Dear Sir / Madam

RE FONTERA LIMITED’S SUBMISSION ON THE DRAFT FIRST SET OF NATIONAL PLANNING STANDARDS

Fonterra Limited (Fonterra) appreciates the opportunity to make a submission on the draft first set of National Planning Standards (Draft Standards).

Fonterra generally supports the Draft Standards, and in particular the proposals to make Resource Management Act (RMA) plans and policy statements simpler to prepare, and easier for plan users to understand, compare and comply with.

Fonterra has 30 manufacturing and two standalone distribution centres across New Zealand. These activities span some 31 local authorities (regional, district and unitary councils), and we make the point that at present no two RMA documents are the same in terms of format, structure and core provisions. This makes transitioning between documents cumbersome and time-consuming, and it has implications for our operations in terms of plan usability, interpretation, application and cost. This variation can also make it difficult for companies that operate nationally implement standardised systems across the country for monitoring compliance, particularly where areas of technical dispute (e.g. noise, carparking and stormwater) exist.

Fonterra considers that the Draft Standards will ultimately reduce compliance costs and plan-complexity, and therefore improve the efficiency and effectiveness of RMA documents for both plan-makers and users. Fonterra also considers that the National Standards should go further to mandate content (e.g. objectives, policies and rules) for areas of technical dispute such as noise, transportation matters and stormwater.

In the attached document, Fonterra has provided:

- A general overview of its activities and operations in New Zealand, including the requirements under the Dairy Industrial Restructuring Act (DIRA);

- Specific submissions on the Draft Standards, focusing on:
  
  - The structure and format of regional policy statements, regional plans and district plans;

  - The proposed zone options, and the need for an additional “Rural Industrial” zone to recognise and provide for rural production activities, as defined in the Draft Standards;
– Key definitions; and  
– The noise and vibration metrics standard.

Fonterra considers that there is considerable value in establishing a group of rural industrial activity, including dairy manufacturing, horticultural and timber processing, fertiliser companies, vineyards and meat processors, to develop zone-specific objective, policies and rules for a Rural Industrial Zone.

If you have any questions or require further information, please do not hesitate to contact me on [redacted] or via email: [redacted]

Yours sincerely

BBuckley

Brigid Buckley

National Policy Manager – Global Operations

FONterra CO-OPERATIVE GROUP LIMITED
1. Overview

1.1. Fonterra Limited (Fonterra) appreciates the opportunity to submit on the draft first set of the National Planning Standards (Draft Standards).

1.2. Fonterra generally supports the Draft Standards. Fonterra considers that by providing clear and consistent direction on the form and structure of Resource Management Act (RMA) plans and policy statements, the Draft Standards will remove unnecessary variation and uncertainty across these documents. Overall, RMA documents will be simpler to prepare, and easier for plan users to understand, compare and comply with.

1.3. Fonterra's 30 manufacturing and two stand-alone logistics sites span across nine regional authorities, three unitary authorities, and 19 district councils – each of whom has a slightly different way of structuring and formatting their required RMA policy statements and/or plans. Consequently no two plans are the same in terms of structure, format and content.
1.4. There are significant benefits to all plan users of being able to transition from one planning document to another, as proposed via the Draft Standards, knowing that (for example) the rules for a particular zone will be contained within one place, or the definition of “site” has the same meaning in Whangarei as it does in Dunedin.

1.5. Fonterra would support the development of further standards, including those that are content-based or where an area of technical dispute exists. Standardised provisions for noise, stormwater, hazardous substances and transportation would be good examples.

1.6. In this submission, we have provided:

- An overview of Fonterra, and their involvement in RMA policy and planning development and resource consenting processes;
- Specific submission points on the Draft Standards, including:
  - Comments on the proposed structures for regional policy statements, regional plans, district plans, and combined plans, and formatting requirements for planning maps;
  - The need to provide a dedicated “Rural Industrial Zone” to specifically recognise and provide the large number of rural industrial activities across New Zealand, and that the effects associated with these activities and sites are different from those heavy industrial activities that occur in urban environments;
  - Comments on a number of the proposed definitions, and recommendations for amendments to improve the efficiency and effectiveness of RMA planning documents; and
  - Support for the CM-2 Draft Noise and Vibration Metrics Standard, and recommendations to streamline the content of noise and vibration provisions, including objectives, policies, rules and mechanisms such as noise control boundaries, in RMA planning documents.

1.7. Given the scale of Fonterra’s manufacturing activities in rural locations across New Zealand, we would appreciate an opportunity to discuss this submission with the Ministry for the Environment (MfE), and to investigate further opportunities to refine specific content for a new “Rural Industrial Zone”. In doing this, Fonterra considers it would be beneficial to work with MfE, and other rural industrial activities, such as fertiliser and meat processing companies, to develop zone-specific objectives, policies and rules.

2. Fonterra Limited

2.1. Fonterra is one of the top six dairy companies in the world by turnover, New Zealand’s leading exporter of dairy products, and is responsible for more than a third of international dairy trade. Fonterra is owned by approximately 10,600 New Zealand dairy farmers, who supply more than 15 billion litres of milk each year. Fonterra’s global supply chain stretches from farms all over New Zealand to customers and consumers in more than 140 countries.

2.2. Fonterra is New Zealand’s biggest company, and a significant employer, with around 22,000 people employed around the globe. It owns 30 manufacturing sites within New Zealand and processes 84 percent of New Zealand’s total milk production (2015/16 season). Last season, Fonterra exported from New Zealand 2.5 million metric tonnes of dairy products to international markets.

**Fonterra’s obligations under the Dairy Industry Restructuring Act**

2.3. Fonterra was established in 2001, with 84% of New Zealand dairy farmers voting to confirm the merger of the New Zealand Dairy Board, New Zealand Dairy Group and Kiwi Co-operative Dairies and the passing of the Dairy Industry Restructuring Act 2001 (“DIRA”).

2.4. The DIRA requires Fonterra to (amongst other things):
(a) pick up and pay for milk from farmers who hold shares in Fonterra;
(b) accept all applications to become a shareholding farmer; and
(c) accept all applications to increase the volume of milk supplied by a shareholding farmer.

2.5. Accordingly, as milk supply grows through either increased production at an existing farm, or via the conversion of other land to dairy, Fonterra is obliged to collect, pay for and process that milk.

2.6. Fonterra needs to ensure that its milk processing facilities operate efficiently and can process all milk supplied. The efficient operation of Fonterra’s manufacturing sites, without undue constraint, is therefore essential to Fonterra’s business.

Milk processing and logistics activities

2.7. As previously noted, in New Zealand Fonterra owns and operates 30 dairy manufacturing sites, along with two distribution centres (refer to Table 1). In addition to this, Fonterra has a number of smaller milk transfer facilities which serve as a conduit between the point of on-farm milk collection, and the processing facility.

Table 1: Location of Fonterra’s milk processing and logistics assets relative to regional, unitary and territorial authorities’ boundaries

<table>
<thead>
<tr>
<th>REGIONAL / UNITARY AUTHORITY (U)</th>
<th>TERRITORIAL / UNITARY AUTHORITY (U)</th>
<th>FONTERRA MANUFACTURING OR LOGISTICS (L) SITE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northland</td>
<td>Whangarei</td>
<td>Kauri</td>
</tr>
<tr>
<td></td>
<td>Kaipara</td>
<td>Maungaturoto</td>
</tr>
<tr>
<td>Auckland (U)</td>
<td>Auckland</td>
<td>Tip Top</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Takanini</td>
</tr>
<tr>
<td>Waikato</td>
<td>Hamilton City</td>
<td>Te Rapa</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Crawford Street (L)</td>
</tr>
<tr>
<td></td>
<td>Matamata-Piako</td>
<td>Waitoa</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Morrinsville</td>
</tr>
<tr>
<td></td>
<td>Waipa</td>
<td>Hautapu</td>
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<tr>
<td></td>
<td></td>
<td>Te Awamutu</td>
</tr>
<tr>
<td>South Waikato</td>
<td>Tirau</td>
<td>Lichfield</td>
</tr>
<tr>
<td></td>
<td>Rotorua</td>
<td>Reporoa</td>
</tr>
<tr>
<td>Bay of Plenty</td>
<td>Whakatane</td>
<td>Edgecumbe</td>
</tr>
<tr>
<td>Taranaki</td>
<td>South Taranaki</td>
<td>Etham – Collingwood Street</td>
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<tr>
<td></td>
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<td>Eltham – Bridge Street</td>
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<td></td>
<td></td>
<td>Kapuni</td>
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<tr>
<td></td>
<td></td>
<td>Whareroa</td>
</tr>
<tr>
<td>Manawatu</td>
<td>Palmerston North</td>
<td>Longburn</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Makomako</td>
</tr>
</tbody>
</table>
3. Submission points

**S-RPS:** DRAFT REGIONAL POLICY STATEMENT STRUCTURE STANDARD

**S-RP:** DRAFT REGIONAL PLAN STRUCTURE STANDARD

**S-DP:** DRAFT DISTRICT PLAN STRUCTURE STANDARD

**F-2:** DRAFT MAPPING STANDARD

3.1. Fonterra supports the consistent structure and format for regional policy statements (RPS), regional and district plans proposed in the Draft Standard. Standardisation of mapping symbols and colours is also supported.

3.2. Fonterra has 30 manufacturing sites and two standalone distribution centres located across 31 different local authorities. The structure and format of RMA policy statements and plans varies from council to council. For example, and in some cases, a council may have three regional plans to individually cover land and water, air and the coastal environment, whereas others will have a single integrated one. Furthermore, key sections, like the “definitions” section is never in the same place, or rarely called the same name (e.g. glossary, meaning of words, etc.). Furthermore, the colour of zones and representation of features in planning documents also varies significantly between authorities.

3.3. Fonterra considers that this variation is unnecessary and inefficient, and has resultantly led to overly complex documents that are difficult and time-consuming to navigate.

3.4. Fonterra therefore supports the proposed structures for these documents provided in Table 3, 4, 5 and 6 of the Draft Standards, and the zone colour and symbology proposed in Tables 21 and 22. The proposed structures and formatting requirements will provide clarity and consistency across RMA policy statements and plans. Furthermore, and importantly, they do maintain some flexibility for local authorities to adjust their planning documents to reflect local circumstances and address resource management issues, as well as enable the implementation strategic priorities identified in non-RMA documents.

**RELIEF REQUESTED**

3.5. Fonterra seeks that:
• The Draft Standards provide a consistent structure and format for RPSs, regional plans, district plans and combined plans.

• The Draft Standards provide a consistent format for RMA planning maps.

S-DP: PROVISION OF A RURAL INDUSTRIAL ZONE

S-ASM DRAFT AREA SPECIFIC MATTERS STANDARD

F-4: DRAFT SPATIAL PLANNING TOOLS (DISTRICT) STANDARD

3.6. Fonterra supports the continued use of “zones” to demarcate areas whereby “similar” activities are enabled, and incompatible ones discouraged.

3.7. Standardising the range and names of zones will help plan users to better understand the purpose of each one. The names of zones applied to Fonterra's manufacturing activities varies markedly across the country, and includes: Business 3, Heavy Industrial, Industrial 2, Rural and Strategic Rural Industrial Environment. Furthermore, some sites are provided with a generic “Industrial” zoning, and then subject to site-specific overlays.

3.8. The Consultation Document, which accompanies the Draft Standards, infers that “unique” zones such as those created for dairy factories or museums are not appropriate, and states that they are “put in place instead of a resource consent or permitted activity rule” (page 17). This is not always correct, and in Fonterra's experience the use of a specific zone in many circumstances reflect (amongst other things):

1. the long history that the activity has had in that particular location; and/or

2. the specific effects associated with that activity;

3. recognition of changing market preferences and demands, and the short timeframes between identification of the opportunity and the required operation start-date; and/or

4. the importance of that activity to local economic and social well-being.

3.9. The promulgation of such zones typically occurs via a Schedule 1 RMA plan change or district plan review process. The technical information associated with these processes is comprehensive, and will reflect the scale and nature of the proposal at hand. Furthermore, these assessments will cover broader environmental effects and area characteristics including the transportation network (road and rail), natural character, air quality, landscape and visual, noise, and positive effects. The difference being that the adverse effects are addressed at the outset of the zone creation as opposed to on a proposal-specific consent-by-consent basis.

3.10. Examples illustrating the nature, extent and volume of information required to support a private plan change request for the Synlait Limited and Fonterra manufacturing sites in the Selwyn District can be found via the following links:


3.11. In Fonterra’s experience continued reliance on resource consents (land use) in an evolving environment is an inefficient approach to resource management, and one that is both costly and time-consuming for all parties involved. Furthermore, site-specific controls do enable organisations to respond at pace to changing market preferences and demands, and technologies, whereas rigid planning controls can often lead to significant delays and lost opportunities. For example, the timeframes between identifying and/or
securing “demand” for a new product and a new plant to cater for that demand being fully operational can be as short as two years. District plan consenting processes provide little certainty that such tight timeframes can be met, and often compromises are made (particularly around resource consent conditions) to enable this. This leads to a proliferation of s127 variation to resource consents for relatively minor activities that were not foreseen in the current application such as the construction of a maintenance shed. The resultant conditions can also often conflict with the primary consent conditions in terms of information requirements or management, and are therefore difficult to monitor and comply with. A specific zone can alleviate these issues, and more effectively enable changing market preferences and demands.

3.12. Whilst Fonterra supports the general list of zone options provided in the Draft Standards, we consider that an additional “Rural Industrial Zone” is required. This dedicated zone would recognise, and provide for those typical rural industrial activities, including dairy manufacturing, fertiliser and meat processing, that have purposely located in the rural environment, to ensure close proximity to the raw material and products that they process, and away from more sensitive activities, including residential dwellings and educational facilities.

3.13. Where required, spatial planning tools such as overlays, precincts, specific controls and development areas can be used to spatially define an area to which specific provisions apply in a plan. Fonterra supports these spatial planning tools, and the consistent approach proposed through the Draft Standards.

3.14. Fonterra also considers that the further development of content-based standards will provide plan with greater certainty and clarity about what is, and is not, generally anticipated in each zone, and under what circumstances.

RELIEF REQUESTED

3.15. Fonterra seeks that:

- The creation of a new Rural Industrial Zone that provides for rural industrial activities as defined in the Draft Standards; and
- MfE considers the use of a “rural industrial” group, including dairy manufacturing, fertiliser companies, and meat processors, to develop zone-specific objectives, policies and rules for the new Rural Industrial Zone.

CM-1: DRAFT DEFINITIONS STANDARD

3.16. There is considerable variation across the definitions provided in RMA policy statements and plans. Whilst this variation can reflect local circumstances and specific resource management issues, the inconsistency can lead to uncertainty and cost to plan users who become involved in the plan-making process.

3.17. Fonterra agrees with the proposal to standardise common definitions. However, Fonterra considers that those definitions provided in RMA should not be restated in lower-order policy statements and planning documents.

3.18. Table 2 below provides specific comments on the definitions proposed in the Draft Standards.

<table>
<thead>
<tr>
<th>DEFINITION</th>
<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boundary</td>
<td>The definition is appropriate, and should be retained.</td>
</tr>
<tr>
<td>Community facility</td>
<td>The definition is appropriate, and should be retained.</td>
</tr>
<tr>
<td>DEFINITION</td>
<td>COMMENTS</td>
</tr>
<tr>
<td>------------------------------------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Educational facility</td>
<td>The definition is appropriate, and should be retained.</td>
</tr>
<tr>
<td>Footprint, Gross floor area, Net floor area</td>
<td>The definitions are appropriate, and should be retained. Fonterra considers that there may be issues associated with retrofitting these definitions into existing policy statements and plans.</td>
</tr>
<tr>
<td>Functional need</td>
<td>The definition is appropriate, and should be retained.</td>
</tr>
<tr>
<td>Habitable rooms</td>
<td>The definition should be extended to include any habitable room in papakaianga housing. The definition of habitable room is critical to determining the adverse effects of (for example) an activity’s noise emissions on a sensitive activity.</td>
</tr>
<tr>
<td>Industrial activity</td>
<td>The definition is appropriate, including the provision of logistics and distribution activities.</td>
</tr>
<tr>
<td>Notional boundary</td>
<td>The definition is appropriate and will provide national consistency when considering the adverse effects of (for example) an activity’s noise emissions on a sensitive activity.</td>
</tr>
<tr>
<td>Reverse sensitivity</td>
<td>Fonterra supports the definition of reverse sensitivity, and in particular the recognition that the adverse effects may be perceived is supported. Reverse sensitivity is a key issue for large industrial activities, and it is often the perception of effects rather than actual effects that generates the complaint. It is considered that the definition should also note that reverse sensitivity arises in situations whereby the effects-generating activity is actually compliant with its resource consent conditions or permitted activity standards in plans.</td>
</tr>
<tr>
<td>Rural industry</td>
<td>The definition is appropriate, and should be retained.</td>
</tr>
<tr>
<td>Sensitive activity (new)</td>
<td>It is considered that a new definition of sensitive activity should be provided in the Draft Standards. This term is frequently defined in RMA policy statements and plans to manage (in particular) reverse sensitivity effects whereby setbacks (for example) are provided to manage potential conflicts between incompatible activities.</td>
</tr>
<tr>
<td>Sewage, Wastewater</td>
<td>The definition of sewage is supported. However, it is considered that further clarity needs to be provided around “wastewater” as this definition is critical to the implementation of policies and rules to manage its treatment and discharge at a regional level. For example, the treatment and discharge of industrial and trade premise (manufacturing) wastewater is different from sewage due to the contaminant loads, and their human-health risks.</td>
</tr>
<tr>
<td>Stormwater</td>
<td>The definition is appropriate, and should be retained.</td>
</tr>
<tr>
<td>Wetland</td>
<td>A definition of wetland is supported, however it is noted that there are a number of different types of wetlands, including natural ones, and those that are constructed to treat stormwater (for example). Recognising these differences is critical to ensuring that appropriate management regimes are provided in RMA policy statements and plans.</td>
</tr>
</tbody>
</table>

3.19. A key issue in terms of the new definitions proposed will be how these will be implemented into existing RMA policy statements and plans. For example, there is variation in how the term site is currently defined (i.e. per Certificate of Title (CTs), per property, collection of CTs, etc.).

**RELIEF REQUESTED**

3.20. Fonterra seeks that:
The definitions provided in the Draft Standards are retained and/or amended as outlined in Table 2 above.

That consideration be given to how retrofitting the definitions mandated by the Draft Standards into existing RMA policy statements and plans, and the development of mechanisms to address situations whereby the original intent of an associated rule changes as a result of the new definition.

CM-2: DRAFT NOISE AND VIBRATION METRICS STANDARD

3.21. The inclusion of a Noise and Vibration Metrics Standard as part of the Draft Standards is supported by Fonterra. Fonterra also supports the definition of *notional boundary* as outlined in the previous section.

3.22. Requiring rules in district plans to reflect the latest version of the relevant acoustics New Zealand standards will provide greater consistency, and remove some of the variation that currently exists.

3.23. In Fonterra’s experience there is much dispute amongst acoustic consultants on noise-related matters. This often comes to the fore during a district plan review whereby industry professionals hold different opinions on (for example) daytime and night-time noise periods, notional boundary distances, what is to be included in noise emissions calculations, etc. The costs of this on-going debate is borne on both the council and submitters.

3.24. In this regard, Fonterra considers that the Draft Standards should mandate further acoustic-related matters, including:

- Defining daytime and night-time noise periods (e.g. 0700 to 1900 for daytime, and 1900 to 0700 for night-time);
- Clearly defining what is and what is not included in the definition of *noise* for the purposes of assessing noise emissions associated with an activity;
- Identifying where compliance is to be measured (e.g. at the property boundary or notional boundary);
- Promoting the use of noise control boundaries to manage noise emissions from large-scale heavy and rural industrial activities;
- Setting internal noise limits for habitable rooms in *new* sensitive activities where these proposed to establish within proximity of existing industry (e.g. 30-35 dB L_{Aeq} in any habitable room);
- Defining *noise sensitive activities*; and
- Setting the framework for noise management plans as a mechanism to manage noise emissions from activities.

RELIEF REQUESTED

3.25. Fonterra seeks that:

- The development of content-specific National Standards for noise and vibration is prioritised.
- The development of content-specific National Standards for transportation, hazardous substances, and stormwater are also prioritised.

Submission ends.