8.6

Environmental Policy

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The environment only became a subject of public policy in the 1960s. Although environmental problems have existed for as long as humanity, it was only from that time that governments started to 'see the environment as a policy framework within which many specific problems can best be solved' (Caldwell 1963, p. 37). Before then, environmental problems were mostly seen and dealt with as separate and unrelated issues. Increasingly, awareness grew that such problems were all part of how humans interacted with their surroundings, and that how they shaped their environment also impacted on them.

Environmental policy, in theory, constitutes an effort by governments to deal with environmental problems in an encompassing and integrated way. This is easier said than done, however, and even some three-and-a-half decades after many governments started to appoint ministers of or for the environment, and to create government agencies responsible for developing and implementing environmental policy, dealing with environmental problems comprehensively and effectively remains a formidable challenge, for many reasons. New Zealand, despite, or perhaps because of, its 'clean and green' image, is no exception in that respect.

This chapter will, first, provide a sketch of the environmental situation in New Zealand. How 'clean and green' is the environment? Is the environment getting better or worse? This provides a background against which, in the second section, the environmental policy efforts of New Zealand governments are discussed and evaluated. Third, the present institutional framework, and how it affects New Zealand's capacity to deal with environmental problems comprehensively and effectively, is assessed. Finally, the prospects for environmental policy are reflected upon in the light of the 'politics of environmental policy'.

'WHO IS THE CLEANEST AND GREENEST OF THEM ALL?'

New Zealand may win many a contest as the most favoured holiday destination, but it is strongly at risk of losing its image as a 'clean and green' country. Domestically, the proportion of New Zealanders who believe that their country is 'clean and green' dropped from about two-thirds in 2002 to just over 50 per cent in 2004, and a growing number express doubts or concern (Hughey et al. 2004, p. 14). There are good grounds for this growing scepticism, or perhaps realism, about New Zealand's image, and unless New Zealanders, and particularly governments and the business sector, are prepared to give up their exercise in collective self-deception, it is just a matter of time before New Zealand will lose its high place in the environmental beauty stakes.

That it is actually not so easy to determine the nature, scale, and seriousness of New Zealand's environmental problems is itself indicative of the collective denial syndrome. New Zealand's first State of the Environment report, published in 1997, brings to light the many gaps that exist in our knowledge and information of environmental matters. This same point was made one year earlier in a review of New Zealand's environmental performance conducted by the OECD. The situation is only slightly better now, but still New Zealanders are not being well-served with information about the state of their environment, and far less so, for example, than about the state of their economy. In fact, people who want to find out about trends in New Zealand's environmental conditions have a hard task doing so. Since the publication of the first State of the Environment report, no other comprehensive publication or data base has been put together, and made available, about the state of the New Zealand environment.

What can be gleaned from a variety of sources and reports does not create a pretty picture. Perhaps most concerning is the state of New Zealand's water ways, which are under pressure from a growing demand for water for irrigation, especially in the South Island, and pollution, making a staggering 95 per cent of lowland streams and rivers unfit for swimming, based on health department guidelines (Larned et al. 2004; Collins 2004). Several major lakes, including Lake Taupo, Lake Rotorua, and Lake Ellesmere, are already in a precarious ecological condition. An apparently growing barrage of introduced species adds to the threats to indigenous plants, animals, and ecosystems, in the water as well as on the land. Some of the more recent imports, such as the painted apple moth, the varroa mite, and the clubbed tunicate or sea squirt, have caused significant concern because of their (potential) economic costs (and, in the case of the first, possible risks to human health associated with control efforts). The recent discovery of an introduced alga, *didymosphenia geminata* (more graphically labelled 'rock snot') poses an additional threat to riverine ecosystems. Although some species appear to have been saved from the brink by extra protection measures in some areas, little is known about the overall trend in the state of health

of New Zealand's biodiversity and ecosystems. In its 2004 Annual Report, the Department of Conservation noted that 'Only about 6,000 of the more than 90,000 known indigenous species have been investigated and categorised thus far and of these, approximately 2,400 are listed as threatened'. Of the 2,400 threatened species, around 25 per cent are acutely threatened (Department of Conservation 2004, p. 29).

As for the extent to which physical environmental conditions affect the health and well-being of humans, New Zealand has traditionally been regarded as well-off and lucky compared with many other countries. With a relatively small population and low population density, few heavy industries, and large industrial zones, spacious urban areas, and lots of outdoor recreational opportunities in most people's backyards (figuratively and often literally speaking), it has been, and still is, an attractive destination for immigrants. However, New Zealand's comparative advantage in terms of 'quality of life' derived from these features is also eroding, and in some respects becoming very relative indeed. In many urban areas, air pollution is damaging the health of citizens. In Auckland, concentrations of carbon monoxide and nitrogen dioxide are found to be higher than in European cities (Auckland Regional Council undated). It has been estimated that in New Zealand over 900 people above the age of thirty die from air pollution each year. Of these, some 400 die from emissions from vehicles, and a further 400 from road accidents (Fisher et al. 2002, pp. i, 43). As noted above, many water bodies are unsafe for swimming, and the quality of some 70 per cent of the drinking water supplies (mainly in smaller communities) is unknown (New Zealand Ministry for the Environment 1997, p. 7.70). As for pollution on land, estimates made in 1992 put the number of potentially contaminated sites at 7,800, 1,550 (22 per cent) of which were thought to pose a high risk of harming human health or the environment (New Zealand Ministry for the Environment 1992), although a later survey indicated that the actual number is higher (Organisation for Economic Co-operation and Development 1996, p. 81). Ongoing urban expansion and growth in traffic in most urban centres, but especially in the Auckland region, are adversely affecting the quality of life of many people, following similar trends in other countries. Although there are no slums as in many poor countries, housing conditions in some areas are poor, and contribute to health problems, due to overcrowding, inadequate insulation and heating, and poverty. The sharp rise of house prices in recent years further aggravates these problems by putting house ownership beyond the reach of many young people.

Although the list of environmental issues could be expanded, the discussion above suffices to illustrate the paucity of claims to New Zealand being 'clean and green'. Although much of New Zealand looks green and beautiful, the quality of its environment (even in the national parks) has been severely eroded, increasingly so since European settlement. Largely because of its relatively small population and the scenic splendour of much of the country, it has been possible for a long time to overlook or even deny the existence of environmental problems. The clean and green syndrome has also affected New Zealand's environmental policy performance, as we will see next.

ENVIRONMENTAL POLICY PERFORMANCE: HOW DOES NEW ZEALAND STACK UP?

Environmental policy can be defined as what governments do (or deliberately don't do) to address and/or prevent environmental problems. It comprises policies directed at protecting nature or ecosystems, policies aimed at protecting resources (to enhance or ensure their long-term availability), and policies that affect human well-being by means of changing the physical and natural environment (the quality of the human habitat). Environmental issues often fall into all three categories, demonstrating the interconnected nature of the environment itself. Resource use (a human necessity) will often impinge on ecosystems, and the way humans modify or shape their (urban and rural) environment will impact on their own well-being as well as on that of other species, and on the quality and quantity of resources available for the future. To effectively address environmental problems, or even better, to prevent them, requires an encompassing, integrated, and anticipatory approach, directed foremost at causes rather than effects ('end-of-pipe' solutions).

To do that in practice remains a formidable challenge, and there are no countries that can be said to have been fully successful. However, since the late 1980s, the development of more comprehensive and integrated environmental policies has been the subject of increased attention on the part of environmental theorists, practitioners, and governments, both at the national and international levels. Following the call in 1987 upon governments by the World Commission on Environment and Development (better know as the Brundtland Commission) to adopt sustainability as a leading principle or goal, and a growing recognition by environmental analysts and administrators that the fragmented and reactive approach to environmental problems was not delivering the desired outcomes, many governments started to adopt sustainable development strategies or some other form of 'green planning' (Jänicke & Jörgens 1998). Some countries, in particular the Netherlands, have been leaders in this field, setting specific targets and timeframes for most environmental problems, sharing responsibility for meeting those with target groups in proportion to their contribution to the problems, and taking implementation seriously (De Jongh & Captain 1999).

When taken seriously, green planning is based on and accompanied by the 'greening' of policies in areas that are responsible for many of the sources of environmental problems, such as the industrial, energy, transport, and agricultural sectors. The integration of environmental concerns into all sectors that (potentially) impact on the environment has come to be recognised as imperative if environmental problems are to be prevented rather than mitigated. The European Union has made environmental integration a legal obligation for all member countries. These moves are inspired and underpinned at the theoretical and scientific level by ideas that production and consumption, and transport and energy systems, need and can be modernised based on ecological or natural principles, as reflected in the notions of ecological modernisation and natural capitalism. Some countries, notably Germany, Sweden, the Netherlands, and Japan have taken the lead in this direction.

New Zealand has been a leader neither in green planning nor in environmental integration. In 1996, under National, the rudimentary basis for a first comprehensive and strategic environmental policy was laid with the adoption of *Environment 2010 Strategy*. The strategy hardly deserved that label, however, as it was more in the nature of an inventory of environmental problems facing New Zealand than an action plan based on an analysis of driving forces; it put forward very few specific objectives, targets, and strategic priorities, and was not supported institutionally in the form of the creation of a dedicated agency for its implementation and/or a legal basis (Bührs & Bartlett 1997).

When Labour came to power in 1999, the *Strategy* was quietly set aside. Labour's performance on this front can hardly be called any better, however. Strategic environmental policy development simply did not connect with the philosophy of Labour's environment minister, who was more interested in making things happen 'on the ground'. Consequently, and perhaps also because the minister's views were quite complementary to the approach advocated by the new chief executive of the Ministry for the Environment, green planning simply dropped off the political agenda. Only in 2001, with the World Summit on Sustainable Development looming, did the government announce that it was going to develop a sustainable development strategy. Given the short timeframe, however, the strategy was not completed on time for the Summit, leaving New Zealand one of the few countries without either a sustainable development strategy or some other form of green planning.

In 2003, a new environmental policy statement, *Sustainable Development for New Zealand. Programme of Action* (referred to hereafter as the *Programme*), focused on just four issues: water quality and allocation; energy; sustainable cities; and youth development. Although the *Programme* mentions the need for an integrated, holistic, and 'whole-of-government' approach, there is little evidence of effective translation of this in the form of environmental integration across all policy areas. Arguably environmental integration is most evident, be it still at a modest level, in energy policy, where specific objectives and targets for improving energy efficiency and conservation and increasing renewable energy supply have been adopted. However, it is much less evident in most other policy areas, such as transport, agriculture and, most importantly, economic policy. Although policies and strategies formulated in these areas may refer to 'sustainability' as a principle, this still has to be translated into concrete objectives and targets that imply *environmentally* sustainable resource use, and into effective actions that produce outcomes in that direction. The importance of economic growth and development as a dominant value and objective is reflected in almost all policy areas, including social and environmental policies. They reflect, and at times express, confidence that economic growth can be accompanied by a *reduction* of resource use and adverse environmental impact to levels that are environmentally sustainable ('absolute decoupling'). However, as yet, there is no evidence of this happening in New Zealand.

With economic growth remaining the dominant and overriding concern, and green planning and integration still being in a stage of infancy, environmental policy development has remained largely reactive. Environmental standards have not been adopted until recently, or are still in the process of being developed. Energy efficiency and conservation, and the promotion of renewable energy, have only recently been given stronger support (and still only modestly so) because of growing concerns about future energy supply and security. Growing transport problems and rising social and environmental pressures associated with ongoing urban development, especially in the Auckland region, have only just started to provoke policy responses that incorporate environmental considerations. But in most cases environmental policies are directed more at mitigating the effects of development rather than controlling the forces behind it.

GETTING THE INSTITUTIONS RIGHT ... OR NOT?

The reforms of the public service sector introduced by the Labour government in the 1980s aimed at creating an institutional framework that would enable or support the 'right' policies. For instance, policy and regulatory functions were, in most cases, allocated to separate agencies to avoid agency 'capture' and enhance transparency and accountability. Productive and commercial activities were split off from government departments and assigned to State Owned Enterprises (SOEs) that were expected to operate as corporations, and/or privatised, to get the government out of business and to enhance economic effectiveness and efficiency. Most responsibilities for day-to-day environmental management were devolved to regional and local government based on the assumption that this was a more appropriate level for making decisions on environmental matters. In short, creating the 'right' institutions would lay the basis for the 'right' policies to be developed.

In 1986, the Ministry for the Environment was established as the central government's main environmental policy agency. The ministry's role was mainly to develop and advise on matters of policy, leaving implementation, regulation, and enforcement mostly to local government. This foreshadowed the adoption of local government reform in 1989. It rationalised local government and created regional councils, with mostly environmental responsibilities. In 1991, these arrangements were corroborated by introduction of the Resource Management Act (RMA), which also amalgamated a raft of environmental legislation into one statute, thus providing for an unprecedented level of integration in environmental decision-making in New Zealand. In line with dominant thinking at the time, the Act did not prescribe environmental objectives, targets, or standards (apart from the general goal of the sustainable management of resources), but enabled regional and local government to adopt these in their own policy statements and plans. Conflicts about environmental

decisions were to be resolved by the Environment Court, and only in exceptional cases to be 'called in' by the Minister for the Environment.

Although these reforms and arrangements have caused central government to take a back seat in day-to-day environmental management decisions, especially with respect to development proposals, they did not automatically bring forth 'better' environmental decisions, or even create the basis for more effective environmental protection. Many of the assumptions on which the reforms were based have proved to be problematic or unrealistic. First, they assume that regional and local governments have sufficient knowledge and information about existing environmental conditions to decide on whether the effects of proposals are environmentally sustainable. As noted above, this is still a problem today, given the considerable gaps in New Zealand's environmental information basis. Second, they assume that regional and local councils have the power, administrative, and resource capacity to deal effectively with the broad range of environmental issues in their area, an assumption that has proved to be unrealistic. This is especially so in the case of many smaller councils, but even with better resourced councils, as demonstrated in the Auckland region and, in Canterbury—a prime example being the issue of water management. In large part, the inadequacy of regional and local government can be attributed to the fact that they have no control over the driving forces and decisions behind development, such as those relating to the rising demand for energy and transport, population movements, and economic development. Third, it assumes that all councils have the political will to take environmental issues seriously. As 'environmental politics' occurs as much at the local as the national level, and as the playing field on which decisions are made is far from level, this assumption has also shown to be unrealistic.

What all these shortcomings point to is the need for strengthening environmental capacity at all levels of government. At the central government level there is a need for an agency (ideally at arms' length from line government agencies) that has the capacity to collect and build environmental information and to take responsibility for (annual and 'real time') environmental reporting. Given the complexity, costs, and expertise associated with developing environmental standards, there is a case to be made for the establishment of a central Environmental Protection Agency with the power to set and enforce standards. This would also enable the development of a more integrated approach to pollution control directed at controlling *sources* rather than at mitigating effects. Perhaps most important, there is a need for creating a central agency (such as a Sustainable Development Council) that builds and strengthens the capacity for green planning. To ensure the continuity of green planning, such a Council would need to be given legal backing and have broad community representation (Bührs 2002).

At the regional and local levels, there is also a need to strengthen the environmental capacity of councils, with financial assistance and guidance from central government.

There is a need to strengthen the capacity of councils for anticipatory planning rather than simply mitigating the effects of environmental pressure. This implies integrated urban design, zoning, building, and transport policies that give primacy to environmental and social concerns, a requirement which is incompatible with the *ad hoc*, incremental approach to development that has become common practice under the RMA. Regional councils, given the scale of many environmental problems, may be a better source of local green planning than city or district councils. But as noted above, this also assumes the existence of national policies that address the sources of environmental pressure. Although, in theory, the RMA provides for a hierarchy of planning efforts, in practice, it has produced or even encouraged planning that is vague and weak, lacking teeth, at the regional and local level, and devoid of planning at the national level. Reinstating a proper institutional framework that moves from a preoccupation with *effects* towards a concern with *design* will require more fundamental amendments to the RMA than those that have been adopted thus far.

While New Zealand has two significant environmental advocates in the form of the Department of Conservation and the Parliamentary Commissioner for the Environment, their influence on environmental policy, and especially environmental pressures, is quite limited. By the nature of its mandate, the Department of Conservation focuses primarily on the management of protected natural areas, although it does play an advocacy role for conservation in non-protected areas. The size of the challenges that it faces almost guarantees that it will always be underfunded and understaffed, and that it will be preoccupied with heading off more immediate and growing pressures associated with proposals for development within the conservation estate (for instance, for hydro power generation, mining), and rising numbers of tourists and demands for recreational facilities. The Parliamentary Commissioner for the Environment, although venturing boldly into critiques of energy and other policies, which is, strictly speaking, beyond its brief, does not appear to have been very effective in having his advice translated into policy changes, or in having brought about changes at the institutional or systemic level like the ones suggested above.

Apart from the 'clean and green' syndrome, New Zealand also suffers from 'institutional superiority' syndrome. Few people in New Zealand, other than those with a pro-development interest, argue in favour of a fundamental review of the RMA, or indeed for institutional reforms designed to better protect the environment. To some extent, this could be attributed to the phenomenon of 'reform fatigue'. More worrying, however, is the widely held idea that there is nothing fundamentally wrong with New Zealand's existing (economic and environmental) institutional framework, and that nothing more than tinkering might be needed to improve environmental performance. Whether New Zealand will continue to bask in this sense of achievement depends on the politics of the environment.

THE CONTINUING POLITICS OF 'CLEAN AND GREEN'

The politics of clean and green refers to the use of New Zealand's image of a 'clean and green' country to deny or downplay the existence of serious environmental problems and threats, or to support calls for stronger environmental policies. It is also used to project the idea that New Zealand is a 'world leader' in environmental management and policy, or at least should be. Both aspects of the clean and green image are often considered to be important for economic reasons: it provides a green edge to New Zealand's exports and makes it attractive as a destination for tourists and investments. In a report commissioned by the Ministry for the Environment, the monetary value of New Zealand's clean and green image, based on a range of exports alone, was estimated to be worth at least hundreds of millions, if not billions of dollars (New Zealand Ministry for the Environment 2001).

How much weight is given to environmental matters in government decision-making depends to a large extent on the effectiveness of environmental advocates both inside and outside of government. Unfortunately, successive Ministers for the Environment have had a relatively low ranking in the cabinet hierarchy, which has had a detrimental effect on their ability to advocate for their portfolio. In the 2005–08 Labour–Progressive government, for example, the Minister for the Environment, David Benson-Pope, ranked fourteenth in cabinet, and the associate minister, Nanaia Mahuta, nineteenth. To some extent these rankings reflect the importance assigned to the environment portfolio by the prime minister and other senior members of the government. The Conservation portfolio was slightly better off, with Chris Carter being ranked twelfth.

While Labour has generally expressed a stronger commitment to the environment than National, the Green party has been the strongest environmental advocate in parliament. The exclusion of the Greens from the government limits their influence on decision-making, apart from some concessions won in exchange for their support on confidence and supply. The influence of the Greens is also constrained by the government's reliance on two parties, New Zealand First and United Future. Both oppose a carbon tax and United Future wants New Zealand to pull out of the Kyoto agreement. Overall, the political support base of the Clark government does not bode well for improving New Zealand's environmental policy, capacity, and performance over the next few years.

That does not mean that the need and demand for strengthening environmental performance will decrease. As environmental pressures and problems continue to mount, in New Zealand and internationally, the demand for more effective action at all levels is likely to intensify. Growing concerns about the mismatch between New Zealand's clean and green image and environmental reality may lead to stronger calls for more effective environmental policies. International environmental politics has become an important driving force of its own, increasingly influencing New Zealand's

environmental policies, especially on climate change. Unfortunately, though, it seems that New Zealand's reactive and fragmented approach to environmental policy development is likely to continue for some time yet.

DISCUSSION QUESTIONS

1. Is the 'clean and green' image a burden or an asset for environmental advocates?
2. If environmental problems are getting worse, as the author suggests, will this necessarily lead to stronger demands for more effective environmental policy?
3. Why have some countries become leaders in green planning and others, including New Zealand, not?
4. To what extent, and how, is the rapidly growing demand for oil in the world, and rising energy prices, likely to affect environmental policy in New Zealand?

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