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# 04 Building Natural Resources

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ISBN 978-0-908335-85-5 Online  
ISBN 978-0-908335-86-2 Hardcopy

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## Building Natural Resources

The Government has committed to the following high-level goal:

***The quality of our natural resource base improves over time, while sustaining the growth needed from key sectors to meet our 40 per cent exports to GDP target***

### Improving productivity while reducing environmental impact.

New Zealand's natural resources are central to our economic prosperity, especially in our regional economies. A large proportion of New Zealand's export income comes from primary products – goods produced from the land, freshwater or ocean. As well as underpinning our economy, New Zealand's natural environment is integral to our sense of national identity and has important cultural and recreational significance.

The Government is committed to increasing the ratio of exports to GDP by growing more internationally connected business. Over the past five years, New Zealand's total exports, which include non-pastoral-based products and services such as tourism, have increased by 21 per cent and are now valued at more than \$67 billion. The primary sector accounts for over 50 per cent of exports, with 2015 export revenues valued at \$35.7 billion. There is a big opportunity to grow food exports in particular as a result of the increasing per-capita consumption of proteins by the rapidly growing numbers of middle-income consumers around the Asia-Pacific Rim.

A cornerstone in our approach is to add more value to volume: building on our primary sector strengths to capture greater value of every tonne we sell overseas. Supporting the productive use of our urban, rural and Māori land will help meet both our growth and environmental aspirations. Through more efficient land and resource use and realising greater value from our freshwater, marine and aquaculture resources, we will be able to continue to enjoy the immense benefits of our natural resources.

We now have a clearer picture of the state of our natural resource base. Recently the Government released the first comprehensive and independent report on the state of New Zealand's environment, called Environment Aotearoa 2015. This report shows that we are making good progress in areas such as reducing transport and home heating emissions, improving the clarity of our freshwater, and reducing overfishing and bycatch of protected species. However, the report also shows we still face challenges in freshwater, climate change and biodiversity.

We can meet those challenges and sustain and protect our environment, while at the same time increasing primary sector productivity through a range of smart interventions and investments outlined in this report. Given the importance of the primary industries to our economy, we need to maintain and grow the productivity of our agricultural and horticultural land. We are working with industry and investing in new technologies (such as precision agriculture and new farming techniques) to reduce the environmental impact of agricultural and horticultural land uses without compromising economic growth.

## Chapter summary

The Natural Resources stream of the Business Growth Agenda is, over the next year, focused on practical initiatives to improve land productivity and increase incomes while improving environmental outcomes.

We will work closely with land users to apply the best research and techniques to land management, and progress the reforms of the Te Ture Whenua Māori Act 1993 to unlock the potential of Māori-owned land.

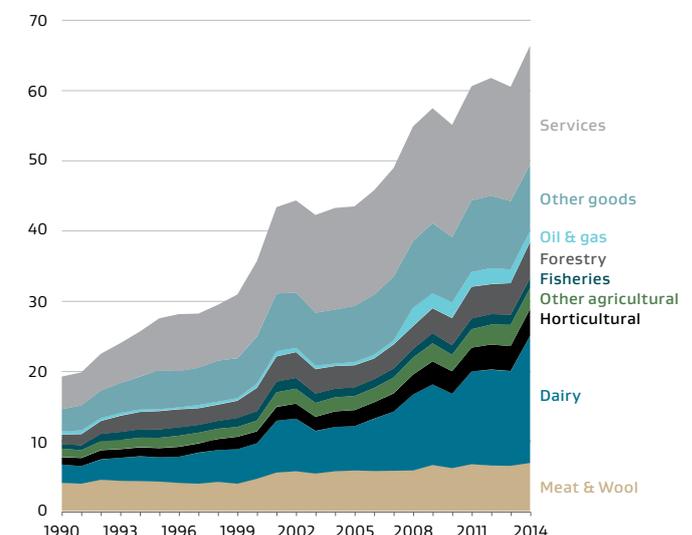
Our resource management reform process will focus on achieving a parliamentary majority to meaningfully improve Resource Management Act processes, provide investor certainty and speed up the release of greenfield and brownfield land in urban areas.

The freshwater programme will continue to build on the new regulatory framework for freshwater while ensuring the development of water storage projects that improve land productivity and environmental outcomes.

We will participate fully in climate change negotiations, and focus our domestic activity on developing and implementing technologies and techniques that will reduce and mitigate our emissions which are heavily concentrated in agriculture and transport.

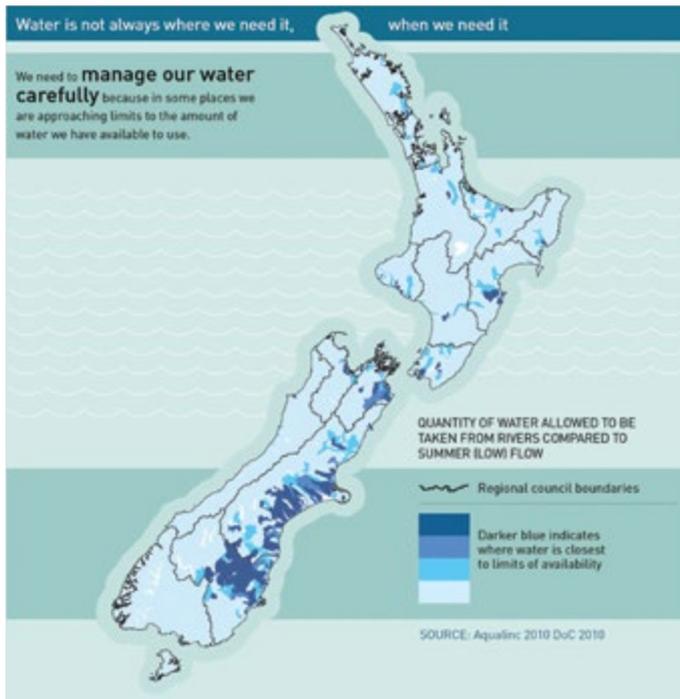
### Primary products remain a major part of our export mix

Exports, \$ billions, June years



Source: Statistics New Zealand, Ministry for Primary Industries

## Building Natural Resources



There is also the opportunity to increase the productivity of the forestry sector, already the third highest contributor to New Zealand's GDP. Currently only about half of all logs harvested are processed domestically, meaning that we are missing out on a significant portion of the potential value of our forestry products. Increasing the level of onshore processing and manufacturing is key to meeting the Wood Council's target of increasing the export value of wood products to \$12 billion in 2022.

Both our economy and environment remain under pressure from pests. Exotic pests are estimated to cost New Zealand's primary industries up to \$3.3 billion per year. Diseases such as TB affect livestock and cause direct losses. Exotic insect and diseases damage crops and reduce productivity. Meanwhile within a decade, weeds could degrade seven per cent of the conservation estate resulting in a loss of native biodiversity equivalent to \$1.3 billion. While the cost of defending New Zealand's borders and managing established pests is high (more than \$290 million annually), the potential cost of an incursion such as foot and mouth disease or the establishment of a Queensland fruit fly population would be devastating to the primary sector.

We are working with councils and businesses such as OSPRI to better coordinate and increase the impact of pest management across New Zealand. Science research plays a critical part, with the National Science Challenge New Zealand's Biological Heritage focused on improving biosecurity, protecting and managing native biodiversity and enhancing our resilience to harmful organisms. Collaborative research is underway to provide decision makers with accurate, comprehensive biodiversity and biosecurity information, help reduce risks and threats, improve the efficacy of pest management, and enhance and restore resilient ecosystems.

We continue to see further potential for New Zealand in our oil and gas reserves. While the recent downturn in petroleum prices is likely to impact on exploration activities in the short term, it is not expected to have any marked long term impact. We will continue to build New Zealand's profile through promotion and providing access to comprehensive data. Exploration permits issued under Block

Offers 2012-14 are expected to keep exploration activity in New Zealand steady for the coming few years.

Our marine environment is rich in species and habitats, and provides a significant contribution to our economy as well as ecological and recreational benefits. The benefits range from supporting local employment through to generating export earnings from commercial fishing and aquaculture, tourism and marine-based oil and gas production. We have to maintain the right balance between economic potential and ensuring the ongoing health and productivity of our oceans, which means managing the immediate challenge of competing uses. In the longer term we also have to consider ocean acidification, sea level rise, and the effects of land run-off for species and habitats.

In September 2015, the Prime Minister announced the creation of an ocean sanctuary in the unique and pristine Kermadec Region of the South Pacific. At 620,000 square kilometres, the sanctuary will be one of the world's largest and most significant fully protected areas. The Government will be introducing legislation to Parliament to enact the new sanctuary. This initiative reinforces NZ's leadership in sustainable management of the marine environment.

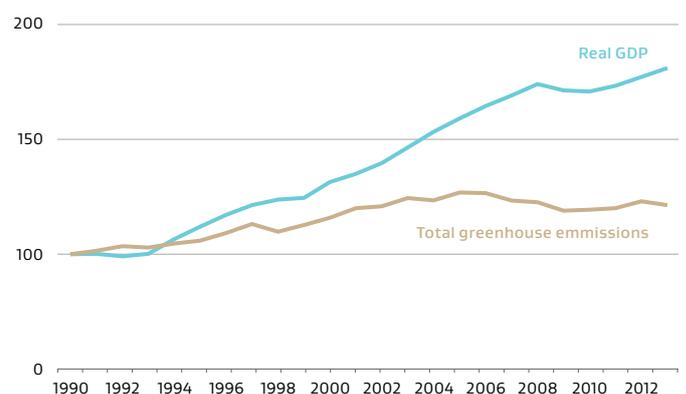
Greenhouse gas emissions contribute to global warming and we are determined to make our contribution to emissions reduction. New Zealand's emissions peaked in 2005 and have remained stable for the last decade despite significant economic growth. We have also achieved a 31 per cent decrease in the emissions intensity of our economy since 1990. However reducing our gross greenhouse gas emissions remains a challenge.

In July 2015 we announced a new target to reduce greenhouse gas emissions to 30 per cent below 2005 levels by 2030. We also have a target to reduce New Zealand's emissions by 50 per cent of what they were in 1990 by 2050. Science is critical to achieving these targets. We have set up partnership programmes to reduce emissions through energy efficiency. We have also invested in promising new agricultural climate change mitigation technologies such as the creation of low methane feeds and feed additives. In addition we are providing incentives to encourage the establishment of long term forests as carbon sinks targeting highly erodible marginal pasture land.

The eight agencies of the Government's Natural Resources Sector work with Business NZ to progress a range of initiatives, including aquaculture, and the transition to a low emissions economy.

### We are decoupling greenhouse gas emissions from economic growth

Index, 1990 = 100, December years



Sources: Ministry for the Environment, Statistics New Zealand

### Major milestones achieved over the last year include:

- **Published the national level environmental report, Environment Aotearoa 2015.** This report and the Environmental Reporting Act, passed into law in September 2015, will ensure environmental reporting is regular, independent and robust.
  - **Published growth studies for Gisborne/Hawke's Bay, Northland, the Bay of Plenty and Manawatū-Whanganui** that identify opportunities to sustainably grow regional incomes, jobs and investment. A **Bay of Plenty Regional Economic Action Plan** was launched in October, and plans are underway for the other regions. These plans agree priority actions.
  - **Opened the first stage of the Central Plains Water Enhancement Scheme**, which will help to provide a reliable supply of water to the upper central Canterbury plains (see Spotlight).
  - Announced the **creation of a new ocean sanctuary in the Kermadec region** of the South Pacific ocean. At 620,000 square kilometres, the sanctuary will be one of the world's largest and most significant fully protected areas.
  - Developed the **Māori Agribusiness Pathway to Improved Productivity programme** to support Māori primary sector asset owners to sustainably increase the productivity of their assets.
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- **Released the amended National Policy Statement for Freshwater Management**, which includes the National Objectives Framework.
- Signed nitrogen reduction agreements totalling 170 tonnes through the **Lake Taupō Protection Project** in partnership with local government (see Spotlight)
- **Changed the resource consent process** to create more certainty over timeframes for applicants and clarify information requirements.
- **Forged innovative public-private partnerships** with leading businesses resulting in a commitment of more than \$30 million for conservation projects (see Spotlight).
- Awarded 15 petroleum exploration permits through **Block Offer 2014**, the most successful year yet. Collectively these permits have committed work programmes expending around \$110 million.
- **Investment of \$8 million over four years in pre-commercial petroleum and minerals exploration data acquisition projects**, to generate data that is fundamental to advancing minerals exploration in New Zealand.
- Implemented a new **framework to sustainably manage New Zealand's Exclusive Economic Zone (EEZ) and continental shelf**, which came into effect in June 2013. Since then, the Environmental Protection Authority has granted four consents for petroleum activities and declined two applications for seabed mining activities.
- Set up partnership programmes to **increase productivity and reduce carbon emissions** through energy efficiency, including reducing the energy used in processing (Energy Efficient Meat and Dairy Plant programme), reducing fuel use in medium-sized fleets of heavy vehicles (Expanded Heavy Vehicle Fleet programme) and increasing uptake of fuel efficient tyres, with 60 per cent of the tyre market participating (Fuel Efficient Tyre programme).
- **Invested approximately \$20 million annually and collaborated with key overseas and domestic partners** through the Global Research Alliance, the New Zealand Agricultural Greenhouse Gas Research Centre and the Pastoral Greenhouse Gas Research Consortium resulting in promising new agricultural climate change mitigation technologies.

# Lake Taupō Protection Project

A major milestone has been achieved three years ahead of schedule to protect water quality in Lake Taupō from the effects of nitrogen leaching into the lake.

- The Government, Waikato Regional Council and Taupō District Council committed \$79.2 million to reduce nitrogen discharge into the Lake by 20% by 2018. The target was based on a strong body of scientific evidence.
- In 2007, the Lake Taupō Protection Trust was established as an independent entity. The Trust deployed the funds to purchase land and nitrogen and to encourage and assist land use change in the Lake Taupō catchment.
- The Trust's work was given effect through a variety of measures introduced under the *Regional Council's Regional Plan Variation 5*. The main initiative was the introduction of a cap on nitrogen emissions from farms, limits on wastewater discharges, and allowing nitrogen to be traded within the overall cap. This innovative scheme is the first of its kind in New Zealand and has attracted strong interest from overseas. All farms within the Taupō catchment now have resource consent conditions that require them to operate within a cap.
- By mid-2015, the Trust secured nitrogen reduction agreements totalling 170 tonnes, meeting the Project target. This has been achieved through strong collaboration and commitment from all parties, but particularly landowners through land use change.
- Ngāti Tūwharetoa, the biggest private sector landowner in the catchment, has been a key partner in the governance of the Project, with 65% of nitrogen discharge reductions to be made on iwi lands. Businesses such as Mighty River Power have invested in carbon in the catchment, doubling the Project's economic and environmental benefits.
- As a result of the Regional Council's Plan changes farmers have been employing better farming practices, as well as undertaking new lower-nitrogen ventures, for example producing and marketing sustainable beef such as *Taupō Beef*, a brand that has been endorsed by the Waikato Regional Council. A brand trial proved consumers' willingness to pay more for this high quality product.
- Even though the Project has reached its goal of securing contracts to cut nitrogen leaching by 170 tonnes a year, work will continue to finalise various arrangements related to the reduction.
- A monitoring programme is currently being established to ensure that water quality is sustained for future generations, protecting the lake as well as the significant financial investment in the Project.



# Next steps

To improve the productivity of our resource-related industries while reducing their environmental impact, the Government will focus its efforts over the next year in the following key areas:

### 1. Maximise the productivity of agricultural and horticultural land while reducing environmental effects

We will support the productivity performance of the primary sector through the Regional Growth Programme (PGP) of regional growth studies and economic action plans, Primary Growth Partnership programmes to accelerate primary industry technology transfer and uptake of best practice, and a range of initiatives addressing future skills and capability needs across the primary sector.

The PGP will continue to invest in long-term innovation programmes with industry to increase the market success of the primary industries. One PGP programme is trialling Manuka plantations on marginal land to reduce erosion on hill country sheep and beef farms and diversify the farm system. Another is developing new products and services to improve nutrient use efficiency and reduce nutrient losses to the environment. The Pioneering to Precision programme seeks to improve fertiliser practice on hill country farms through remote sensing of the nutrient status of the farms and precision application of fertiliser.

We will create settings where more output per unit of input can be generated from our rural land. This will include helping farmers match the choice of land use with its potential and allowing flexibility in approach to suit markets and the climate.

Erosion has a major impact on water quality and the biodiversity of our waterways as well as impacting on the productivity of the land. \$20 million is available through the Erosion Control Funding Programme for new erosion control works and is expected to treat between 12,000 to 25,000 hectares of severely eroding land in the Waiapu catchment (see Spotlight). An important erosion control initiative is the revised Afforestation Grant Scheme, which will see \$22.5 million invested over the next six years. As well as reducing soil erosion, new forests store carbon and improve water quality.

Pests are a major threat to biodiversity and also have significant impacts on the productivity of our land and water resources. The Government spent over \$290 million on pest management in 2014/15. Weeds compete with productive uses and support the spread of disease. Land management practices that support productive use of land will also help meet our environmental aspirations.

To better protect native species from animal pests, the aerial 1080 programme is building from 150,000 ha to 450,000 ha per annum over five years. A new budget initiative in 2015 also seeks to harness community support to halt the decline of New Zealand's iconic kiwi, with \$11 million of funding over four years set aside for breeding and predator control programmes.

We will continue investing in research and other initiatives to help the agriculture and forestry sectors with the challenges arising from climate change, e.g. through the Sustainable Land Management and Climate Change fund.

### Spot light

## Restoring the Waiapu catchment

The Waiapu catchment is one of the largest in the Gisborne district. The steep land has a high risk of soil erosion, and many slopes are actively eroding. It has the highest suspended sediment yield of any river in New Zealand and one of the highest in the world. Restoring the health of the catchment will take 100 years.

The Ministry for Primary Industries (MPI), Ngati Porou and the Gisborne District Council have initiated a collaborative programme to restore the Waiapu River catchment. The vision for the work is: *Ko te mana ko te hauora o te whenua; ko te hauora o nga awa; ko te hauora o te iwi* – Healthy land; healthy rivers; healthy people.

Much of the eroding land in the catchment is Māori owned, and is the target for this programme. The Treaty of Waitangi settlement between the Crown and Ngati Porou includes a relationship accord and a commitment to address soil erosion in the Waiapu catchment.



The initial focus is on erosion control to stop greater physical damage to the catchment, and bring social and economic gains to iwi and landowners. Later activities will focus on initiatives that support Māori land owners and their governance bodies to increase the productivity of their land through farm management practices or changes to land use.

# Conservation Partnerships

Businesses can play a vital role in conservation by working in partnership with the Department of Conservation (DOC) and the broader conservation sector in New Zealand.

Innovative conservation partnerships have been forged with New Zealand businesses, resulting in a commitment of more than \$30 million dollars for conservation.

- Fonterra is investing \$2 million a year for the next 10 years into community-based work programmes to improve the natural habitats of five key catchments in significant dairying regions across New Zealand.
- Air New Zealand has committed \$7.4 million into a partnership with DOC which is helping to promote Great Walks, bring back some of New Zealand's rarest birds to the Great Walks, and expand DOC's marine reserve monitoring programme.
- New Zealand Aluminium Smelters Ltd and Forest & Bird are helping to ensure the ongoing survival of the kākāpō. Over 25 years NZAS have committed \$4.5 million to Kākāpō Recovery as well as 1100 volunteer hours. Over this time the kākāpō population has more than doubled, to 126 birds in 2014.
- Dulux New Zealand is giving assistance to a kea nest monitoring programme, and to paint and protect DOC huts and other recreation and historic assets.
- Mitre 10 and DOC have a ten-year partnership to support the recovery of the takahē, including building new breeding units and

safe homes; better monitoring and control of takahē predators; and transferring birds to offshore islands and predator-free sites.

- Whio Forever is a partnership between Genesis Energy and DOC that is working to double the number of fully operational secure whio breeding sites, and to boost pest control efforts for Whio conservation.
- The NEXT Foundation, the dairy industry, and philanthropists Gareth and Sam Morgan are helping to transform the way invasive predators are managed on mainland New Zealand. The programme focuses on developing tools and technologies to enable the complete removal of rats, stoats and possums from large areas of New Zealand, and to protect sites from reinvasion.
- DOC's partnership with the Tourism Industry Association is an enduring commitment to support businesses that exemplify kaitiakitanga.

These partnerships create value for both the partner and DOC, and demonstrate the symbiotic nature of conservation and business and how investment in conservation actively benefits business. DOC is working to build partners who are champions for conservation – the goal is that every business fosters conservation for this and future generations. To discuss partnership with DOC, contact your local DOC office.



## Building Natural Resources

### 2. Provide more flexible governance options for Māori land, and assist Māori trusts and landowners to improve the productivity of their land

There is considerable potential to improve the productivity of Māori-owned land by turning unused or under-utilised land into productive land. This was recently confirmed in a PwC report *Growing the Productive Base of Māori Land* (2014). To unlock this potential we will help Māori landowners collaborate with the wider community and industry, and to build economies of scale.

The Te Ture Whenua Māori Bill is due to be introduced in early 2016 alongside other initiatives to improve Māori landowners ability to utilise their land. The Bill will help improve the productivity and performance of Māori land by empowering owners to make governance and land-use decisions without going through Māori Land Court processes, while protecting ownership. A new Māori Land Service will provide administrative support for owners, assist governance entities and provide mediation for disputes. Other barriers to Māori land utilisation will also be explored and addressed in the Bill, including rating and valuation, landlocked land, and paper roads issues. The \$12.8 million (over four years) Te Ture Whenua Network fund announced in Budget 2015 will target initiatives to improve the productivity of Māori land.

Through a collective approach across central and local government agencies, industry, iwi, and Māori businesses, we are working on new avenues to pursue Māori land productivity. We are investigating what services can be accelerated to assist Māori landowners make decisions on the best use of their land, and to realise those aspirations through Māori business development.

### 3. Encourage regional economic development with certain and timely processes for allocating access to resources

The Government's focus is twofold: to implement the current resource management legislative reform package by 2016; and to provide more consistent national direction. The reform package will achieve certainty for businesses and communities, improve efficiency, and enhance the

### 5. Improve the efficiency of freshwater allocation and usage within limits, and encourage investment in water storage and irrigation

Improving freshwater management is a long-term endeavour, and significant progress is being made. The Land and Water Forum brings together people and organisations with a stake in freshwater and land management to deliver robust advice to inform our policy direction.

The primary vehicle for progress in this area is the National Policy Statement for Freshwater Management (NPS-FM). This will give greater transparency to the relevant science, streamline processes, and focus discussions on the values communities want to achieve. Compulsory national values have been established for ecosystem health and human health.

To assist with the transition to the new freshwater management system, central government and councils will work together to develop best practice approaches and guidance for collaborative planning and technical matters.

Our focus is to improve water quality and the efficiency of its allocation by supporting councils, iwi, business and community

capability and capacity of local decision-makers. Following enactment of the legislation, we will focus on implementing the package of reforms with councils, resource management practitioners, iwi and businesses.

Our efforts will be focused on providing greater national direction and consistency on topics where there is no clear basis for local variation, and benefits and costs are national. We will support councils and decision-makers to implement changes to the planning and consenting processes, and we will help to develop a new national planning template to improve plan-making and consistency between districts. We are committed to providing national direction on land supply and affordability of housing, to support councils planning for future demand in these areas.

We will support iwi and councils in developing Iwi Participation Agreements, and we will also complete the review of Environment Canterbury's governance structure.

In the tourism sector, 41 per cent of our international visitors are attracted by our spectacular landscapes and natural scenery (refer to Exports Market chapter).

We are partnering with the Tourism Industry Association to develop commercial initiatives that promote and enhance conservation. Our aim is to ensure our environment is protected while enhancing the visitor experience to public conservation areas.

### 4. Free up urban land supply and accelerate access and use of it

The Government is very focused on increasing the supply of land and affordable housing in urban areas. Using a three-pronged approach we will: increase land supply (greenfield and brownfield sites); secure large-scale housing developments; and better gear the regulatory framework to utilise land.

The Government is considering the findings and recommendations from the Rules Reduction Taskforce, which were publicly released in September. We will be looking for high value opportunities for central government and local government to address regulatory requirements affecting property owners that are not fit for purpose.

involvement in freshwater management and increasing the extent and depth of national direction. In addition, we will produce economic and environmental impact studies to promote informed decisions about water quality and quantity limits, and management approaches. We will continue to investigate approaches for allocating fresh water to its best value use, and address the rights and interests of iwi and hapū in fresh water.

We will also support investment in irrigation infrastructure to improve agricultural productivity, improve environmental outcomes, and facilitate export growth.

We are considering a range of options to determine the types of initiatives that will provide the best value for money and leverage from a \$100 million fund for restoring key freshwater bodies. The purchase and retirement of farmland is one in a suite of initiatives that could also include other protection or remediation activities. The focus will be to identify what would be the most appropriate solution for each catchment to achieve greater freshwater quality. We also will continue to work with the Iwi Leaders Group to better manage our rivers, lakes and groundwater.

Spot  
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# The Central Plains Water Story

**The opening of the Central Plains Water Scheme Stage 1 in August 2015 is a significant milestone in providing a reliable supply of water to the upper central Canterbury plains.**

Since 2008, the combination of improving primary sector confidence, the focus on collaborative catchment-wide water management solutions under the Canterbury Water Management Strategy, the determination of Central Plains Water Ltd shareholders, Board and staff, and the partnership with central government have been instrumental in launching the scheme. Specific central government support has been via a variation to the Rakaia River Water Conservation Order, grant funding from the Irrigation Acceleration Fund and mezzanine funding from Crown Irrigation Investments Ltd.

Stage 1 has resulted in 15,000ha being converted from ground water abstraction to surface water irrigation distributed in pipelines by gravity. This has saved a significant amount of electricity. When the scheme is fully operational (60,000ha), 300 million m<sup>3</sup> of alpine river water will be introduced into the catchment per annum, enabling 75 million m<sup>3</sup> of groundwater abstraction to be retired, replenishing deep aquifers. This will result in a 15 to 20 per cent reduction in the use of groundwater within the catchment, which will address over-allocation, increase flows in lowland streams and help improve water quality in Lake Ellesmere Te Waihora.

Central Plains Water Ltd will manage within a nutrient discharge load limit set under the Resource Management Act, and encourage its farmers to improve farm practices over time under an audited farm environment plan system. The 110 Stage 1 farms recently completed

their Farm Environment Plans and the company has an extensive water monitoring programme in place to assess effects.

The extensive stockwater supply system will be systematically replaced, improving water use efficiency (the old stockwater races can lose up to 95% of their flow) and eliminating maintenance costs. Water from the pipelines will also be released in a managed way to improve flows in lowland streams in dry times to support environmental and cultural values.

A further 40,000ha of soils suitable for many land uses can be irrigated from the development of further stages. Once fully developed, the scheme is estimated to be able to generate \$276 million of additional net revenue and 926 full time equivalent jobs for Canterbury and NZ each year.

The key long term spinoff from infrastructure delivering reliable water is that farmers will have the tools needed to adjust land use to the greatest return per unit of water used and per unit of nutrient lost. The link between these metrics and the regulatory system via the consents and monitoring systems will be transparent to the general public, so farmers will be able to show that what they are doing is a sustainable use of natural resources. Adaptive management by the farmers and the regulatory system will occur continually in response to changing market, climatic and environmental pressures. The focus now is on implementing the changes on the ground.



## Building Natural Resources

### 6. Develop our aquaculture, fisheries and other marine resources, while maintaining marine biodiversity and sustainability

We are exploring a more integrated approach to managing New Zealand's marine resources, especially how to deal with tensions between different uses. This will allow greater certainty in the development of our rich marine resource base, while supporting our unique oceanic environment.

An operational review of the fisheries management system is underway to enable greater benefit to be obtained by all sectors, including the commercial sector. Regulatory changes are also being developed to support the commercial use of Precision Seafood Harvesting technology.

We will provide greater national direction in regional coastal planning for aquaculture (under the Resource Management Act), to create more certainty for industry and councils on how aquaculture will be managed, and to improve investor confidence. We will also investigate new growth opportunities.

### 7. Improve energy efficiency and use of renewable energy to raise productivity, reduce carbon emissions and promote consumer choice

New Zealand needs to reduce greenhouse gas emissions to become more productive, reduce risks from fuel price volatility, and do our fair share on climate change. This transition has already started – our emissions peaked in 2005 and have remained stable since despite significant economic growth, and the emission intensity of our economy has decreased 31 per cent since 1990.

About 80 per cent of New Zealand's electricity is from renewable sources, putting us in the top five countries for renewable electricity. We therefore have to look at reducing emissions from sectors beyond

electricity generation. New Zealand's Emissions Trading Scheme, one of the world's first, puts a price on emissions. We are also working with businesses and households through energy efficiency programmes.

The introduction of new technologies like solar photovoltaic power system and smart meters, gives consumers greater choice about how to meet their energy needs and use energy more efficiently. Through the Smart Grid Forum, a joint initiative with the Electricity Networks Association, we are looking into how new technologies can empower consumers and help meet emissions targets.

In the transport sector, alternative fuels and new vehicle technologies offer opportunities for emissions reductions. We are developing policy options to encourage the uptake of electric vehicles. Because most of our electricity is from renewable sources, opportunities to shift from fossil fuel energy to electricity can make significant emission reductions.

About half of New Zealand's greenhouse gas emissions come from agriculture. Our emissions per unit of production have improved steadily and as a result, our agricultural products have lower emissions footprints than products from many other countries. We invest approximately \$10 million per year in R&D to develop new technologies to mitigate agricultural emissions. This includes reduction of methane and nitrous oxide emissions and increasing soil carbon. New Zealand leads the world in biological emissions mitigation research, giving us an opportunity to reduce global emissions by helping countries reduce their agricultural emissions.

Carbon dioxide removals from forestry are one of New Zealand's largest and cheapest forms of meeting our emissions targets. The Government supports tree planting programmes including the Afforestation Grant Scheme, East Coast Erosion Control Programme, Permanent Forest Sink Initiative, and the Emissions Trading Scheme, which also discourages deforestation of planted exotic forests.



## Renewable energy – making the most of our advantages

New Zealand has an abundance of renewable energy development opportunities and expertise to take to the world.

New Zealand is gifted with an abundant supply of renewable energy resources. We are world leaders in geothermal energy, we have world-class wind resources, extensive hydro-electricity, and potential sources of bioenergy in forestry. We are also highly effective system operators, integrating variable generation in a long stringy network while maintaining security of supply and a competitive market. In 2014, renewable energy accounted for 80 per cent of our electricity generation.

This long history and expertise in renewables places us at the forefront of emerging global opportunities. Worldwide, the renewable energy industry grew three-fold from 2005 to 2013, driven by new technology and rising costs of traditional fuels. This growth is only expected to accelerate, particularly with our nearest trading partners in Asia and the Pacific region. To make the most of these developments, Government and industry are working to leverage our renewable advantage. For example:

- Our generation companies are investing overseas in the design, construction and maintenance of new renewable power plants

- Contracting, consulting, and service based firms are taking their domestic renewable expertise to new international markets
- Government funding renewable energy basic research through our Crown Research Institutes, such as Scion and GNS
- Government agencies supporting the commercialisation of new renewable based products and closer collaboration with industry, such as the Wood Energy Hub between EECA and Venture Southland
- The New Zealand Aid Programme delivering practical, renewable energy solutions to the Pacific region

With an abundance of renewables, we can build on our competitive advantage in the domestic production of energy-intensive goods and services, and capitalise on industry expertise in servicing growth in renewable energy offshore. Export opportunities include electricity and renewable energy services and expertise, energy efficiency products and services, and bioenergy opportunities from forestry.

Currently our exports of goods and services in the renewable energy area bring in tens of millions of dollars to the New Zealand economy. There is potential to increase this through more focused coordination, trade missions and other opportunities on the international stage.

# Project update

We have now completed 35 projects in the Natural Resources workstream. This report adds nine new projects. We have 27 projects in progress and three in the final implementation phase.

BUILDING NATURAL RESOURCES					
	All projects	New projects	In progress	Implementing	Completed
Status June 2014	59	4	25	8	22
Status November 2015	74	9	27	3	35

**KEY**

- Complete
- Implementing
- In progress
- New project

## Projects and progress

Project	Lead agencies	Status	Comment
<b>Maximise the productivity of agricultural and horticultural land while reducing environmental effects</b>			
Farm Systems Change	MPI		<p>This programme aims to transform New Zealand’s farms to a more sustainable operating platform through productivity and process changes. This will be done through these key areas of activity:</p> <ul style="list-style-type: none"> <li>• Analysis of high performing farm systems to identify core capabilities, investment needs, return on investment and implementation needs – precision agriculture.</li> <li>• Standardising investment processes to increase access to capital by farming businesses.</li> <li>• Working with selected farmers to trial and refine our approach and build ‘change ambassadors’. The first year will focus on dairy, sheep and beef.</li> <li>• Providing grants to farmers to assist with afforesting their erosion prone land. Erosion has a major impact on water quality and the biodiversity of our waterways as well as impacting on the productivity of the land. An important initiative is the revised Afforestation Grant Scheme, which will see \$22.5 million invested in planting 15,000 hectares of land over the next six years. Funding via the Erosion Control Funding Programme targets land in Gisborne District including the Waiapu Catchment with 1,500 hectares of target land being funded in the past 18 months.</li> </ul>
Accelerate primary industry technology transfer and embed best practice knowledge	MPI		<p>Primary Growth Partnership (PGP) programmes are trialling and supporting the most successful ways of enabling technology transfer. Several current programmes contribute towards achieving environmental protection while also increasing profitability, including:</p> <ul style="list-style-type: none"> <li>• The Transforming the Dairy Value Chain programme, which piloted Sustainable Milk Plans in the upper Waikato region and developed a land application data standard to support the interchange of information on farm inputs.</li> <li>• Another funded project is investigating new products that aim to improve nitrogen and phosphorous use efficiency in pastoral farming systems.</li> </ul>
Supporting primary sector growth in the regions	MBIE, MPI, LINZ		<p>The first regional growth studies have been completed, with studies released on Gisborne/Hawke’s Bay, Northland, the Bay of Plenty and Manawatu-Wanganui. Work has now started on Regional Economic Action Plans in these regions. These plans are prioritising the opportunities identified in the studies and indicate where and how Government will support the realisation of these opportunities. The Bay of Plenty Economic Action Plan was launched on 29 October 2015 with the Northland Economic Action Plan scheduled for launch in February 2016.</p>

## Building Natural Resources

Project	Lead agencies	Status	Comment
Develop landscape scale regeneration, biodiversity protection, and pest control partnership programmes	DOC, MPI		<p>Several initiatives are in development working in partnership with businesses such as OSPRI to reduce pests, and enhance habitat protection. Examples include the 'Cape to City' project in the Hawke's Bay, and new initiatives to support honey production.</p> <p>Further work is planned on the NZ Wilding Conifer Management Strategy including the "War on Weeds" programme to deal with problem wilding conifer spread while supporting a vibrant and growing forestry sector. The spread of wilding conifers which without management could cover up to 22% of the country within two decades, costing the economy up to \$2 billion.</p>
Harness community support to halt the decline of New Zealand's iconic kiwi	DOC		<p>\$11.2 million of funding has been set aside over four years for breeding and predator control programmes. In addition, a new Threatened Species Ambassador has been appointed to work with DOC and the Minister to further strengthen philanthropic, commercial and volunteer partnerships.</p>
Investigate options to speed up the goal of a predator free NZ	DOC, MPI		<p>Government will establish a project to investigate further the options to increase the pace in securing our landscapes and the economy against pests to:</p> <ul style="list-style-type: none"> <li>• Leverage investment in TB eradication.</li> <li>• Increase iwi, local government, business, and community involvement to aspirational goals of "Predator Free NZ" and "War on Weeds".</li> <li>• Pilot with community groups projects that aim to eliminate pests at the local level.</li> </ul>
<b>Provide more flexible governance options for Māori land, and assist Māori trusts and landowners to improve the productivity of their land.</b>			
Reform the Te Ture Whenua Māori Act 1993 to unlock the economic potential of Māori land for its beneficiaries, while preserving its cultural significance for future generations	TPK, LINZ		<p>The reform of the Te Ture Whenua Māori legislation will empower owners of Māori land to make their own decisions for their land, supported by an enabling institutional environment, while preserving the land's cultural significance for future generations. Cabinet agreed to progress a proposal to improve the utilisation of Māori land through the proposed introduction of a Te Ture Whenua Māori Bill. An exposure draft of the Bill was released for consultation, and approximately 400 submissions were received from members of the public. These submissions have been analysed and, to respond to various points raised in these submissions, Cabinet agreement is being sought to make a small number of substantive changes to the Bill. Minister Flavell has announced that he intends to introduce the Bill into Parliament in early 2016.</p>
Work with Māori to identify and promote best practice governance models for, and improve the productivity of, collectively held resources	TPK, MPI, LINZ, MBIE		<p>To complement the introduction of the Te Ture Whenua Māori Bill, agencies will:</p> <ul style="list-style-type: none"> <li>• Support Māori landowners to establish an appropriate form of governance from the enhanced suite of options in the new Bill.</li> <li>• Progress other land-related issues to complement the Bill, including rating, valuation, landlocked land and paper roads.</li> <li>• Roll out the Te Ture Whenua Māori Network fund (\$12.8 million set aside over four years as part of Budget 2015).</li> </ul>
Build the capability of regional Māori business to improve the productivity of Māori land	TPK, MBIE, MPI, LINZ		<p>MPI's Māori Agribusiness Programme is dedicated to partnering with Māori to sustainably increase the productivity of their primary sector assets such as agriculture, horticulture, forestry, or seafood that are in collective ownership. It has a specific focus on tangible on the ground projects that will lead to sustainably increasing their productivity.</p> <p>The outcomes of prototypes assessing development and investment paths are being evaluated.</p> <p>Current initiatives include bringing under-utilised fragmented Māori freehold land into production under the best possible land use; and exploring the economic benefits of collectivising farming options. It also includes LINZ's work with the Federation of Māori Authorities and Landcare Research to develop a pilot virtualisation tool to enable Māori landowners to make better decisions around productivity. Initial focus is on the kiwifruit industry.</p>

## Building Natural Resources

Project	Lead agencies	Status	Comment
<b>Encourage regional economic development with certain and timely processes for allocating access to resources</b>			
Streamline and speed up the regional planning and resource consent processes	MfE		<p>The Government is currently reviewing the complete package of proposed Resource Management reforms and legislation is expected to be introduced in 2015. The reforms include changes to simplify and speed up the plan making process, including through the development of a new Resource Management Plan planning template for Councils. The Government is currently undertaking research, concept design and initial stakeholder engagement for the template. It will then work with local government on a standard format and structure, definitions and other content.</p> <p>The proposed Resource Management Reforms include changes to the consenting process which will seek to improve the consent, notification, submission and appeals process, making it easier to use and relative to the activity being undertaken. This includes a fast track process for simpler consents. A new six month consenting process came into force in March 2015.</p>
Achieve improved Māori participation in natural resource management	MfE, MPI		<p>The proposed Resource Management Reforms include changes to clarify the role of iwi/hapū in planning, specifically the requirement for councils to invite iwi/hapū to enter into an agreement on how the councils and iwi/hapū will work together through the planning process. The changes also set clear expectations on councils to involve iwi/hapū in the planning process.</p>
Provide a forward agenda for national guidance on resource management that is understandable, relevant and timely	MfE, MPI		<p>The Government has released a forward agenda of topics to be addressed with national direction, which is available on the MfE website. Final policy decisions are now confirmed for National Environmental Standards (NESs) for telecommunications, and submissions are being analysed on plantation forestry. Exclusion of dairy cattle from waterways will be consulted on in early 2016, informed by policy design recommendations from the Land and Water Forum.</p> <p>The Government is also scoping national direction on natural hazards, aquaculture, urban development, pest control and biodiversity, and working towards amendments to the NESs for air quality and contaminants in soils.</p>
Set up an independent environmental reporting regime	MfE		<p>In October 2015, Statistics NZ and MfE published a national level environmental report, Environment Aotearoa 2015. This report and the Environmental Reporting Act, passed into law in September 2015, will ensure environmental reporting is regular, independent and robust.</p> <p>A number of other projects are underway that will ensure environmental information is consistently monitored and that datasets are nationally representative. Some of these initiatives will also provide information on processes, primarily for the RMA and tools under it. Together, these projects help improve our understanding of the environmental system, in particular for freshwater.</p> <p>Statistics NZ also released in March 2014 an online product rebranded as New Zealand Progress Indicators (replacing the former SDI (Sustainable Development Indicators).</p>
Undertake Environment Canterbury Review	MfE, DIA		<p>Environment Canterbury's (ECan) current governance arrangements are due to expire in October 2016. The Environment Canterbury (Transitional Governance Arrangements) Bill was introduced to the House on 26 August 2015. The Bill provides for a mixed-model governance structure for ECan comprising seven elected councillors and up to six Government-appointed councillors for the 2016-2019 local government term.</p>
Invest \$8 million over four years to further build our knowledge about petroleum and mineral resources across regional New Zealand	MBIE		<p>Significant research is being undertaken on a range of pre-commercial data acquisition projects and related studies.</p>
Respond to the Parliamentary Commissioner for the Environment's (PCE) final report on oil and gas oversight and regulation	MfE, MBIE, MPI		<p>The PCE's final report on oil and gas oversight and regulation was published on 4 June 2014 and included six recommendations, five for Crown ministers and one for regional councils. As a final government response to recommendation six, in July 2015 MPI issued guidance covering what is commonly referred to as landfarming, which the PCE has publicly endorsed.</p> <p>Officials at MfE and MBIE are continuing to work on the four remaining recommendations directed to central government.</p>

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Project	Lead agencies	Status	Comment
Grow tourism on Public Conservation Land	DOC		<p>Project Groundswell, a collaboration between DOC and the Tourism Industry Association has several new initiatives underway to produce gains for both the economy and conservation in this area.</p> <p>DOC, Heritage New Zealand and the Ministry of Culture and Heritage are developing a strong, tourism-focused brand, "Landmarks", around historic and natural places which are special to us as New Zealanders.</p>
Improve government provision of building, property and natural resources information and services	LINZ		<p>A range of new initiatives will improve land information systems to enable better integration of property / land information across central and local government.</p> <p>The initiatives include:</p> <ul style="list-style-type: none"> <li>• Integrated Property Services (IPS), an overarching programme of work, will improve the supporting information for the Three Waters Better Data, Forward Works Viewed, and Smart Cities projects.</li> <li>• Three Waters Better Data work will ensure more consistent data collection on central and local government infrastructure and built assets to support operational, all-of-life management and replacement planning.</li> <li>• The Forward Works Viewer gives a shared online view of planned repair and construction, enabling the building and construction industry to efficiently coordinate effort. Used in Christchurch to support the rebuild, there is interest from other regions including Auckland.</li> </ul> <p>The Smart Cities project will improve the information required to manage our key urban areas, enhancing usage of city resources and information for citizens.</p>
Combatting kauri dieback	DOC, MPI		<p>Kia Toitu He Kauri Keep Kauri Standing, New Zealand's strategy for managing kauri dieback disease was released in 2014. The Kauri Dieback Management Programme has now evolved from the establishment phase into a long-term delivery phase.</p>

### Free up urban land supply and accelerate the use of it

Free up land supply in urban areas to provide more housing	MBIE, MfE		<p>Land supply has been identified as a key issue for the supply and therefore affordability of housing. The Housing Accords and Special Housing Areas Act (HASHA) passed in 2013 created a framework for accelerating housing development, by enabling streamlined resource consenting processes for residential developments in Special Housing Areas (SHAs).</p> <p>The Government has agreed accords with Auckland Council, Christchurch City Council, Wellington City Council, Queenstown-Lakes District Council, Tauranga City Council, Western Bay of Plenty District Council, Nelson City Council and Tasman District Council. To September 2015, a total of 118 SHAs have been established with 86 in Auckland, 21 in Wellington, nine in Tauranga, one in the Western Bay of Plenty and one in the Queenstown-Lakes District.</p> <p>In addition, the Minister for the Environment has announced his intention to develop a National Policy Statement on Urban Development, which will provide direction and guidance to local councils.</p>
Actively monitor the content of the Auckland Unitary Plan and Christchurch District Plan and report back on implications for Government priorities	MfE		<p>Officials are closely monitoring decisions coming out of the Auckland Unitary Plan and Christchurch District Plan Review processes for their ability to result in high quality plans and implement government priorities including:</p> <ul style="list-style-type: none"> <li>• The ability of the plans to deliver sufficient development capacity for housing and business and enable access to jobs and housing.</li> <li>• Enabling the recovery and rebuild of Christchurch.</li> </ul>
Consider how local government regulatory performance can be improved and costs to business reduced	DIA, Treasury		<p>The Government response to the Productivity Commission's report on better local regulation includes the establishment of the Rules Reduction Taskforce, which will identify opportunities to address unnecessary or poor-performing local regulation that adversely affects property owners. The Taskforce engaged with the public and sector groups online and through a comprehensive series of community meetings from March to June 2015. Submissions closed on 15 June 2015, with submissions received on over 2000 topics. On 31 August 2015, the Taskforce reported back to the Minister of Local Government. The Taskforce report was publicly released in September and the Government is now considering the Taskforce's findings and recommendations.</p>

## Building Natural Resources

Project	Lead agencies	Status	Comment
Improve the operation of the housing market by reforming resource management	Tsy, DIA, MBIE, MfE		The Resource Management Reform Programme will put in place measures to ensure local authorities are enabling sufficient and responsive supply of land for urban development.
<b>Improve the efficiency of freshwater allocation and usage within limits, and encourage investment in water storage and irrigation.</b>			
Improve the governance and allocation of fresh water	MfE, MPI		<p>The Government has given the Land and Water Forum (LAWF) a renewed mandate. LAWF's high level recommendations on managing usage within limits, and other relevant advice, will contribute to policy development. Consultation on next steps is planned for early 2016.</p> <p>As part of this work, an optional collaborative planning process (to be included in the proposed Resource Management Reforms) will support better management of fresh water. Work is continuing on mechanisms to increase the value of freshwater while managing usage within quality and quantity limits.</p>
Set effective objectives and limits for water quality and quantity and timeframes for adoption	MfE, MPI		<p>Amendments to the National Policy Statement for Freshwater Management (NPS-FM) (including introducing a National Objectives Framework) came into effect on 1 August 2014. The framework included bottom lines for water quality and brought Council implementation forward to 2025. Support for implementing the NPS includes:</p> <ul style="list-style-type: none"> <li>Working with regional councils to identify and resolve skill shortages and staff capability that limit their ability to implement the NPS-FM. This includes a project currently underway between central government, councils and industry to develop guidance on the appropriate use of OVERSEER in relation to water quality limits.</li> <li>Ongoing exchanges to help build regional council capacity in collaborative planning, economics and technical aspects of freshwater management.</li> <li>A working group to examine how Farm Environment Plans could be used as both a planning and regulatory tool for farmers. The group has now reported and shared its findings with the Land and Water Forum and other stakeholders.</li> <li>Development of resources to provide a clear understanding of the intent behind the objectives and policies in the NPS-FM. A guide to the NPS-FM has been published, as well as a guide to accounting for water takes and contaminant discharges.</li> </ul> <p>Online resources will also be designed for use by the wider community. Guidance material will continue to be refined as policy develops and as specific areas of support for councils and the community are identified.</p>
Work with iwi to ensure that iwi/hapū rights and interests in water are recognised	MfE		<p>In January 2015 Cabinet agreed a workplan (further endorsed by the Iwi Chairs Forum) to guide the collaborative work of the Crown and the Freshwater Iwi Leaders Group (ILG) to develop options to address iwi/hapū rights and interests.</p> <p>Since February 2015, Ministers have worked with the ILG to identify priority workstreams and key objectives to address iwi/hapū rights and interests in fresh water. In August 2015 Cabinet approved priority workstreams and the workstream specific objectives. The Crown and the ILG are working collaboratively to identify options under each of those workstreams. By the end of 2015 it is proposed that the development of options will culminate in a discussion document (agreed by Cabinet) that will be consulted on in early 2016.</p>
Invest up to \$400 million to encourage irrigation and water storage development	Crown Irrigation Investments Ltd, Treasury and MPI		The Crown owned company became operational on 1 July 2013. Crown investment will target supporting viable scheme propositions in the critical uptake risk period. The Company has made its first investment in Central Plains Water (Stage 1) and is engaging with a number of other potential investment partners. There are currently 4 projects in the pipeline approaching the 'investment ready' stage.
Support irrigation projects through the Irrigation Acceleration Fund to deliver water and energy use efficiency initiatives	MPI		The Irrigation Acceleration Fund has been operational since September 2011. To date, grant funding of \$31.847 million has been committed to support 19 projects. Collectively, these projects provide a potential for approximately 260,000 ha of irrigation. Other projects are at the concept development stage. Budget 2015 extended the Fund by a further \$25 million.

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Project	Lead agencies	Status	Comment
Develop a framework for proposed investment of \$100 million of funding towards initiatives to improve the quality of our freshwater	MfE		The Government is considering a range of options to determine the types of initiatives that will provide the best value for money and leverage from a \$100 million fund for freshwater. The purchase and retirement of farmland is potentially one option in a suite of initiatives that could also include other protection or remediation activities. The focus will be to fund the most appropriate catchment-specific interventions to achieve the greatest net benefit for freshwater quality.
<b>Develop our aquaculture, fisheries and other marine resources, while maintaining marine biodiversity and sustainability</b>			
Explore opportunities to support aquaculture development regionally	MPI		<p>Government is providing \$3 million support (possibly rising to \$26 million) towards a \$141 million project for Opotiki. This includes a new harbour entrance and wharf, and a processing site to service a new 3800ha offshore marine farm.</p> <p>The \$3 million will fund further feasibility work over the next two years. At the end of this feasibility stage a Better Business Case will be completed and a decision made on the remaining funding sought of \$26 million.</p> <p>Initial stakeholder engagement on the land-based aquaculture review has been completed. Public consultation is expected to begin in late 2015, with final decisions in 2016.</p> <p>Aquaculture has been placed on the forward agenda for National Direction, and MPI is leading work to finalise the specific tool for implementation.</p> <p>MPI is investigating Government intervention to unlock salmon growth opportunities in Marlborough.</p> <p>Regional Agreements for New Space Regional Māori Aquaculture Settlements were signed with Marlborough, Tasman and Auckland iwi in July 2015. MPI is providing further advice on the four remaining priority regions in Northland, Waikato East Canterbury and Southland.</p>
Increase the productivity and efficiency of the wild capture fisheries sector	MPI		An operational review of fisheries law and regulation is underway, including developing regulatory changes to support precision seafood harvesting. Agencies are working on this with Business NZ members.
Implement the EEZ legislation, including introducing regulations, to maximise economic opportunities while better managing the environmental effects of activities within it	MfE		<p>The Government has finalised regulations for discharge and dumping activities, and burial at sea, in the EEZ and continental shelf. The regulations are the final components of the regime planned under the Exclusive Economic Zone and Continental Shelf (Environmental Effects) Act 2012 (EEZ Act). They came into force on 31 October 2015.</p> <p>Officials have commenced a review of cost recovery for the EPA's EEZ function, in line with best regulatory practice and recommendations from the recent EPA review. Consultation will take place on any proposed changes.</p> <p>The Government is seeking to introduce a number of amendments to the EEZ Act to improve its efficiency and effectiveness.</p>
Investigate options for graduated marine protection	MfE		<p>In September the Prime Minister announced the creation of a new ocean sanctuary in the Kermadec region, one of the most pristine and unique places on earth.</p> <p>The Government is progressing development of a proposal to reform marine protection, as part of ensuring New Zealand has world leading systems for the use, management and protection of our oceans. Public consultation on a proposed graduated approach to marine protection is expected to begin in late 2015.</p>
<b>Improve energy efficiency and use of renewable energy to raise productivity, reduce carbon emissions and promote consumer choice</b>			
Engage constructively in international negotiations on climate change	MfE, MPI, MFAT		<p>New Zealand has participated in international meetings under the UNFCCC, including meetings of the UNFCCC subsidiary bodies, the Durban Platform (negotiating the new 2015 agreement), and the Lima Conference of the Parties (in December 2014), as well as a number of informal meetings including the Japan-Brazil Dialogue, Cartagena Dialogue, and Major Economies Forum.</p> <p>In July 2015 New Zealand lodged its post-2020 target, NZ's "intended nationally determined contribution" as part of the new Durban Platform Agreement. Cabinet's decision followed a period of public consultation from 7 May – 3 June 2015.</p> <p>New Zealand organised and hosted the four 'Blue Skies Dialogue' Ambassadors meetings on the future global climate change agreement in August 2012, September 2013, September 2014 and July 2015.</p>

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Project	Lead agencies	Status	Comment
Conduct the scheduled review of the ETS	MfE, MPI, MBIE, TSY		In 2012 Cabinet agreed that the first discretionary review of the NZ ETS would take place in 2015. MfE is now developing advice for Ministers' consideration on scope for the review. The review is intended to ensure the ETS is fit for purpose to 2020 and beyond.
Ensure well-functioning markets, and identify and remove regulatory barriers to support renewable energy and reduce carbon emissions	MBIE, MfE, EECA, MPI, MOT		<p>The Government is continuing with work on policies to support emissions reductions. MPI is completing the review of the Permanent Forest Sink Initiative, and introducing an afforestation grant scheme. MOT is developing a package of possible policy options to encourage the uptake of electric vehicles. These measures will help reduce greenhouse gas emissions in the long term.</p> <p>EECA and Venture Southland have developed a delivery model and signed up programme partners to work with local businesses on fuel switching. As of October 2015, four sites in Southland have switched to wood energy and a further three have committed to switch, which will result in combined carbon saving of about 500 tonnes each year. A number of large energy-using businesses in Southland are also investigating switching opportunities.</p>
Improve housing quality through increasing insulation	MBIE, EECA		<p>The Government has progressed insulation for all Housing New Zealand homes and for private home owners through the Warm Up New Zealand: Heat Smart programme. The Government is now also progressing:</p> <ul style="list-style-type: none"> <li>• Insulating 46,000 homes through Warm Up New Zealand: Healthy Homes. This programme is targeted at households that have a Community Services Card, children or elderly, and are at high health risk. As of July 2015, over 40,000 homes had been insulated under the programme.</li> <li>• Legislation to require smoke alarms and insulation in rental properties to come into force by 1 July 2019. This will be accompanied by an information campaign to inform tenants of their rights and responsibilities and to promote the new standards.</li> </ul>
Explore and address barriers to the supply and uptake of new technology and innovation in energy and transport	MBIE, MOT		<p>The Smart Grid Forum, a joint initiative of the Government and the Electricity Networks Association, has just completed its first year of operation.</p> <p>The Forum has endorsed how the electricity market is regulated in New Zealand. This year the views of the forum are being sought on how New Zealand is progressing relative to other countries and how smart grid developments might help New Zealand meet its emissions target.</p> <p>The Government is working with the Sustainable Business Council, local government and other stakeholders to develop a package of possible policy options to encourage the uptake of electric vehicles.</p>
Increase productivity and reduce carbon emissions through new energy efficiency projects	MBIE, EECA		<p>EECA is implementing a new \$5.35 million package of energy efficiency projects to improve business productivity, save money and reduce carbon emissions. The package includes programmes to:</p> <ul style="list-style-type: none"> <li>• Increase the market share of fuel efficient tyres and promote correct tyre inflation.</li> <li>• Promote the switch from fossil fuel to wood energy as a heat source in Southland.</li> <li>• Reduce fuel use in heavy vehicle fleets of a medium size.</li> <li>• Reduce the use of carbon-intensive fuels in New Zealand's meat and dairy sectors.</li> </ul>

The list of completed BGA actions can be viewed online in the following location  
[www.mbie.govt.nz/info-services/business/business-growth-agenda](http://www.mbie.govt.nz/info-services/business/business-growth-agenda)

## Building Natural Resources

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