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Oji Fibre Solutions

**SUBMISSION ON PROPOSED PLAN  
CHANGE 13 TO THE REGIONAL  
NATURAL RESOURCES PLAN**

17 April 2018

To: The Chief Executive  
Bay of Plenty Regional Council  
By email to [air@boprc.govt.nz](mailto:air@boprc.govt.nz)

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Name: Oji Fibre Solutions

Contact for Submission: Philip Millichamp  
Group Manager – Environment & External Relations  
Oji Fibre Solutions  
Private Bag 6 Tokoroa 3444

Phone: +64 7 8855629

E-mail [Philip.Millichamp@ojifs.com](mailto:Philip.Millichamp@ojifs.com)

First Address for Service As above.

Second Address for Service: Adrian Low  
Associate – Mitchell Daysh  
c/- Mitchell Daysh  
PO Box 489, Dunedin 9054  
+64 21 456 696  
[adrian.low@mitchelldaysh.co.nz](mailto:adrian.low@mitchelldaysh.co.nz)

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## **1. INTRODUCTION**

Oji Fibre Solutions Limited (“**Oji FS**”) welcomes the opportunity to submit on Proposed Plan Change 13 to the Regional Natural Resources Plan (“**PC13**”).

Oji FS owns and operate the Tasman Mill facilities in Kawerau, and it is in respect of how PC13 provides for those facilities that the company is affected by PC13.

In addition to this introduction, this submission contains the following four sections:

Section 2: Provides background to Oji FS interest in PC13.

Section 3: Provides detail on the statutory requirement to provide for the Tasman Mill in PC13.

Section 4: Contains the Oji FS specific submission points on PC13.

Oji FS wish to be heard in support of this submission.

Oji FS do not gain an advantage in trade competition through this submission.

## **2. BACKGROUND TO OJI FIBRE SOLUTIONS INTEREST IN PLAN CHANGE 13**

Oji FS operate kraft pulp mill at the Tasman Mill site in Kawerau. The operation of the Tasman Mill is completely reliant on the ability to discharge contaminants to air from the Mill itself, and its associated wastewater treatment facilities. PC13 changes the regional plan framework relevant these activities.

### **2.1 THE TASMAN MILL**

The Tasman Mill operations are a critical part of the Bay of Plenty and broader North Island timber products supply chain. The mill produces pulp and paper from pulp logs and other low grade logs, sawmill chips and some other residues which would otherwise be waste products. In this way, pulp and paper manufacture forms an important component in the forestry supply chain whereby lower value materials not readily used by any other process can be beneficially used. This reduces waste and keeps the industry working effectively and sustainably, while at the same time adding value to the overall forest industry and providing employment in the region.

The Tasman Mill was established for this purpose in the early 1950s to make use of the forest resource which had been planted across the central North Island. The Tasman Mill was established under its own Act, The Tasman Pulp and Paper Company Enabling Act 1954.

The Tasman Mill was specifically located at Kawerau due to its close proximity to the Kaingaroa forest, the railroad, the export port facility at Tauranga and to significant water and geothermal resources. The proximity to this infrastructure enables an economically viable mill operation that is not readily available elsewhere.

The significant investment in mill infrastructure at Kawerau essentially captured the added value of domestic processing of logs for New Zealand. The Tasman Mill site complex today includes a range of wood processing operations, including the Oji FS pulpmill activities and the Norske Skog Tasman (“NST”) newsprint paper mill activities. Water and wastewater related infrastructure at the Tasman Mill site is managed by Water and Waste Services, an unincorporated joint venture between Oji FS and NST.

The Tasman Mill has undergone many changes since it was first established, with several upgrades and modernisation projects being implemented over the last 60+ years.

The social and economic benefits of the Tasman Mill to the local community, region and New Zealand were drawn into focus during the 2010 Environment Court hearing for the Tasman Mill resource consent applications where the Court concluded there to be “*little dispute about the considerable positive economic and social benefits of the Tasman Mill*”.

## **2.2 IMPORTANCE OF PC13 TO THE TASMAN MILL**

### **2.2.1 Tasman Mill Discharges to Air**

The operation of the Tasman Mill necessitates a number of discharges to air. This includes discharges at the Mill itself, associated with the pulping and paper process, and the discharge of odour at the wastewater treatment facilities. Several equipment upgrades and improvements have been made to important areas of the Mill operation throughout its lifetime, and to the wastewater treatment system which has led to a substantial improvement in the quality of discharges to air from the site.

However, notwithstanding those improvements the Tasman Mill odour emissions are an unavoidable by-product and neighbouring areas do experience odour events from time to time. This was summarised in the 2010 Environment Court decision on resource consent applications for the Mill which noted the following:

*We are satisfied that whilst there are adverse effects associated with odour discharges from time to time, they have lessened since the 2001 consent hearing. We accept that odour emissions are an unavoidable by-product of the Kraft pulping process, and that this will result in a loss of amenity to those living and working in the locality. We have carefully considered the proposed conditions and we are satisfied that they are appropriate and robust enough to ensure that odour emissions are minimized.*

Oji FS is committed to undertaking ongoing investigations into new and alternative discharge control technologies to further minimise the odour effects of the Tasman Mill.

### **2.2.2 Locational Constraints and Reverse Sensitivity**

The Kawerau industrial facility is one of the few sites in the Region zoned for heavy industry. The activities which are located here are not readily accommodated elsewhere, and many, including the Tasman Mill, have made significant investment in the site.

Reverse sensitivity is of particular concern where residential, and other sensitive activities are proposed to be located in proximity to the Kawerau industrial facility and Tasman Mill, but have expectations of a level of amenity comparable to suburban residential areas.

This often leads to complaints about issues that would not normally be associated with suburban living, such as noise and odour, even when the activity about which complaints are made is anticipated in the area, and is a long-standing land use that predates the sensitive activity.

Oji FS's concern is that such complaints may eventually give rise to tighter limits and/or curtailed operations, all of which have economic impacts which can ultimately reduce the viability of an important existing activity, and an important heavy industrial site.

It is therefore important to ensure that regulation appropriately recognises and provides for existing investment at the Tasman Mill's Kawerau heavy industrial site, including the potential for further capital expenditure for improvements and expansion of the site.

### **3. STATUTORY REQUIREMENT TO PROVIDE FOR THE TASMAN MILL IN THE REGIONAL PLAN**

Expressed in the simplest of terms, PC13 must promote the sustainable management of natural and physical resources as defined in section 5 of the RMA.

In relation to the significance of the Tasman Mill, the Environment Court said:<sup>1</sup>

*Whilst the Tasman Mill may not be classified as being as significant as the production of electricity or the disposal of human waste as in Rotokawa and Paokahu, it is nevertheless a nationally and regionally significant physical resource that contributes significant positive social and economic effects*

As a physical resource of particular regional and national significance it is important that the provisions of the PC13 appropriately recognise, and provide for, the sustainable management of the Tasman Mill.

There are also important Bay of Plenty Regional Policy Statement (“RPS”) policies which the PC13 is required to give effect to. They include the various energy and infrastructure policies, and of particular relevance to Oji Fibre Solutions and its milling operations (which are defined as a Rural Production Activity in the RPS) Objective 26 and Policy UG23B which state [**emphasis added**]:

**Objective 26**

*The productive potential of the region's rural land resource is sustained and the growth and efficient operation of rural production activities are provided for.*

**Policy UG 23B:**

*Providing for the operation and growth of rural production activities.*

*In providing for the operation and growth of rural production activities, regard should be had to:*

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<sup>1</sup> *Marr v Bay of Plenty Regional Council* (2010) 16 ELRNZ 197; 34 TCL 89, 29 September 2010, Paragraph 128.

- (a) **Appropriate plan provisions, including zoning of land;**
- (b) **Access to and use of resources;**
- (c) *Transportation and infrastructure requirements; and*
- (d) **Protection from reverse sensitivity effects**

#### **4. SPECIFIC SUBMISSION POINTS**

Oji FS' specific submission points are set out below. In respect of all those submission points, the Oji FS seeks:

- Where specific wording has been proposed, words or provisions to similar effect;
- All necessary and consequential amendments, including any amendments to the provisions themselves or to other provisions linked to those provisions submitted on, and including any cross references in other chapters;
- All further relief that is considered necessary to give effect to the concerns described above and in the table to follow.

Provision	Position	Reason for Submission	Relief Sought
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**Objectives**

Whole Section	Oppose in part	<p>Allowing activities to discharge contaminants to air and providing for the operational requirements of the regions industrial activities, infrastructure and rural production activities etc. is an essential element of achieving sustainable management in the Region and giving effect to the RPS.</p> <p>This is not recognised in the PC13 objectives which all focus on managing the effects of activities or achieving acceptable air quality.</p> <p>Oji FS consider new objective(s) should be included which make it explicit that providing for the operational requirements of activities which discharge contaminants to air is an outcome sought by PC13, alongside the outcomes sought by AQO1 – AQO3.</p>	<p>Insert new objectives as follows:</p> <p><u>Objective X</u></p> <p><i>Competing demands for the use of the air resource of Bay of Plenty are accommodated while unacceptable degradation of ambient air quality is avoided.</i></p> <p><u>Objective X</u></p> <p><i>The operational requirements of activities, including heavy industry, other location specific industry, infrastructure, rural production activities and mineral extraction activities are recognised and provided for.</i></p>
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Objective AQO1 – Q3	Support	The existing objectives are supported, subject to the inclusion of the new objectives which recognise the need to accommodate the operational requirements of activities which discharge contaminants to air.	Retain Objective AQO1, AQO2 and AQO3.
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**Policies**

Policy AQP1	Support	Policy AQP1 is supported.	Retain Policy AQP1.
Policy AQP2	Oppose in part	<p>Policy AQP2 only contemplates the discharge of hazardous substances occurring (and being remedied or mitigated using the best practicable option), where it is “not possible” to avoid that discharge.</p> <p>Theoretically, by applying sufficient financial and engineering resources it will</p>	Delete Policy AQP2 and address hazardous substances in AQP3 and AQP4.



Provision	Position	Reason for Submission	Relief Sought
AQP3	Oppose in part	<p>almost always be “possible” to avoid the discharge of hazardous substances, or to avoid the discharge to a much greater extent than is justified by the discharge’s potential effects and the cost of doing so.</p> <p>This is because the “where possible” test does not take into account:</p> <ul style="list-style-type: none"> <li>➢ The nature of the discharge or emission and the sensitivity of the receiving environment to adverse effects; or</li> <li>➢ The financial implications, and the effects on the environment, of avoiding the discharge when compared with implementing other options.</li> </ul> <p>Requiring all discharges of hazardous substances to be avoided without considering these important matters is not an effective or efficient means of achieving sustainable management. It would in many cases impose substantial costs on persons undertaking discharges in circumstances where the associated reduction in effects does not justify those costs.</p> <p>Subject to the changes sought in its submission, Oji FS considers Policy AQP3 and AQP4 contains the appropriate policy direction for managing the discharge of hazardous substances (use of the best practicable option, protecting human health, consideration of relevant guideline values etc.) and that a specific policy addressing hazardous substances is not necessary. As such Policy AQP2 is superfluous and should be deleted.</p>	Amend AQP3 as follows: <b>AQP3 Management of discharges — Te whakahaere i ngā tukunga</b> <i>Activities that discharge contaminants to air must be managed, including by use of the best practicable option, to:</i> (a) <i>safeguard the life supporting capacity of</i>

Provision	Position	Reason for Submission	Relief Sought
	<p>contaminants (PM<sub>10</sub> for example) there is no "no observable effects threshold" so simply requiring all adverse effects be avoided (no matter how insignificant) is not practical or achievable. This is reflected in the NESAQ rules which apply to PM<sub>10</sub>.</p> <p>Rather than Policy AQP3 directing that activities "avoid adverse effects ... on human health", Oji FS considers AQP3 should direct activities to "protect" human health. This reflects the language used in the Regional Policy Statement (see RPS Policy AQ2A), and the outcome sought by the New Zealand Ambient Air Quality Guidelines 2002 ("AAQG").</p> <p><b>Policy AQP3(b)</b></p> <p>The AAQG are health-based guideline values aimed at protecting people's health and well-being. They are intended to inform airshed management and evaluate ambient air quality monitoring results. They are not designed to be used to assess the environmental and health impacts of individual discharges to air in the manner directed by Policy AQP3(b). This is explicitly stated in Section 3.7 of the AAQG.</p> <p>PC13 should not direct that the AAQG be applied in a manner that was not intended when they were drafted. There may be situations where an industrial facility causes ambient air quality guidelines to be breached at the fence line, or in an isolated location where people would not be exposed. These localised effects should be assessed in a different way to cumulative effects, with more emphasis on the nature of human exposure, rather than simply comparing model predictions with ambient air quality guidelines or standards as is suggested by Policy AQP3(b).</p>	<p>the air, avoid adverse effects on protect human health, and manage adverse effects on cultural values, amenity values, and the environment</p> <p>(b) <del>avoid the discharge of contaminants at a rate or volume that may contribute to, or cause an exceedance or breach of the ambient air quality standards of the NESAQ or exceed the health-based values of the AAQGs</del></p> <p>(c) avoid reduction in visibility where it may cause adverse effects on vehicle, aircraft, or ship safety</p> <p>(d) <del>avoid the discharge of contaminants that may cause adverse effects on protect regionally significant infrastructure</del></p> <p>(e) minimise the discharge of contaminants into areas beyond the boundary of the subject property where it may cause adverse effects on human health, cultural values, amenity values, or the environment.</p>	

Provision	Position	Reason for Submission	Relief Sought
		<p>Against that background, Oji FS supports Policy AQP3 seeking that all discharges be managed using the BPO to protect human health, but it should not direct that compliance with the AAQG must always be achieved, at all times, in all locations for a discharge to achieve this outcome. In that context Oji FS seeks:</p> <ul style="list-style-type: none"> <li>➤ Policy AQP3(a) be amended so it directs discharges be managed using the BPO to protect human health;</li> <li>➤ The reference to the AAQG be deleted from Policy AQP3(b); and</li> <li>➤ The reference to the AAQG in Policy AQP4 be retained.</li> </ul> <p>Oji FS also consider it unnecessary for Policy AQP3(b) to reference the NESAQ as the NESAQ already contains detailed direction on what its ambient air quality standards mean for individual resource consent applications, and that direction would apply to all resource consent applications. In some cases the proposed Policy AQP2(b) direction is also inconsistent with that in the NESAQ. For example, while the NESAQ does not allow a resource consent to be granted which would contribute to its SO2 standards being exceeded, that same direction only applies in respect of CO, NO2 and VOCs where the discharge is the principle source of contaminants in the airshed.</p> <p>For these reasons Oji FS considers the reference to the NESAQ in Policy AQP2(b) is unnecessary, and it is sufficient to reference the NESAQ in Policy AQP4 as a matter to be had particular regard when considering a specific discharge application.</p>	
		<p><b>Policy AQP3(d)</b></p>	

Provision	Position	Reason for Submission	Relief Sought
	<p>The RPS directs that regionally significant infrastructure be 'protected', not that activities avoid all adverse effects on that infrastructure.</p> <p>For the same reasons set out above in respect of Policy AQP3(a), Policy AQP3(d) should be amended so it directs infrastructure be protected.</p>		
<p><b>AQP4</b></p>	<p><b>Oppose in part</b></p>	<p><b>Reverse Sensitivity and Locational Constraints</b></p> <p>A number of important activities in the Bay of Plenty which discharge contaminants to air are subject to locational constraints. Notable examples include heavy industry and rural production activities which need to locate in the region's few heavy industrial zones or rural environment.</p> <p>The RPS contains policy direction to provide for the operation and growth of these activities, including through:</p> <ul style="list-style-type: none"> <li>➤ Appropriate plan provisions, such as zoning of land;</li> <li>➤ Access to and use of resources (this includes air); and</li> <li>➤ Protection from reverse sensitivity effects.</li> </ul> <p>Oji FS acknowledges that the primary means of doing this is by district councils attributing appropriate zoning to areas in which these activities are located (or expected to locate), and by controlling the introduction of new sensitive land use in or near those areas.</p> <p>However, it is also important that decision makers acknowledge these types of activities are expected to be located in these areas when assessing their discharges to air, and that this may mean a lower level of amenity is appropriate in these areas than would be in an urban area.</p> <p>Oji FS seeks a new clause (h) which does this.</p>	<p>Amend AQP4 as follows:</p> <p><b>AQ P4 Matters to consider — Ngā take hei whiriwhiri</b></p> <p><i>When considering the acceptability of any discharge of contaminants to air, decision makers regional-plan-users must have particular regard to the following matters:</i></p> <ul style="list-style-type: none"> <li>(a) <i>The proximity of sensitive activities to the discharge.</i></li> <li>(b) <i>The location of any Gazetted airsheds, or areas where the discharge may cause an exceedance or breach of the ambient air quality standards of the NESAQ or exceed the health-based values of the AAQGs.</i></li> <li>(c) <i>Adverse effects on air quality values identified in the relevant iwi and hapū resource management plans.</i></li> <li>(d) <i>The effect of the prevailing weather conditions, including rainfall, wind speed and wind direction.</i></li> <li>(e) <i>The effect of the discharge on human</i></li> </ul>

Provision	Position	Reason for Submission	Relief Sought
<p><b>International Air Quality Guidelines</b></p> <p>There are number of substances which are not covered by ambient air quality standards in the NESAQ or AAQGs. Various internationally recognised standards or guidelines for air quality provide guidance on managing the effects of these substances and they should be referenced in Policy AQP4.</p> <p>Ojji FS seeks a new clause (f) which does this.</p> <p><b>Managing Odour and Dust</b></p> <p>There is no specific policy provision in AQP4 for managing odour and dust emissions. Ojji FS considers reference to the FIDOL factors in AQP4 would be an appropriate means of doing this.</p> <p>Ojji FS seeks a new clause (j) which does this.</p>			<p>health, cultural values, amenity values, the environment, and regionally significant infrastructure.</p> <p>(f) Cumulative effects.</p> <p>(g) The effect of new activities discharging contaminants into air near established sensitive activities.</p> <p>(h) The operational requirements of the discharging activity, and any locational constraints to which it is subject, particularly heavy industry, infrastructure and rural production activities.</p> <p>(i) Any applicable internationally recognised standards or guidelines for air quality.</p> <p>(h) The FIDOL factors (frequency, intensity, duration, offensiveness and location) for determining the adverse effects in relation to dust and odour.</p>

**Rules**

AQR1	Oppose	<p>Rule AQR1(c) will mean a number of relatively minor activities undertaken at industrial or trade premises which have previously been permitted activities will require a resource consent. This includes for example, fugitive dust from the storage of raw material on site, the discharge of water vapour and ventilation related discharges.</p> <p>There is no substantive analysis in the section 32 report of the costs involved in requiring these relatively minor activities being approved via individual</p>	<p>Amend Rule AQR1 as follows:</p> <p><b>AQ R1 General activities – Permitted – Ngā mahinga noa – E whakaaehia ana</b></p> <p>Any discharge of contaminants into air which is not subject to any other rule in this regional plan and excluding the discharge of dust to air associated with a plantation forestry activity, is a</p>
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Provision	Position	Reason for Submission	Relief Sought
		<p>resource consent applications, rather than a permitted activity rule.</p> <p>Ojji FS acknowledge the commentary in the section 32 report that the standards on the Operative Air Plan's permitted activity rule for these activities are outdated. However, rather than requiring a resource consent for all such activities which occur on an industrial or trade premises, Ojji FS considers more appropriate permitted activity standards should be considered.</p>	<p>permitted activity provided the following conditions are complied with:</p> <p>(a) <i>The discharge must not be noxious or dangerous, offensive or objectionable beyond the boundary of the subject property or into any water body.</i></p> <p>(b) <i>The discharge of smoke or water vapour must not adversely affect the safety of any vehicle, aircraft, or ship.</i></p> <p>(c) <del><i>The discharge is not from industrial or trade premises:</i></del></p> <p><i>Advice Note - Discharges of dust into air associated with activities within a plantation forestry activity are managed by the National Environment Standards for Plantation Forestry. The plantation forestry activities are as listed in subparts 1-9 of the National Environment Standards for Plantation Forestry and do not include discharges or from roads or tracks managed by local authorities, the Department of Conservation or the New Zealand Transport Agency</i></p>
AQR2	Support	<p>Discretionary is the appropriate activity status for discharges to air from industrial or trade premises not attributed an activity status by an activity specific rule.</p> <p>Ojji FS supports AQR2.</p>	Retain AQR2
AQR10	Oppose	Trace elements of heavy metals and potentially dioxins, furans and PCB are	Amend AQR10 so that either:

Provision	Position	Reason for Submission	Relief Sought
AQR21	Support	<p>present in many fuels combusted to generate heat energy.</p> <p>Clause (h) and potentially (c) would therefore make most fuel burning a non-complying activity.</p> <p>To address this Oji FS seeks that either:</p> <ul style="list-style-type: none"> <li>➢ Rule AQR10 only applies to outdoor burning and solid fuel burners; or</li> <li>➢ Rule AQR10 does not apply to activities covered by Rule AQR21; or</li> <li>➢ Rule AQR10 (c) and (g) are deleted.</li> </ul>	<ul style="list-style-type: none"> <li>➢ Rule AQR10 only applies to outdoor burning and solid fuel burners; or</li> <li>➢ Rule AQR10 does not apply to activities covered by Rule AQR21; or</li> <li>➢ Rule AQR10 (c) and (g) are deleted.</li> </ul>
AQR21	Support	<p>AQ21 makes the discharge of contaminants to air from kraft and chemical pulping, and pulp, paper or paper board manufacturing a discretionary activity.</p> <p>Oji FS considers this an appropriate activity status for these activities.</p>	Retain Rule AQ21

