

BEFORE INDEPENDENT COMMISSIONERS

UNDER

the Resource Management Act 1991

IN THE MATTER

of Proposed Plan Change 26 to the Operative Waipā
District Plan

**SUMMARY OF EVIDENCE OF SUZANNE O'ROURKE ON BEHALF OF
FONTERRA LIMITED**

CORPORATE

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SUMMARY OF EVIDENCE

1. Fonterra has eight dairy factories located in the Waikato region. Two of Fonterra's dairy factories, Te Awamutu and Hautapu, are located in the Waipā District and are affected by PC26.
2. The Te Awamutu Dairy Factory has operated at the site for almost 140 years and employs more than 330 people. The Hautapu Dairy Factory has operated at the site for more than 130 years and employs over 300 people. Collectively, the sites process 6.3 million litres of milk (peak) from Fonterra farmer shareholders every day during the milk production season. Each site provides storage for the finished product, has associated distribution facilities and wastewater treatment plants. At Hautapu wastewater from the dairy factories is spray irrigated onto rural farmland within the surrounding area.
3. The Te Awamutu Dairy Factory is located within the urban area of Te Awamutu and is surrounded by residential activities, including residentially zoned land immediately to the east, south and west. The Hautapu Dairy Factory is located approximately 1 kilometre north of the nearest residential area (located immediately to the south of the Waikato Expressway). The nearest site utilised for spray irrigation activities associated with the dairy factory site is located approximately 200m from the nearest residential area (located immediately to the south of the Waikato Expressway).
4. Operations at Fonterra are affected by the increased encroachment of sensitive and smaller landholdings within the proximity of its manufacturing sites. This encroachment leads to an increase in reverse sensitivity effects. One common example of this is that a greater number of sensitive parties nearer to Fonterra's sites leads to greater potential for complaints and an increased demand on Fonterra's staff time to address complaints. The long term effect of these complaints leads to higher consenting and compliance costs to mitigate effects. This is because when neighbours enter a new residential environment their amenity expectations align with those expected in a non-residential environment meaning the absence of effects such as noise, lighting, visual amenity and traffic.
5. There are many instances of reverse sensitivity affecting Fonterra's operations. Three examples are set out in my statement of evidence. This includes the extensive reconsenting process undertaken at Hautapu to authorise a new wastewater treatment facility where Fonterra was required to

adjust its proposal to respond to concerns from neighbours about reverse sensitivity effects.

6. Fonterra is committed to being an environmentally responsible operator with 'sustainability' being one of its three strategic goals. This includes undertaking a significant work programme of \$1 billion to deliver its sustainability aspirations up to 2030. This work includes improving how we manage activities particularly land, air and water discharges to achieve environmental objectives and ensure we can continue to operate. For example, Fonterra announced last week that it will convert its coal boilers at Hautapu to wood pellets by 2024 as part of its programme to no longer use coal from 2037. Fonterra also goes to significant effort to ensure its environmental effects are managed on site and internalised. For example, when new plant is proposed at a site consideration is given to implementing acoustic mitigation measures to ensure Fonterra can continue to operate within its authorised noise parameters. Fonterra requires certainty that it can continue to operate at its various sites before such significant investments are made. Reduced operating hours, traffic movements, use of railway sidings, and production volumes (all due to reverse sensitivity) reduce the viability of Fonterra's manufacturing plants and will mean that positive investment is discouraged.
7. Fonterra also proactively engages in policy and plan development processes to ensure that the framework guiding the future use of our land and associated assets is recognised and provided for, subject to ensuring that significant adverse effects are avoided or can otherwise be appropriately managed. There are many positive examples of where such measures have been implemented including with Waipā District Council and the use of the 'Specialised Dairy Industrial Overlay'. These measures provide certainty to significant industry such as Fonterra that their activities can continue to operate and provides confidence for ongoing investment at the sites.
8. It is important that the Waipā District Plan continues to recognise the significant benefits industry provides through a planning framework that appropriately manages effects such as reverse sensitivity. The changes sought by Fonterra are set out in our evidence. In particular, Fonterra considers that its proposed Reverse Sensitivity Qualifying Matter, which will still enable a potential doubling of density compared to the status quo, finds the appropriate balance between enabling housing supply and recognising the significance and sensitivity of the Fonterra's Te Awamutu site.

9. It is pleasing to see that the Council's officer's report supports the relief sought by Fonterra. Fonterra requests that it requested relief be accepted.