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In favor of 4a?	No
Reason/s	The preferred options 4a and 4b do not achieve the policy objectives because they trade off human health, well being and lives for industry benefits. The Benefit-Cost Ratio (BCR) for the preferred options is hardly better than that of implementing the standards as is in 2013, except that in the former case the benefits are simply financial benefits to those industries that are polluting, and the costs are in human health and lives. This is unacceptable. Moreover, economics research supports the thesis that early introduction of regulations will be a far more effective means of stimulating clean technological innovation, thus deferring the standards and removing industry regulations will likely inhibit the development of a clean green economy in New Zealand. The main problem identified in the discussion document, namely high cost to industry and jobs of mandatory resource consent denial in polluted airsheds, is sufficiently dealt with by the proposal in Option 3, which enable mandatory offset schemes in lieu of resource consent denials from 2013.
Any changes?	Yes
Suggested changes	I prefer the amendments outlined in Option 3. Implementing the standards from 2013 will have the best outcome in terms of motivating regional councils and industry to reduce their pollution sooner, rather than just delaying it for another 5 years. There is no reason to think that mandatory offsets will result in a greater loss of jobs in 2013 than in 2018, because 1) research has shown that industry tends to wait until the last minute to comply, 2) regulations (applied equally across the country) will not disadvantage industry relative to their competitors, and 3) regulations are the single most effective tool to stimulate technological innovation. Implementing the standard in 2013 with mandatory offsets will also enable regional councils to reduce pollution in over allocated airsheds more quickly, and this will save thousands of lives. The offset scheme allows industry and regional councils flexibility to achieve a reduction in harmful pollution, while ensuring that polluting industries pay a fair and equitable share of the costs.
In favor of 4b?	No
Reason/s	Same as reason I don't support 4a.
Any changes?	Yes
Suggested changes	Option 3 is a better option. Implementing the standards from 2013 will have the best outcome in terms of motivating regional councils and industry to reduce their pollution sooner, rather than just delaying it for another 5 years. There is no reason to think that mandatory offsets will result in a greater loss of jobs in 2013 than in 2018, because 1) research has shown that industry tends to wait until the last minute to comply, 2) regulations (applied equally across the country) will not disadvantage industry relative to their competitors, and 3) regulations are the single most effective tool to stimulate technological innovation. Implementing the standard in 2013 with mandatory offsets will also enable regional councils to reduce pollution in over allocated airsheds more quickly, and this will save thousands of lives. The offset scheme allows industry and regional councils flexibility to achieve a reduction in harmful pollution, while ensuring that polluting industries pay a fair and equitable share of the costs.
CB accurately reflected?	No
How can estimates be improved?	The economic costs to industry and the economy of implementing the standards in 2013 have probably been exaggerated, because there would be transfers to other, cleaner technologies and economic activities. Regulations have been shown to be the most effective tool to trigger technological innovation.
Any overlooked costs?	No analysis has been undertaken as to the opportunity cost of clean tech jobs NOT created because of the deferral of the industry regulations to 2018. Given the economics research that suggests that environmental regulation can create job opportunities and stimulate innovation, the cost benefit analysis undertaken is likely to overstate the costs of implementing the standards in 2013.
Information you'd like included	Taylor et al. 2005. Regulation as the Mother of Innovation: The case of SO2 Control. Law & Policy. 27:2 (April 2005) 348 ú 378. Berman & Bui. 2001. Environmental regulation and labor demand: evidence from the South Coast Air Basin. Journal of Public Economics 79 (2001) 265 ú 295.
Increase from 1 to 3	0

Exclude exc events	0
Mandatory offsets	0
No industry restrictions	0
Extend to 2018	0
Mandatory reporting	Yes
S 27	Yes
AQCS	Yes
Funding links	Yes
Other suggested amendments	Require mandatory offsets for new industry consents in breaching airsheds from 2013.