



JOINT SUBMISSION ON RESOURCE CONSENT APPLICATIONS

LU/0323/21 & APP143988

To: Waipā District Council & Waikato Regional Council

Name: Fonterra Limited

Submission

1. This is a submission by Fonterra Limited ("**Fonterra**") on the application by Global Contracting Solutions Limited (the "**Applicant**") to establish and operate a Waste to Energy Facility (the "**Proposal**" or the "**Application**") at 401 Racecourse Road, Te Awamutu (the "**Application Site**").
2. The Applicant has lodged resource consent applications to both the Waipā District Council and the Waikato Regional Council.
3. The Applicant is seeking land use consent from the Waipā District Council (LU/0323/21) to construct and operate a plant to generate power through combustion of refuse derived fuel.
4. The Applicant is seeking resource consent from the Waikato Regional Council (APP143988) to undertake three activities associated with the establishment and operation of the Proposal being the discharge of emissions to air, the discharge of stormwater to surface water and the deposition of clean fill.
5. Fonterra makes this submission in relation to both LU/0323/21 and APP143988, jointly, in their entirety.
6. Fonterra is not a trade competitor.

7. Fonterra owns and operates the regionally significant Te Awamutu Dairy Manufacturing Site at 1498 Alexandra Street, Te Awamutu (the “**Te Awamutu Site**”). The Te Awamutu Site has been in operation (in its current location) for almost 140 years and employs more than 330 people. The Te Awamutu Site processes up to 3 million litres of milk (peak) from Fonterra farmer shareholders every day during the milk production season.
8. There are a total of three plants at the Te Awamutu Site which produce a range of whole milk powders, butter and milk fat. The Te Awamutu Site is the sixth largest producer of dairy ingredients in New Zealand, and the main buttermilk producer in the Waikato Region. The Te Awamutu Site also provides storage of the finished product and has associated distribution facilities. Wastewater is treated onsite via an existing wastewater treatment plant to the north of the existing Te Awamutu Site buildings.
9. While, in general, Fonterra supports proposals that aspire to assist with New Zealand’s transition to a low carbon economy, Fonterra opposes the Application in its entirety in its current form and seeks that it be **declined**, for the following reasons (without limitation):
 - (a) **Importance of the Te Awamutu Site:** The Waipā District Plan (“**District Plan**”), reiterates the importance of the Te Awamutu Site (and the need to ensure compatible activities establish adjacent to the Te Awamutu Site), setting out in the introduction section of the Industrial Zone chapter:

The existing dairy manufacturing sites at Te Awamutu and Hautapu are significant industries that are important to the local and regional economy. The food producing activities that are carried out on these sites are sensitive to other industrial activities. This Plan recognises the sensitive nature of these sites by incorporating specific provisions in the ‘Specialised Dairy Industrial Area’. This Plan also recognises that the Te Awamutu and Hautapu Dairy Manufacturing sites were developed a long time ago and the activities undertaken at those sites are often authorised by existing use rights rather than the current District Plan rules.
 - (b) **Air quality:** As a food manufacturer, Fonterra has concerns regarding the implications of any activity in proximity to the Te Awamutu Site that discharges emissions to air that could affect or compromise Fonterra’s existing (or potentially future) operations. These concerns include potential impacts on food safety, risk of contaminants entering the dairy manufacturing facilities and the subsequent response required by Fonterra to manage the elevated risk, the impact on Fonterra’s food safety certification, and the health and safety of staff and contractors who work at the Te Awamutu Site. As part of its overseas operations, Fonterra’s experience is that other Waste to Energy Facilities have not established in close proximity to its food processing operations.

- (c) **Customer perception:** Fonterra is aware that its domestic and international customers are concerned with any perceived or real food safety risk associated with the combustion of waste products in such close proximity to its Te Awamutu Site.
- (d) **Flooding:** Based on the information in the Application it is unclear what the nature of any flooding related impacts are on the Te Awamutu Site. Further, based on the Waikato Regional Councils notification assessment, limited information has been provided in respect of groundwater effects, which will likely have implications on the stormwater management approach. Without this information, a conclusion on effects is challenging.
- (e) **Landuse compatibility:** There is a fundamental issue as to whether the Application Site is suitable for the intended Waste to Energy Facility, given its proximity to the Fonterra Te Awamutu Site, Residential Zoned land and the wider Te Awamutu urban area.

Fonterra is aware of one other application for a Waste to Energy facility in New Zealand. This is the "Project Kea" application in the Waimate District that was recently lodged and called in by the Minister for the Environment.¹

Figure 1 shows the number of sensitive receptors within a 2 km radius (red circle) of Project Kea and the Proposal (with most of the Te Awamutu Site being within a 2 km radius of the Proposal). The Air Quality Assessment supporting the applications for Project Kea identifies that the nearest sensitive receptor² is located 1.2 km from the project site. The Air Quality Assessment prepared to support this Te Awamutu Proposal only discusses sensitive receivers at a high level, noting that *"the existing racecourse to the east and northeast of the proposed site is zoned deferred residential and would therefore be considered sensitive to discharges to air."* As can be seen in Figure 1, there are a significant number of sensitive receptors within 2 km of the Proposal.

Fonterra considers that a location with many sensitive receptors is not appropriate for this development.

¹ The application by South Island Resource Recovery Limited for Project Kea was 'called in' by the Minister for the Environment as a matter of national significance. The Environmental Protection Authority has taken over the management of the applications and the Environment Court will be the decision maker.

² A location where people or surroundings may be particularly sensitive to effects of air pollution (i.e. aged care facilities, hospitals, schools, early childhood education centres, marae, cemeteries, residential properties, other cultural facilities and sensitive ecosystems).



Figure 1: Comparison of the number of sensitive receptors within a 2 km radius (red circle) of Project Kea³ and the Proposal.

- (f) **Compliance history:** The Applicant is a subsidiary of Global Metal Solutions Limited. In 2022, Global Metal Solutions Limited was ordered to pay \$134,900 to Hamilton City Council in respect of enforcement order proceedings that were initiated by Hamilton City Council to deal with the impact of noise (including persistent breaches of the noise limits in the Hamilton City District Plan) from its metal recycling business.
- (g) **Waikato Regional Policy Statement alignment:** The Waikato Regional Policy Statement (“**Waikato RPS**”) includes a range of strongly worded policy directives in relation to the building environment including the need to minimise land use conflicts, and to provide for the continued operation and development of Regionally Significant Industry. As the Proposal may affect the Te Awamutu Site (a Regionally Significant Industry), Fonterra considers that the Application is fundamentally inconsistent with the policy directives of the Waikato RPS.
- (h) **Specialised Dairy Industrial Overlay:** Under the District Plan, the Te Awamutu Site and the Application Site are subject to the Specialised Dairy Industrial Area overlay. The purpose of the Specialised Dairy Industrial Area overlay is addressed at length in the decision report for the District Plan [emphasis added]:

3.5.2 The Committee considered a submission point from Mr Andrew Neal which requests that provision is made within the zone for a number of additional industrial activities as permitted activities. The submission also requests that Rule 7.4.1.1(v) is amended to provide for the consented or existing industrial activities undertaken within the Hautapu Specialised Dairy Industrial Area as permitted activities, even where these are not directly related to the processing of milk or the production of

³ Fonterra makes no comment on the merits of the Project Kea proposal.

milk related products. **The Committee noted that reasoning behind the “Specialised Dairy Industrial Area” approach is to ensure that land uses are assessed as to their compatibility with the food processing activities undertaken at Te Awamutu and Hautapu Dairy Factories. The particular concern relates to the management of airborne emissions and the potential impact this could have on milk processing and the production of milk related products.** The Committee also observed that development located within these areas has an existing use right to operate there, and would likely have been considered under the provisions of a similar rule in the Operative District Plan.

In summary, the decision sets out that the rationale for the Specialised Dairy Industrial Area is firstly to ensure that activities locating near the Te Awamutu Site do not adversely affect milk production activities through airborne emissions. The Application, in its current form, goes against the very purpose of the Specialised Dairy Industrial Area.

The District Plan policy framework also requires the Industrial Zone to be developed in a manner that protects the ability for the Te Awamutu Site to continue to operate and expand with this site. The Proposal is inconsistent with the District Plan policy directives.

- (i) **Adequacy of Information:** Fonterra considers that the Application is deficient in information as to how the ongoing activities at the Application Site are to be managed. For example, for an application of this nature, it is surprising that a comprehensive suite of proposed consent conditions and draft management plans have not been prepared in support of the Application, given that ongoing management will be required to maintain air emissions as has been modelled in the Application. This lack of information provides no confidence to Fonterra as to how operations will be managed on an ongoing basis, should resource consent be granted. Without details of how ongoing effects will be managed, it is difficult to determine how it could be concluded that effects will be “no more than minor”.

- 10. Fonterra wishes to be heard in support of this submission.
- 11. If others make a similar submission, Fonterra will consider presenting a joint case with them at a hearing.

Date: 13 October 2023

Signature: Fonterra Limited

by its duly authorised agents Mitchell Daysh Limited



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