

STAFF REPORT

TO: Environment & Planning Committee

FROM: Rob Smith, Acting Environment & Planning Manager

REFERENCE: S611

SUBJECT: **MANAGERS REPORT - REPORT EP09/08/12** - Report prepared for meeting of 27 August 2009

1. **MINISTER OF AGRICULTURE HON DAVID CARTER – BRIEFED ON THE LEE DAM INVESTIGATIONS**

Hon David Carter visited Tasman on 12 August 2009 to meet the Waimea Water Augmentation Committee and to be briefed on its processes and progress. The Minister spent a whole day here and was hosted at the Tasman District Council Chambers. The Minister was welcomed at the Chambers by iwi, the Chairman of the augmentation committee Murray King and Mayor Richard Kempthorne. The Project Manager Joseph Thomas provided a presentation which was followed by a good discussion with the Minister. The Minister was very supportive of the project and offered assistance through his office as the project progressed. After lunch the Minister toured the Waimea Plains with Officials and members of the augmentation committee including Deputy Mayor Tim King.

2. **HYDROLOGY**

Steph Bowis has settled in now and the telemetry upgrade of our hydrometric network progressing nicely. Flood prediction calibration (rainfall-runoff model) has been carried out for the Takaka and Motueka Rivers. Takaka gave variable results as was expected due to difficult geography and variable rainfall patterns, but Motueka at Woodstock flows for eight large floods predicted the peak flow to within 10%, which is very pleasing. Work in continuing to include other catchments.

3. **FORMER FCC SITE**

During the next two weeks we will start the additional monitoring of the west soil, bench marking the ecological health of the FCC beaches and installing additional groundwater bores. This monitoring is being supervised by TDC staff, and paid for by MfE.

The Site Management Plan for the East (Waterfront Park etc) has raised the issue of why the commercial grade soil can't be accepted at Eves Valley landfill, when the low levels of toxicity and solubility indicate that it should be able to. While Engineering are considering this, it would still be very expensive to transport and dump.

4. ECOFEST

The ninth Ecofest was held last weekend at the Trafalgar Centre in damp and grey conditions. However lots of people still attended, with the numbers attending slightly up on last year. Besides being the co-organisers of the event, Tasman District Council was well featured with displays on biosecurity, transport, waste and environmental education. The theme of "How can Tasman District Council support you in becoming more sustainable" was popular with people visiting the main TDC stand.

I would like to pass a big thank you to Cr Michael Higgins for representing TDC in the well-attended political debate and for his judging in the Commercial stands section. Also thanks are due to all the people who took part and who helped support the TDC presence, in the delivery of good environmental and sustainability messages in the region. Without this focus and commitment the Ecofest Expo would not be the success it is.

Of additional note is that Nelson Tasman Tourism are due thanks for facilitating a grabaseat promotion with Air New Zealand. Ecofest was promoted as a grabaseat deal for the weekend, which goes to show that the event is making in onto the national radar.

5. ENVIRONMENTAL AWARDS

Planning is well underway for the combined Tasman Nelson Environment Awards 2009. Entries are open in nine categories, including newly-added Urban Design and Best Use of Renewable Energy. We have managed to retain six previous Sponsors and attracted two new ones. Early indications are pointing toward a high number of entries. The Awards ceremony will happen at the iconic Woollaston Estates on Friday, 20 November.

6. SEDIMENT AND EROSION CONTROL WORKSHOP

Staff are organising a Sediment and Erosion Control Workshop to raise the standard of best practice at earthworks sites to avoid discharges of fine sediment to waterways and estuaries that can cause significant adverse effects. This will be a two day workshop for contractors and consultants and will combine with NCC to get the regional coverage. The first day will be for earthworking equipment operators and will include a field trip to the Ruby Bay Bypass site (kindly hosted by Downer EDI Works), with the second day focused on the production of sediment and erosion control plans.

7. AIR QUALITY SUBMISSION TO THE NES REVIEW

Staff seeks the endorsement of the Environment & Planning Committee for the submission on behalf of Council to the Ministerial Review of the PM₁₀ regulations in the National Environmental Standard for Air Quality (NESAQ). The submission needed to be submitted before this scheduled EPC meeting. Attachment 1.

Recommendation

That the Environment and Planning Committee endorse the submission provided to the Ministerial Review of the PM₁₀ regulations in the National Environmental Standard for Air Quality.

8. RECOMMENDATION

It is recommended that this report be received.

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6 August 2009

Chair, Technical Advisory Group
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Dear Phil

SUBMISSION BY THE TASMAN DISTRICT COUNCIL ON THE MINISTERIAL REVIEW OF THE PM₁₀ REGULATIONS IN THE NATIONAL ENVIRONMENTAL STANDARDS FOR AIR QUALITY (NESAQ)

Thank you for the opportunity to provide a submission on the Ministerial Review of Regulations 13-19 and Schedule 1 of the Resource Management (National Standards Relating to Certain Air Pollutants, Dioxins and other Toxics) Regulations 2004.

1. PREAMBLE

The Tasman District Council supports:

1. The review of the National Environmental Standards for Air Quality (NESAQ).
2. Retention of the original key objectives of the PM₁₀ regulations in the NESAQ as follows:
 - (i) Support for the protection of public health and the environment by providing a bottom-line standard that should not be breached; and
 - (ii) Provisions of greater certainty for industry by providing a "level-playing field" that clarifies environmental expectations prior to the resource consent process; and
 - (iii) Provision of greater certainty in resource consent decision-making and regional plan preparation at the local level."

The Tasman District Council has identified two significant air quality issues in its region which it seeks to address. These relate to:

- adverse health and amenity affects from the open burning of organic waste during the winter months, principally from horticultural or land development related activities, and

- poor ambient air quality in the township of Richmond because of high ambient PM₁₀ concentrations due, in main, to domestic home-heating emissions.

1.1 Outdoor Burning

In 2003 The Council adopted a range of provisions by way of a variation to its air quality management plan (part of its Tasman Resource Management Plan - TRMP) to better manage adverse effects from open burning. These provisions were also consistent with guidelines from the Ministry concerning dioxin emissions. These provisions have had variable success largely due to their reliance on best practice being adopted by the operators.

1.2 Richmond Home Heating Emissions

The Council began investigating ambient PM₁₀ air quality in the Richmond airshed in 2000. The Council also contributed to the development of the National Air Quality Standards prior to their implementation in 2004.

Council monitoring showed that Richmond air quality fell far short of the newly adopted NESAQ standard reaching peaks of 111ug/m³ and exceeding the standard up to 46 times.

The ambient air quality problem in Richmond is caused predominantly by solid fuel burners for domestic heating. There is a small contribution (about 10%) from industry sources.

The Council, and its community, acknowledge the need for improving air quality and are committed to achieving this. It supports national direction and assistance in achieving better air quality.

Council considered options including requiring resource consents for the domestic emissions and incentive programmes as part of a regulatory regime to require burner upgrade and replacements. The range of significant practical, legal and financial costs and constraints associated with these options has led to a more measured approach.

In 2007, the Council introduced to the TRMP a suite of air quality management provisions aimed at improving air quality in Richmond. It has adopted a mixture of regulatory and education/advisory methods to gradually improve air quality in Richmond.

1.3 Meeting the NESAQ

While it is hoped that the measures to improve air quality in Richmond will be effective in meeting the air quality target of no more than one exceedence of the 50ug/m³ limit by 2013 as set out in the NESAQ, it is also possible that the target will not be met by this date.

This is because the measures adopted depend in significant measure on voluntary action by ratepayers, firewood merchants and woodburner retailers as well as natural attrition which occurs at variable rates.

2. NUMBER OF EXCEEDENCES

Since Council began collecting information on PM₁₀ levels in Richmond in 2001, it has recorded an apparent improvement in air quality. The number of exceedences appears to be trending downwards and the PM₁₀ peaks are significantly lower. Council intends to analyse trends with correction for meteorology and review the effectiveness of its plan provisions in 2010.

The Tasman District Council supports the existing limit of one for the number of exceedences of PM₁₀ as part of the NESAQ.

This is because:

- Evidence shows there is no safe level of PM₁₀ for human health and we should not relax targets to ensure protection of people's health. We are concerned about the potential for increasing the exceedences to have the effect of also lifting the base contribution.
- This target promotes action to achieve a stable and sustainable level of emissions.
- This target is achievable for the majority of towns in NZ as most of the issue is related to domestic home-heating emissions and the structures and options for managing emissions are now reasonably well-known in NZ.
- The reporting requirements might allow for natural sources or extreme events to be explained as acceptable reasons for exceedences.

3. TARGET DATE OF 2013 FOR COMPLIANCE

As noted above there is a chance that Tasman District Council will meet the NESAQ target by the required date. However this is not certain. The combination of already adopted provisions includes:

- Natural attrition.
- On-going effort into ensuring better woodburner operation.
- Promotion of 'Good Wood' merchants supplying appropriately seasoned wood.
- Continued application of the regulation requiring replacement of non-compliant models at the time a house has sold.
- the use of fire sensitive areas surrounding the urban footprint to limit cross boundary effects.

These measures have recently been supported by government incentive programmes for the replacement of old models of wood burners and better insulation.

These provisions will continue to contribute to the improvements already evident and if the 2013 target is not met, it is likely that the air quality target will be met within a few years of that target.

3.1 Costs and Benefits of Achieving Compliance by 2013

The chance of meeting the target in Richmond by 2013 is greatly increased if the rate of replacement of older model burners and open fires is increased.

The three main options for achieving this quickly are:

- regulation requiring replacement by a set date
- incentives/subsidies (providing financial assistance to encourage replacement)
- a mixture of the two

Some councils have already chosen a mixture of the two. A regulation requiring replacement has significant social and welfare implications for lower social economic households without the provision of financial assistance. In effect, it means the Council would be addressing a socio-economic issue as well as an air quality issue.

Incentive programmes were considered for Richmond. A basic model of subsidies and grants for open fire and old model burner replacement for low income households would have cost the Council in the order of \$2.2million.

Council debated issues around where the burden for these costs would fall i.e. would costs be distributed across the entire district or just within Richmond. It was concerned that people who had already invested in clean heat would be obliged to contribute to subsidising those who had not. The projected increase in rates to fund this option was, if loan funded, just under 1% if applied across the whole district and significantly higher if restricted to Richmond. In the end Council considered this an unacceptable financial burden for the community.

Because of equity considerations Tasman District Council chose not to burden ratepayers with a subsidy scheme. However, it welcomed the recent initiatives by Government (through EECA) that provide for incentives/subsidies for all households to replace old burners and improve insulation.

This Central Government subsidy programme is an appropriate and administratively efficient method of dealing with a social welfare problem and provides a reasonable incentive for changing home heating and insulation.

4. NEED FOR A TARGET DATE

The Council does acknowledge the concept of a target date in NESAQ as a clear and unequivocal message from Central Government that air quality must be improved.

It does however, consider that a blanket requirement to meet the PM₁₀ standard by 2013:

- imposes costs unevenly on the various communities and councils across the country,
- does not account for communities', individual's and Council's ability to pay,
- constrains the ability of individual councils and their communities to consider the full range of management options to meet the 50ug/m³ PM₁₀ standard, and
- prevents proper assessment of the costs and benefits to communities of meeting some other target date.

The Council suggests an alternative that establishes a default requirement in regulations, but that the regulations enable a Council to prepare its own plan or adopt some other method to achieve the air quality standard within a specified time.

The Council suggests that a staged approach still clearly establishes the need to meet air quality targets but allows for a more gradual achievement. Methods may be less restrictive for some areas and allow communities to develop appropriate management methods for their airsheds.

The Tasman District Council seeks the deletion of the target date of 2013 for achieving compliance with the NESAQ PM₁₀ standard of 50ug/m³

The Council would support instead a staged approach to meeting the target;

Stage 1 50ug/m³ of PM₁₀ with no more than 5 exceedences by 2013

Stage 2 50ug/m³ of PM₁₀ with no more than 1 exceedence by 2018

In addition to this change, the NESAQ also to provide that the NESAQ target date does not apply where a Council has a plan in place by 2013 and that if the Plan provisions are more lenient than the NESAQ then the Plan must explain why and include:

- (i) an alternative target date for meeting the 50ug/m³ standard.
- (ii) a full assessment of the costs of adverse health effects of not meeting the NESAQ target date
- (iii) an assessment of all potential sources of PM₁₀ and their significance
- (iv) modelling the effect of the adopted management options on the rate of air quality improvement
- (v) specific provisions, including resource consent requirements, to manage discharges of PM₁₀ in relation to their significance in a cost effective manner.

This is because:

- The costs of replacing existing open fire and older model burners by set dates falls unevenly across communities and individuals and the NESAQ does not account for this.

- Programmes to improve air quality within short timeframes may require costly subsidy/grant programmes to assist low income households and to avoid creating social and welfare issues.
- Modelling has shown that softer incentive programmes including education, and upgrade requirements that apply at time of house sale and natural attrition are still cost effective ways of improving air quality and people's health at a rate that the community can better afford.
- The Council's existing programme is supported by effective central government incentive schemes that assist homeowners to make voluntary changes at a reasonable rate.
- The suggested default two stage compliance target in association with the ability for Council's to adopt an alternative programme still results in improvement to air quality in a way that allows more accurate assessment of costs and benefits to communities.
- The two stage suggestion does not significantly undermine existing measures already adopted by this and other councils.

5. MANAGING CONTRIBUTIONS FROM INDUSTRY

As with many other smaller towns and cities struggling to improve air quality, Richmond's PM₁₀ problem is a result of domestic solid fuel heating. Industry contributes around 10% of the ambient PM₁₀ while domestic emissions account for more than 80% in the Richmond airshed

The Council's air quality provisions adopted in 2007 increased consent requirements for industry within Richmond. Many previously permitted emissions now require resource consent and Council is seeking a reduction of 10% in industrial PM₁₀ emissions. This involves costs to existing industry as they seek consents and adopt better management systems to reduce PM₁₀ emissions.

Industry is well-managed through the resource consent procedure, and have greater technical ability to manage air quality discharges. The Council considers this approach is equitable and it reasonably reflects industry contributions to Richmond air quality issues.

If the main contribution is from domestic sources, new industry contributions to an air shed should be managed on a case by case basis according to appropriate plan provisions.

Any restriction on the ability of industry to seek resource consents to continue to operate in an airshed where domestic emissions are the main cause of pollution is, in the Council's opinion, inequitable and contrary to RMA requirements to provide for the social and economic well-being of its community.

It may be appropriate for a council to consider offset opportunities via a regional plan if air quality is at risk of being compromised by new industry, but this should be an assessment made at a local rather than national level.

The Tasman District Council seeks the deletion of regulations 17 – 19 that limit the granting of resource consents for discharges of PM₁₀ in airsheds where the principal contribution is from domestic heating sources.

This is because:

- Industry has demonstrably not been identified as a significant contributor to ambient PM₁₀ in Richmond (and many other small towns).
- Prohibiting industrial emissions, especially where the industry is already an existing industry can be argued as being inequitable and may affect social and economic well-being while not necessarily achieving significant environmental benefits.
- The Minister has sufficient powers to require a Council to meet the standards or outcomes established in an NESAQ without imposing unnecessary costs on industry.

6. ALTERNATIVE INCENTIVE OPTIONS

The Council recognises the role of the existing provisions 17, 17A, B and C 18 and 19 as providing an incentive for councils to adopt air quality management provisions to meet the NESAQ targets or risk imposing costs on or restricting industry.

The Council suggests that other sanctions or incentives that encourage councils and their communities to manage air quality are available and include:

- National identification and reporting on non-complying airsheds
- Ministerial review of Council progress in meeting targets – and requirements for councils to adopt appropriate programmes/plan provisions where progress is not fast enough.

The former may encourage greater effort by councils by spotlighting their rate of progress relative to other communities but arguably provides little incentive for councils to act.

The second may involve transaction costs for both councils and Central Government and result in some inconsistencies. A Ministerial review of progress does however, allow communities and Council's to adopt a programme that accounts for the specific circumstances of an airshed and still meet the NESAQ objectives for clean air.

The Council also suggests another alternative incentive/sanction; rather than linking resource consent approvals (for industry) to air shed compliance, the NESAQ could include default provisions to manage the contributions from domestic burners in airsheds that do not meet the standards

6.1 Default Provisions

The NESAQ could have default regulations (that apply in circumstances where there is no regional air plan) that:

- Prohibit installation of new burners in airsheds exceeding the air quality standards or
- State that any non-complying burner beyond a certain date (say 2018) be replaced or removed.
- Require new industry in non-complying airsheds to offset the impact of any additional PM₁₀ contributions they make.

The Council acknowledges that these regulations might impose potentially costly compliance requirements on councils and communities if airsheds remain non-complying. It also acknowledges that the issue of costs to individuals and associated social and welfare issues are not addressed by this suggestion. Furthermore, it may be possible to meet targets by replacement of a proportion of non-compliant woodburners and this approach may impose more costs than strictly necessary.

It does however, target the source of the PM₁₀ emissions without imposing inequitable costs on industry.

The significance of the social, compliance and other costs will potentially provide strong incentives for councils to adopt regional plan measures that meet the expectations and constraints of local communities.

Alternatively, the default regulations may avoid the need for some councils to go through costly and time consuming planning processes to amend plans. Implementing the NESAQ regulations may be sufficient to meet air quality in some airsheds and provides a faster mechanism to impose necessary restraints on woodburners.

The Council would **support** default regulations in the NESAQ (that apply if there is no regional plan) to manage non-complying wood burners in airsheds that do not meet the standards.

They could include:

- prohibiting installation of new burners in airsheds exceeding the air quality standards
- requiring that any non-complying burner beyond a certain date (say 2018) be replaced or removed.
- require new industry in non-complying airsheds to offset the impact of any additional PM₁₀ contributions they make.

The Council would also **support** alternative incentives/sanctions for meeting air quality standards such as:

- national reporting of non-complying airsheds
- direction by the Minister to prepare plans under section 25A or appointment of a person to manage air quality under Section 25.

7. INCENTIVES AND SUBSIDIES

Regional programmes for improving air quality as well as the default provisions for the NESAQ suggested in 6.1 above are further enabled and supported by national incentive/subsidy programmes nationwide. The Energy Efficiency Conservation Authority's programmes are currently a key project meeting this need.

Council considers this central government support is essential in meeting some of the social welfare issues associated with requiring lower income households to meet the costs of improving home heating and insulation.

The Council supports Central Government funding to assist management of domestic sources of PM₁₀ such as the current Energy Efficiency Conservation Authority programmes

This is because the Council considers such central government programmes to be essential components in helping to managing the social and other issues relating to domestic heating.

Thank you once again for the opportunity to provide comment. Please contact Mary-Anne Baker, Policy Planner on direct dial (03) 543 8486 or e-mail at marya@tasman.govt.nz if you require further assistance or clarification of this submission.

Yours sincerely



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