

30 April 2010

## **Submission to Environment Bay of Plenty (EBOP)**

### **Annual Plan 2010**

The Rotorua Chamber of Commerce (RCC) would like to be heard in support of this submission.

### **Introduction**

The Rotorua Chamber of Commerce (Inc), (RCC), is an organisation serving the interests of its 700 members as well as the interests of the wider Rotorua business community

The RCC acknowledges EBOP's continuing commitment to improving the quality of Rotorua's lakes water and air quality.

### **Summary of the Submission**

RCC makes the following comments on EBOP's Annual Plan 2010:

1. RCC supports the recommendation of the "special projects position paper on Lake Rotorua" specifically in regard of the reduction targets for Lake Rotorua.
2. RCC supports the Rotorua Air Quality Action Plan in particular the planned reduction of domestic emissions through incentive packages to convert from non-compliant wood burners to clean heat alternatives.
3. RCC submits that the three major environmental projects identified as Tauranga Harbour and catchment, Rotorua Air and Rotorua Lakes should be adopted as core functions of EBOP and hence be funded from general rates or investment income.
4. RCC recommends that the Regional Economic Strategy Governance Group re-allocate funds to a regional tourism project and advise the RCC and Rotorua Tourism Board of this inclusion.
5. RCC recommends that EBOP leverages the broadband infrastructure knowledge base within its organisation to optimise BOP's access to the Regional Broadband Initiative funding.
6. RCC supports the formation of a local fibre-network company to further facilitate the development of this essential infrastructure.

## **Detail of the Submission**

RCC supports the primary and core focus of EBOP involves looking after the environment. The Regional Council accepts the responsibility for managing the effects of people's use of freshwater, land, air and coastal water. Adapting the information on the website, this responsibility covers the following areas of focus:

- *Land*: Managing and protecting the region's soils.
- *Water*: Responsibility for the region's fresh water, from the Rotorua lakes to geothermal resource
- *Coast*: Managing and protecting the region's coastline including the many harbours and estuaries.
- *Air*: Improving the region's air quality
- *Pests*: Controlling pests or noxious vegetation.
- *Rivers and Drainage*: Managing the region's rivers and drainage schemes.
- *Pollution*: Protecting the region's environment from pollution
- *Resource Consents*: Managing the environment through the Resource Management Act 1991.
- *Civil Defence*: Contributing to the region's preparedness for civil emergencies and natural disasters.

RCC supports the 2010 Annual Plan in the identification of the three major environmental projects for 2010/2011 as being:

- a. Tauranga Harbour and catchment
- b. Rotorua Air
- c. Rotorua Lakes

In a survey of business issues of importance to the Rotorua Business Community, the topics of Lakes Water Quality and Rotorua's air quality both scored within the top 15. Lakes water quality was the third most important issue, with air quality 15<sup>th</sup>. Both are considered to have a major impact on the economic future of the region.

## **Rotorua Lakes Water Quality**

The RCC acknowledges the continued efforts of EBOP and the combined membership of the Rotorua Te Arawa Lakes Strategy Group and congratulates them for their commitment to work towards an effective solution for the Rotorua Lake water quality through the adoption of the "Special Projects Position Paper on Lake Rotorua".

In particular, the RCC supports the recommendation that EBOP should:

- a. Support the review of the nutrient reduction targets for Lake Rotorua and that the nitrogen export target from land to Lake Rotorua shall not exceed 435 tonnes in 2019 as set out in the draft Regional Policy Statement.
- b. Confirm that major land use change is the only viable option to reduce nitrogen export targets to 435 tonnes in 2019 and improve water quality in Lake Rotorua.
- c. Direct staff to provide a phosphorus reduction plan and target.

## **Air Quality**

RCC supports the Rotorua Air Quality Action Plan in particular the planned reduction of domestic emissions through incentive packages to convert from non-compliant wood burners to clean heat alternatives.

The RCC acknowledges that the EBOP strategy is concurrent to the RDC strategy and its proposal to legislate for conversions and to set a timeline for achievement of district heat source compliance.

The following is an excerpt from the RCC submission on the RDC Annual Plan

*The RCC, through Executive Board Member Margriet Theron, has been a member of the Air Quality Working Party and is aware of the considerable work already focussed on the issue.*

*The RCC is also aware of the Rotorua Air Quality Action Plan Implementation update from April 2010.*

*RCC supports all the strategies identified in the Action Plan and congratulates RDC on the acknowledgement that it has a role in managing this issue.*

*RCC would suggest however that a minor qualification be made to (a). below. There is concern that if the replacement were forced at the time of sale, then the vendor may install the cheapest alternative available (which may not be the most efficient). The purchaser may prefer to install a more efficient version that is more expensive. It may be preferable for the installation to be done on negotiation between vendor and purchaser but to be installed within three months of the date of settlement.*

*The RCC endorses the Draft Air Quality Control Bylaw, and in particular:*

- a) *the replacement or removal of any non-compliant solid fuel burner before any registered transfer of title of property*

- b) *the restriction of installation of any non-compliant solid fuel burner in any property after the passing of the by-law*
- c) *the restriction of open fire discharge after 2014. RCC acknowledges that this timeframe allows opportunity for replacement of non-compliant existing installations.*

*RCC also recognises that Environment Bay of Plenty have a concurrent supportive strategy for funding assistance for the replacement on non-compliant solid fuel burners.*

## **Funding of major regional environmental projects**

RCC recommends that three major environmental projects identified as Tauranga Harbour and catchment, Rotorua Air and Rotorua Lakes be adopted as core functions of EBOP and hence are funded from general rates or investment income.

RCC observes that the funding for the Rotorua Lakes programme is 56 per cent from a targeted tax on Rotorua ratepayers and 44 per cent from the general rate on Bay of Plenty ratepayers (of which approximately 25 per cent are from Rotorua). The targeted rate component has been increased by \$13.09 or 16 per cent over the 2009 rate.

Similarly the Air Quality Action Plan Implementation Plan is funded substantially from a targeted rate which has increased by \$12.56 or 41 per cent over the 2009 rate.

The Tauranga Harbour and catchment project is funded totally from the general rate and from non-rates income.

The RCC acknowledges that the targeted rate revenue for the Rotorua Lakes Programme is approximately \$2.2 million and the targeted rate revenue for the Air Quality Action Plan Implementation is approximately \$1 million.

The RCC suggests that all three of the projects are prime responsibilities of the Regional Council and as such should be funded across the region. The sub-regional allocation of budgeted expenditure is contrary to the philosophy of a more appropriate 'whole of region' focus for a Regional Council.

An analogy would be the total inappropriateness if RDC should impose a rate to cover the cost of air quality improvement on the residents of Western Heights and Ngapuna (identified non-compliant suburbs of Rotorua). Similarly the imposition of 80 per cent of Water Quality clean-up costs on dairy farmers, or the costs of the funding of the University Chair in Coastal Science on those coastal residents that gain maximum benefit would be seen as inappropriate. If the philosophy of regional environmental management is in future going to be based on a geographic allocation of cost against project, then devolution of responsibility of environmental management to the local authority would soon be considered an option.

RCC would argue that the beneficial recipients of the return from investment assets of EBOP are all residents of the Bay of Plenty. There is no doubt that there is already considerable benefit from this shared income for residents of Rotorua. There was discussion over the last two years of the

establishment of an infrastructural development fund (from investment surpluses). Although terms of reference have been developed for the use and application of this fund, to our knowledge there has been minimal activity and allocation of that fund. RCC would argue that the three major projects, Tauranga Harbour and catchment, Rotorua Air and Rotorua Lakes, being core business, are identified as high priority, and therefore should be the recipient of the funds intended for the infrastructure development fund.

### **Regional Tourism Strategy**

The RCC supports the concept of a regional tourism strategy. RCC acknowledges the indicated allocation of funding towards a forestry/wood processing regional strategy and possible tourism project.

RCC has already indicated its support of the wood processing strategy by joining the working party to further develop the draft forestry industry wood processing regional strategy.

RCC is disappointed that the allocation of resources to a tourism project has been withdrawn due to the lack of preparedness of an appropriate project. RCC would request that, in future, RCC and the Rotorua Tourism Board be advised of any possible allocation of funds towards a regional project. The establishment of the trans-Tasman capability of the Rotorua regional airport has considerable implications for the economic development of the whole Bay of Plenty. Industry discussion over a possible proposal has indicated that there are a number of regional projects that could be progressed.

RCC understands that reviews of the regional economic development strategy are ongoing. RCC would urge the Regional Economic Strategy Governance Group to re-allocate funds to a tourism project.

### **Regional Broadband Initiative**

The RCC business issues survey (February 2010) indicated strong support for the development of broadband infrastructure. RCC supports EBOP in its continued role of bringing a regional perspective to further development of broadband in the Bay of Plenty. Central Government has a preference for regional strategies for the development of infrastructure as seen by initiatives in economic development, roading infrastructure, and business support. During 2009, RCC facilitated a presentation by Miles McConway on the regional broadband initiative (The Export Club – The Three Ports - 3 September 2009). The work undertaken already by EBOP on this initiative has created a considerable store of knowledge within EBOP. This resource should be leveraged to optimise BOP access to the Regional Broadband Initiative funding. RCC would support the formation of a local fibre cable company to further facilitate the development of this essential infrastructure.

Signed

A handwritten signature in black ink, appearing to read 'Randa', with a long horizontal stroke extending to the right.

Chief Executive Officer