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Subject: Submission on pCARP - Bathurst Resources Ltd
Date: Friday, 1 May 2015 8:13:51 a.m.
Attachments: [Bathurst Resources Ltd Sub on pCARP.pdf](#)

Please find attached a submission by Bathurst Resources Ltd on the proposed Canterbury Air Regional Plan.

Please acknowledge receipt of our submission in due course.

Regards

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SUBMISSION ON PROPOSED CANTERBURY AIR REGIONAL PLAN

To: **Environment Canterbury**

Name of submitter: **Bathurst Resources Limited**

This is a submission on the Proposed Canterbury Air Regional Air Plan 2015 (**Proposed Plan**).

Background

Bathurst Resources Ltd

1. Bathurst Resources Limited (**Bathurst**) is a publicly listed New Zealand resources company with its operations in the South Island. It aims to be the leading coal producer providing coal for local cement manufacture, delivering energy for domestic dairy and food processing industries and, once markets improve, to export high quality metallurgical coal to international steel makers.
2. Responsible resource use lies behind all of Bathurst's activities and its approach to sustainable development and management of its social and environmental performance. This means everything the company does is guided by a commitment to shareholders, employees, local communities, and, importantly, the environment. Bathurst's commitment is backed by significant investment of time and money to ensure social and environmental impacts are managed from design and planning through to production and eventually rehabilitation of mining sites.
3. The ultimate aim is to ensure that Bathurst's operations enable society to meet its present needs without compromising the ability of future generations to meet their needs.
4. Bathurst has a Health, Safety, Environment and Community management framework to guide the company's decisions on responsible resource use and the impact of its activities. The framework has been developed generally in accordance with international standards to enable continuous improvement of Bathurst policies, standards and procedures to minimise risk to mine workers and the environment.
5. Within the Southland region Bathurst operates, through its subsidiary company Bathurst Coal Ltd, the Takitimu mine located at Nightcaps. Sub-bituminous coal from the open cut

operation is transported by rail and road to a number of major industrial customers in the Southland, Otago and South Canterbury areas. The mine produces around 240,000 tonnes of sub-bituminous coal per annum. Bathurst took over full operation of the mine in September 2014 (mining operations having been previously carried out by a contractor). The mine employs 54 staff and contractors.

6. In response to demand for coal in the South Island the mine has moved into the Coaldale block which is adjacent to the main Takitimu pit. The original Takitimu pit is being progressively rehabilitated and returned to pasture. The next area for expansion will be into the Black Diamond block which lies to the north of Coaldale.
7. In addition Bathurst has purchased the New Brighton exploration permit, which is in close proximity to the Takitimu mine and connected by the same rail line. It is prospective for high grade sub-bituminous coal and has the potential to add significantly to the life of the Takitimu operations.
8. Bathurst also owns and operates, through Bathurst Coal Ltd, the Canterbury coal mine located near Coalgate. The mine was acquired in 2014 and is now undergoing rationalisation and reorganisation so that it can economically produce greater tonnages of coal. Bathurst also has mines on the West Coast – Cascade and Escarpment mines – which supply coal to West Coast industries and which also augment coal supplies from Southland and Canterbury.
9. Coal from the mines in Southland and Canterbury is sold into the domestic industrial markets of Canterbury (and Southland) providing security of supply for industries critical to the ongoing economic health of the Canterbury region and the wider South Island.

Characteristics of Bathurst Coal

10. Coal mined from the Takitimu mine is sub-bituminous and the sulphur level in the coal ranges from as low as 0.28% to up to 1.7% depending on which part of a coal seam is being mined and similarly for the Canterbury coal mine where the coal is also sub-bituminous and sulphur levels range from 0.3% to up to 3%. Different customers require different calorific (energy or heat) values in their coal depending on the use the coal is being put to. To meet those requirements Takitimu or Canterbury coal may be blended

with coal from other Bathurst mines (such as the Cascade mine) which will, in their turn, have differing sulphur levels.

Proposed Plan

The specific provisions of the Proposed Plan that this submission relates to are:

Introduction

Contaminants page 1-2: PM_{2.5}

Submission

11. The Proposed Plan introduces controls on PM_{2.5} and while acknowledging that there are no national guidelines for PM_{2.5} in New Zealand nevertheless proposes to use the World Health Organisation guidance values which recommend a limit of 25 micrograms per cubic metre. It should be noted here that there is a difference between monitoring and assessment values (failing to meet these values would normally trigger more research etc), guidance values (failing to meet these values would also trigger more research etc) and guideline values (failing to meet these values would trigger a breach of a rule and legal consequences). The Proposed Plan is not clear enough in distinguishing between these differing values and the legal effect they should have.

12. The Ambient Air Quality Guidelines 2002 Update state:

*"Recent research has shown that particles less than 2.5 microns in diameter (PM_{2.5}) may responsible for specific health effects caused by fine particles. We therefore need to increase our understanding of PM_{2.5} in New Zealand and to promote monitoring and source assessments. A monitoring value of 25µg/m³ (24-hour average) can be used for assessing monitoring results and to judge whether further investigations are needed to quantify PM_{2.5} sources. In suggesting this value, the Ministry aims to promote PM_{2.5} monitoring and assessment. **It is premature to use PM_{2.5} as a target for air-shed management until further research can accurately determine its specific health effects and its sources.** The Ministry will commence an investigation into PM_{2.5} in 2002 with the aim of establishing an appropriate guideline value by 2004."* (Emphasis added)

13. As far as Bathurst is aware the Ministry for the Environment has not set guideline values for PM_{2.5} though it does monitor and report on it. The latest report¹ (published 2014) we have had access to concluded:

"In 2012, PM_{2.5} concentrations met the World Health Organization (WHO) long-term guideline in all but one location, but four of the seven monitored locations exceeded the WHO short-term health guideline between 1 and 38 days.

...

In 2012, the WHO short-term guideline for PM_{2.5} concentrations was exceeded one day at Penrose and four days at Takapuna. The daily WHO guideline was exceeded in Masterton on 38 days while in Christchurch it was exceeded on 31 days.

Ninety-five percent of exceedances at these sites occurred from May to August, which suggests they are largely due to home heating emissions and weather conditions that prevent the dispersal of pollutants. This is supported by studies that showed home heating as the main source of winter PM_{2.5} at Masterton and Christchurch."

14. The MfE work does not appear to include any monitoring at Timaru for PM_{2.5}. The background air quality status report on Timaru published by Environment Canterbury as part of the supporting documents to the Proposed Plan states, page 14:

"Monitoring of PM_{2.5} ... has only been measured routinely ... at the Timaru city monitoring site since 2012 and, as the data have not yet been validated, they are not presented here."

15. Rather reliance is placed on work done in 2006/7 as part of a broader study. This is not appropriate given the limited nature of the dataset. Until such time as a validated data set on PM_{2.5} for Timaru can be gathered it cannot be said that monitoring shows that WHO guidance values for PM_{2.5} are regularly exceeded in Timaru. It is also questionable whether it can be said that it is likely that the WHO guidance values for PM_{2.5} are regularly exceeded in all of the Canterbury's polluted airsheds.

16. The issues around contaminants are carried through to Policies 6.2 to 6.4 (among others) which deal with concentrations of contaminants, exceedances of guideline values set out

¹ New Zealand Environmental Reporting Series: 2014 Air Domain Report published 16 May 2014 available on the MfE website.

in the Ambient Air Quality Guidelines 2002 Update, and reducing concentrations of PM_{2.5} in clean air zones.

Decision Sought

Rewrite all sections of the Proposed Plan, including Schedules, that relate to PM_{2.5} to acknowledge that there are no guideline values currently applicable in New Zealand relating to discharges of PM_{2.5}. Delete all policies and rules that limit discharges of PM_{2.5} and adopt instead a policy that appropriate monitoring and assessment (to properly characterise the scale of PM_{2.5} emissions, actual impacts on human health, and the appropriateness of adopting the WHO guidance values as guidelines) will be undertaken in airsheds and clean air zones prior to the introduction of rules.

Introduction

Sources of contaminants page 1-3

Industrial and large scale discharges of contaminants

Submission

17. There is an inconsistency between the statement that *"It is estimated that 65% to 90% of measured PM₁₀ in polluted airsheds comes from burning wood and coal on domestic fuel burning equipment ...industrial sources contribute 7% to 17% and motor vehicles contribute 3% to 16% ..."* and the later statement on the same page that:

"Industry ... contributes a significant proportion of the contaminants in our air ..."

18. On the figures given it would appear that motor vehicles and industry contribute around the same proportion of contaminants with the most significant source being domestic sources.

Decision sought

Reword the Proposed Plan to acknowledge that while industrial sources make up a proportion of the contaminants in Canterbury, this proportion is similar to that of motor vehicles, and that the greatest source of contaminants is from domestic sources.

Policies/Rules

Provision for Industrial Growth

19. The Proposed Plan does not make adequate provision for industrial growth in Christchurch and Timaru and seeks to impose best practicable options on all discharges whether currently consented or not.
20. The ability of people to provide for their social and economic wellbeing depends on there being sufficient economic activity in a region to provide employment for a growing population and to produce goods and services required for modern life. All industrial and trade activities will likely result in some discharge of contaminant to air. It is the council's responsibility to make adequate provision for current industrial and commercial activities and to provide for future growth in the Canterbury region. The Proposed Plan does not do this.
21. For example the council has sought the division of the current Timaru airshed into two – Timaru and Washdyke (and it is understood this is in the process of being gazetted) and then place a clean air zone over both areas. Given that the Washdyke area is physically separate from the main residential population of Timaru and was specifically set up as an industrial area the logic for this is hard to understand.
22. Further the overlay of a clean air zone over the Washdyke industrial area will effectively halt all new industrial development. This conclusion is reached by applying Rules 7.14, 7.15 and 7.18 among others. (This will also apply to those industrial areas of Christchurch subject to a clean air zone.)
23. The effect of this is that any new industrial activities will need to locate outside identified industrial areas, outside clean air zones, and outside airsheds, contrary to Policy 6.6. This is illogical and may see a proliferation of industrial sites dotted around the rural areas far from arterial roads, rail transport and workers. There may also be the perverse outcome that contaminants from vehicle movements will increase if industry has to locate remotely adding to the overall contaminants in the air.

24. Policy 6.10 seeks *at least* that all activities that discharge to air apply the best practicable option. While a definition of best practicable option is given it is concerning that it is qualified by the words "*at least*". BPO is of itself a very high standard and the addition of the words "*at least*" mean that it is even more unlikely that an applicant will know what might be required of them and what the cost implications of that might be.
25. This policy, especially when combined with Policies 6.12 and 6.20, also appears to apply to all consent holders, both existing and future and would apply on renewals of existing resource consents to discharge to air. This could well impose costs on a business that it had never anticipated and also adversely impact on any plans for expansion and indeed the continuation of its existing activities.

Decision Sought

Amend or delete all relevant policies and rules relating to discharges to air from large scale, industrial and trade premises to make adequate and appropriate provision for existing industrial and commercial activities to continue their existing activities and to be able to expand on existing sites and for new industrial and commercial activities to locate and commence operation on appropriate sites.

Remove the clean air zone from the Washdyke industrial area.

Delete Policies 6.10; 6.12 and 6.20

Rules

Rule 7.3 and Rule 7.28

26. Rule 7.1 states that where two rules are applicable to the same activity then the more stringent activity status applies. Rule 7.3 provides that odour, dust or smoke that is objectionable or offensive is a non-complying activity. Rule 7.28 provides that the discharge of odour beyond the boundary of an industrial or trade premise is a restricted discretionary activity.
27. There are a number of issues that arise with Rule 7.3. First when applying for a resource consent to burn, say, coal what activity status will be applied? Non-complying under Rule 7.3 or restricted discretionary under Rule 7.28 or some other activity status?

28. Rule 7.3 links to the Schedule 2 criteria for assessing offensive or objectionable odour. These criteria clearly relate to an activity which is already occurring (which must mean that it is already permitted either by a consent or as a permitted activity). There are also a number of issues with the criteria as while they appear objective at the end of the day they are heavily subjective relying on complaint records, odour annoyance surveys and anecdotal evidence. But if an activity has not yet started how can it be objectively (or indeed subjectively) assessed to be objectionable or offensive?
29. Odour is one of the issues that should be considered as part of the overall resource consent application to discharge contaminants to air and should not be subject to a separate consent process under either Rule. Nor should it make an otherwise restricted discretionary, discretionary etc activity into an overall non-complying one.
30. If it is intended that after a discharge to air consent is granted that a further consent might need to be applied for under Rule 7.3 if there are subsequent objections to odour then that raises the question of whether this is legally permissible under the Resource Management Act.

Decision Sought

Delete Rule 7.3 and Rule 7.28.

Rule 7.4 and Rule 7.31

31. Rule 7.4.14 makes the burning of any fuel with a sulphur content of greater than 1% by weight a prohibited activity except where burnt in an industrial or trade premise and pursuant to a resource consent. Rule 7.31.12 makes the burning of any fuel with a sulphur content of greater than 1% by weight in an industrial or trade premise a discretionary activity.
32. There are two main objections to these rules. The first is that hospitals and schools do not appear to be included in the definition of industrial or trade premises and therefore the burning of coal with greater than 1% sulphur by weight by these institutions would be a prohibited activity and the second is that the focus is at the wrong end of the stack.

33. NESAQ set out standards relating to **sulphur dioxide** which is the product produced when fuel with sulphur in it is burnt and not on the sulphur content of fuel. It is the SO₂ levels in the discharge from the stack which enter the atmosphere that should be measured and controlled, as appropriate, to meet the NESAQ ambient air quality standards.

34. There are many actions a business can take to reduce the levels of SO₂ that it discharges to air and it is the amount of SO₂ that remains and enters the atmosphere after those actions are taken that should be the subject of any rules.

Decision Sought

Delete the blanket prohibition on the burning of fuel with a sulphur content of greater than 1% by weight and rewrite all relevant rules to set out the appropriate limits, having regard to the existing ambient air quality of any particular airshed or area, to be applied to SO₂ entering the atmosphere from an activity making provision for permitted, controlled and discretionary activities accordingly.

Rules 7.14-7.18

35. Provision needs to be made to support existing industrial and commercial activities and to provide for their expansion and for the establishment of new industrial and commercial activities to provide for the social and economic well-being of the people of Canterbury. The Proposed Plan fails to do this.

Decision Sought

Delete Rules 7.14 to 7.18 and replace them with rules that make proper provision for the continuation of existing industrial and commercial activities and the growth of industrial and commercial activities in the Canterbury region.

Rules 7.29 and 7.30

36. It is unlikely that dust would arise from an industrial or trade premise without some activity taking place such as combustion or earthworks etc which would be controlled through either this plan or other plans and rules and which would have already been

subject to a resource consent process which would have taken into account the likelihood of nuisance from dust.

37. Again (see above re comments on odour) it is questioned why there is a separate rule for one of the effects of a discharge to air activity which should be assessed as part of the overall activity proposed.

38. Further while Rule 7.29 includes construction, subdivision and development properties in its ambit industrial and trade premises and construction properties are not included in the limited exception provided for in Rule 7.30. If the effects are the same then Rule 7.30 should apply to all activities.

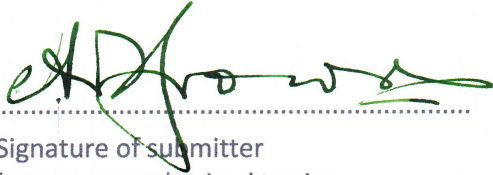
Decision Sought

Either delete Rules 7.29 and 7.30 or amend Rule 7.30 to apply to industrial and trade premises and construction properties as well as subdivision or development properties.

In addition Bathurst seeks all other consequential amendments required to the Plan as a result of its submissions.

Bathurst wishes to be heard in support of its submission.

- * If others make a similar submission, Bathurst will consider presenting a joint case with them at a hearing.



Signature of submitter
(or person authorised to sign
on behalf of submitter)

30/4/15

Date

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