and provides

opportunities for appealing decisions with an Environment Court, and higher courts.

The introduction of the Resource Management Act, with its emphasis on an assessment of outcomes instead of regulating activities, also marks a shift in the use of policy instruments. Traditionally, New Zealand's approach to environmental management, inspired by British influence, was dominated by prescriptive planning (zoning) and regulation, be it of a rather general and flexible kind (no legal standards, but guidelines, for water and air quality, waste management, no "technology forcing" regulations), which allowed affected parties (such as industries, farmers) to exert considerable influence over their implementation, even to the point that it can be argued that consent authorities were "captive" of vested interests. With the shift in emphasis towards the assessment of effects, and the imposition on consent granting authorities to consider the costs and benefits of alternative means towards achieving acceptable outcomes, the scope for flexibility in the selection of instruments to achieve objectives is formalised and extended. In principle, "anything goes" as long as it can be demonstrated that the environmental effects of proposed activities meet the sustainability criterion.

Congruent with the move away from the "command and control" approach in environmental policy (which was never strong anyway) has been an increased preference for a co-operative approach (voluntary agreements) and a growing interest in the potential use of economic instruments. On the national level, voluntary agreements between the Ministry for the Environment and industries are relied upon for the management of greenhouse gas emissions and waste reduction, even though there is growing doubt about the effectiveness of these agreements. And despite the initial enthusiasm for economic instruments among decision makers (in particular for the establishment of tradable property rights regimes), very few have been introduced, due to the complexities associated with their implementation, uncertainty and conflicting views about their effectiveness and appropriateness, and potential costs to the economy (in the case of taxes and charges) (Bührs and Bartlett, 1993: chapter 4).

Impressive as the Resource Management Act may be on paper, there are still many questions to be answered about its effectiveness and consequences. Given the sheer size and complexity of the legislation, many issues are as yet unresolved, even with regard to fundamental matters, such as what "sustainable management" means, the extent to which social (quality of life) concerns should be considered in plans and decisions, and how cumulative effects can/should be assessed. Concern has also arisen about the practical (in particular financial) obstacles to public participation, despite the generous "standing" provisions, inconsistencies between councils in the implementation of the Act, the capacity of councils to fulfil their tasks, the inadequacy of national guidance, and the long time it takes for plans and decisions to be made, and the costs associated with the whole process. Whether the reforms are actually achieving their stated purpose, the sustainable management of resources, remains to be seen, and is far from a foregone conclusion (Bührs, 1997; Bührs and Bartlett, 1993; Grundy, 1994; May, 1997; OECD, 1996).

After 1991, environmental policy developments have not been anything near as dramatic as during the previous stage. Since then, much energy and attention appears to have gone into implementing, fine-tuning, and consolidating the new environmental regime. On the national level, the most significant environmental

policy initiative of recent years has been the adoption of the *Environment 2010 Strategy* in 1995. This document, hailed as the most comprehensive environmental policy statement ever produced by a government in New Zealand, is a variation on the move towards "green planning" or the development of sustainable development strategies which can be ascertained in many countries. New Zealand's *Strategy*, however, hardly deserves the "planning" label, as it contains not much more than an inventory of environmental problems and general principles and goals, but no definite priorities, few specific objectives or targets, no time-table, and hardly any sign of strategic thinking. In the broader context of New Zealand's other (in particular economic) strategic efforts, and present political and economic climate, its political weight and environmental significance is doubtful (Bührs and Bartlett, 1997).

Despite all the reforms, New Zealand's environmental policy style continues to be rather "laid back", influenced by the "clean and green syndrome", not characterised by the sense of urgency or crisis that is more apparent in some of the countries where environmental pressures are more intensive or apparent. The driving force behind the environmental reforms between 1984 and 1991 was not only, or even primarily, inspired by a concern for the environment. Foremost, these were an integral part of a broader agenda of change driven by "New Right" ideology and neo-classical economic theory. Their underlying rationale reflects a predominant concern about efficiency and the institutional facilitation of market-led economic growth. Much of the unease expressed about the Resource Management Act is that it does not seem to deliver the efficiency that was promised.

In some other respects, however, New Zealand's environmental policy style has changed significantly. Gone are the days when the government heavy-handedly bulldozed through (often literally) its favourite development projects, regardless of their environmental costs and consequences. Pulling itself back from direct involvement in development, the state seems to have become more accommodating of the demands for public input in environmental decision making. Now, the provisions for public participation are generous, even though in practice the extent and meaningfulness of that participation remain problematic. But the adversarial and confrontational relations between environmentalists and the government, common during the 1970s and early 1980, have been replaced by a more consensual style of decision making, although it is far from approaching the corporatist approach prevailing in some countries, such as Sweden (Lundqvist, 1997).

3 The Main Actors

On the national level, the main institutional agencies with regard to environmental policy development are the Ministry for the Environment, the Department of Conservation, the Parliamentary Commissioner for the Environment, and a range of government departments representing other sectoral interests, such as the Ministries of Agriculture, Forestry, Fisheries, the Ministry of Health, the Ministry of Commerce (which also has responsibility for energy policy), and, last but not least, Treasury.

The Ministry for the Environment is the principal environmental policy agency. Its prime responsibility is for environmental policy development and co-

ordination, and it has almost no role in "hands-on" environmental management (such as pollution control). Given the broad definition of the "environment" concept in the *Environment Act 1986* on which it is based, the scope for the Ministry's policy initiatives, and its involvement in the development of policies of all kinds, is very wide. However, it is not a powerful agency, and relies primarily on a strategy of voluntary co-operation in its policy development and co-ordination efforts, although more recently it has been moving towards formulating a more substantive basis for integrating environmental policies with the adoption of the *Environment 2010 Strategy* (Bührs, 1991; Bührs and Bartlett, 1997). Also, given its role in "balancing" the broad spectrum of views and interests with regard to the environment, it is not perceived to be, and arguably cannot be, a strong or very "green" advocate for the environmental movement.

The Department of Conservation, according to its official mandate, is an advocate for conservation, combining policy and management responsibilities with regard to all protected areas on Crown land (the conservation estate). Its creation, under the *Conservation Act 1987*, can be seen as a victory for the conservation movement in New Zealand which, for a long time, battled for a more comprehensive and secure protection regime for New Zealand's remaining indigenous forests and other areas of high natural value under threat from continuing development. But although the Department still enjoys the support and sympathy from the mainstream conservation movement, it has become the subject of debate and critique regarding the effectiveness of its management, in particular following the collapse of a viewing platform that cost the lives of fourteen people (Chapple, 1995). In part, the critique of the Department is also fuelled by development interests who accuse it of "locking up" resources and thwarting desirable development, particularly in areas where unemployment is high.

The Parliamentary Commissioner for the Environment, also established under the *Environment Act 1986*, is a relatively rare breed of agency, even by international standards. Its main role is that of a "watchdog" over New Zealand's system of environmental administration (from the local to the national level), to identify gaps and weaknesses in the institutional framework, and to recommend measures to address these shortcomings. Although appointed by the Government, the Commissioner is independent in the execution of her/his role, and reports to Parliament. Recently, with the appointment of a new Commissioner, the role and performance of the Office has come under review, but there is much appreciation for the work that it has done and broad support for the continuation of its existence, despite some rumbling about its (almost inevitably controversial) evaluation of policy performance in some cases (Bührs, 1996; Hawke, 1997).

Although over the last two decades environmental awareness may have grown within most branches of the public service as much (or little) as among the *public* at large, there are still many obstacles to the integration of environmental values into other policy sectors, such as transport, economic policy, energy policy, and agricultural policy. Most of the government departments responsible for policy development in these sectors still treat environmental concerns as an "add-on" to what they see as their main business, which is predominantly oriented towards promoting economic growth. Although within some of these departments there are "pockets" of more environmentally oriented groupings or divisions (such as the Energy Efficiency and Conservation Agency within the Ministry of Commerce),

they are usually not strong enough to put their stamp on the overall direction of policy development in their sector, with or without the involvement or support of the Ministry for the Environment.

In the context of New Zealand's government system, whereby Cabinet is not only part of but dominates Parliament, the kind and status of environmental policy is also strongly influenced the personal commitment, position and effectiveness of the Minister for the Environment and the Minister of Conservation. In large part, the introduction of the Resource Management Act can be attributed to the role and commitment of the Minister for the Environment at the time, who retained the portfolio when he became Prime Minister. In New Zealand's hierarchical Cabinet structure, the importance assigned to a policy area is reflected in the status of its Minister in the Cabinet ranking order. Since the creation of the environment portfolio in 1972, Ministers for the Environment have usually occupied a lower place in the government ranking order, with a few exceptions. More recently, the conservation portfolio was occupied by a minister who was not even in Cabinet. This mixture of personal interest, abilities, and the rank of Ministers continues to be a very important factor in the evolution of environmental policy in New Zealand, also after the changeover to proportional representation and the practice of coalition government in 1996.

Environmental organisations have also played a significant role in the development of environmental policy. Since the 1920s, the protection of nature has been pushed by a conservation movement that became stronger, more radical, and more professional over time. Although for a long time forced into fighting reactive battles (to halt one project or development after the other), it shifted its focus more and more towards changing institutions and policies, with considerable success, during the 1980s and 1990s. On a policy level, however, ideological divisions within the movement have also become more explicit and weakened its cohesiveness.

Although public support for nature conservation has been strong and growing since the 1920s, for a long time there has been a lower level of support, and weaker organisations as a result, for other dimensions of the environmental problematique, such as in the areas of pollution, waste management, and urban environmental issues. One notable exception is the extent of public support for the anti-nuclear movement, even though New Zealand has no nuclear industry or power stations. Much of the support for this movement can be attributed to the, now past, French testing of nuclear weapons in the South Pacific. Already in the early 1970s, indignation about this extended to the Government, which sent a warship to Moruroa to protest against nuclear testing. It also led to the introduction of a ban on nuclear ships from New Zealand ports. Continued French testing, and the bombing of *Greenpeace's* flagship the *Rainbow Warrior* by French secret agents in Auckland's harbour in December 1984, ignited public anger about France's apparent disdain for the concern about its nuclear tests in the Pacific to unprecedented levels, and led to a huge upsurge in support for Greenpeace, and for the Labour government's proposals to legislate New Zealand's nuclear free status, which eventuated in 1987.

With the increase in *Greenpeace's* support and resources, also other environmental issues, such as those associated with pesticides and hazardous waste, started to receive greater attention, thus strengthening the demands of other, much

smaller, organisations that had been trying to raise the profile of such issues, such as the *Friends of the Earth*, and the *Soil and Health Association*. Although nature conservation issues still often dominate the agenda within the environmental movement as a whole (including the umbrella organisation *ECO* (Environmental and Conservation Organisations of New Zealand), the attention given to other environmental matters has increased significantly in recent years.

Another important actor behind the rise of concerns of a broader "green" nature is the Green Party of New Zealand. New Zealand was one of the first countries to give birth to a green party, the *Values Party*, in 1972. The emergence of *Values* can be attributed to a range of factors or influences, many of which associated with the rise of social movements, the globalisation of the economy, and the social and cultural poverty or crises ascribed to an increasingly materialistic world (Dann, 1997). *Values'* political agenda extended beyond environmental issues and, if anything, was directed at changing the economy and the socio-cultural infrastructure to reduce alienation and improve the *quality* of human life and society.

Despite a promising start in the elections in 1972, *Values* never gained enough electoral support (under the "First-Past-the-Post", FPP, system) to get representation in Parliament, and dwindled to virtual extinction in the late 1980s. In 1990, however, the remnants of *Values*, together with an influx of fresh blood, reconstituted themselves as the Green Party, and gained 6.9 per cent of the vote in the elections that year (but again no seat in Parliament). To enhance their chances of entering Parliament, the Greens joined forces with four other small parties and, in 1992, formed *The Alliance*, which obtained 18 per cent of the vote in 1993 (but only two seats, and no representative of the Greens due to the FPP electoral system). In 1996, finally, under the new MMP (Mixed Member Proportional representation) system, the Greens, for the first time, gained representation in Parliament, with three seats out of the twelve won by the Alliance.

In November 1997, however, the Greens decided to split off from the Alliance, in which they felt that the green identity could not be sufficiently expressed, and started to prepare themselves for the challenge of having to gain at least five per cent of the vote in the 1999 elections.

In the business sector, environmental awareness still seems to be lagging compared to that in many other western countries. Only a handful of New Zealand corporations has adopted environmental reporting as a practice, and even fewer have introduced environmental management systems. Also, very few companies have gone through the process of obtaining the "Environmental Choice" seal of approval, a New Zealand green product labelling scheme. Probably associated with that is the relatively small domestic market for green products. Often, such as in the case of much organically grown produce, production is destined for overseas markets to cash in on the premium prices fetched for these goods (Law, 1996; *The Press*, 30 April 1997).

The media in New Zealand frequently report on environmental matters, but mostly in a reactive way, and with a preference for the more dramatic events and issues, often from overseas. Serious environmental reporting of a more informative or educative kind is mostly to be found in some of the newspapers and on public radio, but hardly ever on television, which is totally commercially dominated. Apart from the newsletters and magazines published by environmental groups, there are no environmental publications with a readership on any signifi-

cant scale. The role of the media in the development of environmental policy in New Zealand does not seem to go much beyond that of feeding snippets of more or less disconcerting news to the public, thus contributing to a general sense of environmental decline and creating a basis of support for the demands from environmental groups.

Regional Councils, established as recently as 1989, are the most significant environmental actors on the local government level. Under the Resource Management Act, they were given the task of taking an integrated approach to the management of the environment in their regions. Their responsibilities include long-term planning, the management of water and air (and land use in as much as it impinges on these), coastal management, the management of hazardous substances, pest control, and public transport (although the provision of the latter is contracted out to private companies). To a large extent, they are the lynchpin in the system set up with the Resource Management Act, expected to achieve a degree of environmental integration that the central government has never been able to approximate. And given the long-standing absence of regional government in New Zealand, the dislike of local governments for what they regard as another layer of bureaucracy and control above them, and the shaky support basis of Regional Councils (many people have little appreciation of their role or importance), their existence is still precarious and the need for them regularly challenged.

Increasingly, environmental policy development in New Zealand is influenced by actors and developments from outside the country. Australia has become a major actor, co-operating with New Zealand in the formulation of a range of issues and policies, such as food standards and hazardous substances, in part because of the increasing level of economic integration between the two countries. International agencies, such as the OECD, the European Union, the World Trade Organisation, and various UN organisations, also have a growing impact on the direction and shape of New Zealand's environmental policies. Increasingly, environmental policy development in New Zealand is driven by external forces and events, and influenced by examples set by other countries. On the other hand, New Zealand's highly integrated framework of environmental management has also aroused considerable international interest.

4 The Development of Environmental Capacity

Over the last decade, New Zealand's institutional capacity for environmental policy development has been strengthened considerably. At the central government level, three agencies, the Ministry for the Environment, the Department of Conservation, and the Office of the Parliamentary Commissioner for the Environment, have been established that have environmental concerns as their main focus and responsibility. Within the machinery of government, the chorus of environmental voices is stronger than ever before.

The introduction of the Resource Management Act in 1991 has also strengthened the institutional framework for environmental decision making, not only because its of its prime objective, the sustainable management of natural resources, but also because of the high degree of integration and public participation in which it foresees. In addition to that, the establishment of Regional Councils, in

many ways the lynchpin under the new legislation, has significantly enhanced the institutional capacity for environmental management at the regional level of government.

This is not to say that New Zealand's institutional capacity for environmental policy development has no weaknesses. All three central government agencies mentioned are constrained in their capacity by rather modest and, in the case of the Department of Conservation, even declining resources. This reflects the low level of priority assigned by governments to environmental issues relative to other priorities (such as containing government expenditure, health and education), in particular during the 1990s. The rather lukewarm, at times no more than symbolic, political commitment to environmental issues, in contrast to the uppermost importance attached to economic goals ("imperatives"), is probably the most significant weakness in environmental capacity.

On paper, New Zealand's integrative capacity with regard to the development of environmental policy is high. On the national level, the responsibility for the co-ordination of environmental policy lies with the Ministry for the Environment which, in theory, has the potential to take up or get involved in any policy issue or area that has significant environmental implications. Not burdened with implementation responsibilities for any specific area of environmental policy, this gives it the advantage of being able to "free range" across the whole policy spectrum, whether "internal" or "external" to the areas more traditionally and narrowly defined as environmental (such as pollution control). Theoretically, it is thus in a position also to ensure that core environmental values are recognised and incorporated into all policy areas.

In practice, however, the capacity of the Ministry to bring about such a high level of integration is limited. Despite the formal obligation for all government departments to consult with the Ministry on matters of environmental significance, such consultation has not always occurred. In part, this can be attributed to the (deliberate or non-deliberate) failure of government ministers, or Cabinet as a whole, to ensure that the Ministry for the Environment is informed or involved. Also, the Ministry has not the formal power and status, nor the resources, to put it in the same league as some other government departments, such as Treasury. Its involvement in the development of policies that have potentially significant environmental implications (such as economic, energy, transport and agricultural policy) depends very much on the voluntary co-operation of other government departments, and on political backing in Cabinet (Bührs, 1991b).

The Parliamentary Commissioner for the Environment, the "watchdog" over New Zealand's system of environmental management, also plays a key role in enhancing integrative capacity. The Commissioner has the power to investigate the functioning of all agencies that play a role in environmental policy development and implementation, at the national, regional and local level. Its potentially most significant role lies in assessing the system as a whole, in identifying and addressing gaps, unnecessary overlap, inadequate co-ordination mechanisms, obstacles to public involvement, ill-designed or malfunctioning institutional structures, and other shortcomings or limitations in New Zealand's system of environmental management and policy development. As a "systems guardian" it is at least as important as the Ministry for the Environment in the further development of integrative capacity.

So far, however, the Commissioner for the Environment has not been able to develop the role of "system guardian" to its full potential. To a large extent that can be blamed on the very small size of the office (less than 15 staff) and its resources. Another reason is that the role of the Commissioner can be, and has been, interpreted in ways other than that of "system guardian". In fact, the two main other roles that have been assigned to the Office, that of "environmental ombudsman" (a complaints investigation office), and that of "environmental auditor" (assessing the performance of agencies), have absorbed by far most of the time and resources available to it. To what extent the newly appointed Commissioner will (be able to) reorient the Office towards the "system guardian" role remains to be seen. And whether, and to what extent, the Government and its agencies will heed advice from the Commissioner is an even more open question (Bührs, 1996; Hawke, 1997).

A similar gap between promise and practice exists on the regional and local level of environmental management. On paper, the Resource Management Act 1991 foresees in a high level of integration in environmental policy development and decision making, the identification and anticipation of all environmental problems of significance, and the management of resources in ways that are ecologically sustainable. In reality, many regional and local councils are struggling with their responsibilities, given the scope and complexity of their tasks, insufficient powers, resources, skills, and guidance and support from the central government level. Also, many issues, such as how to deal with cumulative environmental effects, the non-level nature of the "playing field" of decision making (development interests are very much in an advantageous position under the system), and the absence of independent scrutiny of environmental assessments, remain unresolved, or are even hardly recognised. Given all these issues and obstacles, it is doubtful that regional and local councils have the capacity to meet the official objective of the sustainable management of resources.

The discrepancy between the capacity of New Zealand's environmental agencies on paper and that in practice mirrors the balance of forces and interests in the political realm. Although democratically elected, the government's actions and priorities do not necessarily reflect the views or preferences of the majority of the population. This has become particularly apparent in the New Zealand situation since 1984, when one government after the other introduced unpopular measures without the support of, and often in blatant disregard of vocal public opposition, on the grounds that these measures are in the longer term public benefit and that "there is no alternative" (the "TINA" syndrome). As a result, popular confidence in politicians, and even the political system as a whole, has plummeted to the point that there now is a legitimacy crisis and state of political disarray (Kelsey, 1996).

But the relatively low level of priority assigned to environmental values in the political arena is not just a reflection of the priorities of political leaders. Although public support for environmental or "green" causes, as reflected in opinion polls, is not insignificant, it has been diminishing during the 1990s. Survey data collected at the Parliamentary elections in 1990, 1993 and 1996 indicate that the importance of the environment in deciding what to vote has declined from 77 per cent of voters in 1990 to 56 percent in 1993, and to 53 per cent in 1996. Also, in 1996, fewer people (39 per cent) advocate higher spending on the environment than in 1990 (when the figure was close to 50 per cent), and fewer (42 per cent in

1996 compared to 49 per cent in 1990) take the view that the environment should be protected even if that leads to lower incomes. Other issues, such as those associated with health and education, presently appear to arouse stronger expressions of public concern and receive a higher profile in the media (Australian Social Science Data Archives, 1998; Vowles and Aimer, 1993:127-146).

This tendency for denial appears to be even stronger in the business sector. By comparison to many other western countries, few New Zealand businesses have adopted mechanisms that strengthen their environmental capacity, such as environmental reporting, auditing, standards, and management systems. Many business are eager to exploit the "clean and green" image of New Zealand for marketing purposes, in particular overseas, but there is not much evidence that they are actively backing up that image with environmentally progressive practices. And although a few government agencies (such as the Ministry for the Environment and the Energy Efficiency and Conservation Authority, a division within the Ministry of Commerce) are promoting the adoption of technologies and practices that are sound environmentally and economically at the same time, there are no government programmes to financially support their introduction.

The strongest motor behind environmental policy development, apart from, but linked with, the forces external to New Zealand mentioned above, is the environmental movement. Several environmental organisations, such as Greenpeace, have grown into highly professional lobbying groups. On many occasions, environmental groups have successfully instigated the government to review its policies, or even to change the institutional framework for environmental policy development and management. Political opportunities have been skilfully exploited to induce promises (from the government and opposition parties) for change.

The small size of New Zealand's policy communities (where most actors know each other), the relative ease of access to members of Parliament and Government compared to countries with bigger populations, the frequent use of public consultation and submission processes in environmental policy development, and an Official Information Act that enables people to obtain government information (be it not always promptly and with ease), together create a fairly open system of governance. Ironically, for the public the chances of influencing policy appear to be greater in the environmental policy area than in other policy realms, and seem inversely related to the relative importance assigned to a policy area (no public input is allowed or encouraged with regard to economic policy).

Support for environmental groups peaked during the early 1990s, when Greenpeace, the Royal Forest & Bird Protection Society, and the Maruia Society counted 170,000, 62,000 and almost 12,000 financial supporters respectively. Since then, numbers have declined. One of the likely reasons for this decline can be found in the deteriorating economic climate, in which many people have experienced a stagnation, or even a fall, in real income (including welfare payments), and face rising costs associated with the introduction of "user pays" regimes in health, education and the provision of other (previously public) services. These trends are also reflected in the lower priority of environmental issues in public opinion mentioned above.

Obviously, the drop in financial support for environmental groups had significant implications for their capacity. Several organisations had to shed staff and reorganise themselves to remain solvent. Greenpeace in particular went through a

“rough patch” and was the focus of media attention when it had to “downsize” its office in New Zealand. More recently, however, the situation now seems to have stabilised itself, and although support levels are not going up, there is a feeling within these organisations that their financial basis now is more secure and reliable than it was in the heydays of support.

In comparison to other environmental organisations, the success of the Green Party in influencing environmental policy has been very limited. In large part, this can be attributed to the fact that only recently the Party has gained a few seats in Parliament, and that in New Zealand’s adversarial political system opposition parties have very little scope for influencing policy. The capacity of the Green Party to influence policy, as long as it is not a partner in a coalition government, lies in its role of providing a voice for environmental concerns in Parliament, and thus raise the public profile of environmental issues, and in obtaining “inside” information that can be used by the environmental movement as a whole.

The ability of environmental advocates in New Zealand, within and outside the government sphere, to develop or influence policy is hampered also by the existence of significant gaps in environmental knowledge and information, and by a weak system of co-ordinated environmental monitoring and reporting. Although the Ministry for the Environment has control over some funding of environmental research (the “Sustainable Management Fund”), the sums involved are rather modest, and largely allocated to issues or programmes that carry some political priority. Similarly, much environmental research undertaken by New Zealand’s corporatised “Crown Research Agencies” is targeted towards areas and issues that are considered to be of significance and benefit to New Zealand’s economic (in particular export earning) capacity. By comparison, not much environmental research of a longer term, and more fundamental nature, is funded or undertaken.

To a large extent because of the modesty of New Zealand’s environmental research capacity, significant gaps exist in the knowledge and information about the extent of, and trends in, the environmental problems of the country. Furthermore, although environmental monitoring has been made a responsibility of local government, there is still no integrated or co-ordinated system of data collection on the national level. The development of a set of common environmental indicators has been on the Ministry for the Environment’s agenda for some considerable time, but received political priority only recently when this gap in New Zealand’s capacity was highlighted in the OECD’s review of New Zealand’s environmental policy (OECD, 1996). New Zealand’s first state of the environment report, published in October 1997, also reveals the large gaps in information on environmental conditions, pressures and responses, and trends therein, and the absence of a core set of indicators on the basis of which monitoring and reporting can occur (Ministry for the Environment, 1996; 1997b).

5 Evaluation

Over the last two decades, New Zealand’s environmental policy framework has developed in leaps and bounds. Periods of major change occurred in the early 1970s and between 1984 and 1991. On both occasions, the institutional capacity for the development and co-ordination of environmental policy was strengthened

significantly. Environmental concerns and issues have become the foremost business of an increased number of agencies and people. As a result, it has become less likely that such concerns get ignored and that decisions are being made without any regard given to their environmental implications. Also, the opportunities for the public to get involved in environmental decision making have been increased significantly. Overall, New Zealand’s institutional capacity for raising and debating environmental issues, and for addressing these in a more integrated way, has expanded considerably.

Notwithstanding the greater strength of this framework, it is more difficult to say whether environmental policy performance has also improved. Apart from the fact that assessing policy performance involves making value judgements, there is the problem that few specific environmental policy objectives or targets have been formulated, that the extent of many environmental problems is unknown, and consequently, that in many respects it is hard to say how effective or successful agencies have been in mitigating or resolving problems, or in meeting objectives.

Paradoxically, the enormous scale of New Zealand’s environmental reforms in the 1980s and early 1990s may have had some detrimental effect on environmental policy development. A prevailing assumption underlying these reforms has been that the quality of policy performance is primarily a function of the institutional framework: “Get the institutions right, then good policy will automatically follow”. Without wanting to deny the importance of institutions, this is, of course, a questionable thesis. Form does not automatically follow function, and there are many other than institutional variables that impinge on environmental policy performance, such as the level of political commitment, the strength of environmental demands, and economic factors. But the widespread belief in the validity of this thesis among decision makers has led them to focus less on the development of actual policies. In many respects, New Zealand’s “substantive” environmental policies (goals, objectives, targets, and the means for achieving them, such as regulations or standards) are not much more ambitious or stringent than they were at the start of the reforms in 1984, despite the development of the *Environment 2010 Strategy* in 1995.

Another consequence of the scale of reform undertaken since 1984, across virtually all policy areas, is that there is little support or enthusiasm for further change. “Reform fatigue” has led to a widespread longing for some degree of stability and consolidation. In that context, an often heard argument is that more time is needed for the new institutions to prove their value, for instance for the Resource Management Act to be fully implemented. Complementing this argument is the view that the new institutions are fundamentally sound and that any “teething problems” can be dealt with by improving implementation.

Although there is some validity in these arguments, there is also the risk that they lead to a false sense of security regarding New Zealand’s environmental situation, as people feel or think that “everything is under control” and that no more radical change is needed to address the environmental problematique effectively. Nothing could be more dangerous or misleading, as it is extremely unlikely that New Zealand’s present institutional framework will resolve its present environmental problems, or prevent future ones. More reform of a fundamental nature will be required to integrate environmental “imperatives” within other policy sectors and in the “private” business sector (to “green” the economy), to ensure

that the cumulative effects of a multitude of small decisions are adequately assessed and contained, to strengthen New Zealand's environmental information and knowledge infrastructure, and to re-orient the dominant value system towards a new social, economic and political paradigm which is not based foremost on unrestricted economic growth and materialism.

These challenges illustrate the fundamental nature of the principal constraints on the development of environmental policy (capacity), in New Zealand and other countries. First, there is the difficulty that the source of many, if not most, environmental issues lies at the core of an economic system that may be made compatible only in a limited way with long-term ecological and social rationality, and that economic change of a more fundamental nature is most likely to be required. But given the globalisation of the economy, it is increasingly problematic for individual countries on their own to move in that direction. Second, these issues illustrate that coming to terms with environmental issues is not merely, or even primarily, a question of building capacity of a technical kind. Environmental problems are inherent to a more fundamental problématique: the collective challenge to humankind to define the kind of society that we want to live in, and to develop the political means towards achieving such a society. That also has become a global challenge.

Postscript

The national elections of 27 November 1999 changed New Zealand's political landscape dramatically. At first, election results indicated that Labour and the Alliance had won a majority of the seats in Parliament, and on that basis both parties started talks to form a Centre-Left coalition government. On the election night, the Green Party, which had split from the Alliance in 1997 and contested the 1999 elections on its own, just failed to obtain 5 per cent of the votes, or to win a majority of the electorates, either of which would have entitled it to Parliamentary representation. However, when all special votes were finally counted on 7 December 1999, it transpired that the Greens had scored 5.2 percent of the votes, and had gained a majority in one of the electorates (the Coromandel). As a result, the Green Party got seven (of the 120) seats in Parliament, and the Labour-Alliance coalition dropped to 59 seats, just short of a majority. This means that, although the Greens do not take part in the new government, they effectively hold the balance of power and are in a, for New Zealand, unprecedented position from which to influence the government.

Although, at the time of writing (April 2000), the new government is still young, it already has brought about a significant change of direction in many policy areas, including health, education, social welfare, economic development, and the environment. In general, the government has returned to a more "interventionist" policy style, and moved away from the neo-liberal approach that prevailed during the previous fifteen years. Reforms that paved the way for a greater reliance on competition ("market forces") and privatisation have been put on hold and, in several instances, reversed. Social welfare spending has increased, and so have taxes on the higher incomes. Regional economic development is actively and financially supported, and the abolition of remaining import tariffs, a plank of the

previous government's radical free trade stance, has been scrapped. The heydays of New Zealand as a model of "New Right" policies are over.

Given the key position of the Green Party in Parliament, there is now considerable scope for environmental issues to be taken more seriously by the government. Already, the government has put an end to a controversial "sustainable forestry" (of indigenous beech forests) scheme. It has also promised to set up a Royal Commission of Inquiry into genetic engineering, an issue pushed hard by the Greens. Although the government still needs to declare its position on a range of other environmental issues and initiatives introduced by the previous government, it can be expected that environmental issues will carry greater weight (and receive more funding) than they have during the last decade.

At least as significant as the change in policy direction is how the electoral system of proportional representation, introduced in 1996, is put to work since the last elections. The new electoral system (a variation on the German system), introduced in response to growing political disillusion, was expected to lead to a more consensual policy style and a greater responsiveness to public (rather than market) interests. However, faith in the system was rapidly shaken by the performance of the first coalition government, and in particular by the actions of one of the parties (New Zealand First), which fell apart and by which many voters felt betrayed. The challenge for the new government is to demonstrate that coalition (and even minority) government can be stable, responsive, and effective. As the capacity for influencing and strengthening environmental policy from a Green perspective depends to a large extent on the existence of a system of proportional representation, the ability of the new government, and the Green Party as its principal ally, to deliver these values, will be an important factor in determining the fate of this system and the development of environmental capacity in the longer term.

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