

From: [Tera Maka](#)
To: [Mailroom Mailbox](#)
Subject: FW: Plan Change 4 Submissions - WGNDOC01-#2417041-v10-Fonterra_processing_v4_LWRP_draft_submission
Date: Tuesday, 13 October 2015 10:10:40 a.m.
Attachments: [WGNDOC01-#2417041-v10-Fonterra_processing_v4_LWRP_draft_submission.pdf](#)

Hello team

PC4 Submission for trimming please.

Thanks & Regards Tera

From: Ben Williams [mailto:Ben.Williams@chapmantripp.com]
Sent: Monday, 12 October 2015 3:59 p.m.
To: Customer Services
Cc: Tera Maka; Brigid Buckley (Brigid.Buckley@fonterra.com); Sue Ruston (sue.ruston@fonterra.com); Amy Hill
Subject: WGNDOC01-#2417041-v10-Fonterra_processing_v4_LWRP_draft_submission

Hello,

Please find **attached** the submission of Fonterra Limited in relation to plan change 4 (the 'omnibus plan change') (*PC4*).

As set out in the submission, Fonterra is providing two submissions on PC4. This one relates to its 'processing interests'. Fonterra has provided a separate submission on a joint basis with DairyNZ in respect of their 'farming interests'.

Please acknowledge receipt.

Kind regards,
Ben

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FONTERRA SUBMISSION ON THE PROPOSED PLAN CHANGE 4 TO THE CANTERBURY LAND AND WATER REGIONAL PLAN

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1. INTRODUCTION

- 1.1 This submission is prepared and lodged on behalf of Fonterra Limited (Fonterra).
- 1.2 Plan Change 4 (the 'Omnibus plan change') to the Canterbury Land and Water Regional Plan (CLWRP) (PC4) introduces changes to address implementation issues and other resource management matters identified following the decisions on the CLWRP. In areas where a sub-regional plan has been developed any changes to policies, rules and schedules made by PC4 will have effect unless the sub-region has developed its own set of specific provisions.
- 1.3 This submission is confined to issues relating to Fonterra's dairy processing activities in Canterbury.¹
- 1.4 In that context, Fonterra generally supports the direction of PC4 subject to the amendments which are outlined in this submission.

¹ Please note that Fonterra will lodge two submissions on PC4. One submission will focus on aspects of the plan change which potentially impact its milk processing operations (this document). The second (which has been developed jointly with DairyNZ) addresses on-farm issues associated with the plan change.

1.5 Fonterra's submission is structured into:

- an overview of Fonterra's dairy processing activities in Canterbury;
- an explanation of dairy processing-related issues within PC4; and
- a table of specific submissions detailing the concerns and relief sought (**Table 1**).

2. OVERVIEW OF FONTERRA'S PROCESSING INTERESTS IN CANTERBURY

2.1 Dairy and associated processing and manufacturing activities is a key component of the Canterbury regional economy and community. Across the region, Fonterra has over 1,250 farmer shareholders, and a large number of people are directly employed by, or rely on, Fonterra. Fonterra is a significant contributor to the wider regional and national economy.

Extent of milk production

2.2 Fonterra processes 89% of New Zealand's total milk production. Last dairy season, Fonterra exported 2.2 million metric tonnes of dairy products to international markets.

2.3 In Canterbury, Fonterra owns and operates five dairy processing sites. These are located in various parts of the region:

- Kaikoura – cheese production site, located on Mill Road at Kaikoura Flat;
- Culverden – reverse osmosis and milk transfer station site, located on Blacks Road, Culverden;
- Darfield – milk powder production site, located northwest of the township of Darfield;
- Clandeboye – milk powder, butter, androgenous milk fat, cheese and protein production site, located on Rolleston Rd northeast of Temuka; and
- Studholme – milk powder production site, located about six kilometres east of the Waimate Township on State Highway 1.

2.4 These sites make up half of the ten Fonterra South Island milk processing sites and include two of Fonterra's five nationally significant sites (being Darfield and Clandeboye). Combined, Fonterra's Canterbury sites can process up to 20 million litres of milk per day and employ almost 1,100 people.

2.5 Fonterra is legally obliged to collect and process milk from new and existing shareholders. Milk production in the South Island has historically grown by about five percent per annum. Fonterra therefore places significant emphasis on ensuring the relevant district and regional planning regimes within the areas in which it operates are able to accommodate existing plant expansion and potential new 'greenfields' development.

Proposed Expansion of the Studholme Site

2.6 Although all of Fonterra's sites are consented to undertake a number of discharge activities, the Fonterra Studholme site provides a good 'case study' to frame up its interest in the discharge provisions of PC4.

2.7 The Studholme site generates and discharges sewage, stormwater, and trade waste / industrial processing waste. The sewage is discharged to land via a secondary treatment system on the site, and comes from on-site toilets, wash facilities and kitchens. Stormwater runoff from impervious surfaces on the site is collected, treated, and discharged to the Waimate Creek. Trade and processing waste water generated at the site (which comprises of water used to clean the manufacturing plant, and condensate) is treated before being discharged to land via a spray irrigation system. In the future, (if a possible plant expansion proceeds) Fonterra plans to

discharge this waste via ocean outfall, which will cross a number of waterbodies. Fonterra is concerned to ensure that PC4 provides for these various discharges.

- 2.8 Of wider relevance, there are a large number of certificates of title associated with the Studholme site (at least part of the site appears to have originally formed part of an intended residential subdivision) – even if the site is now all zoned either business or rural under the relevant Waimate District Plan.
- 2.9 In October 2014, Fonterra announced its plans to apply for resource consents to expand the Studholme site's processing capacity over two stages. If this proceeds it would potentially include the addition of two new dryers that are capable of processing an additional 9,000,000 litres per day, plus associated infrastructure.
- 2.10 Operational staff at the site would increase to 125 for Stage 1 of the expansion, and to 250 once the second stage of the expansion is complete.
- 2.11 Consent applications were lodged in August 2015 proposing to:
- expand the site to include new dryers, drystore and associated infrastructure referred to above;
 - treat all wastewater through a new wastewater treatment plant;
 - expand the existing stormwater storage pond to provide capacity for extreme weather events;
 - establish a new sewerage system which includes a 4,000 m² disposal field (at which time the existing septic tank system at the site will be decommissioned); and
 - discharge wastewater and clean process water to the ocean via an outfall structure
- 2.12 It is important to note that there is no guarantee that, even if consented, the proposed expansion will occur. Therefore, it is important that PC4 appropriately provides for both:
- the full and on-going implementation of Fonterra's existing consents (this includes, for example, the discharges to land up to the current consented limits); and
 - the proposed expansion of the site as announced in October 2014.

3. FONTERRA APPROACH TO PC4

- 3.1 Although there is much within PC4 that is supported from a processing perspective, Fonterra also has a number of concerns.
- 3.2 Its specific concerns and relief sought in relation to its manufacturing interests are detailed in **Table 1** below.
- 3.3 The relief sought addresses a number of substantive and technical issues. Amongst these are several common themes which underpin Fonterra's submission:
- The importance of recognising the positive aspects of catchment use as a location of primary sector processing;
 - the need for long term security of consent duration in order to recognise the significant capital investment made in dairy processing sites; and
 - the need to clarify the controls that apply to wastewater associated with dairy processing sites.
- 3.4 It is emphasised that Table 1 is not intended to limit the scope of Fonterra's submissions on PC4. Fonterra seeks such relief as is necessary to give effect to the on-going implementation

of its existing consents and the possible expansion of its sites (the example provided being Studholme) – as is discussed generally in paragraphs 2.1 to 2.12.

3.5 In particular, this includes clear and workable definitions, objectives, policies and rules that capture and enable all the discharges that arise from a dairy processing site.

4. OVERALL CONCLUSION

4.1 In relation to the provisions that Fonterra has raised concerns about, those provisions require amendment because, without amendment, they:

- will not promote sustainable management of resources and will not achieve the purpose of the RMA;
- are contrary to Part 2 and other provisions of the RMA;
- will not enable the social and economic well-being of the community;
- will not meet the reasonably foreseeable needs of future generations;
- will not achieve integrated management of the effects of the use, development or protection of land and associated resources of the District;
- will not enable the efficient use and development of Fonterra's assets and operation, and of those resources; and
- do not represent the most appropriate means of exercising the Council's functions, having regard to the efficiency and effectiveness of the provisions relative to other means.

4.2 Fonterra does wish to be heard in support of this submission.

4.3 If others make a similar submission, Fonterra will consider presenting a joint case with them at the hearing.

4.4 We confirm that we are authorised on behalf of Fonterra Limited to make this submission.



Jo Appleyard / Ben Williams
Partner /Senior Associate
Chapman Tripp

Dated: 12 October 2015

TABLE 1 - SPECIFIC SUBMISSIONS

#	PAGE NO.	PROVISION	SUPPORT / OPPOSE	RELIEF SOUGHT	COMMENTS
Definitions					
1	2-2	Definition: Bio-Solids	Support	Retain as notified.	Fonterra supports the definition of bio-solids and the deletion of the reference to wastewater consequential to the amendments to the definition of 'wastewater' proposed in the plan change.
2	2-2	Definition Construction-phase stormwater	Support	Retain as notified.	Fonterra supports this new definition, as several proposed rules relate to 'construction phase stormwater'. Fonterra considers that a specific suite of provisions relating to construction-phase stormwater which provide a different management approach for these types of discharges is appropriate.
3	2-3	Definition: On-site wastewater treatment system	Support	Retain as notified.	Fonterra supports the deletion of the reference to 'domestic' in this definition as this change improves clarity and ensures that rules which manage on-site wastewater systems apply to those systems that service commercial properties and other non-domestic establishments. Fonterra supports the deletion of trade wastes and other industrial processing wastes from the definition of 'wastewater'. However, Fonterra's processing sites also contain systems that receive wastewater from facilities service staff / employees (and Fonterra seeks that these continue to be provided for in the CLWRP and PC4). Fonterra also supports reference to 'property' rather than 'site' in this definition. Property is defined in the CLWRP as any contiguous area of land that is utilised as a single operating unit and may include on or more certificates of title (paraphrased). Whereas 'site' essentially refers to a single certificate of title.
4	2-4	Definition:	Support in part	Retain as notified (subject to such further	Fonterra supports the exclusion of construction-phase

#	PAGE NO.	PROVISION	SUPPORT / OPPOSE	RELIEF SOUGHT	COMMENTS
		Stormwater		amendments as are required to address Fonterra’s comments).	stormwater, sediment-laden water and drainage water from this definition – this improves clarity and avoids duplication. However Fonterra considers that the inclusion of reference to “land modified by human action” is potentially unclear.
5	2-4	Definition: Wastewater	Support	Retain as notified.	Fonterra supports the change to wording of this definition to confine the application of it to sewage and greywater only. As stated in the section 32 report, this will ensure that contaminants from industrial and trade waste processes are assessed under specific and more appropriate rules, rather than the rules relating to on-site wastewater systems. Fonterra supports this approach.
Inanga Spawning Habitat Provisions					
6	2-3, 4-8, 5-20, 5-22, 5-29, 16-13, 34 & 35	Definition Inanga Spawning habitat, Policy 4.86A, Policy 4.86B, Rules 5.136, 5.139, 5.167 & 5.168 Schedule 17 Inanga Spawning Sites, Map B-109 and B-113	Support in part Oppose in part	Fonterra reconfirms its support for the relief sought in the joint Fonterra/DairyNZ submission. Fonterra wishes to further ensure that the final part of policy 4.86A and the reference to “where it is practicable to do so” in policy 4.86B are retained. Fonterra seeks further amendment to the rules to address the concerns set out in its comments.	The issue of Inanga spawning habitat and sites has already been addressed separately in the joint Fonterra/DairyNZ submission. Fonterra does not repeat the reasons for that joint submission. The purpose of this submission point (in the context of Fonterra processing operations) is instead to note that there are a significant number of provisions making reference to Inanga spawning habitat and a new regime proposed to prevent works outside of certain periods of time. Fonterra is generally supportive of the intent of amendments in the CLWRP to provide greater protection for Inanga spawning habitat (subject to the comments and the relief sought in the joint Fonterra/DairyNZ submission). However, it will not always be possible to halt or schedule activities to avoid an Inanga spawning habitat during the spawning season. Fonterra is concerned to ensure that this suite of

#	PAGE NO.	PROVISION	SUPPORT / OPPOSE	RELIEF SOUGHT	COMMENTS
					<p>provisions remains workable. Fonterra considers that it is unreasonable to expect that activities that may affect Inanga spawning sites must always be avoided. Fonterra is therefore generally supportive of the intent of amendments in the CLWRP to provide greater protection for Inanga spawning habitat, Fonterra also supports the recognition made in Policies 4.86A and 4.86B that it may not always be possible, practicable or it may lead to more perverse environmental outcomes, to halt or schedule activities to avoid an Inanga spawning habitat during the spawning season. Fonterra supports the use of the best practicable option in these circumstances.</p> <p>However, Fonterra considers that the intent of these policies (to avoid or minimise activities that may cause damage to Inanga spawning habitats at certain times of the year only where practicable to do so) is not carried through into the corresponding rules. Amendments would also assist to ensure that rules 5.136, 5.139, and 5.167 properly give effect to this policy direction.</p> <p>Fonterra is also concerned that the maps and associated definition of spawning habitat are too general, and could lead to exclusion from undertaking certain works on land for up to six months with potentially little or no benefit to Inanga spawning.</p> <p>Fonterra prefers an approach that allows for case-by-case examination of whether there is habitat for potential Inanga spawning present and case-by-case assessments of practical risk mitigation.</p>
Policies					
7	4-5	Policy 4.13	Support	Retain as notified.	Fonterra supports the amendments proposed to Policy 4.13.

#	PAGE NO.	PROVISION	SUPPORT / OPPOSE	RELIEF SOUGHT	COMMENTS
8	4-5	Policy 4.16A	Support in part	Retain as notified.	On the basis that this policy only applies to network operators and reticulated stormwater networks (which do not apply to Fonterra), this policy is supported.
9	4-6	Policy 4.18	Support in part	Retain as notified.	Fonterra supports the use of best practicable option to minimise the loss or discharge of sediment or sediment-laden water and other contaminants to surface water from earthworks, etc.
10	4-6	Policy 4.28	Support	Retain as notified.	Fonterra supports the amendment proposed to Policy 4.28 which introduces the word “sewage” to provide certainty as to what source of contaminant it applies to.
Rules					
11	5-9	Rule 5.94A	Support	Retain as notified.	Fonterra supports this new rule which relates to discharges of construction-phase stormwater.
12	5-10	Rule 5.94C	Support	Retain as notified.	Fonterra supports this new rule which relates to discharges of construction-phase stormwater.
13	5-11	Rule 5.95	Support	Retain as notified.	Fonterra supports the amendments to this rule which relate to the requirement that a discharge of stormwater to land not occur where there is an available reticulated wastewater system.
14	5-11	Rule 5.96	Support with amendment	Fonterra seeks deletion of proposed clause 2 (f), as follows: <i>“The discharge of stormwater onto or into land where contaminants may enter groundwater is a permitted activity, provided the following conditions are met:</i> 1. The discharge is into a reticulated stormwater system and the discharger has obtained written permission from the system owner to	While Fonterra is supportive of the intent of the proposed amendments to this rule, it does not support limitation of a single discharge to a system that collects from no more than five <u>sites</u> . The term “site” has specific meaning in the CLWRP, and as such does not account for a scenario in which multiple titles or lots may make up a single property owned and operated by a single person. Fonterra’s processing plants are considered to be ‘rural activities’. However they cover large areas of land with potentially multiple titles or ‘sites’ from which stormwater is

#	PAGE NO.	PROVISION	SUPPORT / OPPOSE	RELIEF SOUGHT	COMMENTS
				<p>discharge into the system; or</p> <p>2. The discharge is not into a reticulated stormwater system, and</p> <p>(a)1. The discharge is not from, into or onto contaminated or potentially contaminated land</p> <p>(b)2. The discharge:</p> <p style="padding-left: 40px;">(i)(a) does not cause stormwater from up to and including a 24 hour duration 2% 10% Annual Exceedance Probability rainfall event to enter any other property; and</p> <p style="padding-left: 40px;">(ii)(b) does not result in the ponding of stormwater on the ground for more than 48 hours, unless the pond is part of the stormwater treatment system; and</p> <p style="padding-left: 40px;">(iii)(c) is located at least 1 m above the seasonal high water table that can be reasonably inferred for the site at the time the discharge system is constructed; and</p> <p style="padding-left: 40px;">(iv)(d) is only from residentially zoned land land used for residential or rural activities;</p> <p style="padding-left: 40px;">and</p> <p style="padding-left: 40px;">(e) does not occur where there is an available reticulated</p>	<p>collected and discharged. For example, the immediate processing part of Fonterra’s Studholme site is approximately 13 hectares but is made up of a very large number of certificate of titles – yet it has one wholly integrated stormwater system.</p>

#	PAGE NO.	PROVISION	SUPPORT / OPPOSE	RELIEF SOUGHT	COMMENTS
				<p><u>stormwater system; and (f) is not from a system that collects and discharges stormwater from more than five Sites.</u></p> <p>In the alternative, Fonterra seeks that para 2(f) is amended so that it reads “<i>not from a system that collects and discharges stormwater from more than five Sites where those Sites are held in different ownership</i>”</p>	
15	5-20	Rule 5.135, 5.136 and 5.137 – deletion of reference to ‘use’ and ‘maintenance’	Oppose	Reinstate reference to ‘use’ and ‘maintenance’ in these rules.	<p>Fonterra is unsure of the reasoning behind the amendment to these rules which deletes the words “use” and “maintenance”. It is not explained in the section 32 report.</p> <p>Rule 5.139 provides for the regulation of use and maintenance of structures. However there is no longer a provision providing for use and maintenance of pipes, ducts, cables or wires over, in or under the bed of a lake or river, or use and maintenance of bridges or culverts (unless these are intended to be included as ‘structures’ for the purpose of rule 5.139).</p> <p>Fonterra considers that provision for use and maintenance of pipes, ducts, cables, wires, bridges and culverts (as was previously provided by rules 5.135 to 5.137) is appropriate and necessary and should be reinstated in these rules.</p>
16	5-23	5.141A	Support	Retain as notified.	<p>Fonterra is supportive of the new rule providing that The placement, installation, erection, reconstruction, alteration or removal of any structure, excluding dams, on, in or under the bed of a lake or river, and including any associated excavation, disturbance, diversion and discharge in the bed of a lake or river that does not comply</p>

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					with Rules 5.135 to 5.141 is a discretionary activity.
General / Other					
17	6-1	Table 3 Kaikoura Groundwater Limits	Support	Retain as notified.	Fonterra supports the proposed change of the limit in the Kaikoura – Mt Fyffe allocation zone from 10.1mil m ³ /yr to 19.2mil m ³ /yr.
18	N/A	All	Support in part Oppose in part	Such other further amendments as are: <ul style="list-style-type: none"> consequential to Fonterra's Table 1 submissions; and/or required to give effect to the general submissions included in paragraphs 3.4 and 3.5 (the first part of Fonterra's submission) 	N/A