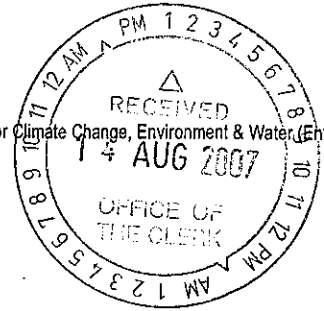




THE HON VERITY FIRTH MP

Minister for Women Minister for Science & Medical Research Minister Assisting the Minister for Health (Cancer) Minister Assisting the Minister for Climate Change, Environment & Water (Environment)

In reply please quote: DOC07/31608



14 AUG 2007

Ms Lynn Lovelock
Clerk of the Parliaments
C- Legislative Council
Parliament House
Macquarie Street
SYDNEY NSW 2000

Dear Ms Lovelock

I am writing to provide the NSW Government response to the final report of General Purpose Standing Committee No 2's Inquiry into the Health Impacts of Air Pollution in the Sydney Basin, published on 16 November 2006.

The Government welcomes and supports the overall direction of the Committee's recommendations. The issues raised in the report are, to a large extent, being considered and addressed through Government initiatives that are underway and being examined further in the context of the current review of the Government's air quality management plan, Action for Air. I also draw the Committee's attention to the NSW State Plan and the priority under this for "cleaner air and progress on greenhouse gas reductions" (Priority E3). This affirms clean air as a Government priority, embeds the National Environment Protection Measure goals for Ambient Air Quality in the Government's central management plan for NSW and will drive new initiatives, backed by strong reporting and accountability mechanisms, to reduce emissions and achieve air quality goals.

I have enclosed the Government's response to the Inquiry recommendations. It identifies existing programs that address the recommendations and also Government processes that provide an opportunity to bring forward the additional actions needed to achieve air quality goals. Where the Inquiry's recommendations are not supported the approach taken instead to address the issue and the rationale for that approach are outlined.

While a brief response to each recommendation is provided, the Government has detailed its existing policies, strategies and initiatives to protect air quality in previous input to the Inquiry, including its original submission and responses to questions put to agencies at the two Inquiry hearings and taken on notice from the hearings. In particular, I refer again to the Action for Air Update (DEC 2006), which reports fully on the Government's approach to air quality management, including the implementation status of Action for Air, and new initiatives and proposed future directions in air quality management. The Action for Air Update formed the main appendix to the Government's initial submission to the Inquiry.

Yours sincerely

[Handwritten signature of Verity Firth]

Verity Firth

Enclosure

Received Tuesday 14 August 2007

[Handwritten signature of Lynn Lovelock]
Clerk of the Parliaments

PARLIAMENTARY INQUIRY INTO HEALTH IMPACTS OF AIR POLLUTION IN THE SYDNEY BASIN

NSW GOVERNMENT RESPONSES TO FINAL RECOMMENDATIONS

- 1. That the Department of Planning develop and implement a strategy to address the impact of the location of future urban development in existing air pollution 'hot-spots'. The strategy should also include detail on providing information to residents of these areas on ways to minimise the health impacts of the increased air pollution.***

The Metropolitan Strategy is the NSW Government's strategy for locating new residential release areas and infill development to accommodate Sydney's future growth. The Strategy was developed in consultation with the Department of Environment and Conservation (now the Department of Environment and Climate Change – DECC) on environmental issues including air quality and considered DECC's air quality modelling. The Strategy also includes land use and transport planning measures to address emissions associated with development in new release areas.

The Strategy further includes an action (B7.2.3) to prepare urban design guidelines for mixed-use development along enterprise corridors, which will address potential exposure of residents along these corridors to air and noise pollution. DoP, in consultation with DECC, NSW Health and the Roads and Traffic Authority (RTA), is currently implementing this action. It is intended that the guidelines address reducing population exposure to air pollution through optimising the location and design of residences and other sensitive land uses.

NSW Health will continue to disseminate up to date and evidence-based information so that individuals can further reduce their exposure to air pollution, or the adverse effects of air pollution on their health, through air pollution health alerts (see response to Recommendation 4 below) and information provided through general practitioners and community health centres.

- 2. That the Department of Environment and Conservation develop and implement a targeted strategy to reduce air pollution in the 'hot spots' identified in south and western Sydney.***

The Government's air quality management plan, *Action for Air*, addresses major emission sources across Sydney in order to reduce exposure to pollution of residents in western and south-western Sydney and all residents of Sydney. This allows strategies to target hotspots as well as specific industry sectors.

The NSW State Plan includes Priority E3, Cleaner air and progress on greenhouse gas emissions, with the target to meet national air quality goals as identified in the National Environment Protection Measure for Ambient Air Quality (ANEPM). To implement this, Government will focus on strategies to reduce the exceedences of air quality goals that have greatest impact particularly in western and south-western Sydney.

The review of *Action for Air* in 2007 will consider additional actions aimed at reducing emissions from the full range of emission sources, including transport, industry and the commercial and domestic sectors, and bringing Sydney into compliance with air quality goals. The Review will also take account of new information available on health impacts as the basis for developing new strategies.

To meet the air quality goal in the State Plan, additional emission reductions are needed for NO_x (Oxides of Nitrogen) and VOC (Volatile Organic Compound) emissions, particularly in Western Sydney in summer time, where current air quality regularly falls short of the standard. Consequently, DECC has substantially increased the fees for NO_x and VOC emissions by licensed premises in the Sydney basin during December, January and February each year when air quality problems are at their worst. Calculated annually, the increase represents a doubling of the fees. By concentrating the fee increase in summer only, the proposal will provide a substantial incentive to drive behavioural change during the summer months.

The financial impacts of changes to fees for NO_x and VOC emissions will affect 60 licensed emitters of these pollutants in the Sydney basin. Premises affected include large industrial emitters of these pollutants such as petroleum refiners, petrochemical producers, and glass producers.

- 3. That NSW Health conduct or oversight further research to identify groups 'at risk' from air pollution in the Sydney basin, as part of the ongoing development of strategies to minimise the health impacts for those groups. Any research conducted should examine the influence of air pollution 'hot spots' on 'at risk' groups and the population at large.***

NSW Health will continue to foster local research on air pollution and health that answers policy relevant questions such as the impact of living near busy roads, identification of sensitive subgroups, and the effectiveness of exposure mitigation strategies.

- 4. That the NSW Government improve the effectiveness of the existing advisory services for groups 'at risk' from air pollution, by providing targeted information through a range of media, including email and SMS services. The advisory service should be linked to the existing air pollution monitoring network and should provide advance warning of high concentrations of relevant air pollutants to groups 'at risk'.***

NSW Health and DECC jointly operate an Air Pollution Health Alert System that provides information to the community and health care providers about the adverse health effects of air pollution and ways to reduce these effects. The system issues health alerts on days when high air pollution is expected (as during recent bushfires), and provides specific information for recognised high risk groups – people with asthma and people with chronic lung and/or heart disease. DECC routinely emails specific interested stakeholders (eg Asthma Foundation) with the Regional Pollution Index.

The NSW Government anticipates that, with the implementation of the new Air Quality Data Management System in the fourth quarter of 2007, those groups “at risk” in the community will be able to subscribe to an Air Quality update service, including receiving high pollution health alerts by a range of media including email and SMS.

- 5. That the Department of Environment and Conservation's policy on air quality, Action for Air, should take the health costs and consequences of air pollution into account in the planning and approval process as well as considering overseas standards.***

Action for Air is the NSW Government's umbrella policy for reducing polluting emissions from all key sectors. *Action for Air* adopts the national air quality goals set out in the Ambient Air Quality National Environment Protection Measure. These goals are health-based and regularly reviewed to take account of recent and emerging health information.

The specific instrument under which DECC regulates emissions from industrial developments is the Clean Air Regulation. DEC consulted NSW Health in making the regulation and in establishing licensing frameworks under the *Protection of the Environment Operations Act* (POEO Act). Health cost data from DEC's study, *Health Costs of Air Pollution in the Greater Metropolitan Region* (DEC, 2005), informed the remaking of the Clean Air Regulation in 2005, including the introduction of new tighter limits for emissions from industry. The report found that the estimated annual health costs of air pollution in the Greater Metropolitan Region were between \$1 billion and \$8.4 billion.

The Environmental Planning and Assessment Act (administered by the Department of Planning [DoP]) specifies the requirements for Integrated Development and Environmental Impact Assessment for new developments. DECC specifies the air impact assessment process for reviewing proposed developments (as set out in the Approved Methods for Modelling and Assessment of Air Pollution in NSW).

A proposed development to be licensed by DECC must meet all the concentration limits set out in the Clean Air Regulation and, potentially, more stringent standards needed to prevent adverse impacts on the local area, based on the outcomes of an impact assessment specific to the proposal. This involves modelling of local impacts to set out acceptable levels of exposure at ground level, which are derived from health-based national and international standards. In order to grant a licence, DECC must be satisfied from the modelling that the proposal, operating under its licence conditions, can meet all applicable standards.

6. That the Department of Environment and Conservation prepare and release an annual status report on progress against defined targets associated with Action for Air. The status report should identify progress towards targets against clearly defined timeframes for the achievement of the Action for Air objectives, and should include a summary of any outcomes of meetings of the relevant Senior Officers Group.

Action for Air and air quality are subject to rigorous reporting and accountability provisions, via DECC's annual reporting, triennial public reporting on *Action for Air* through the Clean Air Forum, triennial State of the Environment reporting and annual public reporting for the Air Quality National Environment Protection Measure.

DECC also reports air quality data publicly on-line via its:

- Regional Pollution Index, a report based on data for ozone, nitrogen dioxide and visibility, updated twice daily for the Sydney, Lower Hunter and Illawarra regions;
- 24-hour summary reports of data for the previous day ; and
- Quarterly Air Quality Monitoring Reports incorporating detailed monthly statistics of air quality data.

DECC is currently undertaking a major upgrade of its air quality database and web-based reporting facilities which should be completed by the end of 2007. This upgrade will provide the community with increased access to data, including trend graphs, and hourly updates rather than the current twice daily updates.

Air quality is also now subject to reporting under the State Plan (which incorporates the ANEPM targets). The State Plan requires provision of performance results on-line as they become available, annual verification of the performance data by the NSW Auditor-General; and annual performance reporting. Given these comprehensive reporting initiatives, additional annual reporting on *Action for Air* is not considered the

best means of informing the community on the Government's ongoing commitment to air quality improvements.

- 7. That the Department of Environment and Conservation incorporate an appendix to the recommended annual Action for Air updates identifying changed or removed strategies. The appendix should include an explanation for the change or removal.**

The *Action for Air: 2006 Update* appendix on implementation identifies all strategies and indicates where there has been a change in approach and explains the new approach. The *Action for Air: 2006 Update* is available at:
<http://www.environment.nsw.gov.au/air/actionforair/execsum.htm>

- 8. That the NSW Government improve coordination between key government departments in relation to air pollution, to ensure that in those situations where air quality can be significantly affected (for example, transport and strategic planning, development of major infrastructure), the Department of Environment and Conservation must be consulted and satisfied that reasonable steps are being taken to minimise the impact on air quality.**

DECC is a key stakeholder in development of strategic planning policy as it relates to air quality and has input to planning of major projects that potentially impact on air quality (see response to Recommendation 9 below). DECC is also closely involved in planning processes for individual land releases under the Metropolitan Development Program and the Structure Planning process for the Growth Centres. It provides advice on protecting air quality by, for example, supporting integrated land use and transport planning in order to reduce reliance on private vehicles and provision of reticulated gas to encourage alternatives to solid fuel heaters.

The State Plan strengthens coordination across agencies in planning for improved air quality, through Priority E3, which is led by DECC in partnership with planning and transport agencies, and Priorities S6 and E7, led by the Ministry of Transport with DECC as one of the partner agencies (see also response to Recommendation 10 below).

- 9. That the NSW Government require NSW Health and the Department of Environment and Conservation to be an integral part of the Department of Planning's environmental assessment processes for major projects.**

Under the Environmental Planning and Assessment Act, there is a requirement for proponents of all major projects to assess the impacts of major developments on air quality and the health implications. DoP seeks DECC advice on environmental issues for major projects as the basis for assessment and setting development conditions, where DECC will be the regulatory authority for construction and/or operation of the development. DoP also seeks the expert advice of DECC and NSW Health on major projects with the potential for air quality impacts even where these agencies do not have a regulatory role.

- 10. That the Department of Environment and Conservation's importance as a key stakeholder in the development of strategic planning policy be recognised by the New South Wales Government. The current advisory role of the Department in relation to strategic planning for Sydney should be reviewed and upgraded to a more central strategic role with the intention of ensuring that air quality issues are given a higher priority.**

As indicated above (response to Recommendation 8), DECC is a key partner in strategic planning processes affecting air quality and is active in seeking opportunities

to be involved. DECC has made significant input for example to the Metropolitan Strategy and the State Plan.

The setting of air quality and greenhouse gas reduction targets under the State Plan and designation of DECC as lead agency on the targets makes air quality a major priority for Government and DECC's role central in delivering on the targets. DECC is also working closely with partner agencies which share responsibility for delivering the clean air priority and with the Ministry of Transport, which has lead responsibility for delivering on the transport priorities under the State Plan.

11. That the NSW Government require the Department of Environment and Conservation to work co-operatively with NSW Health in the setting of evidence based policy and standards, regular reporting and long term data analysis in relation to air pollution.

The Government expects DECC and NSW Health to work co-operatively on air quality matters and the State Plan places a high priority on evidence-based strategies. DECC works co-operatively with NSW Health in many aspects of policy through the DECC/Health Strategic Liaison Group. Examples include consultation on regulations such as the POEO (Clean Air) Regulation.

DECC and NSW Health have also worked cooperatively on long term data analysis of impacts of air quality on health since the Metropolitan Air Quality Study, published in 1997. Both agencies are involved in the national process for setting health based air quality standards via the development and review of air related National Environment Protection Measures. They also jointly contribute towards national research projects about the health impacts of air pollution which are designed to inform the standards.

NSW Health also had significant input to the health costs data contained in the report, "Air Pollution Economics – Health Costs of Air Pollution in the Greater Sydney Metropolitan Region" (DEC 2005).

12. That the NSW Government implement the recommendations of the Joint Select Committee on Tobacco Smoking that relate to reducing Environmental Tobacco Smoke.

Recommendations 24-26 of the Joint Select Committee Report on Tobacco Smoking in NSW relate to reducing environmental tobacco smoke exposure.

Recommendation 24 was that the NSW Government examine legislation in other jurisdictions to protect the health of workers servicing smoking areas. This action is already undertaken regularly by the NSW Government.

Recommendation 25 was that the NSW Government amend the Smoke Free Environment Act to include children's playgrounds. The Government response was that banning smoking in these areas should remain under the jurisdiction of local councils.

Recommendation 26 was that NSW Health fund and implement a sustained education campaign to reduce smoking in cars. The Government response supported this recommendation.

13. That the NSW Government amend the environmental pollution and control legislation to specify that organisations have a specific duty of care to ensure that their activities minimise effects on the community and the environment.

The *Protection of Environment Operations Act* (POEO Act) and recently amended Clean Air Regulation provide a comprehensive framework for regulating activities to minimise their impacts on air quality and to progressively improve the performance of older industries to further reduce emissions. The POEO Act (S.128) specifies that an occupier of any commercial/ industrial premises must comply with any prescribed air emissions standards, and in the absence of prescribed standards, must take all practicable means to prevent or minimise air pollution.

In 2005 the POEO Act was amended (S.169) so that directors and managers could no longer avoid liability for a pollution offence by using a defence that they did not know about the offence.

14. That the NSW Government make sufficient resources available to the Department of Environment and Conservation and NSW Health to ensure they are able to fulfil their strategic, regulatory and monitoring roles, as enhanced by the recommendations of this Report.

DECC maintains policy, regulatory and monitoring programs, reviewing its priorities and allocating resources according to the best available science. Its 20 ambient monitoring stations located throughout the GMR represent the most extensive air monitoring network of any city in Australia.

NSW Health does not have a regulatory role with respect to air pollution. Current resource allocation is sufficient for its strategic policy and monitoring role.

Further actions required to bring NSW into compliance with ANEPM goals will be addressed through implementation of the State Plan and the review of *Action for Air*.

15. That the NSW Government work with the National Environment Protection Council to ensure regular reviews of the National Environment Protection Measure in the context of Australian deaths from air pollution, levels set as low as is reasonably achievable, and international best practice, and that review intervals are short enough to allow for the timely incorporation of the latest information on air pollution.

The matters specified are being considered in the current review of the ANEPM being undertaken in accordance with National Environment Protection Council (NEPC) guidelines. NSW is participating in the review, which is scheduled to conclude in 2008. The review will assess the effectiveness of the ANEPM to date and identify broad issues that may need to be considered for change. This will include utilising work being undertaken at a national level to provide a methodology for determining if new information on the health effects of pollutants could warrant a possible change to current air quality standards.

16. That the Department of Environment and Conservation work closely with NSW Health and the National Environment Protection Council to trial testing of ultra fine particle measuring technology and research into the health impacts of ultra fine particles, informed by relevant international research.

The NSW Government is aware of the emerging health issues associated with ultrafine particles and is supporting research through the Environmental Trust process and other collaborative research studies to investigate both the composition of fine particles and the size distribution characteristics of particles down to the ultrafine range.

This will assist in developing proven techniques and a national standard for ultrafine particles, which can be used for compliance purposes.

17. That the NSW Government, in working with the National Environment Protection Council to develop the National Environment Protection Measure for particulate matter of PM_{2.5}, ensure that the standards take into account international research into fine and ultra fine particles.

The ANEPM review referred to under Recommendation 15 above fully recognises the body of new information from Australia and overseas on health effects of different types of particles and this new information will be integrated into the review.

18. That the NSW Government take immediate action to reduce levels of fine and ultra-fine particles.

The Government is pursuing initiatives to address particles as a priority under both *Action for Air* and the State Plan, and will bring forward further actions under the *Action for Air* review.

Initiatives aimed at addressing PM₁₀ under the ANEPM goal will generally also address PM_{2.5}. Examples of current actions include:

- The 2005 review of the Clean Air Regulation that established a framework for tightening standards for new and established industry – it is estimated that in the next 20 years the regulation will avoid 26,700 tonnes of solid particle emissions in NSW;
- The diesel retrofit program, a DECC/RTA trial and implementation of after-treatment technology on older diesel vehicles. The technology can reduce a vehicles fine particle emissions by up to 90%;
- Input to and implementation of national standards for fuels and motor vehicles; and
- Community education and recent new powers for councils to issue on the spot fines to improve the operation of solid fuel home heaters in winter.

In March 2007, the Government announced initiatives under the \$5 million “Healthy Air, Healthy Communities Fund”, to reduce particle emissions, as well as other polluting emissions and greenhouse gases.

19. That the Department of Environment and Conservation recommence regular monitoring of air toxic substances in New South Wales, particularly in the Sydney basin.

DEC undertook a large and comprehensive Air Toxics monitoring campaign from 1996 to 2001. It found levels of dioxins to be very low and levels of benzene, xylenes and toluene also to be generally low.

The NSW Government will monitor air toxics in fulfilling its obligations under the NEPM. As well, DECC’s new emissions inventory will provide current and detailed information on emissions of a range of air toxics from sources in Sydney and the GMR. DEC has already arranged for new benzene monitoring to be undertaken.

20. That the NSW Government, in consultation with the National Environment Protection Council, investigate the feasibility of including a target of reducing the emission of that class of air pollutants known as ‘air toxics’ to zero. The NSW Government should address this issue as part of the 2008 review of the Air National Environment Protection Measures.

The Air Toxics NEPM was introduced nationally in 2004 in order to collect sufficient information on critical air toxics to develop national standards in the future. The NEPM process is still underway.

The national Ambient Air Quality NEPM review will consider links with other Government policies, including the Air Toxics NEPM. The review will consider whether some aspects of these policies/strategies can be better integrated with the NEPM to provide the best overall framework for environmental management and protection of human health from air pollution.

21. That the Department of Environment and Conservation undertake programs that actively seek to reduce the levels of known air toxics in the Sydney basin.

DEC's study of air toxics (1996-2001) found levels of these pollutants to be generally low and well below current international standards and benchmarks (see response to Recommendation 19 above).

Petrol is highly volatile and a source of air toxics through evaporative emissions in the summer months. Since petrol volatility is not covered by national fuel standards, the NSW Government introduced a regulation to limit petrol volatility in summer from summer 2004–05. The volatility limit of 62 kilopascals now applying in the GMR is lower than that for any other Australian urban air shed. The regulatory requirement will be reviewed again in the course of 2007/08 and the possibility of a lower limit examined.

The 1% limit on benzene in petrol introduced in 2006 will also further reduce ambient benzene levels.

The amended Clean Air Regulation introduced new standards for toxic emissions. It introduced several new initiatives, including a framework to review the adequacy of older emission standards that apply to existing industry, performance requirements for equipment used to control toxic air pollutants and a best-practice emission standard for dioxins and furans for activities where these toxic compounds are likely to be produced.

An increased focus under the State Plan and *Action for Air Review* on reducing volatile organic compounds (VOCs), for example through actions targeting coatings, solvents and aerosol emissions from the commercial and domestic sectors, will also generate further actions to reduce air toxic emissions. NSW has initiated discussions with the Commonwealth to explore developing strategies targeting VOC emissions from this sector.

22. That the Department of Environment and Conservation undertakes the review of the monitoring network as suggested by the Audit Office, allowing the planned review of the Air NEPM to inform the future network composition.

NSW operates the most extensive air monitoring network in Australia. The network is regularly reviewed to ensure that the network is managed in a manner that addresses the most pressing environmental and public health priorities, accommodates improvements in science and technology, optimises efficiency, and accommodates future needs.

The network has developed, expanded and shifted in focus as new scientific findings emerge and standards, including the Ambient Air Quality NEPM, have been established. DECC (and its jurisdictional counterparts) work with a Peer Review Committee to ensure that the air quality monitoring network is properly designed to meet the requirements of the ANEPM. A review of the monitoring network is underway in conjunction with the ANEPM review.

23. That the Department of Environment and Conservation ensure that information on air pollution levels across New South Wales is adequately captured, by reinstating monitoring stations in the Sydney central business district and air-pollution 'hot-spots'.

The review of the air quality monitoring will consider the network as a whole. The network is designed to monitor regional air quality in accordance with the air quality standards and goals under the ANEPM, not monitor specific hot spots. Nor is resourcing the monitoring of all hot spots feasible. For potential hot spots, specific and customised approaches to monitoring and addressing emissions are employed, involving the relevant agencies and proponents.

24. That the NSW Government ensure that key performance information relating to air pollution released by government agencies is subject to an external validation process, to provide assurance to the public that the information is correct. The power to validate key performance information and the decision on which key performance information should be validated should rest with an independent body such as the Audit Office.

DECC's air pollution monitoring is reviewed by an independent peer review committee as part of the National Environment Protection Measure. Under the NSW State Plan, the NSW Auditor General will verify the accuracy of annual reporting data, including on the Plan's air quality and greenhouse targets under Priority E3.

The National Association of Testing Authorities (NATA) has accredited DECC for air related monitoring, reporting and chemical analysis.

25. That the Department of Environment and Conservation review its current array of quarterly and annual reports to ensure that a plain English language summary accompanies each report, and that the reports provide information on the links between air pollutants and their health and financial impacts in a way accessible to stakeholders.

DECC is currently preparing a new annual report to replace quarterly reports as part of the Ambient Air Quality Data Management System project, due for completion in the fourth quarter of 2007. The upgrade of DECC's air quality database and web-based reporting facilities should provide increased access for the general community to air quality data, trend graphs and health information.

26. That the Department of Environment and Conservation expand the Regional Pollution Index to allow for reporting on the levels of photochemical smog, particulate matter (both PM_{2.5} and PM₁₀), as well as the air pollutant with the highest level.

The Regional Pollution Index (RPI) is to be expanded to include other pollutants as part of the AAQDMS Phase 3 project (see above). The RPI currently reports ozone (photochemical smog), nitrogen dioxide and visibility (particles).

27. That the Department of Environment and Conservation develop methods of presenting air pollution information contained in the Regional Pollution Index in a targeted way that attributes pollution to its main sources, to better and more routinely inform the public of the connection between activities such as motor vehicle use and air pollution levels.

DECC is currently completing a comprehensive air emissions inventory for the Greater Metropolitan Region, which identifies where air pollution comes from. It will be available during 2007.

Information on specific air emissions is also presented publicly annually through the National Pollutant Inventory. DECC is reviewing communication of air quality information under the AAQDMS project above. There will also be a communication strategy in conjunction with the release of DECC's new emission inventory to promote better understanding of the sources of various pollutants.

DECC anticipates progressing further actions to improve public information and educate the public on the causes of poor air quality and positive actions the community can take, under the State Plan and through the *Action for Air* review.

28. That the Department of Environment and Conservation, in conjunction with NSW Health, work with media outlets to develop ways of incorporating air pollution advisories into the existing broadcast meteorological services, and take action to implement them.

NSW Health and DECC arranged for the Bureau of Meteorology to include issued health alerts in their daily forecasts from 25 May 2007. It is expected that this will increase the uptake of air pollution health alerts by media outlets.

29. That the NSW Government develop clear public transport infrastructure objectives and performance indicators, to be incorporated into the completed State Plan, with progress towards those objectives annually reported to the NSW Parliament.

This recommendation is addressed by three documents that operate together, the State Plan setting out the Premier's top 34 priorities, the State Infrastructure Strategy and the Urban Transport Statement.

The State Plan makes the Ministry of Transport lead agency for the goal of a high quality transport system and priority S6, "increasing the share of peak hour journeys on a safe and reliable public transport system" (p139). It also includes the goal of an improved urban environment and priority E7, "Improve the efficiency of the road network by targeting congestion hotspots" (p140).

The Plan includes targets together with reporting requirements and accountability safeguards. Targets under Priority S6 for public transport are: increase share of commuter trips made by public transport to and from the Sydney CBD during peak hours to 75% by 2016; increase the journeys to work in the Sydney metropolitan region by public transport to 25% by 2016; and consistently meet public transport reliability targets for all forms of public transport.

The State Plan is supported by further specific commitments to public transport improvements under the State Infrastructure Strategy, Metropolitan Strategy and Urban Transport Statement.

The Government has allocated \$5.8 billion to expand and improve the public transport system to increase reliability and grow patronage, including \$3.3 billion in the 2007/08 budget. The 2007/08 budget provides a \$382 million increase in capital spending in transport to plan and deliver critical rail infrastructure projects announced as part of the Premier's Urban Transport Statement, including the acceleration of the North West Rail Link. Other items announced as part of the Government's package to improve public

transport include spending of \$232.1 million on rail rolling stock and \$122.3 million for new environmentally friendly buses.

30. That the NSW Government consider making the introduction of stage 2 vapour recovery equipment at service stations compulsory over a reasonable time period to be determined in consultation with all affected stakeholder groups.

The Government is committed to considering implementation of Stage 2 vapour recovery at service stations. A detailed implementation plan will be developed in consultation with the relevant stakeholder groups. This is included in the initiatives announced by the Premier in March 2007 under the "Healthy Air, Healthy Communities" program.

31. That the NSW Government consider the most cost-effective way to reduce particles from existing diesel vehicles and explore possible models such as off-set arrangements with industry or large fleet owners. Possible regulatory actions, incentive approaches and educative tools associated with a retrofit program should be investigated.

The Government has a number of programs in place and is committed to reducing diesel emissions (see response to Recommendation 18 above), and will consider further initiatives under the *Action for Air* Review. Existing initiatives include the diesel retrofit program, upgrading of the bus fleet and biodiesel trials.

32. That the current NSW Roads and Traffic Authority program targeting diesel trucks be expanded to require all diesel trucks to undergo emission testing as part of the registration process, with the costs of this emission testing to be absorbed into the registration fee.

The need for additional diesel emission reduction programs will be explored in the current review of *Action for Air*. This will be informed by the outcomes of the current review of the Diesel National Environment Protection Measure. Diesel emissions from new diesel vehicles have reduced through improvements to vehicle and fuel standards.

33. That the NSW Government investigate and report to NSW Parliament on the feasibility of requiring all vehicles older than 5 years to undergo emission testing as part of the annual registration and licensing process, with permissible emission levels to be set in accordance with those standards in existence at the time of the vehicle's construction.

The Government had previously considered this option and adopted an alternative approach, as outlined in the *Action for Air: 2006 Update*. In light of the new emissions inventory information on pollutant sources and the high relative contribution of older vehicles, appropriate approaches will be developed to address emissions from this sector during the review of *Action for Air* in 2007.

34. That the NSW Government investigate and report to NSW Parliament on options for linking registration costs to the quantity of emissions for private motor vehicles to provide incentives for low emission vehicles and to clearly identify the link between the health costs of air pollution and the contribution individuals make to that air pollution through the vehicles they use.

Further approaches to address this issue, taking account of equity implications for those who cannot afford newer, cleaner vehicles, will be considered in the *Action for Air* Review. The issue has been addressed in part through the Commonwealth Green

Vehicle Guide, to which NSW contributed, which provides information to new car buyers on the environmental performance of new vehicles.

35. That the NSW Government immediately investigate and implement at the earliest opportunity a system to regulate diesel emissions from freight train engines. In developing this system the NSW Government should seek to consult with the Commonwealth Government and other State and Territory Governments.

Information from DECC's new emissions inventory indicates that diesel locomotives make a relatively small contribution to Sydney's particle pollution. The Government nevertheless supports reducing emissions from diesel locomotives, as from all sources contributing to Sydney's particle pollution.

DECC has held discussions with members of the rail industry in relation to practical approaches to reducing diesel locomotive emissions. It is understood that growth in the rail fleet for increased freight will come primarily from new and rebuilt locomotives using modern engines that are much cleaner than many of the older diesel locomotives currently operating.

Consistent with the approach on motor vehicle fuels and standards and given use of locomotives in cross-jurisdictional activities, setting locomotive standards is a matter for the Commonwealth. NSW has supported the introduction of national locomotive standards in the relevant national forums. Throughout 2007, NSW is continuing discussions with the Commonwealth and other jurisdictions on a range of emission issues that require action at a national level, including diesel locomotive emissions.

36. That the NSW Government extend the Environment Protection Authority's regulatory authority to cover the operation of road tunnels by including it as an activity under Schedule 1 of the Protection of the Environment Operations (General) Regulation 1998 (NSW).

This issue was raised in the recently completed comprehensive review of the POEO Act. There are significant differences between major industry and road tunnel projects that place constraints on bringing their operation under DECC regulation. The Minister for Planning approves major road projects including tunnel components. The DECC provides expert air quality advice to the Minister for Planning during the approval process. The conditions of approval set air quality performance standards and include a monitoring and compliance regime with requirements for reporting and community consultation.

37. That the NSW Government review the full range of pollution causing activities to determine which additional activities should be included under Schedule 1 of the Protection of the Environment Operations (General) Regulation 1998 (NSW).

DECC has conducted a review of the full range of pollution causing activities through the development of a detailed and comprehensive emissions inventory. The *Action for Air* Review will consider a range of tools and approaches to drive down emissions from priority sectors. Regulation of industrial premises will be considered through the review of the Clean Air Regulation (Part 4 – emission of air impurities from activities and plant industrial premises) in the lead-up to the remake of the Regulation in 2010. The air emissions inventory will inform this review.

38. That the NSW Government accept responsibility for the reasonable cost of meeting future air quality standards in relation to existing road tunnel infrastructure.

The RTA will continue to manage road infrastructure with reference to the relevant air quality standards.

39. That the Department of Planning monitor existing conditions of approval for road tunnels and submit proposals to the Cabinet Committee on Infrastructure, or equivalent, for upgrading facilities to meet new air quality standards.

Under the Department's existing compliance and enforcement program, DoP will continue to ensure all conditions of approval for all projects are met. If conditions are not being met, the proponent of the road tunnel (RTA) would be obliged to undertake action to ensure conditions are being met, which could include new facilities, which may or may not require Cabinet approval.

40. That the NSW Government ensure that future contracts with the private sector to deliver road tunnel infrastructure require the private sector to make provision for the installation of technology to meet future air quality standards and facilitate the installation of that technology if and when it is required.

Contracts will continue to require contractors to comply with the conditions of planning approval imposed by DoP, which include stringent air quality goals.

41. That the NSW Roads and Traffic Authority use existing Variable Message Signs at the entrance of major Sydney road tunnels to advise motorists to take precautions against air pollution in the tunnels.

The focus of signage at the approach to tunnels is on traffic safety and incident management. RTA informs motorists of the benefits of winding up their windows in tunnel congestion with licence and registration renewals, and brochures are also displayed in motor registries. RTA will continue to explore the best method of making this information available to motorists.

42. That the NSW Government identify the Department of Environment and Conservation as having primary responsibility for addressing the issue of indoor air pollution from unflued gas heaters.

NSW Health will continue to work closely with DECC on the interactions between ambient and indoor air quality, and liaise with other agencies in regard to unflued gas heaters as appropriate.

In NSW, the agency with the primary responsibility for regulating the safety of natural gas appliances, including unflued gas heaters, is the Office of Fair Trading. WorkCover NSW has responsibility for workplace safety and can direct employers to comply with the Occupational Health and Safety Regulation 2001 (clause 51) if exposures exceed workplace exposure standards. These powers do not extend to non-workplaces.

43. That the NSW Government ban the sale of unflued gas heaters in NSW and work with other governments at State and Commonwealth levels to encourage similar bans.

The NSW Government supports consultation and collaboration between regulators, government agencies, industry and the wider community to ensure unflued gas heaters are used safely.

44. That the NSW Government establish a subsidy scheme for the voluntary replacement of existing unflued gas heaters with other forms of heating, and produce and make widely available a brochure advising NSW residents of the health risks associated with unflued gas heaters.

The NSW Government favours an approach of providing information to consumers to assist in choosing appropriate heating. The enHealth brochure on the health effects of unflued gas heaters has been distributed through Community Health Centres and Divisions of General Practice across the state.

NSW Health has worked with the gas industry toward the introduction of point of sale information, improved training of sales staff, and improved appliance labelling to assist consumers to make appropriate heating choices.

45. That the NSW Government investigate schemes, including the use of subsidies, to encourage the replacement of solid fuel heaters such as wood burning stoves with less polluting alternatives.

NSW has implemented a successful Woodheater Program, which provided useful information on the most appropriate tools to reduce emissions, including education, regulation and subsidies. NSW also coordinates with both the Commonwealth and local government on these programs. Based on analysis of a range of tools, the NSW Government will pursue the most cost-effective approach to reducing particle pollution from solid-fuel heaters. This will involve continued work with industry, the Commonwealth, councils and the community and include actions based on regulation, education, planning controls and promoting tighter standards for solid fuel heaters.