

**From:** [Penny Gallagher](#)  
**To:** [Mailroom Mailbox](#)  
**Cc:** [Jamie Robinson](#)  
**Subject:** Plan Change 7 to the LWRP Submission  
**Date:** Friday, 13 September 2019 1:23:15 PM

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Hello,

Please find attached Synlait Milk Ltd's submissions on Plan Change 7.

Thank you for the opportunity to submit.

Please keep us up to date with the progress of this plan change – our addresses for service are:  
[penny.gallagher@synlait.com](mailto:penny.gallagher@synlait.com) and [jamie.robinson@duncancotterill.com](mailto:jamie.robinson@duncancotterill.com).

Many thanks,  
Penny Gallagher



Proposed Plan Change 7 to the Land and Water Regional Plan  
Environment Canterbury  
P O Box 345  
Christchurch 8140

To The Canterbury Regional Council.

**SUBMISSION BY SYNLAIT MILK LIMITED ON PROPOSED PLAN CHANGE 7**

1. This is a submission on the Proposed Plan Change 7 (PC7) to the Land and Water Regional Plan as publicly notified on 30 July 2019.
2. This submission is made by Synlait Milk Limited.
3. Synlait could not gain an advantage in trade competition through this submission.
4. Synlait is directly affected by an effect of the subject matter of the submission that—
  - a. adversely affects the environment; and
  - b. does not relate to trade competition or the effects of trade competition.
5. Synlait does wish to be heard in support of its submission.
6. Synlait would be prepared to consider presenting its submission in a joint case with others making a similar submission at hearing.
7. The Synlait submission is made up of the following documents, which together constitute the full submission:
  - a. This letter; and
  - b. The submission table seeking specific relief, included as Appendix A.



8. More general relief, and reasons for submissions, are included in this letter, and apply in addition to the specific relief outlined in the submission table.

## BACKGROUND

9. Synlait is a listed New Zealand company, incorporated in 2005, to offer an alternative in the milk-processing industry.
10. Synlait produces a range of added-value milk powders and nutritional products, such as retail-ready infant formula. The processing facility at Dunsandel has developed to a three dryer facility, with major warehousing, canning and blending, and recently fresh milk/UHP processing. Synlait has also recently acquired Talbot Forest Cheese, a cheese manufacturing business based in Temuka (located within the Orari-Temuka-Opihi-Pareora (OTOP) Zone).
11. Synlait is a major employer, with more than 800 staff at the Dunsandel plant. It is estimated that an additional 85 are employed by milk suppliers located in the Nitrate Priority Areas (both within the Waimakariri and OTOZ zones).
12. Synlait prides itself on developing top quality products. It believes that this excellence begins on farms with top quality milk and is continued through Synlait's manufacturing process. In order to achieve this, Synlait runs a certified best-practice dairy farming programme, Lead With Pride TM whereby Synlait supports its suppliers in achieving farming excellence.
13. Synlait is actively engaged in PC7, as the planning framework is a critical tool allowing both plant operation, and the operation of supply farms.

## SUSTAINABILITY STRATEGY

14. In 2018, Synlait released its Sustainability Strategy, which includes the following targets:

### Off Farm:

- 20% reduction in water use per kg of milk solids by 2028; and
- 20% improvement in the quality of wastewater.

### On Farm:

- 20% reduction in water use per kg of milk solids by 2028; and
- 45% reduction in nitrogen loss to waterways per kg of milk solids by 2028.



15. It is important to understand the difference between the reductions that Synlait is targeting, and those proposed by PC7:
- a. The Synlait targets are from the Nitrogen Baseline, and so some of those reductions may be made by complying with the GMP requirements introduced by Plan Change 5;
  - b. The Synlait targets are supplier-wide, so it is our expectation that some farms may be able to make more than 45% reductions, while others will not be able to meet the target, due to existing good practices. Our expectation is that, on average over the entire Synlait supply farms, a 45% reduction will be able to be achieved;
  - c. The Synlait targets are percentage reductions based on kilograms of milk solids, rather than over the entire area of the property. Therefore, it is an intensity target as much as a nutrient reduction one; and
  - d. Synlait acknowledges that these targets are aspirational, and may require technology which does not yet exist to reach these levels. The Synlait targets are in place to encourage innovation, and make people aware of the importance of reducing nitrogen losses.

## CONTENT OF THE SUBMISSION

16. The Synlait submission addresses three primary concerns:
- a. The effect of the OTOP rules on Synlait's industrial use (specifically the Talbot Forest Cheese factory);
  - b. The effect of the OTOP rules on Synlait milk suppliers; and
  - c. The effect of the Waimakariri rules on Synlait milk suppliers.
17. Synlait is fully supportive of the goals of PC7, in particular the maintenance and improvement of water quality and quantity in the Canterbury region, and specifically the Waimakariri and OTOP zones. However, for the reasons outlined in this submission, Synlait considers that there is a more appropriate approach to achieve these goals.



18. The Synlait submission can be summarised by the following points:

*Industry issues:*

19. Synlait considers that the water take and use rules should reflect an allowance for the transfer of a water permit, or application for a new water take resource consent, where the water is to be used for industrial purposes and will result in neutral or positive water balance.

20. Synlait considers that where an industrial discharge is a part of a farming activity, nutrient reductions (for industrial activity and farming activity) should not be double counted. The farming activity reduction (only) should apply.

*Farm supply issues:*

21. Synlait believes that nutrient loss should be addressed through measured outcomes, rather than modelled losses. It supports science based targets and provisions which provide for a robust dataset. On that basis, Synlait has suggested in the specific relief, the addition of a new policy which will increase the groundwater monitoring requirements when new consents are applied for, which will increase the amount of information available to future decision makers.

22. Synlait also supports the inclusion of policies in PC7 which have a long term vision, however it considers that rules which implement these policies should reflect the life of the Plan. Subsequent revisions of the Plan could include further targets based on the measured outcomes over this plan cycle.

23. Mitigations assumed to be available need to be considered in tandem with other controls, particularly controls which limit greenhouse gas emissions. Synlait considers that some mitigation techniques (for example feed pads) may not sit comfortably with the requirements to introduce change to mitigate climate change, and reduce greenhouse gas emissions.

24. Synlait also considers that as well as the mitigation concerns outlined above, appropriate consideration needs to be given to the 'flow on' effects of requiring significant nitrate reduction in the short and longer term. Inevitably, along with potentially land use change, money saving steps will be required for farms to remain sustainable if production is to drop. This will have effects on employment, animal health budgets, and other spending which the

# Synlait

economic impact assessment has not adequately considered. Synlait recognises that the N loss reduction requirements set out in the 'nitrate priority areas' in Waimakariri and the 'high nitrogen concentration areas' in OTOP are ambitious, and could, in some cases, have significant financial implications on farming operations. It asks Environment Canterbury to take account of actual and potential economic impacts in its decision making.

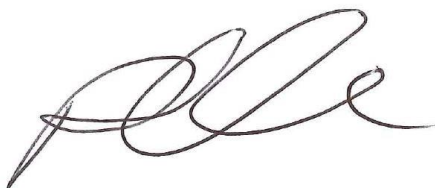
25. PC7, with its targeted areas requiring greater than GMP reductions, discourages a cohesive community approach to nitrogen loss. PC7 picks winners and losers, and could divide the rural community as some farmers face significant hardship to reduce losses, while the farmer over the fence can continue as normal. The inclusion of single N loss requirements in the OTOP, and Waimakariri nitrate priority areas (to 2030) would lessen the risk of community divide, and may encourage a more collaborative approach to achieving the N loss requirements.

## RELIEF SOUGHT

26. Synlait seeks the following amendments (relief sought) to the proposal:

- a. The amendments outlined in the submission table included with this letter as Appendix 1; and/or
- b. Any consequential or alternative relief that addresses the concerns set out in the above submission, and the submission table.

Dated 11 September 2019



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Robert Stowell  
General Manager Supply Chain  
Authorised to sign for Synlait Milk Limited.



**ADDRESS FOR SERVICE:**

Synlait Milk Limited  
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**APPENDIX A – SPECIFIC RELIEF SOUGHT**

<b>SECTION</b>	<b>OPPOSE / SUPPORT</b>	<b>REASONS FOR POSITION</b>	<b>RELIEF SOUGHT</b>
<b>SECTION 4: POLICIES</b>			
<p><b>4.103</b> – Submission of Water Quality Data. Any resource consent granted with a consent condition requiring the collection of water quality samples, shall also include a condition requiring all water quality sample data to be submitted to the Canterbury Regional Council in a format suitable for automated upload to the Council’s water quality database software.</p>	Support with amendments	<p>This submission seeks a move away from modelled outcomes, towards a planning regime which prioritises measured water quality rather than modelled assumptions. On that basis, the more information available to ECan from existing bores, the better the data which future planning decision will be based on.</p> <p>This policy requires all water quality samples be submitted to ECan in a format suitable for automated upload to the ECan water quality database software. Synlait agrees with the position that it is beneficial for data to be provided in a way which increases efficiencies. However, further detail is required in relation to the availability of the water quality database software to the public.</p>	Ensure that water quality data is made available to the public in a way which is consistent with the reporting requirements of the resource consent.
<b>SECTION 8: WAIMAKARIRI</b>			
<b>DEFINITIONS</b>			
<p><b>Nitrate Priority Sub-Area</b> means, within the Nitrate Priority Area, any area identified as Sub-areas A, B, C, D or E on the Planning Maps.</p>	Oppose	Synlait seeks the deletion of the Nitrate Priority Sub-areas, as the relief sought in other parts of this submission treats all parts of the Nitrate Priority Area with equity. Therefore, the sub-areas are redundant.	Delete definition.
<b>POLICIES</b>			
<p>Policies: <b>8.4.25</b> <b>8.4.26</b> <b>8.4.29</b></p>	Support in part	<p>Synlait supports the introduction of policies that tie specifically to Table 8-5 to 8-8, which relate specifically to water quality in the Waimakariri Zone.</p> <p>Synlait supports a long-term vision and pathway to N loss through policy, but considers that any reference to rules which extend beyond the life of this Plan should be removed.</p>	Delete columns from Table 8-9 which include reference to dates past 2030.
<p><b>8.4.30</b> Within the Waimakariri sub-region, the region-wide provisions on livestock exclusion also apply to: a. Permanently or intermittently flowing springs (waipuna); and b. Open drains and other artificial water courses with surface water in them that discharge into a lake, river or wetland.</p>	Support with clarifications	Synlait support the fencing of waterbodies, and the extension of the Waimakariri rules to also capture springs and artificial water courses with water in them that discharge into natural water bodies. However, it is important that the policies and rules are clear that permanent stock exclusion (e.g. permanent fencing) is not required from ephemeral water bodies.	Ensure that the rules allow for a non-permanent fence in situations where the water body is ephemeral.
<p><b>8.4.35</b> Inform successive plan review cycles by reporting every 5 years on: a. The current state of groundwater, surface water, estuarine water quality and ecosystem health, and any trends observed; and b. Any assessments of downstream impacts on the Waimakariri River and Christchurch deep aquifers; and c. The results of any relevant investigations carried out in relation to the groundwater system and d. Progress made towards freshwater outcomes and limits, including an assessment of the effectiveness of the framework (including any non-statutory actions) in achieving those outcomes and limits.</p>	Support	Synlait supports this policy, as it considers an adaptive management approach to water quality is appropriate. A cornerstone to adaptive management is adequate information, and so the reporting required by this Policy is important.	-
<p><b>New Policy</b></p>	Support	Introduce a new policy which requires regular testing and sampling from on-farm bores, and provide those details to ECan.	<b><u>Policy 4.8. XX</u></b> <b><u>Increase knowledge and understanding of water quality results through increased</u></b>



SECTION	OPPOSE / SUPPORT	REASONS FOR POSITION	RELIEF SOUGHT
		<p>Synlait considers that an increase in information and monitoring data, from a wider range of sources, will result in better science when the Plan is reviewed again.</p> <p>Any decisions should be based on measured outcomes, not modelled assumptions.</p>	<b><u>monitoring of nitrate nitrogen levels in groundwater, by requiring consent holders to undertake in the month of August a groundwater sample.</u></b>
<b>RULES</b>			
<b>New Rule</b> to give effect to Policy 4.8.XX	Support	<p>Include a new rule which implements the policy requiring the regular testing and sampling from on-farm bores, and the provision of the results of that information to ECan.</p> <p>An alternative way of implementing this requirement would be to include it as a requirement of a permitted/controlled/restricted discretionary application when seeking a resource consent for farming activities. If an applicant refuses to comply with the requirement, the application should be processed as a non-complying activity.</p>	<b><u>Where an application for a farming activity is made in relation to a property with at least one existing bore, a sample is to be taken from a specified bore on the property for which a consent is held; or in the case of a scheme requiring a sample from each property supplied. The sample shall be analysed by a laboratory that is certified for that method of analysis for nitrate-nitrogen and the results of this analysis shall be provided to the Canterbury Regional Council, Attention RMA Compliance and Enforcement Manager, within one month of the sample collection.</u></b>
<b>8.5.22</b> Where any property or Farming Enterprise includes land within the Nitrate Priority Area, the nitrogen loss reduction in Table 8-9 only apply to that part of the property within the Nitrate Priority Area.	Support	-	-
<b>Table 8-9.</b> Nitrate Priority Area Staged Reductions in Nitrogen Loss for Farming Activities, Farming Enterprises and Irrigation Schemes.	Support in Part	The 15% N loss reduction for dairy by 2030 within the Nitrate Priority Area be retained. However any rules which extend beyond the life of this Plan should be removed, and reassessed through the next Plan cycle.	Delete columns from Table 8-9 which include reference to dates past 2030.
<b>SECTION 14: ORARI-TEMUKA-OPIHI-PAREORA</b>			
<b>POLICIES</b>			
<b>Abstraction of Water and Transfer of Water Permits as they relate to industrial takes</b> Policies: <b>14.4.6.</b> <b>14.4.7</b> <b>14.4.8</b> <b>14.4.9</b>	Support with amendments	<p>Synlait agree that over-allocation within the sub-region should be phased out, and policies and rules are required to meet this target.</p> <p>However, Synlait considers that the abstraction provisions (both rules and policies) should allow for transfer of water permits to industrial use, where that industrial use will result in a neutral or positive water balance.</p>	Amend the policy direction so that within the OTOP zone, water take and use for industrial purposes is encouraged, where the industrial or trade process will result in a neutral or positive water balance.
<b>Transfers of Water Permits</b> <b>14.4.13.</b> Assist with phasing out over-allocation of freshwater resources by implementing region-wide Policy 4.50 and in addition: a. By only granting a permit to transfer water from one site to another where the water permit has previously been exercised and the maximum rate and/or volume to be transferred is determine as efficient based on records of past use; and b. Requiring in over-allocated surface water catchments and groundwater allocation zones and except where the water is to be used for community supply or stock drinking water,	Support with amendments	<p>Synlait agree that over-allocation within the sub-region should be phased out, and policies and rules are required to meet this target.</p> <p>However, Synlait considers that the transfer provisions (both rules and policies) should allow for transfer of water permits to industrial use, where that industrial use will result in a neutral or positive water balance.</p>	<b>14.4.13.</b> Assist with phasing out over-allocation of freshwater resources by implementing region-wide Policy 4.50 and in addition: a. By only granting a permit to transfer water from one site to another where the water permit has previously been exercised and the maximum rate and/or volume to be transferred is determine as efficient based on records of past use; and b. Requiring in over-allocated surface water catchments and groundwater allocation

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<p>that a portion of water to be transferred is surrendered that is proportionate to the status of over-allocation in the catchment, up to a maximum of 75%; and</p> <p>c. Not granting any application to transfer a water permit from the Temuka Freshwater Management Unit.</p>			<p>zones and except where the water is to be used for community supply or stock drinking water, that a portion of water to be transferred is surrendered that is proportionate to the status of over-allocation in the catchment, up to a maximum of 75%, <b><u>except where the transfer is to take and use water for industrial or trade processes, and the use will result in a neutral or positive water balance</u></b>; and</p> <p>c. Not granting any application to transfer a water permit from the Temuka Freshwater Management Unit, <b><u>except where the transfer is to take and use water for industrial or trade processes, and the use will result in a neutral or positive water balance</u></b>.</p>
<p><b>Livestock Exclusion from Waterbodies</b></p> <p><b>14.4.15</b> Within the OTOP sub-region, the region-wide provisions on livestock exclusion also apply to:</p> <p>c. Permanently or intermittently flowing springs (waipuna); and</p> <p>d. Open drains and other artificial water courses with surface water in them that discharge into a lake, river or wetland.</p>	Support	Synlait support the fencing of waterbodies, and the extension of the OTOP rules to also capture springs and artificial water courses with water in them that discharge into natural water bodies. However, it is important that the policies and rules are clear that permanent stock exclusion (e.g. permanent fencing) is not required from ephemeral water bodies.	Synlait seek to ensure that the rules allow for a non-permanent fence in situations where the water body is ephemeral.
<p><b>Nutrient Management</b></p> <p><b>14.4.18:</b> Water quality is improved in the Orari, Opihi and Timaru Freshwater Management Units by:</p> <p>a. Defining the Rangitata Orton High Nitrogen Concentration Area, Fairlie Basin High Nitrogen Concentration Area and Levels Plan High Nitrogen Concentration Area within which targeted reductions of nitrogen in accordance with Table 14(zc) are required; and</p> <p>b. Avoiding the grant of any resource consent that will result in the nitrogen loss calculation from a farming activity exceeding the Baseline GMP Loss Rate, except where Policy 14.4.20 applies.</p> <p><b>14.4.19:</b> Water quality targets in the Rangitata Orton High Nitrogen Concentration Area, Fairlie Basin High Nitrogen Concentration Area and Levels Plan High Nitrogen Concentration Area are achieved by:</p> <p>a. All resource consents granted for farming activities that require the preparation of a nutrient budget being subject to consent conditions requiring further reductions in nitrogen loss beyond Baseline GMP Loss Rates, or consented nitrogen loss rates, in accordance with Table 14(zc); and</p> <p>b. Limiting the duration of any resource consent for a farming activity that is required to make further reductions in nitrogen loss (beyond Baseline GMP Loss Rates or consent nitrogen loss rates) in accordance with Table 14(zc), to no</p>	Support with amendments	As with the Waimakariri Zone, Synlait considers that if reductions are kept in place, it is appropriate that those reductions reflect the lifetime of this Plan. It considers that any rules which extend beyond the life of this Plan should be removed, and reassessed through the next Plan cycle.	Remove from Table 14(zc) the column requiring further nutrient reductions by 2035.

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<p>more than ten years and only imposing one reduction beyond Baseline GMP Loss Rates or consented nitrogen loss rates per consent term; and</p> <p>c. Avoiding the grant of any resource consent that will result in a farming activity not reducing nitrogen losses beyond Baseline GMP Loss Rates or consented nitrogen loss rates.</p>			
<p><b>14.4.28:</b> Assist in achieving water quality targets in the Rangitata Orton High Nitrogen Concentration Area by requiring, in addition to Policy 14.4.19, point source discharges of nitrogen from industrial or trade waste disposal activities to reduce nitrogen losses by 30% below current consented rates by 1 January 2035.</p> <p><b>14.4.41:</b> Assist in achieving water quality targets for the Levels Plain High Nitrogen Concentration Area by requiring, in addition to Policy 14.4.19, point source discharges of nitrogen from industrial or trade waste disposal activities to reduce nitrogen losses by 30% below current consented rates by 1 January 2035.</p>	Support with amendments	For Synlait, the discharge of nitrogen from its industrial activities is done as part of 3 <sup>rd</sup> party farming activity. This policy introduces a 'double counting' aspect – requiring the 30% nutrient reduction from industry in addition to the nutrient reduction required for farming activities. Synlait submits that any industry discharge which is applied as part of a farming activity should only be subject to the controls relating to the farming activity.	Amendments to the policy and relevant rules that removes the requirement for industry to reduce by 30% in situations where the industrial discharge is done as part of a farming activity.
<p><b>Water Quantity Issues</b> <b>Policies 14.4.6 – 14.4.13</b></p>		<p>Synlait supports the policies and rules which will assist with the maintenance and improvement of water quantity issues in the sub-region. However, Synlait considers that the Plan should be careful to only introduce policies and rules which apply for the life of the Plan. It is not the role of this Plan to introduce rules that limit water takes 20 years or more from now.</p> <p>Synlait also considers it is important that all water users are treated equally. The water quantity issues (such as review of resource consents, limits on transfers and efficiency requirements) should apply equally to individuals operating under their own resource consent to take and use water, and an irrigation company.</p>	Ensure that the policies and rules introduced under the sub-regional chapter relate only to the period of time that the Plan will be in place, and apply equally to individual consent holders and irrigation companies.
<p><b>Mātaaitai Protection Zones</b></p> <p>Policy <b>14.4.3.d:</b> Require all farming activities which include winter grazing or irrigation and that include or directly adjoin a surface water body within the Mātaaitai Protection Zone, to operate at GMP and prepare and implement an audited FEP in accordance with Schedule 7.</p> <p>Policy <b>14.4.5.b:</b> Protect Ngai Tahu values by requiring, for any application to use land for a farming activity, to take and use water, or to discharge contaminants, an assessment of the actual and potential effects of the proposal on springs, freshwater Mātaaitai and/or rock art.</p> <p>Policy <b>14.4.16:</b> Within the Mātaaitai Zone – all farmed cattle, deer and pigs from the banks and bed of lakes and rivers, any permanently or intermittently flowing spring, and any open drain or artificial watercourse that contains water and that discharges into a lake, river or wetland.</p> <p>Policy <b>14.4.17:</b> Farming activities with winter grazing and/or irrigation within the Mātaaitai Protection Zone and that adjoin a surface water body, to demonstrate through their FEP how active</p>	Support	Synlait supports the policies and rules which provide greater protection to water quality in the Mātaaitai Protection Zones.	Retain policies and rules relating to the Mātaaitai Protection Zone as notified.

<b>SECTION</b>	<b>OPPOSE / SUPPORT</b>	<b>REASONS FOR POSITION</b>	<b>RELIEF SOUGHT</b>
management of the loss of phosphorus, sediment and microbial contaminants to water will be achieved.			