



CLUTHA DISTRICT COUNCIL

Address all correspondence to:
The Chief Executive

Our Reference

SP15/8

5 July 2010

Ministry for the Environment
23 Kate Sheppard Place
Thorndon
Wellington 6143

Dear Sir/Madam

AIR QUALITY STANDARDS REVIEW SUBMISSION

Enclosed please find the submission of the Clutha District Council on the Proposed Amendments to the National Environmental Standards for Air Quality. If you have any queries, please contact me directly.

Yours sincerely

Murray Brass
PLANNING AND ENVIRONMENT MANAGER

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Clutha Country
where everyone says hello



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SUBMISSION ON PROPOSED AMENDMENTS TO THE NATIONAL ENVIRONMENTAL STANDARDS FOR AIR QUALITY

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Problem definition

1. Have the main problems been defined accurately?
 - Yes
2. Are there other problems you can think of that need to be addressed as a priority?
 - No
3. Do you agree with the policy objectives?
 - Yes
4. Do air quality standards materially influence industry investment decisions and regional location decisions?
 - Yes. However, because the existing standards are poorly designed, they can lead to 'perverse' results. We currently have a significant new sawmill being forced to locate outside of Milton because the standards would stop it getting resource consent for discharge from its energy centre. This is despite the fact that Milton's air quality problems are the result of largely coal-fired domestic heating, and the impact of an additional discharge from a modern waste-wood boiler system would be negligible. However, by locating outside the town on a greenfield site there will be a lost opportunity for an efficient use of currently vacant industrial land, increased traffic and transportation issues, reduced transport efficiency and increased CO2 emissions. In this case the standards have forced an outcome that is contrary to good land use and transportation planning, for no health benefit.

What are the options?

5. Have the options achieved the policy objectives?

- Partly. At this stage it is still uncertain what the responses of regional councils will be. There is a risk that they may choose to adopt or retain rules that are more stringent than the revised NES, in which case the benefits of the proposed changes may not be realised.

6. Have the options addressed the identified problems?

- Yes

7. What preferred option do you think should be considered?

- 4b

8. Are you aware of any other costs or benefits of the options?

- There will inevitably be costs borne by territorial authorities, and these are real costs that will lead to increased rates and/or reduced other services. They should be included.
- Costs to industry appear grossly underestimated, as many more than one business per year would seek new or renewed consent in a non-compliant airshed.
- There is no assessment of the 'perverse result' costs – eg transport and CO₂ costs that arise in the example given in Point 4 above. Also, in our District many households rely on coal which gives a very low relative energy cost. Shifting those households onto other fuels may reduce emissions, but if not done carefully could create other social and health issues due to increased heating costs.
- The assessment of costs and benefits is based on hypothetical situations of achieving compliance by 2013 or 2018. Given that this is highly unlikely in reality, the quoted figures overstate the situation.

9. What current opportunities do you know of that could help reduce your emissions (eg, updating current equipment)? Do you see these opportunities as effective in reducing total emissions within an airshed? What are the costs of these alternative opportunities? What is stopping these opportunities from being introduced now?

- In terms of industry, we support the adoption of new, cleaner technology when opportunities arrive – ie for new developments or consent renewals. However, given that industry is only a minor contributor to the health issues, the standards required should be kept in context. We do not support placing unjustified costs on industry simply for the sake of exerting pressure on communities.
- We support allowing industries to offset their emissions by supporting heating and insulation upgrades. However, this should be an option to be considered in context, not a mandatory requirement.

- In non-compliant airsheds in our District, and throughout Otago, particulate concentrations are almost entirely due to household heating. Therefore by far the most effective way of addressing the health issue is by upgrading heating and insulation. Our Council has provided funding support for this, in conjunction with regional and central government. Increasing financial and administrative support for these initiatives is by far the most useful opportunity available.

10. What costs do stakeholders face when complying with resource consent restrictions required by air quality standards?

- Comment on this should come from industry, but we note the example given in Point 4 above. We would expect the capital and operational costs in that instance would be in the millions of dollars over time.

11. Is it practical to require mandatory offsets in over-allocated airsheds?

- It may not always be practical, and more importantly, may not always be the best available option.

12. What is the scale of the economic impact of mandatory offsets on industry? We are particularly interested in:

- a. The materiality of these impacts on your business (eg, what proportion of your total operating costs will these comprise and will it materially impact on your profitability)?
 - b. Will these costs impact on current or future investment decisions you are likely to make?
 - c. Any other impacts you see arising from a requirement to offset emissions?
- Comment should come from industry.

13. Will mandatory offsets for new industries in breaching airsheds encourage industries to adopt cleaner technologies?

- Yes, but again it may not always be the best available option.

14. What costs will councils incur to comply with the proposed mandatory reporting of PM10 monitoring data?

- Regional council issue.

15. How effective are rules at the national level in addressing air quality issues (eg, managing emissions from various sources) compared with providing regional flexibility?

- While we generally support regional flexibility, we agree that in this case there is justification for a NES. However, we have concerns that some regional councils may not wish to now review their air plans to reflect the NES and would elect to retain more stringent provisions. This would be a particular concern in our District, as it would disadvantage our businesses and communities, while having no real

impact on the actual causes of health problems. Therefore we consider that the NES should not allow regional plans to be more stringent. Alternatively, it could require regional plans to reflect the NES as the default, and only allow more stringent rules when they have been through a public process subsequent to the NES coming into force.

Costs and benefits

16. Have we accurately reflected the range of costs and benefits arising from the proposals for a national environmental standard and who might bear the costs or receive the benefits?

17. Are there any costs and benefits we have overlooked?

18. Do you have information that you would like to see included in the cost-benefit analysis that will be carried out after the submissions are received and analysed?

- See our comments in Point 8 above.

Preferred Options

Option 4a

- We are in favour of these amendments when compared to the existing NES, but prefer Option 4b.

Option 4b

- We are in favour of this option.
- We would support increasing the timeframe for compliance to 2020, given that in Milton there will be large-scale changes in household heating required, which will take time to achieve.

Cost and benefits

- Costs and benefits are not accurately reported. See our comments in Point 8 above.

Decisions we wish the Minister to make

- Increase the permitted number of exceedances to three per year.
- Exclude exceptional events.
- Remove all industry consent restrictions.
- Extend the timeline for compliance to 2018, or preferably 2010.
- Introduce mandatory reporting of PM₁₀ data.
- Use existing ministerial powers under Section 27 of the RMA.
- Establish an air quality compliance strategy.
- Not allow regional plans to be more stringent than the NES.
- As a priority, investigate further funding and support for heating and insulation upgrades in non-compliant airsheds.