

Before the Independent Hearings Panel  
at Timaru

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*under:* the Resource Management Act 1991

*in the matter of:* Submissions and further submissions in relation to  
Timaru Proposed District Plan – Hearing B

*and:* **Fonterra Limited**  
*Submitter 165*

Statement of evidence of Suzanne Patricia O'Rourke

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Dated: 5 July 2024

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## STATEMENT OF EVIDENCE OF SUZANNE PATRICIA O'ROURKE

### INTRODUCTION

- 1 My full name is Suzanne Patricia O'Rourke.
- 2 I joined Fonterra Limited (*Fonterra*) as the National Environmental Policy Manager in November 2021.
- 3 My qualifications and experience are set out in my Statement of Evidence dated 22 April 2024 that I provided in Hearing A in relation to the strategic directions of the Timaru Proposed District Plan (the *Proposed Plan*).<sup>1</sup>
- 4 Like my earlier brief, I am not providing this evidence as an expert - but I do have qualifications and 24 years' experience of working in resource management and planning. I have drawn on some of that experience in preparing this evidence.
- 5 I am authorised to provide this evidence on behalf of Fonterra.

### SCOPE OF EVIDENCE

- 6 In preparing my evidence I have reviewed:
  - 6.1 the application, reports, evidence and supporting material prepared by all of Fonterra's witnesses; and
  - 6.2 the relevant submissions provided to the Timaru District Council (the *Council*).
- 7 I provided the following evidence in Hearing A:
  - 7.1 an overview of Fonterra, its South Island and Timaru operations;
  - 7.2 the broader strategic and legal considerations; and
  - 7.3 the key changes sought to the proposed Plan to recognise the significance of Fonterra's activities in the Timaru District (the *District*).
- 8 Although it is relevant to Hearing B and should be considered in conjunction with this evidence, I will not repeat the evidence I provided at Hearing A.
- 9 My evidence will address, in more detail, Fonterra's thinking around establishing a new special purpose zone to enable the continued operation and future development of the Fonterra manufacturing site based at

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<sup>1</sup> Statement of Evidence of Suzanne Patricia O'Rourke for Hearing A - Overarching Matters, Part 1 - Introduction, General Provisions, General Definitions and High-Level Strategic Directions dated 22 April 2024.

Clandeboyne (*Clandeboyne Site*). I will also set out the potential extent of future development on the site.

### **Timaru District Plan General Industrial Zone**

- 10 The Clandeboyne Site is currently zoned 'Industrial H Zone' in the Operative Timaru District Plan (*the Operative Plan*). This means existing and proposed activity at the Clandeboyne Site is subject to the provisions that govern other industrial activities in the District. This policy framework has created significant burden at the site with regards to undertaking development and affects its ability to operate effectively and efficiently.
- 11 The Clandeboyne Site has been subject to ongoing resource consenting processes to authorise activity at the site under the planning frameworks of both the Council and the Canterbury Regional Council (*ECan*). The site is currently governed by some 18 resource consents issued by the Council. There are a further 35 resource consents (or certificates of compliance) issued by ECan. In total, the site is subject to 53 resource consents. A full schedule of the resource consents is set out in paragraphs 32 and 42 of the evidence of **Mr Burdett**.
- 12 In relation to District activities, much of the site is also the subject of existing use rights or would have been authorised under authorisations that pre-date the Resource Management Act 1991. In effect **Mr Burdett's** summary only provides a snapshot into those activities for which resource consent has been sought in more recent years.
- 13 The District resource consents that Fonterra does hold authorise a range of activities at the site and vary in terms of the scale of the consented activity. That is, some consents authorise a 'one-off' activity and some authorise a range of activities. For example, resource consent No 102-2016.206, which authorised the development of a significant upgrade to a mozzarella plant, is one of the most extensive consents held by the Clandeboyne Site. Other consents have authorised 'one-off' type activities including building proliq<sup>2</sup> tanks and relocation of an existing refuelling facility.
- 14 Since resource consent No 102-2016.206 was granted in 2017, a further 10 resource consents relating to the Clandeboyne Site granted by the Council meaning that, on average Fonterra has needed to apply at least one resource consent per year. Each resource consent requires the commitment of time and cost to Fonterra. For example, there is considerable time and cost involved in preparing an application, liaising internally and gaining business approval, working with Council as the application is processed and reviewing of the decision to ensure Fonterra understands the consent conditions. This has meant that Fonterra is in an almost constant round of resource consenting.
- 15 Further business development is also limited as to how far it can proceed until there is certainty the resource consent has been granted and project

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<sup>2</sup> Proliq is a liquid stock food produced from lactose manufacture. It is produced at four Fonterra manufacturing sites being Kapuni in Taranaki, Hautapu in Waikato and Edendale in Southland.

implementation is always contingent on the time delay with obtaining consent(s).

- 16 Once a resource consent decision is received by the Fonterra Consents Team it is reviewed to ensure the decision is acceptable. Following acceptance, it is then worked through with the Clandeboye Site environmental staff to ensure they understand the consent conditions and their responsibility to achieve compliance with such conditions. Council staff are also required to monitor the consent conditions for compliance and undertake any subsequent enforcement action for non-compliances. Therefore, the compliance, monitoring and enforcement responsibilities are shared both by Fonterra (as the consent holder) and Council (as the regulator). The greater the number of resource consents that are granted, the greater the resourcing commitment required, by both Fonterra and Council, to manage those consents going forward.
- 17 The provisions in the Industrial H Zone have not supported the existing activity at the Clandeboye Site. It is my understanding that all Industrial H zoned sites (with the exception of the Port) have been rolled into the General Industrial Zone (GIZ) without addressing any of the issues that have impacted Fonterra's growth and operational requirements. The following commentary provides examples of the issues experienced by Fonterra under the operative policy framework.

#### ***Landscaping***

- 18 The landscaping provisions in the Operative Plan trigger the requirement to seek resource consent for many proposed activities on site. This is because the landscaping rules are prescriptive whereby, they require sites in the Industrial H Zone to meet certain landscaping requirements when adjacent to a different zone. As the Clandeboye Site adjoins the Rural Zone, the Rural Zone landscaping rules apply. For example, the rules require the site to provide a landscaping strip or a screen fence around the perimeter when development occurs. The site provides some landscaping around the boundary based on what is reasonable to provide at a significant food manufacturing site adjacent to a Rural Zone. However, the site has not provided boundary treatment that complies with this rule for the reasons set out in the following paragraphs.
- 19 Fonterra recognises that landscaping is a measure to screen and visually soften the visual appearance of a site. However, this approach would have limited effectiveness at the Clandeboye Site where there are many built structures and some structures have a height of 70 metres. Further, the requirement to provide landscaping is constrained due to potential issues it can create at a food manufacturing site. That is, landscaping provides habitat for wildlife such as birds and rodents. When birds and rodents are attracted to a site their faeces have the potential to be transferred into the food manufacturing facilities. This type of contamination has significant impacts at a food manufacturing site and can, in extreme cases, lead to closure of the plant.
- 20 Most recently, this type of contamination incident occurred at Fonterra's Whareroa manufacturing site in the Taranaki Region. The contamination

led to a salmonella outbreak at the site which required the closure of the affected dryers, the need to dispose of contaminated product and the cleaning of the dryers before they could be re-used. This is one of the most important reasons as to why Fonterra needs to manage both the amount, and the location, of landscaping at its sites. The establishment of both significant planting, and at inappropriate locations, has the potential to compromise operations and create significant flow-on effects.

- 21 Fonterra has established, and maintained, planting in appropriate locations around its Clandeboye Site and is not opposed to the provision of some landscaping. However, it is concerned that the proposed landscaping provisions that apply under the notified GIZ zoning entrench the historic issues that Fonterra have had with the need to landscape to a prescribed level. In turn this does not appropriately provide for activities at the Clandeboye Site and create an unreasonable consenting burden on the site each time it is required to undertake works that do not comply with the landscaping provisions.

### ***Temporary Buildings***

- 22 The Operative Plan includes provisions for temporary buildings ancillary to a construction project that limit their duration to 12 months.
- 23 Due to the scale of the Clandeboye Site, site development projects can be significant in terms of scale, time, resourcing and financial commitments. For this reason, and to ensure works are carried out to the required standard before becoming operational, such projects, and their associated temporary buildings, may need to be in place beyond the 12 month period. Such activities trigger a non-complying resource consent to authorise temporary buildings associated with a construction project to remain for more than a 12 month period.
- 24 In my opinion, other district plan provisions, such as noise and traffic, are better placed to manage the actual effects of activities related to construction project. The consent trigger for temporary buildings over 12 months in duration creates an inequitable burden on individuals and businesses, such as Fonterra, that are looking to undertake significant projects within the District.

### ***Noise***

- 25 Noise at the Clandeboye Site is authorised and managed under Resource Consent 3145. With the resource consent being granted in January 1998 it has now been in duration for over 25 years. The resource consent sets the parameters for noise emissions from the Site based on a measurement undertaken at the notional boundary of the existing rural area and the existing Clandeboye School boundary. As the Clandeboye School has since closed, and the site purchased by Fonterra, that part of the condition no longer applies. It is Fonterra's experience that managing noise through a resource consent mechanism is both less effective and can lack transparency. It also means that Fonterra needs to demonstrate compliance with the resource consent conditions each time a new resource consent is sought. Further, it is unclear both to existing and future landowners as to what levels of noise can be emitted from the site. This is

why Fonterra has proposed establishing a noise control boundary as discussed further in my evidence.

- 26 In summary, the Industrial H Zone provisions in the Operative Plan creates an administrative burden, both for Fonterra and the Council, in processing, authorising, managing and monitoring an extensive regime of consents. It also creates uncertainty for Fonterra while the resource consent application is being processed by Council before a decision is issued this delays the progress of projects and impacts on the operational efficiency of Fonterra.

### **Proposed Special Purpose Zone**

- 27 The purpose of Fonterra's request to establish the Special Purpose Zone: Clandeboye Dairy Manufacturing Zone (*CDMZ*) is to provide a policy framework "for the establishment and operation of buildings and activities that are regionally and nationally significant to the dairy sector" (Objective 1).
- 28 My evidence in Hearing A provided an overview of Fonterra, its South Island and Timaru District operations. It advised that the Clandeboye Site processes up to 13 million litres of milk per day and is Fonterra's largest manufacturing site employing over 1,000 staff (with as **Mr Burdett** notes, over 900 of these being full time). It noted that in total there were 120 farms in the District that supply milk to the Clandeboye Site with production forecast for the upcoming season to be 38 million kilograms of milk solids resulting in \$387 million into the local economy.<sup>3</sup> Further evidence from Fonterra's economic expert **Mr Copeland** has confirmed the regional and national significance of the Clandeboye Site.
- 29 The location of the Clandeboye Site in the centre of the South Island means it is well positioned to collect and distribute product across the country. It is surrounded by rural productive land which supports the Clandeboye Site both in being a compatible land use to the operation of a dairy manufacturing site and enabling the land to be used to dispose of its wastewater. The scale of the Clandeboye Site means that it would be both uneconomic and unfeasible for it to relocate to an alternative location.
- 30 The establishment of the CDMZ both recognises the significance of the Clandeboye Site along with creating a policy framework that is efficient and provides greater certainty to Fonterra and the Council. The approach is informed by existing activity at the site such as the scale of the existing buildings, existing traffic generation and existing noise levels emitted.
- 31 The CDMZ small-scale developments (such as maintenance, changes in technology) to be authorised to occur at the site. The CDMZ does not negate or override the overlays or topic chapters that apply to the site (for example historic heritage and cultural considerations).

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<sup>3</sup> Statement of Evidence of Suzanne Patricia O'Rourke for Hearing A - Overarching Matters, Part 1 - Introduction, General Provisions, General Definitions and High-Level Strategic Directions dated 22 April 2024 at [16]-[20].

- 32 The primary tool for managing development at the Clandeboye Site and its environmental effects would be the Outline Development Plan (**ODP**). This is an approach that has worked effectively for Fonterra's Darfield manufacturing site within the Selwyn District. The ODP provides the overall framework which governs the level of development that can take place at the site without requiring resource consent i.e. as a Permitted Activity. This approach provides certainty to Fonterra, the community and the Council that the site can undertake a level of activity for which the level of effect has been assessed as being appropriate for an activity of this nature.
- 33 It is not possible to anticipate the future of the demand for dairy and its products and so it is not possible to provide for all future development scenarios in the CDMZ. However, the ODP approach is considered the most practical way to recognise the existing (consented) scale of development on the site and enable small scale works that largely align with that scale.
- 34 Development generating a greater effect (that falls outside the ODP) will be subject to an assessment of environmental effects similar to other resource management users.
- 35 The ODP would set the parameters for key environmental effects at the site such as the bulk and location of structures. For example, the ODP would establish a 'building envelope' that shows the setbacks for buildings from boundaries, stipulated the average height for most of the buildings and the maximum height for a limited number of taller buildings on the site. The ODP recognises that the buildings at the Clandeboye Site are particular to the site and therefore, it is appropriate to have a planning framework that recognises the level of existing development.
- 36 The ODP would not require further landscape planting to take place at the site. The existing planting will be maintained in accordance with existing resource consents held for the site. This would address the issue with the current Industrial H Zone that requires a resource consent due to non-compliance with the planting provisions each time development takes place at the site.

#### **Noise Control Boundary**

- 37 Fonterra's preferred approach to managing noise at its manufacturing sites is to establish a noise control boundary (**NCB**). The NCB could then be mapped as a defined line and shown on the District Plan Maps along with the relevant noise limits being included in the District Plan. The benefits of this approach is that it both confirms the level of noise that Fonterra can emit and the level of noise that surrounding landowners can expect to receive at the NCB. It also means that there is improved transparency due to the NCB being visible in public planning documents. Further, assessing compliance is simplified as the Council and Fonterra staff avoid the confusion of trying to locate the applicable standard through various resource consent iterations.
- 38 The NCB, and the benefits of such an approach, are explained further in the evidence prepared by **Mr Hay**.

## **CONCLUSION**

- 39 Overall, I consider that in order for Fonterra's Clandeboye Site to continue operating effectively and efficiently, the significance of the site should be appropriately recognised in the Proposed Plan.
- 40 Fonterra therefore seeks a Special Purpose Zone with an appropriately enabling policy framework and provisions, which will protect and facilitate the safe and efficient operation, use, maintenance, upgrade, and development of the Clandeboye Site. Fonterra considers the most efficient and effective way to achieve this is through its proposed CDMZ.

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Suzanne O'Rourke

5 July 2024