

Towards sustainability

*Environmental integrity for
economic advantage*

BUSINESS FORUM

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Building a sustainable nation

- The big picture – sustainability is top of the agenda here and abroad
- Economic, environmental, social and cultural drivers
- New Zealand is uniquely positioned to seize opportunities
 - Small and adaptable; pioneering and innovative
- Government's vision for a sustainable NZ
- The “six-pack” complements wider work across government
- Today's focus: nexus between environmental integrity and economic advantage



Sustainability is a leading issue for NZ in the early 21st century

Establishing the business case

- While there are risks to manage, changing consumer preferences and regulatory conditions are creating opportunities for firms and economic growth more generally
- The opportunities go beyond reducing unnecessary costs: changes are creating new markets and jobs and driving innovation
- Our clean, green image and reputation for business honesty are very important assets which we can leverage more effectively

UK DTI and Defra have joined forces to help position UK business on top of the “green wave”

Positioning NZ for economic advantage

- Government wants to position NZ as a world-leading exponent of smart, innovative and business-savvy responses to environmental issues
- Ultimately up to business to manage the risks and seize the opportunities but the government can help sectors and firms, especially where there are information or co-ordination problems
- Place to start is in areas of traditional strength, e.g. tourism; primary sector

In the late C19th, NZ was widely seen as the world's social laboratory. NZ could be a leader in sustainable business in this century

Implementing a positioning strategy

- Underlying imperative is to make an intelligent start with a few (rather than many) high priority tasks, and to learn by doing
- Need to recognise not starting with a blank slate: a number of business organisations and firms are already active in this space
- Also need to engage with non-business groups such as local government as they have a powerful influence on business

Perfection is the enemy of the good



Advancing the six-pack initiatives

- MfE and MED lead six initiatives
 - Household sustainability (MfE)
 - Waste minimisation and management (MfE)
 - Towards a carbon neutral public service (MfE)
 - Enhanced eco-verification (MED)
 - Enhanced sustainable procurement (MED)
 - Business partnerships for sustainability (MED)
- These six flagship initiatives are part of the government's broader sustainability agenda

Demonstrating a commitment to sustainability



Household sustainability

- Smarter household sustainability
 - Improves lifestyles
 - Improves health
 - Saves money
 - Protects the environment
- Household Sustainability initiative helps New Zealanders take simple steps
 - Information and assistance
 - Boosting existing initiatives



Waste minimisation and management

- Public recycling
 - Reinforces domestic recycling
 - Improves tourists' perceptions
- Introduce a dedicated funding stream for better waste minimisation infrastructure
- Improved product stewardship
- Legislation changes will be required and these may be made in Waste Minimisation (Solids) Bill



Towards a carbon neutral public service

- Using resources more efficiently lowers costs and environmental impact
- Emissions are **measured** and **reduced** before unavoidable emissions are **offset**
- Six government departments carbon neutral by 2012
 - Ministry for the Environment, Ministry of Economic Development, Inland Revenue, Department of Conservation, Ministry of Health, Treasury
- Remaining core departments on the path to carbon neutrality by 2012



Enhanced eco-verification

- Eco-verification is a powerful business assistance tool
- Initially, we propose to:
 - Consider how to accelerate the uptake of environmental management systems
 - Position NZ as a global research and development leader in such areas as life-cycle analysis
 - Work with the primary sector to develop a greenhouse gas footprint response
- A related issue is to consider how to build the capability of firms to utilise these tools effectively



Enhanced sustainable procurement

- Government procurement market is large (approx 10-15% GDP)
- Initially, we propose to:
 - Develop a single procurement policy for the government sector, including the mandating of certain minimum standards
 - Develop a methodology and policy to incorporate the cost of carbon in government purchasing decisions



Business partnerships for sustainability

- Initially, we propose to:
 - Consider how to improve information services for business on how consumer preferences are evolving in key market segments
 - Develop a tourism travel miles strategy
 - Investigate NZ's market leadership potential in selected areas



Getting the ball rolling

- We would appreciate your feedback on:
 - Whether the priority issues we have identified thus far seem about right
 - Some of the options for taking the issues forward
 - How can officials engage most effectively
- We would also appreciate your feedback on how best to develop the forward agenda together