

**IN THE MATTER**

of the Resource Management Act 1991

**AND**

**IN THE MATTER**

of the hearing of submissions by the Whangarei District Council on Plan Changes 85, 85A, 85B, 85D, 86A and Consequential Amendments to the Whangarei District Plan

**EVIDENCE** 08  
**TOPIC** PC 85A-D, 86A-B, 87, 102, 114  
**SUB#** Rural Plan Changes  
**DATE** 04-07-17

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**SUMMARY OF EVIDENCE OF ADRIAN PYNE ON BEHALF OF FONTERRA LIMITED**

**CORPORATE**

**4 JULY 2017**

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## **Introduction**

1. My name is Adrian Pyne. I am the Environmental Risk and Compliance Manager for Fonterra Limited's ("**Fonterra**") operations in the Upper North Island. I provide leadership and support for four manufacturing sites in the Waikato and two manufacturing sites in Northland.

## **Fonterra's interests in the Whangarei District**

2. Fonterra's key operational interest within the Whangarei District is the Kauri Milk Processing Site located on State Highway 1 at Kauri, 10km north of Whangarei.
3. The Kauri Site is essential to Fonterra's milk processing capacity in the Northland region, processing up to 3 million litres of milk per day, operating for 47 weeks a year, and employing approximately 380 people.
4. The Site also produces whole milk powder, skim milk powder, specialty powders, butter, anhydrous milk fat and specialty milkfat products. In the 2015 / 2016 season, the site produced 118,000 tonnes of product.
5. While Fonterra aims to minimise water usage, a large quantity of waste liquids must be discharged off site each day. The majority of this dairy processing wastewater, which is treated on-site before being discharged to three surrounding irrigation farms owned and operated by Fonterra. Fonterra's ability to dispose of wastewater in this manner is critical to its ongoing operation.

## **Reverse sensitivity**

6. Fonterra's key concern at this hearing is reverse sensitivity. Reverse sensitivity issues create a burden on Fonterra, and it is often the perception of effects, which may or may not be related to Fonterra's operations, or some people being sensitive to the legally allowed effects of an activity, that lead to complaints from sensitive land uses.
7. Most complaints can be addressed through practical means such as changing the timing of activities, screening and planting or minor modifications to the complainants dwelling; however in some cases more costly solutions are necessary, including considerable upgrades to Fonterra's facilities that would otherwise not be required.

8. Reverse sensitivity effects can also create future difficulty in obtaining or renewing resource consents, as the greater the number of neighbours close to Fonterra's operations, the greater number of potential receivers and the greater number of submissions in opposition.
9. Fonterra is eager to ensure that the Plan Changes recognise and appropriately address the potential for such effects.

#### **General support for plan changes**

10. Fonterra generally supports the Plan Changes and endorses the Council's approach. However, some of Fonterra's submission points have not been accepted by the Council.

#### **Outstanding issues**

##### *Plan Change 86A proposed rezoning of land near Kauri Site to Rural (Urban Expansion) Environment*

11. Fonterra opposed the rezoning of land on the south side of Main Road, near Fonterra's Kauri irrigation farm, from Countryside Environment to Rural (Urban Expansion) Environment.
12. A similar issue was addressed during the Plan Change 93 hearing process in 2011, which related to the rezoning of land as "Urban Transition Environment". In that case, the Hearings Panel rejected the proposed rezoning within 500m of Fonterra's irrigation farms.
13. Fonterra's concerns remain the same as at the time of Plan Change 93, particularly in respect of reverse sensitivity issues. The reasoning of the Hearings Panel applies equally to the proposed zoning that is currently under consideration.
14. If the land south of Main Road is rezoned Rural (Urban Expansion) Environment, subdivision and urban development will be enabled to a far greater extent than under the current zoning and may transition into more intensive urban development in the future. This will increase the potential for reverse sensitivity effects, which can have costly effects on Fonterra's operations.
15. Overall, Fonterra considers that the ideal zoning around the Kauri Site and associated irrigation farms is rural production or compatible commercial or industrial activity. However, provided that the package of controls proposed

are retained (including the Noise Control Boundary and consenting requirements for sensitive activities), Fonterra concerns would be addressed.

#### *Height limits*

16. The Significant Rural Industries Environment provides a general 20m height limit, but certain infrastructure (including spray drying or evaporation plants) can exceed that limit up to a height of 65m.
17. Fonterra proposed to amend this height rule for the Kauri Site in three ways:
  - (a) refer to "driers" generally rather than "spray drying", to provide a more generic terms to ensure that future technological changes are envisaged;
  - (b) add exclusions for facilities associated with driers, including boilers and silos, as these are essential to the operation of the driers; and
  - (c) add an exclusion for stacks, as these are again essential to the operation of driers and boilers.
18. If these aspects of Fonterra's operations are not excluded from the height rule, they will require resource consent as a fully discretionary activity, which may result in a wide-ranging assessment beyond the non-compliance with the height limit, at considerable cost to Fonterra.

#### *Traffic movement*

19. Fonterra opposed the New Zealand Transport Agency's submission seeking to include a traffic movement rule in the Strategic Rural Industries Environment, which would control the maximum number of vehicles per day.
20. The intersection between the Kauri Site and State Highway 1 has been upgraded to cater for a significant level of traffic in compliance with the relevant standards, so Fonterra considers that the proposed rule is unnecessary.
21. The Council has addressed various traffic options and concluded that the notified rules are the most appropriate option. Fonterra agrees with the Council and supports its recommendation.

**Conclusion**

22. Fonterra's Kauri Site is a critical part of Fonterra's upper North Island manufacturing infrastructure. Fonterra asks that the Hearing Commissioners accept its submissions and amend the Plan Changes accordingly.

