From:	<u>ECInfo</u>
To:	Mailroom Mailbox
Subject:	FW: Submission From CHH P&P on Proposed Canterbury Air Regional Plan EMAIL:03161691
Date:	Friday, 1 May 2015 2:26:12 p.m.
Attachments:	<u>{cid8CFB7D637C0533489DFC3B823ED87A9B@chh.local}01052015122455-0001.pdf</u>
Importance:	Low

Hi Mailroom,

Can you please TRIM and workflow this submission?

Kind regards,

Please find attached our submission on the Regional Air Plan. A hard copy has been posted.

Regards

Murray Parrish Environment Manager Carter Holt Harvey P&P

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	omissions on a Publicly Notified Proposed Policy or Regional Plan under Clause 6 of Schedule 1 of th	e Resource Management Act 1991		
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Organisati * the organisa Postal Ado Acc C Email: _ M	: <u>Murray</u> John Parish on*: <u>Corte Holt Harvey</u> Pulp & Paper L tion that this submission is made or behalf of dress: <u>Private Bag</u> 92004 Klond Mail Centre 1142 hurray farring chh. @. nz ame and postal address for service of person making	Phone (Cell): <u>0274723197</u> Postcode: <u>106</u>] Fax:		
Trade Competition				
 Pursuant to Schedule 1 of the Resource Management Act 1991, a person who could gain an advantage in trade competition through the submission may make a submission only if directly affected by an effect of the proposed policy statement or plan that: a) adversely affects the environment; and b) does not relate to trade competition or the effects of trade competition. 				
Please ticl	the sentence that applies to you:			
 I could not gain an advantage in trade competition through this submission; or I could gain an advantage in trade competition through this submission. If you have ticked this box please select one of the following: I am directly affected by an effect of the subject matter of the submission I am not directly affected by an effect of the subject matter of the submission 				
Signature: May 2014 (Signature of person making submission or person authorised to sign on behalf of person making the submission)				
Please note: (1) all information contained in a submission under the Resource Management Act 1991, including names and addresses for service, becomes public information.				
B IIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIIII	 I <u>do not</u> wish to be heard in support of my submission; or I <u>do</u> wish to be heard in support of my submission; and if so, I would be prepared to consider presenting your submission in a joint case with others making a similar submission at any hearing 			

C (1) The specific provisions of the proposal that my submission relates to are: (Specify page number and subsection numbering for each separate provision).	(2) My submission is that: (State concisely whether you support or oppose each separate provision being submitted on, or wish to have amendments made and the reasons for your views.)	(3) I seek the following decisions from Environment Canterbury: (Please give precise details for each provision. The more specific you can be the easier it will be for the Council to understand your concerns.)
PLEASE RE	FER ATTACHMENT	ONE.
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Add further pages as required.

<u>Attachment One</u> Submission: Proposed Canterbury Air Regional Plan; March 2015

This submission is made by Carter Holt Harvey Pulp & Paper Ltd (CHHP&P).

Background

Carter Holt Harvey Pulp & Paper Ltd (CHHP&P) is a pulp paper and packaging company with facilities in New Zealand and Australia. CHHP&P utilises wood-pulp based paper from sustainability managed forests and recycled sources, to produce renewable, biodegradable packaging for domestic and international customers. Paper packaging is used extensively by other exporting sectors for the packaging of products including primary agricultural commodities.

The recyclable attributes of paper packaging make it an attractive substrate for packaging destined for domestic and international customers with interest in and or obligations related to solid waste minimisation and recycling. CHHP&P manages substantial paper collection and recycling facilities as a contribution to the paper packaging supply chain's 'extended producer responsibility' commitments . CHHP&P's Shands Road facility is an existing part of the wider supply chain to domestic and export industries as well as offering economic and employment opportunities to the region.

CHHP&P Regional Manufacturing and Investment

CHHP&P is concerned that the Proposed Plan enables the Canterbury community to balance the use and protection of the region's air quality with the need to provide for economic and related social benefits. We support the recognition in the Introduction to industrial and economic growth in appropriate areas. We suggest that 'best practicable option' and 'best practice' be explicitly recognised and interpreted in that context.

"Industry and large scale discharges" are identified as contributing "....a significant proportion of the contaminants.....in urban areas." We are not sufficiently familiar with air quality data in Christchurch to interpret Councils understanding of 'significance' but note that previous plans identified the industrial contribution as only 7%. The Proposed Plan does identify home heating as "....the main source of most of the contaminants that exceed guideline values in Canterbury", presumably for reasons including home heating predominating at times of evening winter inversion and similar conditions impeding dispersion. Motor vehicle emissions are identified as a contributor and beyond the control of the Council.

Council's recognition of industry as a significant contributor has likely motivated the suggestions in the proposed plan that industry can provide solutions to air quality through the "...uptake of the cleanest technology." The description of the statutory planning framework similarly references objectives, policies and methods that allow for "....controlling discharges....from....industry and....encouraging the uptake of cleaner technology in polluted airsheds so that targets set by the NESAQ can be achieved".

CHHP&P have operated at Shand's roadfor many years. It is an existing activity and therefore potentially costly to retrofit, particularly where investment in new equipment requires the accelerated depreciation of existing and integrated plant.

We manufacture commodity and specialist paper-based packaging in competition with other local, national and international suppliers. Many of the relative costs of our production are beyond our control, a current example being the historically high value of the NZ currency. Capital equipment including on-site coal and oil fired energy plant is progressively upgraded in accordance with production needs, depreciation, facility expansion etc. Optimal technology and prevailing regulatory requirements are factored into reinvestment decisions, as are assumptions about current and future market conditions.

1. Introduction to Plan

Objectives

While there is an objective enabling significant infrastructure there needs to be appropriate recognition and provision for existing established industrial activities, such as the Shands Road facility.

Further, if locational issues are to be addressed in a regional air plan, then it is also appropriate to more specifically address reverse sensitivity issues. At present objective 5.9 only focuses on the location of new activities, rather than the sensitivity of existing activities which may be placed at risk as a result of new activities which come to an area.

Relief sought:

Insert the following new objectives:

The operational requirements of heavy industry and other location specific industry is recognised and provided for.

Industrial and rural activities are located within appropriate zones, to recognise the benefits of these activities and provide for them, and to manage adverse effects from air discharges on human health, property and the environment.

Incompatible land uses and activities are adequately separated to avoid, remedy or mitigate adverse effects of air discharges, and reverse sensitivity conflicts.

Policies

Paragraph 6.6 (page 6-1) is uncertain in that it requires activities giving rise to a discharge within a zone to reduce their emission or relocate "...within a defined time frame.... The Proposed Plan presumes that re-zoning by Council is sufficient justification for what could amount to very significant cost implications or plant closure and the absence of any certainty as to the time frame over which such change could be required. It is not clear from the proposed wording of paragraph 6.7 what long term reliance can be placed on current zone boundaries and therefore the integrity of zoning as both a planning instrument and a basis for investment. We contrast the Council's proposed approach to zoning with the approach taken in relation to existing consents for the use of water for hydroelectricity generation and irrigation, where the investment in infrastructure and related economic activity represents at least a presumption of the right of renewal.

Policy 6.8 inappropriately refers to "reverse sensitivity" effects and confuses the issue of location with consent duration. These matters are distinct. It is inappropriate to imply that discharge to air

consents should be limited by way of a policy. The Act provides for consents for a maximum of 35 years and consideration of this issue is a matter for the decision maker, weighing up the application.

Reverse sensitivity effects generally arise when a new "sensitive" use establishes adjacent to an existing activity. It is not generally the case that activities can locate appropriately to avoid the potential for reverse sensitivity effects. Further, this will not be something that an existing use, applying for a new consent, can achieve.

Relief Sought

Amend the central policies applying to all activities to include a new paragraph after 6.6 establishing a clear presumption that zoning boundaries and classifications will be retained in the absence of a clear and pressing need for a change.

Amend the 3rd bullet on page 1-1 of the Proposed Plan and make other commensurate changes to provide for the *progressive and staged* adoption of best practice methods in appropriate areas.

Our relief is suggested to better:

- allow for recognition of the reasonable differences in permissible air quality in industrial zones
- recognise the relative diurnal contribution of industrial and domestic home heating emissions to ambient air quality
- avoid interpretation of the Plan as requiring the immediate and or uneconomic adoption of new plant and equipment out of step with reasonable commercial depreciation rates.

Delete policy 6.8.

Policies, page 6-1

Industrial and Large scale discharges to air

Paragraphs 6.19 and 6.12 are potentially inconsistent and serve to increase uncertainty and therefore potentially constrain investment and reinvestment. CHHP&P support the approach proposed in 6.19 enabling discharges but not that any discretion implied by such an approach is constrained by compatibility with land use patterns or the requirement that "adverse effects on air quality are minimised." The Act requires that adverse effects are avoided, remedied or mitigated. It is also unreasonable to penalise existing industrial activities where new sensitive land uses have developed in proximity to an operation.

Paragraph 6.21 has the effect of making mandatory the 2002 Ambient Air Quality Guidelines. As such it undermines the benefit of a 'guideline', being the ability to interpret its applicability in the context of local circumstance including the value of local economic activity and employment. The interpretation of the above polices as unnecessarily restrictive and a constraint on discretion based on site specifics is reinforced by Rule 7.1 requiring that "Where two rules are applicable to the same activity, the more stringent activity status applies." As currently worded the Proposed Plan could be interpreted as removing all discretion with respect to the conditions and therefore cost of reinvestment applicable to an existing use and, potentially, the reliance that can be placed on being correctly zoned.

Relief Sought

Amend Paragraph 6.19 by deleting "....in locations where the discharge is compatible with the surrounding land use pattern and deleting the word minimised and replacing it with "avoided, remedied or mitigated."

Alternatively insert a new policy that specifically enables discharges to air from existing industrial and trade activities.

Delete Paragraph 6.21 or amend this paragraph to enable the site specific interpretation of the 2002 Ambient Air Quality Guidelines.

Delete "Where two rules are applicable to the same activity, the more stringent activity status applies." from paragraph 7.1.

Sulphur Content of Fuels

CHHP&P operates stationary energy plant at the site fuelled by both coal and Light Fuel Oil (LFO). The latter fuel isn't specifically addressed in the Proposed Plan but is presumably provided for in Section 7.31 (12), regulating the use of any fuel with a sulphur content of greater than 1% by weight. "Petroleum product" is defined as the product of petroleum refining which logically includes both LFO and diesel. Diesel emissions are provided for as a permitted activity in equipment with an output of 5MW or less in Section 7.20 (2) provided the sulphur content is less than 0.001%.

It could reduce the regulatory burden and or increase the energy flexibility of industrial energy users without apparent increase in risk to air quality if the provision proposed for diesel in Section 7.20 was expanded to apply to all Petroleum products.

Relief Sought

Amend the title and other references to "diesel" in Section 7.20 to 'Petroleum product'.

Workplace Exposure Standards

Section 7.52(2) proposes that the Regional Council require records showing compliance with Workplace Exposure Standards 2013 be compiled and retained, as a condition of permitted activity. It is not clear from the Proposed Plan the extent to which Workplace and ambient environmental exposures are synonymous. Workplace Safety and Resource Management are separately legislated and specialist issues. It is reasonable to assume that the records pertaining to these separate areas of business management can be different and inappropriately substituted. If there are aspects of workplace emissions the Council consider should be monitored and recorded as a condition of Permitted industrial discharges then the appropriate approach may be to list those specific measures, rather than require that all H&S records be retained and presumably available for scrutiny. Any such list should be drafted to avoid potential breach of personal privacy

Relief sought Delete Section 7.52(2)

Overall relief

CHH P&P seeks that any other consequential amendments and alterations are made to the relief sought and to the Unitary Plan as appropriate to give full and proper effect to CHH's submissions.