

# Fonterra Limited

## Plan Change Application to the Selwyn District Council



# Fonterra Co-operative Limited

## Statutory Analysis and Section 32 Evaluation Report

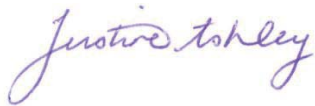
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# **Request for Private Plan Change**

## **Resource Management Act 1991**

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### **1 Introduction**

Clause 21 of the First Schedule of the Resource Management Act (RMA) states that any person may request a change to a district plan or regional plan. Clause 22 of the same schedule requires that a request under cl21 for a plan change be made in writing and explain:

- the purpose of the plan change; and
- the reasons for the plan change

In addition, the request must contain:

- an evaluation report in accordance with section 32 of the RMA; and
- where environmental effects are anticipated, a description of those effects taking into account the provisions of Schedule 4, and in such detail as corresponds with the scale and significance of the actual or potential environmental effects anticipated from the implementation of the change.

This report is intended to address all of the above matters, providing a comprehensive and informative basis for consideration of the request by Fonterra Limited (Fonterra) to establish a Dairy Processing Management Area (DPMA).

### **2 Plan Change 43 Background**

On 16 May 2014, Synlait Milk Limited (Synlait) submitted a request for a private Plan Change (PC43) to introduce a Dairy Processing Management Area (DPMA) within the Rural (Outer Plains) Zone of the District Plan. The boundary of this DPMA surrounded their existing Dunsandel Milk Processing site.

The Synlait Plan Change introduced a new policy which described the purpose of the DPMA and a new Appendix containing a specific set of rules for activities and buildings related to dairy processing. The DPMA was also introduced as an Outline Development Plan (ODP) which acted as an overlay within the Rural (Outer Plains) Zone. It therefore did not completely replace the underlying Rural Zone which remained in place enabling rural activities to continue on a permitted basis should dairy processing activities and development not achieve the development envelope specified in the ODP and associated DPMA rules.

Fonterra worked closely with Synlait throughout the drafting and preparation of this Plan Change to ensure that the framework that was progressed would be equally applicable and flexible for both the Fonterra and Synlait sites with the key points of difference being the ODP layouts and associated development parameters for each site.

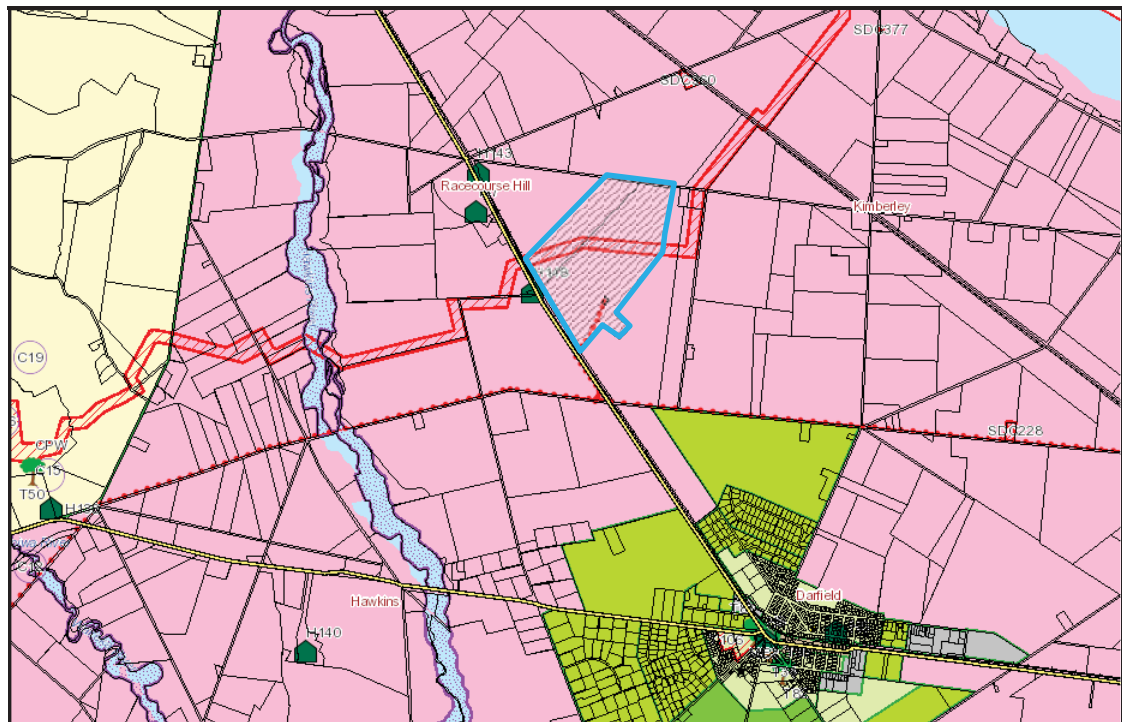
The decision to accept the Commissioner's recommendation on the Synlait Plan Change was made by Selwyn District Council on 25 March 2015. No appeals were forthcoming on this decision and it has subsequently become operative.

### 3 Overview of Plan Change

This Plan Change seeks to insert the ODP for the Fonterra Darfield milk processing site and essentially adopts the same provisions that are now operative within the Plan subject to minor amendments where some of the provisions need to differentiate between the two sites e.g. with regard to landscaping.

The full details of the proposed text amendments are contained in **Appendix 2** and the proposed ODP for the Fonterra Darfield site is contained within **Appendix 3**.

The proposed boundary of the DPMA for the Fonterra Darfield site is shown on the Planning Map within **Figure 1** below:



**Figure 1: Location of Proposed DPMA for Fonterra Darfield Milk Processing site**

The proposed DPMA incorporates land containing and immediately surrounding the existing Fonterra milk processing site on State Highway 73, just north of the township of Darfield.

### 4 Purpose of the Plan Change

The purpose of the proposed plan change is to recognise the existing dairy plant established by Fonterra at Darfield and specifically provide for its efficient use and future expansion.

Fonterra Darfield is a milk processing operation that employs 200 staff and processes approximately 7.2 million litres of milk per day during the peak season. The site began operating in 2012 via resource consents (R105211, CRC103450, CRC103589, CRC103592, CRC103594, CRC103596, CRC103695 and CRC10369) for the initial operation and was the subject to a substantial addition in the form of a second dryer and boiler in 2013 (RC115199, CRC120239, CRC120241, CRC103589.1, CRC120240, CRC120236, CRC103695.1 and CRC 103592.1).

The basis of this plan change is to enable continued growth of the site in both the volume and/or value of milk product by providing an appropriate planning framework and reducing the continued reliance on the resource consent process for variations or changes in the future, no matter how small these may be. The Plan Change has therefore been prepared to provide for a maximum envisaged and optimal scale of development that is likely to occur within the foreseeable future. This will provide Fonterra with both the flexibility to operate and the ability to expand the site, while also providing both Council and the surrounding community realistic expectations for the site in the long term.

## **5 Reasons for the Plan Change**

The dairy plant is a 'rural-based industrial activity' as defined in the Selwyn District Plan (Rural Volume) and while it is recognised as a legitimate activity that could be anticipated in the Rural Outer Plains, prior to PC43, there were no applicable rules enabling development or activities without a resource consent and there was limited policy guidance. PC43 has addressed the above matters in so far as they relate to the Synlait site at Dunsandel. However, the provisions do not currently relate to the Fonterra Darfield site or any other site within Selwyn District. However, PC43 was designed to enable Fonterra to broadly utilise the framework of PC43 with minor adjustments specific to their site only.

Due to the Fonterra Darfield site being reliant on resource consents for almost any development or changes on-site, the development and up-grading of any plant therefore requires considerable lead-in-time and finance to prepare applications, with the accompanying uncertainty as to whether or not the application will be successful. This continuous and ad hoc consenting creates uncertainty for the community, Council and stakeholders as to the maximum development envelope of the site. The proposed Plan Change seeks to address this and provide an indication of the maximum development potential within the site. This approach will assist the Council as administrator of the District Plan, the community and stakeholders who are similarly required to expend time and money in on-going reviews of land use consents.

As noted above, the use and on-going development of the Fonterra Darfield site has been subject to a rolling sequence of resource consents since the first consent was approved for the initial construction of the milk processing facility in December 2010. At least 12 resource consents have been lodged and granted since the original substantive application. In addition to the time and costs involved in processing consents, the conditions on each consent can quite quickly become superseded by variations (Section 127 of the RMA), creating uncertainties for monitoring by both Fonterra and Council staff.

Given the scale and economic importance of the dairy industry within the Rural Outer Plains environment, a primary reason for this plan change is to reduce the time, cost and uncertainties associated with consenting for what is largely the consolidation of an established dairy plant.

It is further recognised that milk processing plants are typically large and of industrial appearance. They also represent a substantial capital investment, and are typically located on sites where buildings and activities are expected to be concentrated to provide efficiencies in operational systems.



The District Plan rules that apply to the Fonterra Darfield site were created with a focus on controlling building development on individual farms, where dwellings, milking and farm sheds are regularly located across the Plains. As a consequence many of the District Plan standards for building density, coverage and height do not provide for milk processing plants and can unduly penalise these types of activities, particularly in situations where the activity has already been lawfully established. PC43 has recently addressed the controls on building development, but only in the context of the Synlait site at present. PC43 was prepared in anticipation of the Fonterra Darfield site also utilising the same framework which is now proposed and will similarly address the same issues.

## 6 Plan Change Provisions and Amendments

### 6.1 The DPMA site

The proposed Plan Change applies to the area surrounding the existing Fonterra Darfield milk processing site located at Racecourse Hill approximately 3.5 kilometres to the north-west of Darfield and six kilometres to the south of Waddington. The site is generally located centrally between a triangular road network made up of SH73 (southern boundary), Auchenflower Road (north-western boundary) and Loes Road (north-eastern boundary). The Midland Railway Line also runs along the southern boundary of the site.

The proposed DPMA includes all of Lot 1 DP 456083 (CT588217) which is 131.11ha in area, as well as Lot 2 DP 456083 (CT588218) which is a small block of land located central to the site. The area of land concerned represents a sufficient area to encompass all existing and future development potential of the Plant (see Section 7.1 which describes the factors and assumptions underpinning future development). Lot 1 DP 456083 is in the ownership of Fonterra Limited. Lot 2 DP 456083 is owned by Orion New Zealand Limited and contains the substation that was constructed for the Fonterra Darfield site. Copies of the Certificates of Title for these land parcels are attached as **Appendix 1**.

The site and land surrounding the Plan Change site is zoned Rural (Outer Plains), with the majority currently utilised for agricultural purposes. The current uses are predominantly pastoral, utilised by the landowners for grazing and cropping. The predominant vegetation is a combination of exotic pasture grass, with a number of shelterbelts delineating paddocks.

### 6.2 Proposed Amendments

The proposed changes to the Plan are summarised below. These changes only seek to amend the existing rules within the Plan and to introduce a specific ODP as a new Appendix. No changes are proposed to the existing Objectives or Policies of the Plan. A full text change version of the proposed amendments is contained within **Appendix 2** and the proposed ODP for the Fonterra Darfield site is contained within **Appendix 3**.

#### 6.2.1 ODP Appendix

It is proposed to introduce a new ODP which will be known as Appendix 26B (The Synlait ODP is presently referenced with Appendix 26A). The Fonterra Darfield ODP has been prepared with the same format as Appendix 26A including the use of building height limits shown for the central part of the site, primary and secondary access point locations, landscaping locations, and a noise control boundary. All rules that presently reference the ODP within Appendix 26A have been amended to also refer to Appendix 26B to ensure that they are equally applicable to the Fonterra Darfield site.



### 6.2.2 Landscape Planting

The most notable amendment sought affects the permitted rule regarding the provision of landscaping. There is some confusion over the applicability of the permitted rule as it only applies where new buildings are to be erected that will increase the capacity for milk processing or storage within the DPMA. This requirement also seeks that landscaping be undertaken in accordance with the ODP and also in accordance with the staging and removal specified within Appendix 26A. However, the following rule E26.1.6 then states that landscape planting is a controlled activity under Rule 26.2.1 and 26.2.2.

Rule E26.1.6 is shown in full below:

#### **Requirements and Conditions for Permitted Activities**

...

#### **Landscape Planting**

**E26.1.5** When new buildings are to be erected that will increase the capacity for milk processing or storage within the Dairy Processing Management Area-landscape planting as shown on the Outline Development Plans in Appendix 26A shall be located in general accordance with the landscape provisions of the Outline Development Plan and is to be completed in accordance with the provisions for Staging and Removal of Exotic Planting specified in Appendix 26A.

**E26.1.6** Landscape planting required by Rule 26.1.5 is a controlled activity for which consent is required in accordance with Rules 26.2.1 and 26.2.2

**Note:** Neither Rule 26.1.5 nor Rule 26.1.6 apply to any planting within the Dairy Processing Management Area for the purposes of amenity or enhancement and which is additional to that envisaged by the Outline Development Plan.

Therefore, while landscaping is listed as a permitted activity, it is in effect only applicable where the processing capacity is increased and therefore can only be a controlled activity. It is understood that the intent of the permitted landscape rule was to recognise the existing landscape mitigation that was required to be put in place for the existing site (which was established in accordance with earlier resource consents) and to ensure that this is required to be retained and maintained. The only exception to this rule is for the Darfield site which requires a strip of shelterbelt screen planting to be established only once the Central Plains Water (CPW) canal is constructed through the site. This strip of landscaping will screen the gap in existing perimeter planting that will be created by the Canal. As this landscaping cannot practicably be established until CPW has finished construction to ensure any access and construction requirements they may have is not obstructed by this landscaping, a permitted rule has been inserted to address this scenario.

Where any increase in processing capacity of a site was proposed that would introduce new buildings or storage areas, then in the case of the Synlait site, a controlled status was applied to ensure that staged landscaping was undertaken to provide an appropriate level of mitigation. The operative controlled activity rule is listed below:

#### **Controlled Activities**

#### **Landscape Planting required by Rule 26.1.6**

- E26.2.1** An application for controlled activity consent under rule 26.1.6 shall contain information showing the location of proposed planting, the proposed plant species, the proposed timing of planting, the height and spacing of plants at the time of planting and the proposed maintenance regime of the landscape planting including soil and moisture retention, irrigation, access and the replacement of any dead, diseased or dying plants and the methodology for removal of exotic planting.
- E26.2.2** Under Rule 26.2.1 the Council shall restrict its control to the following matters:
- (a) The matters in respect of which information is required by Rule 26.2.1;
  - (b) The extent to which the proposal meets the objectives of and outcomes intended by the landscape elements of Appendix 26A.
  - (c) The effectiveness of the proposed landscape planting to mitigate the adverse effects of proposed buildings and activities on landscape values in the locality of the Dairy Processing Management Area;
  - (d) The use of landform to assist in mitigation of landscape effects; and
  - (e) The effect of not removing exotic species which have achieved a uniform height of 10m on cultural values.

Due to the confusion over the existing landscape provisions, amendments were initially proposed to clarify that the permitted rule was to apply to existing landscaping only whereas the controlled status was to apply where additional landscaping mitigation is required in stages as outlined on ODPs in conjunction with increased processing capacity being created on the DPMA sites. However after consultation with Synlait specific amendments are now proposed for Fonterra Darfield only. The proposed amendments are shown below:

#### **PROPOSED AMENDMENTS**

##### **Requirements and Conditions for Permitted Activities**

...

##### **Landscape Planting**

**E26.1.5B** Existing landscape planting as shown on the Outline Development Plan in Appendix 26B shall be maintained in general accordance with the landscape provisions of the that Outline Development Plan. 'Future screen planting' as shown on the Outline Development Plan in Appendix 26B shall be implemented within 12 months of the Central Plains Water Canal becoming operational through the site.

Note: Neither rule 26.1.5A or B nor Rule 26.1.6 apply to any planting within a the Dairy Processing Management Area for the purposes of amenity or enhancement and which is additional to that envisaged by the Outline Development Plan.

It is noted that the Controlled Activity rule only applies to the Synlait site as the Fonterra site does not require additional landscape planting as it expands. This matter is assessed and discussed in more detail within Section 7.2 of this Plan Change report. Both sites default to a restricted discretionary status where the permitted or controlled standards are not met.

#### **6.2.3 Noise**

Minor changes are made to the wording of Rule E26.1.17 to reflect both the proposed noise control boundary for the Fonterra Darfield site via Appendix 26B and to add in a cross reference to Rural Rule 3.13.1.6 which controls the acoustic insulation requirements for any sensitive activity that seeks to locate inside the noise control boundary. This cross reference is to aid

readers of this section of the Plan to ensure that they are aware of the existence of this rule which is located within a different part of the Plan.

#### **6.2.4 Matters of Discretion**

Within the matters of discretion that apply to restricted discretionary activities for the DPMA, reference has been added to a number of provisions to include the ODP within Appendix 26B. This includes reference to the specific rule contained on the Fonterra Darfield ODP that relates to car parking.

Under the 'Location of Buildings and Activities' section, it is sought to remove the reference to 'those matters specified for inclusion in Management Plans for Noise and Hazardous Substances'. This matter of discretion was made largely redundant following the decision on PC43 for the Synlait site and as the discretion of Rule 26.1.4 relates to the location of buildings and activities i.e. setbacks and height, its deletion is recommended to reduce confusion and improve Plan clarity.

#### **6.2.5 Reasons for Rules**

The reasons for rules section provides background and explanation to the various rules within this section of the Plan and what these provisions are seeking to achieve. A number of small amendments are proposed to this section to add in specific context around the Fonterra Darfield site. With regard to landscaping, amendments are also proposed to clarify that no additional landscaping is required for the Fonterra site as it is developed, whereas for the Synlait site, staged landscaping is required to be provided. Any reference to management plans for noise are also removed as the decision on PC43 removed the requirement to provide such management plans. Again, this is sought to provide for greater clarity and continuity throughout the DPMA provisions as they would apply to both the Synlait and Fonterra sites.

## **7 Assessment of Environmental Effects**

An AEE is required to accompany any request for a private plan change in accordance with clause 22 of the First Schedule of the RMA. This AEE has been prepared in accordance with the Fourth Schedule of the RMA. Additional detail of environmental values, features and effects is provided in technical reports attached as appendices.

### **7.1 Assessment Assumptions**

The area of land within the DPMA is intended to provide sufficient space for the future development of the milk processing plant at the Fonterra Darfield site. This growth is not anticipated to occur immediately but more likely over the coming decades and will progress in response to a variable range of factors. These include the supply of milk from Shareholder farmers, market demand for dairy products, developments in the dairy industry, the operational requirements for a dairy plant and the size of the catchment area serviced by the dairy plant, including travel distances from farms to plant.

The DPMA has been generically based upon a scenario which is informed by the existing plant layout and activities. Accordingly, the development scenario which has been used to inform the AEE cannot be treated as a site specific development proposal, but it is broadly indicative in terms of anticipated, maximum building scale and location.

The primary assumptions for the purpose of informing these assessments include:

- Up to 2 additional dryers (total 4 dryers) and 2 additional boilers (total 4 boilers) with associated reception, drystores, roading, infrastructure etc.
- All major buildings and activities required for processing are located in accordance with the ODP i.e. within the Height Control Zone in the ODP and with the tallest structures concentrated to the centre of that Zone adjacent to the existing dryers.
- The maintenance of open space, predominantly in pastoral activities, in the area identified as a Rural Buffer Area in the ODP. This buffer area surrounds the height control zones on all sides.
- An anticipated total of 235 additional operational staff (total 435 staff).
- Increased vehicle generation managed within a threshold of up to 170 vehicles exiting the site within 30 minutes.
- Industry best practice for noise control is applied to all new plant.
- An extended rail siding in the position identified on the ODP.
- The primary vehicular access is maintained in the current configuration from SH1.
- Use of the DPMA is limited to the processing of milk into a range of dairy based products and activities associated with this.
- Landscape planting is established around the perimeter of the site and will be maintained to a high standard.

## 7.2 Visual and landscape effects

Andrew Craig Landscape Architect has completed a Landscape and Visual Assessment of the proposed DPMA on landscape values at the site, within the immediate locality and the wider environment. A copy of the Assessment can be found in **Appendix 4A** (along with a graphic attachment) with the key findings of this assessment summarised below.

### Existing landscape values of the DPMA site and surrounds

Since its construction the existing dairy plant is now part of the environment in which it is located and its presence is one of a number of elements that contribute to the landscape character of the existing environment.

Within the area encompassing the extent of visual effects the dairy plant is clearly the largest physical element. Consequently it is quite prominent. This however is diminished to quite a significant degree due to its setback from the nearby roads, particularly State Highway 73 (SH73), and the presence of intervening trees. Many of the trees were planted as a condition of consent and are now reaching a size where screening of the dairy plant is starting to become effective. As they mature this screening will become increasingly effective. As a result prominence of the dairy plant will lessen over time.

Other existing significant physical elements include SH73, the Midland railway and transmission lines. In due course the CPW irrigation canal may also form one of the major physical features with an agreed revised alignment navigating around the periphery of the Fonterra Darfield site. Less significant physical features include farm dwellings and accessory buildings.

The nearest significant natural features are the Hawkins River and comparatively the much larger Waimakariri River. The presence of these features is not appreciable from the dairy plant.

There are no important recreational destinations within the existing environment. Running through it however is SH73 linking Canterbury and the West Coast. This road and nearby railway is considered a premier scenic route. These routes pass through the Canterbury Plains that for the most part are the same as or resemble that described above. This includes the presence in rural Canterbury of similar dairy plants as that existing at Darfield, such as Synlait at Dunsandel, and in South Canterbury Clondeboyne, Oceania and Studholme.

The wider rural land use is largely devoted to pastoral activity and cropping. Some woodlots and forestry is present, but are not extensive. Activity allied to land use including pivot irrigation, accessory buildings, fencing, shelterbelts and such like are also common features.

### **Landscape features**

Within the proposed DPMA, the location and extent of which is shown on the ODP, there are no significant landscape features e.g. geological features, significant indigenous vegetation, natural water bodies, ecological sites, heritage or archaeological sites that would impede development.

### **Landscape and visual amenity effects**

As the plan change will enable the expansion and/or alteration of the existing dairy plant within the parameters of the DPMA and ODP provisions, there will be landscape effects on its setting. These effects will principally arise from an increase in overall building bulk and are therefore cumulative.

As intimated, most of the above effects currently exist so essentially the current landscape and visual amenity effects will be much the same as they are now, except the magnitude or scale of them may be greater. In summary, the current effects and mitigation includes:

- From SH73 there is no view intrusion of the Southern Alps, although there is some intrusion as viewed from Loes Road.
- For the most part the existing dairy plant is either screened or on the verge of being screened by vegetation.
- The setback from surrounding roads and especially SH73 is generous resulting in diminished building domination.
- The dairy plant does not shade adjoining roads or nearest residential dwellings.
- No significant landscape features are affected.
- As viewed from surrounding roads and properties the dairy plant is foregrounded by rural activity.
- For travellers views of the dairy plant are glimpsed via occasional openings in foreground vegetation and are therefore largely transient.
- While prominent from many vantage points, the dairy plant is not dominant in that appreciation of all other features in the surrounding landscape is not excluded.
- There may be partial views of the dairy plant from nearby dwellings or from vantage points in their immediate vicinity.
- There are no vantage points from which the dairy plant can be appreciated in its entirety – all views are interrupted to some extent at least by intervening vegetation.

While the above advantages are favourable to future growth there will be effects greater than those existing. Chief among them is that buildings and allied structures will become comparatively more prominent due to an overall increase in visual bulk. Future buildings will however be visually absorbed by existing ones to some extent. This will enable future changes to appear incremental rather than abrupt and isolated. This is particularly so for the taller buildings as the shorter ones are less appreciable due to their low height in combination with effective existing screen vegetation and earth bunding.

Shelterbelt planting has been implemented for the current dairy plant as part of earlier consents, which has now reached a height where it is starting to effectively screen the dairy plant. This screening will become increasingly effective as this vegetation matures. As this screening will continue to be in place as further development occurs within the plan change site it will become more dominant over time. In addition, it will continue to become the dominating feature irrespective of future development within the dairy plant.

Finally, views of the dairy plant, where they occur, are not necessarily adverse. Aesthetically the dairy plant, while highly visible, is not unpleasant to look at. It is evidently clean in appearance and static with no kinetic parts that catch the eye. The plant is compositionally well balanced with regard to the proportions between vertical and horizontal elements. Further, the plant is for the most part framed by abovementioned existing vegetation and therefore sits quite comfortably within its landscape setting.

#### **Effects on residents**

There are five dwellings located within 1 kilometre of the Height Control Area shown on the ODP within the DPMA and are shown in the Graphic Attachment in **Appendix 4B**. These dwellings and those just beyond the 1 kilometre distance are generally surrounded by vegetation, typically in the form of ornamental amenity plantings and shelter belts. Consequently views of the existing dairy plant are screened at least to some extent by this and other intervening vegetation. Those most affected, relative to other residents, are the dwellings on Loes Road. Even from these properties garden vegetation combined with the maturing perimeter planting on the Fonterra Darfield site will largely screen and soften views of the plant.

#### **Effects on road users**

The proposed DPMA site is encircled by four roads being Auchenflower, Homebush, Loes Roads and SH73 with the latter being by far the most significant as the premier tourist route linking the west and east coasts. The other roads are mostly used by local people who live and work in the area.

All roads have a maximum speed of 100km/h, although in reality such operating speeds are unlikely on the unsealed side roads. However, road users will be by-passing the dairy plant at speed. Given that and the presence of intervening vegetation, views to the dairy plant will continue to be sporadic or glimpsed and usually encountered over a matter of seconds. In time most of these gaps will close as vegetation matures further reducing any effects in this regard.

#### **Effects on other parties**

The existing plant is not visible from Porters Pass. Nor is visible from the bed of the Waimakariri River. The dairy plant is visible from certain vantage points further afield. These include the Mt Hutt and Porter Heights ski fields where certain light conditions reflected off the plant can render it visible in the distance. Visibility of the plant from these vantage points is not expected to diminish ski field amenity in any way or scenic appreciation of the Canterbury Plains, of which dairy plants are an anticipated feature.



The plant is visible from certain points in Darfield Township – namely the Landsborough Subdivision located on the northern outskirts. The plant at some 3km from this subdivision distant appears quite diminutive within the broader expanse of its landscape setting. Apart from this subdivision the plant is not visible from other parts of Darfield.

Allied to associative effects are those arising from matters addressed in the Cultural Impact Assessment presented by Te Taumutu Runanga and Te Ngāi Tuahuriri (contained in **Appendix 7A** and addressed specifically under Section 7.7). Of relevance to landscape is a request to provide indigenous vegetation within the Dairy Processing Management Area and other land in the vicinity owned by Fonterra. It is understood the CIA does not rule out potential expansion of the dairy processing plant, but prefers that in so doing indigenous vegetation is provided for. This will facilitate the establishment of a vegetation regime that provides for the restoration of taonga species and habitat and linkages for mahinga kai. Implicit in this outcome is reinforced connection of the dairy processing plant with the landscape of its setting.

### **Mitigation measures**

Virtually all of the desired landscape character and amenity outcomes within the District Plan will be achieved via implementation of the ODP which in turn reflects many of the mitigation measures implemented under the consents for the established plant.

The ODP provides a comprehensive strategic plan for development on the site, defines maximum scale and is complemented by rules which:

- Control building location, colour and height within the DPMA; and
- Ensures the retention of open rural land surrounding the built development.

The ODP approach will therefore help achieve:

- The maintenance of rural character by clustering or spatially concentrating buildings, structures and activities around the core of the existing site; and
- The management of building bulk and location – setbacks, height and site coverage – so as to avoid excessive building domination.

A further key mitigation outcome concerns landscaping, or more precisely, planting retention and its ongoing maintenance. Landscaping was required as a condition of consent for the existing dairy plant and all of the planting required has now been implemented (following Stage 1 of the Fonterra Darfield site development) and is well established. It is therefore not considered necessary to provide for additional planting provisions as part of the plan change. The existing planting is considered sufficient to achieve the screening purpose for any future development arising from implementation of the ODP, particularly as this planting continues to mature. The only exception to this is the requirement for a strip of shelterbelt screen planting to be established if the CPW canal is constructed through the site. This additional landscaping will be required to screen the gap that will be created by the Canal. This landscaping cannot practicably be established until CPW has finished construction to ensure any access requirements they may have are not obstructed.

It is further noted that there is scope to include native vegetation at various locations in and around the site in accordance with a landscape management plan developed in conjunction with Te Taumutu Rūnanga and Te Ngāi Tūāhuriri, rather than via District Plan provisions.

Additional measures that will assist with landscape and visual mitigation include controls over building colour which will continue to assist in reducing apparent building dominance and contributes to overall stylistic consistency and coherence.

### Conclusions on Landscape and visual amenity

Dairy processing plants are a somewhat exceptional but necessary rural based activities due to their unique operational requirements. Consequently they feature within the rural landscape and where this occurs they inform character and amenity. They are not common however and so they will by virtue of their rarity, size, colour and location appear as landmarks.

The introduction of the ODP and DPMA plan provisions for the Fonterra Darfield site will result in a strategic approach to expansion while achieving a similar level of visual effect, albeit potentially to a greater extent compared to what currently exists. This is because stylistically the dairy plant will maintain a similar appearance, notwithstanding that it may well be larger. Further, the site will continue to be adequately managed by the existing levels of landscaping and the controls set out in the Plan Change e.g. height, building colours, signage etc.

Overall, the recognition and continued development of the existing dairy plant is consistent with the expectations of the Plan. Further, the plan change will provide certainty regarding the strategic location and extent of effects, which from a landscape perspective will be appropriate and acceptable.

### 7.3 Transportation

Carriageway Consulting has completed a Transport Assessment taking into account the proposed DPMA provisions and the implications of this on traffic volumes, particularly at the SH73 access to the site. A copy of the Assessment can be found in **Appendix 5** with the key findings of this assessment summarised below.

The existing primary vehicle access configuration for the site onto SH73 that was produced and agreed with NZTA (as the road controlling authority for the highway) and ultimately implemented was a large priority intersection on the highway, with auxiliary left-turn-out, left turn-in and right-turn-in traffic lanes. The auxiliary right turn lane was constructed to be 52m in length, sufficient for two tanker and trailer units to wait clear of the northbound through-traffic lane.

Traffic growth on SH73 in the vicinity of the site is consistent with the historic rate of growth used in the earlier analyses for the site noting that there have been two steps in traffic growth coinciding with Stage 1 and 2 of the Fonterra Darfield development.

With regard to the accident history within the vicinity of the site, it is not considered that there is a particular issue or concern on the highway with no accidents have been recorded in this location for the past 4.5 years.

Overall, the traffic flows are anticipated to remain within the expected parameters and therefore the current intersection is able to continue to operate with a high level of service provided that the plan change does not give rise to cumulative volumes of more than 170 vehicles emerging from the site in any 30-minute period. Additional benefits in reducing vehicle loads onto the road network can also be gained through the continued and potentially expanded use of rail to the site in the future.

Given the ability to manage shift patterns to contain the use of the vehicle access within the 170veh/30min threshold for the expansion scenario, and the need (under the proposed Plan Change provisions) to gain road controlling approval should there be any increase in processing capacity on the site, it is considered that the traffic operation of the site can be managed appropriately so that it does not significantly affect the safe and efficient operation of the road network. The adoption of the proposed Plan Change provisions with regard to transport are therefore considered acceptable from a traffic perspective.

## 7.4 Noise

Marshall Day Acoustics have prepared an Acoustic Assessment taking into account the proposed DPMA provisions. A copy of the Assessment can be found in **Appendix 6** with the key findings of this assessment summarised below.

### Current Plan Noise Limits

The District Plan presently provides for activities within the Rural Zone to be conducted so as to comply with the following noise limits assessed at the notional boundary of any dwelling, rest home, hospital, or classroom in any educational facility:

- Daytime (7.30am – 8.00pm) 60 dB  $L_{A10}$  & 85 dB  $L_{AFmax}$
- Night-time (8.01pm – 7.29am) 45 dB  $L_{A10}$  & 70 dB  $L_{AFmax}$

The site is presently controlled in terms of noise by conditions of consent requiring that all activities on-site (other than construction) shall not exceed the following limits (note the change from  $L_{10}$  to  $L_{eq\ 15\ min}$ ) at the notional boundary of any non-Fonterra owned dwelling:

- Daytime (7.30am – 8.00pm) 60 dB  $L_{Aeq\ 15\ min}$  & 85 dB  $L_{AFmax}$
- Night-time (8.00pm – 7.30am) 45 dB  $L_{Aeq\ 15\ min}$  & 70 dB  $L_{AFmax}$

These noise limits ensure that an acceptable level of amenity is maintained at all existing nearby dwellings while still enabling Fonterra the ability to not only operate the existing dairy factory, but also to expand the site in the future as had been indicated during the earlier consent hearings.

### Noise Sources

The dominant noise sources at dairy factories are:

- Major production facilities (WMP dryers etc);
- Boilers;
- Other fixed mechanical plant (cooling towers, workshops, cleaning and sanitising facilities etc);
- Product load out, coal and milk reception facilities;
- Tanker routes on-site; and
- Rail spurs.

The Darfield factory has been designed to accommodate future expansion. Rail spurs and tanker routes are already in place, as is the milk reception facility (which is designed to accommodate expansion as required). Similarly, there are logical locations at which to construct new production facilities, boilers and mechanical services all of which are closely situated with existing facilities of similar nature.

No change is envisioned to the seasonal or daily operations of this site. However, future expansion of the site would lead to both an increase in tanker numbers/movements and an increase in rail movements carrying finished goods away from the site.

The Darfield factory is served by the Midland rail line. It is likely that any future expansion of the site would result in some rail operations occurring at night for network scheduling reasons. While the noise generated per rail event on-site would not change compared to the current consented scenario, some of these events may well occur at night, rather than the early morning and daytime as currently occurs.

For traffic management reasons the preferred solution to tanker movements is to stagger work shifts at the site so that they can be maintained within the design thresholds of the access. This will therefore result in no increase in peak hour noise generation (as the number of tanker movements over that time will not change), but instead extends the duration of time over which the peak occurs.

### **Predicted Noise Levels**

Noise arising from the proposed expansion scenario includes the following:

1. Peak hour noise with all dryers, boilers and other mechanical plant running, on-site movement of coal from stockpile to boilers, product load out, milk reception and peak hour tanker movements all occurring.
2. Peak 15-minute noise during a rail movement with all dryers, boilers and other mechanical plant running, on-site movement of coal from stockpile to boilers, no product load out, milk reception and normal hour tanker movements all occurring.

The predicted noise contours for the peak hour scenario are contained within the Noise report within **Appendix 6** and are entirely consistent with the requirements of the existing consent meaning that no non-Fonterra owned dwelling would receive noise levels greater than 45 dB  $L_{Aeq\ 15min}$ . The predicted noise contours for the factory during rail movements also demonstrate compliance with the current consent.

### **Proposed Noise Limits**

In order to control a range of effects that may arise from any future expansion an ODP has been prepared for the site. As a part of the ODP, a Noise Control Boundary (NCB) will be established. It is proposed that this NCB will replace the existing consented noise limits. Additional controls will also be placed upon any new dwelling that seeks to establish within the NCB to ensure that they achieve specified internal acoustic criteria.

The following noise limits are proposed at the NCB:

- Night-time (2000 – 0700) 45 dB  $L_{Aeq\ 15\ min}$  and 70 dB  $L_{AFmax}$
- Daytime (0700 – 2000) 55 dB  $L_{Aeq\ 15\ min}$  and 85 dB  $L_{AFmax}$

These limits would apply to all activities within the DPMA, except for construction noise and rail movements. Construction and demolition would be subject to New Zealand Standard NZS 6803: 1999 “*Acoustics - Construction Noise*”.

Noise from rail is also excluded as this has been adequately assessed and no adverse noise effects will arise at nearby dwellings that are minor or more than minor. The scale of any adverse effect that may arise is out of proportion to the cost and difficulty in adequately measuring and assessing rail movements further. Rail movements have therefore been restricted in the proposed Text Amendments to the noise provisions applicable to this site to no more than two night-time events (within a 24 hour period) and an unlimited number of daytime rail events.

### **Effect on potential third party land from Proposed Noise Control Boundary**

There are some areas of non-Fonterra owned land within the proposed noise control boundary. While there are no dwellings currently in these areas, it is feasible that new houses could be constructed within this area in the future. The NCB is proposed to cover around 32ha of third party land. Within the Outer Plains Rural Zone, it is possible to construct residential dwellings at a density of one per 20 hectares as a permitted activity.

This Plan Change application includes proposed alterations to Part C3, Rule 3.13.1.6 that will result in a requirement for any new dwelling within the NCB to be designed to achieve a minimum outdoor to indoor sound level difference of 20 dB Dtr, 2m, nTw to any bedroom to protect against potential sleep disturbance effects.

Based on the peak hour noise contour, the highest night-time noise level any dwelling within the NCB could be exposed to is 50 dB  $L_{Aeq}$ . Therefore, internal noise levels inside bedrooms at night-time for new dwellings within the NCB will be around 30 dB  $L_{Aeq}$ , which is an appropriate level for sleep. Therefore, any potential reverse sensitivity effects associated with night-time noise emissions will be less than minor. As any standard new dwelling will be able to achieve 20 dB Dtr, 2m, nTw with windows closed, the only potential additional costs will be those potentially associated with providing sufficient fresh air to bedrooms.

It is noted however that the adjoining third party land within the NCB is part of a larger land area. It is considered that any increase in residential dwellings on the adjoining land are more likely to avoid the proposed NCB given its proximity to the existing milk processing site, while also being located further from Homebush Road and Loes Road where access and services are likely to be taken. However, should dwellings be proposed within the NCB, the proposed acoustic attenuation measures will not prevent them from being established as a permitted activity.

### **Summary of Noise Effects**

Based on the proposed expansion scenario any adverse noise effects are considered to be less than minor, with the following noise outcomes predicted:

- The planned maximum expansion scenario can be undertaken while still complying with the existing consent limit;
- No existing non-Fonterra owned dwellings would suffer a decrease in amenity not already foreseen by the existing conditions of consent, with any new dwellings within the NCB being a permitted activity subject to meeting internal acoustic design criteria, much of which will largely be achieved through compliance with the New Zealand Building Code;
- The proposed NCB would result in certainty for all parties; and would also ensure that no neighbours received noise levels in excess of those already foreseen and allowed under the existing consent while a number would be assured of a lesser noise level;
- Noise effects arising from night-time train movements will be less than minor at all dwellings (any adverse noise effect can be controlled by restricting the number of night-time train movements, rather than by applying a noise limit to train movements);
- The NCB requires compliance with noise standards at closer proximity to the milk processing plant, compared to the District Plan noise standards that only apply at the notional boundary of any dwelling or other sensitive activity.

## 7.5 Lighting

The existing Darfield site was designed with the use of a number of light suppression measures to assist with reducing light spill, glare and to maintain the sky appearance at night. These measures included directing all lighting away from neighbouring properties and roads. As a result no significant glare effects to the surrounding environment have occurred. In addition, headlight glare from vehicles within the site are expected to be continually screened by the maturing landscaping planting along the site boundaries.

The existing DPMA (introduced under PC43) provides for a maximum permitted light spill of 3 Lux (vertical or horizontal) at the site boundary which is the same limit as the existing Rural Zone. This also reflects the light spill limit placed on the site through its existing consents.

Overall, the controls over glare and light spill will continue to reduce any effects on night sky appearance from the proposed artificial lighting which will be contained by the necessary optical control of luminaires, lamp characteristics, and downward aim orientation to meet the glare and spill requirements. Therefore, it is considered that adoption of the existing rule provisions for lighting is appropriate for the Fonterra Darfield site.

## 7.6 Signage

The existing site provides for signage through a company logo on each dryer and a free-standing site identification sign at the primary vehicle access. In providing for signage, the key considerations are the effects on traffic safety and the character of the rural area or special areas such as outstanding landscapes, particularly if a proliferation of large signs were to occur. The existing signs on site are covered via conditions on the associated resource consents for the site.

The signage provisions that were introduced via PC43 are essentially the same as the Fonterra Darfield consent conditions. They are also very similar to the existing rural zone provisions, except for a larger signage area allowance to recognise the size and scale provided for under the existing consents and the proportion of signage appropriate to the scale of a DPMA site. It is also noted that all signage where visible from a State Highway is required to be approved by the New Zealand Transport Agency (NZTA), which will also apply to the Fonterra Darfield site to ensure traffic safety is maintained.

Overall, it is considered that the adoption of the existing PC43 rule provisions for signage, with a minor amendment to extend the requirement for NZTA approval to include the Fonterra Darfield site, is appropriate and will avoid significant effects on rural character and traffic safety.

## 7.7 Cultural and Heritage Values

Te Rūnanga o Ngāi Tahu represents Ngāi Tahu as an iwi authority for the purposes of the RMA, and Te Taumutu Rūnanga along with Te Ngāi Tūāhuriri Rūnanga are the kaitiaki Rūnanga for subject area. There are no statutory acknowledgement areas, silent file areas or Waahi Taonga areas identified in the District Plan that could be directly affected by this plan change, however Fonterra have commissioned the preparation of a cultural impact assessment (CIA), prepared by Tipa & Associates. A copy of the CIA and Fonterra's subsequent response to the CIA is contained in **Appendix 7B**.



In the first instance, it is noted that during the Stage 1 and 2 consent process for the Darfield site, Fonterra consulted with Ngāi Tahu and Tūāhuriri Rūnanga. To ensure that any potential adverse effects of the Milk Powder Plant on the archaeological or cultural values of the area were minimised, an 'accidental discovery protocol' (ADP) condition was proposed and included as a consent condition requiring the involvement of Tūāhuriri Rūnanga should any remains or items of interest be found during the construction of the Milk Powder Plant.

These conditions are considered an appropriate level of mitigation and have been retained as a matter of control within the proposed Plan Change in the event that any earthworks that exceed the set limits and construction that will increase the capacity for milk processing is proposed. The construction control is in the form of a controlled activity consent requirement, while any exceedance of the earthworks limits will require a restricted discretionary activity consent. Both the earthworks and construction matters of control or discretion specifically refer to adherence to an ADP.

Matters regarding the protection and sustainable use of freshwater are discussed under Section 7.9 and will continue to be considered under any future Regional Council consenting requirements, noting that there are a range of options available to minimise both the use of freshwater and impacts upon air and freshwater from increased development on this site.

Further consultation with Taumutu Rūnanga and Tūāhuriri Rūnanga has occurred through the preparation of the CIA. Overall, the CIA advises that the runanga have few concerns with the proposal and support (in principle) the type of plan change proposed. Those areas of concern that have been identified relate to Te Taumutu Rūnanga and Te Ngāi Tūāhuriri Rūnanga seeking:

1. to form a long term relationship with Fonterra to deliver cultural, environmental and economic outcomes;
2. for Fonterra to prepare or make available to the runanga a range of information relating to the operation of the Darfield Milk Factory. Once the two runanga receive this information they may make recommendations to Fonterra on how they would like Fonterra to address concerns raised within this information;
3. for Fonterra to show how they will integrate the recommendations from the CIA prepared by Jolly in 2014 for Plan Change 43. Currently, Fonterra have provided some information in relation to how they will address these recommendations but not all areas;
4. a site visit by a group from Te Ngāi Tūāhuriri Rūnanga and Te Taumutu Rūnanga to the Fonterra Darfield Milk Factory in the short term so representatives from the two runanga can see what Fonterra have planned at the factory in relation to the plan change and what future expansion they have planned.

It is noted that Fonterra has responded to these matters in their letter to the runanga dated 2 February 2016, a copy of which is also contained in Appendix 7B. In essence, Fonterra has welcomed the opportunity to build a strong relationship with Te Taumutu Rūnanga and Te Ngāi Tūāhuriri Rūnanga. Fonterra will therefore seek to provide all information outlined in the CIA, organise a site visit and hold regular hui to discuss issues, share information and give updates on any future expansion at the Darfield Milk Factory.

Overall, the proposed plan change request is not considered to significantly impact upon any cultural values, provided that the ODP controls are maintained, as sought within this Plan Change. The CIA has also outlined opportunities for Taumutu Rūnanga and Tūāhuriri Rūnanga to express kaitiakitanga toward the environment through the establishment of a long-term relationship with Fonterra.

## 7.8 Economic Impact

Brown, Copeland and Co Limited has completed an Economic Assessment taking into account the economic context of the dairy industry within Selwyn District and the impacts of Fonterra's activities on the economy including the impacts of the proposed expansion that will be provided for via the Plan Change. A copy of the Assessment can be found in **Appendix 8** with the key findings of this assessment summarised below.

Before Fonterra developed the Darfield milk processing plant, milk from the Selwyn District and the surrounding North and Mid-Canterbury catchment areas was processed at Fonterra's Clandeboye plant near Timaru, and when this plant had capacity constraints, at Fonterra's Edendale plant in Southland. The opening of the Darfield plant not only led to a significant reduction in truck and tanker kilometres (reduction of up to 30,000 truck and tanker kilometres per day) but also spread capacity risk across the two largest Fonterra plants within Canterbury and the three largest Fonterra plants in the South Island.

There are a number of economic advantages in maintaining production capacity at the Darfield site as compared to relocating production capacity to potential new sites and/or the expansion of other existing plants.

The Darfield milk processing plant currently employs 200 permanent full time equivalent (FTE) staff, as well as a significant number of contractors and temporary staff. It is estimated that at least 50% of the staff directly employed at the plant reside permanently within the Selwyn District, whilst a number of contractor staff will also be local residents. For the 100 staff residing in the Selwyn District, their estimated wages and salaries are \$7.5 million per annum.

In addition to these direct economic impacts there are indirect impacts arising from the effects on suppliers of goods and services provided to the site from within the District and the supply of goods and services to employees at the site and to those engaged in supplying goods and services to the site.

Conservative estimates for the direct and indirect effects of Fonterra's Darfield plant's existing operations for the Canterbury region (principally in the Selwyn District and Christchurch City) are the creation of 400 jobs and incomes of \$30 million per annum.

Consequently restrictions or unnecessary regulation placed on Fonterra's milk processing plant's current operations will impact negatively not just on Fonterra shareholder suppliers but also businesses and residents within the Selwyn District, Christchurch City and the wider Canterbury region.

After the expansion of processing capacity, the site will require additional inputs of materials and services. These are likely to be largely drawn from the Canterbury region, with some of these goods and services provided by local Selwyn businesses. For the Canterbury region, the total increase in employment from the proposed expansion potential is 470 jobs and the total increase in household income is \$35.2 million per annum.

Overall, the proposed Plan Change will continue to contribute to the economic well-being of the Selwyn District and broader Canterbury communities by:

- Providing employment and incomes for local residents and businesses;
- Providing the local economy with greater diversity and resilience;

The proposed Plan Change will also maintain and improve resource use efficiency by:

- Retaining and increasing economic activity and population in the Selwyn District, enabling increased economies of scale in the local provision of goods and services;
- Reducing transport costs for the collection of milk and the export of finished products; and
- Reducing externality costs associated with road transport including road accident costs, road transport pollution costs and travel time costs for other road users.

## **7.9 Regional Council matters**

The established activities on the Fonterra Darfield site have existing consents for water take and use. The future needs for fresh water are not known however, any additional water required beyond the volumes already consented, would require either a variation or new consent to be obtained. This would be considered in the appropriate manner at that point in time, in the context of the relevant statutory plans and their objectives and policies. It is also noted that the use of improving technologies is providing for increased efficiencies in water harvesting and use such as being able to collect stormwater from roofing areas and recycling this back into the building for use in toilets. This technology already exists at the Darfield site.

Fonterra also holds consents for matters related to air discharge, and the discharge of stormwater, domestic wastewater and treated wastewater. There are a number of options to effectively manage these discharges in relation to potential expansion in the future. These include the potential use of alternative fuel sources e.g. biofuel, and the increased storage of treated wastewater and condensate and managed discharges to land during periods where ground permeability is suitable to avoid ponding and surface runoff. It is also noted that the site is well located in that it is not in the vicinity of any nearby surface freshwater sources and is situated a considerable distance above groundwater level i.e. approx. 50 metres in some instances. The above matters are also better considered in at the point of any expansion in the context of the relevant statutory plans and their objectives and policies.

## **7.10 Summary of Effects**

The above assessment has considered those effects with the potential to affect land at the interface of, and beyond the DPMA boundary, including:

- Landscape and visual amenity effects from increased building dominance, signage and lighting;
- Traffic safety and efficiency from increased vehicles and rail use;
- Noise and reverse sensitivity;
- Cultural and heritage values; and
- Economic impacts from further expansion.

Each of these elements has been appropriately assessed in a manner relative to the scale and significance of the potential effect.

In summary, where potential adverse environmental effects have been identified, these have been adopted or incorporated into appropriate provisions in the DPMA that will apply to the Darfield site to ensure effective mitigation at an appropriate level. In addition to environmental effects, this Assessment has identified substantial positive effects with regard to employment and to the wider district and regional economy.

## 8 Section 32 Evaluation

Before a proposed plan change is publicly notified, Section 32 of the Resource Management Act requires an evaluation that must examine:

- The extent to which the objectives (purpose) of the proposal are the most appropriate way to achieve the purpose of the Act.
- Whether the provisions in the proposal are the most appropriate to achieve the objective (purpose) of the proposal by:
  - Consideration of other reasonably practicable options for achieving recognition of the existing dairy plant and its continuing efficient use and expansion.
  - Assessment of the efficiency and effectiveness of the provisions in achieving the objective of the proposal. This assessment should identify the benefits and costs of environmental, economic, social and cultural effects, including opportunities for economic growth and employment.
- Whether the provisions in the proposal are the most appropriate to achieve the objectives of the existing District Plan, to the extent that those are relevant.
- Assessment of the risks of acting or not acting.

### 8.1 Are the objectives of the proposal the most appropriate way to achieve the purpose of the Act? (s32(1)(a))

The proposed Plan Change does not seek to alter any existing objectives (or policies) of the Plan. In circumstances where objectives are not sought to be altered, s32(6)(b) states that references to 'objectives' means the 'purpose' of the proposal.

The purpose of this Plan Change (as set out on Section 4 above) is to recognise the existing Fonterra Darfield dairy plant and to provide for its continuing efficient use and future expansion/development. Accordingly, the evaluation must consider the extent to which recognition of the existing dairy plant and its continuing efficient use and expansion best achieves the purpose of the Act.

The purpose of the Act is to promote sustainable management of natural and physical resources.

This means managing the use, development, and protection of natural and physical resources in a way, or at a rate, which enables people and communities to provide for their social, economic, and cultural well-being and for their health and safety while:

- (a) sustaining the potential of natural and physical resources (excluding minerals) to meet the reasonably foreseeable needs of future generations; and
- (b) safeguarding the life-supporting capacity of air, water, soil, and ecosystems; and
- (c) avoiding, remedying, or mitigating any adverse effects of activities on the environment.

In summary, the proposal achieves the purpose of the Act for the following reasons (a full assessment of Part 2 of the RMA is provided in Section 9.10):

- It pro-actively and specifically manages the use and development of land for dairy processing activities at an existing established site. The District Plan (following PC43) anticipates that specific provision be made for this industry, particularly where significant infrastructure has been established at existing sites. It is also anticipated that significant infrastructure be protected from the potential for reverse sensitivity through the use of mechanisms such as noise control boundaries.
- Optimises transport links through efficiencies gained by locating buildings and activities close to the product source.
- The concentration of processing buildings and activities on one larger site enables operational efficiencies to be optimised as opposed to numerous smaller sites.
- The proposed DPMA provides a mechanism for the management of environmental effects of dairy processing to be considered comprehensively with a strategic overview of the anticipated level of development of the site.
- Enabling the community to provide for its economic wellbeing, and thereby contributing to its social wellbeing.
- Providing for existing dairy processing activities in a more efficient manner will reduce uncertainty and time/cost delays for the applicant. This will assist in achievement of employment and economic benefits to the district, region and nation.
- The proposed DPMA will effectively provide for integrated management of effects at the boundary of the DPMA with the rural environment. Effects, including potential reverse sensitivity effects, can all be effectively avoided or mitigated through compliance with the ODP and associated standards.
- The life-supporting capacity of water and soil is addressed through requirements for earthworks and construction management with additional controls through Regional Council requirements.

## **8.2 Examine whether the provisions in the proposal are the most appropriate to achieve the objective of the proposal by identifying:**

### **8.2.1 *If there are other reasonably practicable options for achieving the proposal (s32(1)(b)(i)).***

The provisions of the proposal are summarised in Section 6.0 above and a full copy of the proposed text changes are contained in **Appendix 2** and the proposed ODP for the Fonterra Darfield site is contained within **Appendix 3**.

In addition to this request for a plan change, other reasonably practicable options for achieving the proposal include:

- Maintaining the status quo i.e. maintain the current Rural Outer Plains zoning and continuing to apply for resource consents as required;
- Developing new plant at an alternative location whereby the activity is more permissive e.g. an Industrial Zone; or
- Waiting for the Selwyn District Plan Review and seek the introduction of a DPMA for the Fonterra Darfield site either through a request to Council to implement or adopt a new zone as part of the Notified Plan or through a submission.

These options are discussed as follows:

### **Maintain the Status Quo**

Continuation of the process of applying for resource consents as and when required will still potentially deliver the outcome of additional development and activity on the land concerned in the same manner as it has to date. However, this approach will continue to involve a high degree of uncertainty for the applicant, Council and surrounding community including landowners.

Further, the preparing of applications involves considerable cost and time delays. In particular, it is recognised that due to rural-based industrial activities at the scale proposed always requiring a resource consent, this invokes a repetitive process that will continue to incur on-going costs and administrative time from Council. Similar repetition in time and cost associated with reviewing each application is experienced by other parties with potential to include neighbours, and statutory organisations.

It is also noted that a continual ad hoc process provides no strategic overview of site development, and over time conditions on subsequent resource consents will supersede or cancel each other out which can lead to administrative uncertainty and complexity.

Policy B3.4.5 has been inserted into the District Plan via PC43 which seeks to:

*Enable the continued and enhanced operation, innovation and development of established dairy plant sites for the purposes of administration, processing, testing, storage, handling, packaging and distribution of milk and dairy products, related by-products and ancillary activities within specifically identified Dairy Processing Management Areas within the Rural (Outer Plains) Zone, whilst ensuring the integrated management of effects on the environment at the boundary of the Management Areas through ODPs. The establishment of non-dairy processing related industrial activities shall be avoided.*

It is noted however that while this Policy provides a strong direction to enable the continued development of established dairy plant sites, it is only applicable where a DPMA applies. Therefore in a status quo situation this policy could not be relied upon.

### **Alternative Location**

A location of further development within an industrial zone, such as the 'IZone' at Rolleston, is unlikely due to the land area required, the demands the activity that would place on urban services such as wastewater treatment and disposal, and the compatibility with other activities.

In addition, and perhaps of more relevance, there are significant costs and inefficiencies created by replicating the existing plant with a new plant close by including those associated with transport and on-site infrastructure and facilities.

### **District Plan Review**

It is understood that Council has not yet formulated a definitive timeframe for notification and delivery of its District Plan Review. However, based on discussions with Council staff, this is unlikely to be within the next 18 months. Even if notification of the District Plan review commenced in 2017, a full District Plan review is typically a lengthy and time consuming process with timeframes stretching over a period of years to accommodate consultation, notification, submissions, further submissions, hearings, decisions, and appeals before provisions are deemed operative.



Accordingly, seeking to incorporate the content of this request for a plan change into a District Plan review may result in a waiting period of years for a decision. As well as uncertainty around time frames, there is also uncertainty in respect of process. There is no guarantee that Council would incorporate a DPMA into their new second generation District Plan. The alternative is for Fonterra to lodge a submission seeking a DPMA.

The time delay and uncertainty involved with a Review process presents no distinct advantage over making this Plan Change request. Given that the District Plan review is likely to occur at some point in the medium term, it does mean that the contents of this Plan Change, if approved, would in theory be part of a re-notified Plan Review however as the Plan Change would be recent, few if any changes would be anticipated, aside from likely formatting to fit the stylistic framework of the Plan Review.

#### ***Conclusion on Alternatives***

This Plan Change request has been prepared based on sound information about the nature of existing dairy processing activities and buildings that could be anticipated.

Detailed assessments of the landscape, noise and traffic effects of these activities and buildings have also been completed. No changes are proposed to the policy framework while only minor amendments to the existing rule package are proposed to enable the existing Plan DPMA provisions to work effectively for both the Synlait and Fonterra sites and to manage the identified potential effects in response to the particular characteristics of each site. This combination of providing a strategic approach to the Fonterra Darfield site and specificity in management of effects is not considered to be replicated or improved upon in any of the above alternative options.

It is therefore considered that this Plan Change request is the most reasonably practicable option to achieve the objective of the proposal.

#### ***8.2.2 Assessing the efficiency and effectiveness of the provisions in achieving the objective of the proposal (s32(1)(ii) and s32(2)).***

Section 32 of the Act requires consideration of the benefits and costs of the proposal when assessing efficiency and effectiveness. These benefits and costs apply to the proposed provisions in respect of their environmental, social, cultural, and economic effects. Economic effects in particular are required to consider opportunities for economic growth (s32(2)(a)(i) and employment (s32(2)(a)(ii). All effects are required to be quantified where practicable (s32(2)(b)).

Environmental	
Benefits	Costs
<ul style="list-style-type: none"> <li>Concentration of built development within defined areas based around existing built area and activity which avoids dispersal of development.</li> <li>Provides a strategic approach to site development with integration of mitigation relating to traffic, noise and visual effects.</li> <li>Long term traffic effects can be effectively managed through the use of existing access and rail points and potentially with minimal upgrading required.</li> <li>Long term landscape mitigation through the maintenance and retention of existing perimeter landscape planting.</li> <li>Proactive management of potential reverse sensitivity effects through the use of a noise control boundary and internal insulation requirements for any new sensitive activity that may wish to establish within this area.</li> </ul>	<ul style="list-style-type: none"> <li>Loss of open rural land within the immediate vicinity of the site.</li> <li>Loss of potentially productive potential of soils within buildable area.</li> <li>Reduced rural character and amenity values in proximity of DPMA.</li> <li>Increase in traffic volumes including heavy traffic numbers and rail movements to and from site.</li> <li>Associated cost of ventilation for new houses within Noise Control Boundary.</li> </ul>
<b>Efficiency and Effectiveness of Provisions</b> <p>The proposed provisions have been informed by knowledge of the existing operational plant, conditions on previous consents and additional environmental assessments based on anticipated expansion parameters.</p> <p>Provisions are therefore specific to well understood effects, demonstrated practice from established activity and incorporate appropriate mitigation mechanisms within the existing Plan that require only minor amendments to recognise and accommodate the proposed ODP for the Darfield site.</p> <p>Overall, the provisions are assessed as being both the most efficient and effective at recognising and protecting the environment, acknowledging that there will be an increase in the physical and visual change in the site albeit with similar characteristics and effects to the existing site.</p>	

Social	
Benefits	Costs
<ul style="list-style-type: none"> <li>Increased opportunities for economic, and thereby social wellbeing, to be achieved through the ability to gain direct or indirect employment within the local area.</li> <li>Increased employment can have flow on effects with increased numbers of people consequently choosing to live or invest within the District and engage with the existing communities.</li> </ul>	<ul style="list-style-type: none"> <li>Visual change to the locality.</li> <li>Increase in the intensity of rural-based industrial activities in the existing locality with effects such as the expansion in noise and lighting effects at night.</li> <li>Increased traffic in proximity of plant and along some roads throughout the District, most notably State Highway 73.</li> </ul>
<b>Efficiency and Effectiveness of Provisions</b> <p>The change in the nature and intensity of land use within the DPMA will be significant should the DPMA develop to its fullest capacity. The provisions will be efficient and effective in limiting the associated social costs to a defined geographic area while the potential benefits for the wider community will be substantial.</p>	

Cultural	
Benefits	Costs
<ul style="list-style-type: none"> <li>Provides certainty as to future development envelope on site and controls around earthworks and construction to ensure that any potential effects on water resources are minimised.</li> <li>Reduces on-going administrative role on local Runanga reviewing ad hoc applications.</li> <li>No loss or significant impact on any existing heritage buildings (noting that there are none within the proposed DPMA and that those in the surrounding environment are protected and controlled by separate provisions within the District Plan).</li> </ul>	<ul style="list-style-type: none"> <li>Some uncertainty as to the exact nature and extent of future infrastructure and methods for discharges to air, stormwater and treated wastewater (noting that Regional Council consents will be required for an expansion of these matters).</li> </ul>
<b>Efficiency and Effectiveness of Provisions</b>  <p>The provisions will be efficient and effective in managing potential effects on heritage and cultural values within the DPMA in respect of earthworks, and avoidance of sedimentation of waterways.</p> <p>Costs in respect of discharges can only be addressed once the nature of any future expansion and processing is known. At this time, detailed design of discharge methods will be prepared for regional consents noting that there are a number of options available to approach these matters at that time e.g. biofuel, on-site storage, controlled discharges to suitable land including third party land.</p>	

Economic	
Benefits	Costs
<ul style="list-style-type: none"> <li>Enables development of DPMA with reduced regulation costs for applicant, and reduced costs for the Council in terms of processing applications and the community from their continual involvement.</li> <li>Investment of around \$390 million per stage of expansion.</li> <li>Provides for up to 270 additional jobs within DPMA (total 470 jobs overall).</li> <li>Up to 700 jobs associated with construction of the anticipated development with wage and salary estimated to average \$18.75 million per annum.</li> <li>Conservative estimates for the direct and indirect effects for the Canterbury Region are the creation of 600 jobs and incomes of \$37.5 million per annum.</li> <li>Increased economies of scale.</li> <li>Increased productivity generated by the increased irrigation of third party farms.</li> </ul>	<ul style="list-style-type: none"> <li>Administrative cost to the Council in terms of processing the plan change (noting that costs can be recovered from applicant).</li> <li>Potential for additional costs for ventilation for any new dwellings located within the NCB.</li> <li>Some impact on infrastructure through increased road and rail movements although the transport assessment has concluded that provided milk deliveries are managed within the specified threshold, no further upgrades to the existing access are required.</li> </ul>
<b>Efficiency and Effectiveness of Provisions</b>  <p>The proposal will provide for both considerable economic growth and employment and with greater certainty, efficiency and effectiveness through the proposed provisions.</p>	

The provisions of the plan change have been developed to build upon those introduced through Plan Change 43. This includes consideration of actual known effects of a dairy processing plant in this location, robust assessments of the effects of the possible expansion of the existing plant as indicated in the ODP, and the development of rules and mitigation measures specific to the Fonterra Darfield site. Consequently, the provisions of the plan change are more effective in providing for dairy processing activities and mitigating the effects of those activities than the operative provisions of the District Plan that apply to this site, noting that the provisions introduced by PC43 do not currently apply to the Fonterra Darfield site. However, PC43 was prepared on the basis that other existing dairy factory sites could seek to adopt the same provisions (with minor amendments to the rules) subject to a Plan Change to insert an ODP for each respective site.

With respect to efficiency, it is considered that the provisions would result in a high degree of benefits (economic/social) while maintaining a relatively low level of costs (environmental/cultural). In summary, the provisions of the Plan Change would be efficient and effective in achieving the objective of the proposal i.e. recognition of the existing dairy plant and its continuing efficient use and expansion.

#### **8.2.3 Summarising the reasons for deciding on the provisions (s32(1)(b)(iii)).**

The provisions are considered the most appropriate for the following reasons:

- The proposal has been informed by assessments of the environmental effects anticipated by the nature and scale of development and activity.
- The proposal is relevant to the scale and characteristics of the existing and future needs of a dairy processing plant.
- The proposal is in direct accordance with Policy B3.4.5 which specifically seeks to recognise and provide for existing dairy factory sites via use of an ODP. Recognising this site in accordance with this specific Policy will reduce the potential for inconsistencies between more generic policies within the Plan that apply to this site at present.
- The proposal provides a comprehensive and integrated approach to development and use of the land and management of environmental effects.
- The proposal will enable an activity which provides significant employment and economic benefits.
- The proposal is relevant to an existing significant land use/rural industry within the Selwyn District.

#### **8.2.4 Risk of acting or not acting (s32(2)(c))**

The Act requires assessment of the risk of acting or not acting if there is uncertain or insufficient information. In relation to this request for plan change there is no reason for not acting on the basis of insufficient or uncertain information. Sufficient information is available regarding the characteristics and values of the site and surrounding area, and analysis has been undertaken into any actual or potential effects of future development under the proposed DPMA. Whilst the exact nature and form of future development is not prescribed, the provisions of the proposed zone provide appropriate parameters to future activity and development.

### 8.3 Examine whether the provisions in the proposal are the most appropriate to achieve the objectives of the existing District Plan to the extent that those are relevant (s32(3))

In respect of each objective an assessment is provided which discusses the provisions of the plan change request and the manner in which they achieve the relevant objective. These are assessed in Table 1 below.

Table 1 – Assessment of Fonterra Darfield DPMA Plan Change against District Plan Objectives	
B1 Natural Resources	
Relevant Plan Provisions	Assessment
<b>LAND AND SOIL</b> <b>Objective B1.1.1</b> <i>Adverse effects of activities on the District's land and soil resources are avoided, remedied or mitigated.</i> <b>Objective B1.1.3</b> <i>Promote the sustainable management of the soil resources of the District.</i>	<p>The District Plan seeks to manage land and soil issues within the Rural environment. These primarily concern contaminated and unstable land, erosion and the irreversible use of otherwise versatile soils.</p> <p>The proposed DPMA at Fonterra Darfield does not involve land that is contaminated, unstable or erosion prone. The provisions of the plan change therefore rely upon the mechanisms in place to ensure that earthworks are managed in accordance with best practice. The predominant mechanisms are the limits placed in respect of earthworks and the controlled activity status for all larger scale construction.</p> <p>The concentration of DPMA facilities at an existing Milk Processing site also meets the overall objective to preserve good quality soils through the concentration and further development of such activities in one location thereby maintaining the wider soil resource.</p>
<b>WATER</b> <b>Objective B1.3.1</b> <i>Contamination of ground water or surface water is avoided and/or mitigated and water quality improved in degraded waterbodies through changes in land management practices and controls on land uses likely to cause waterbody contamination.</i> <b>Objective B1.3.6</b> <i>Land use activities, and particularly earthworks, forestry, vegetation clearance and modification, and agricultural activities, are managed within catchments and riparian areas to protect water quantity and quality, aquatic habitat, and natural character.</i>	<p>Of relevance to this plan change is the objective that land use activity does not cause contamination of water resources. Objective B1.3.6 particularly mentions earthworks and Policy B1.3.4 identifies surface run-off as activities that may affect water quality. These are the primary potential effects arising from activity within the Fonterra Darfield DPMA in respect of effects on water quality.</p> <p>The Fonterra Darfield DPMA does not contain, nor is it close to, any naturally occurring waterbodies. The yet to be constructed Central Plains Water (CPW) canal route is designated to run through part of the site, however this alignment has subsequently been agreed to be altered by the parties as part of the earlier consent process. The agreed realigned position of the canal avoids the existing building areas and is outside of the building height areas as shown on the proposed ODP.</p> <p>Additional measures are also in place to protect water quality including limits on earthworks and a controlled activity status for any larger scale construction activities. These measures will serve to ensure that any adverse effects with regard to dust, earthworks, stockpiles and final landforms/land cover.</p> <p>These provisions provide assurance that the water resource will not be contaminated by on site activities noting that Regional Council consents will be required for any further discharges from the site to land including for stormwater, treated wastewater, and domestic wastewater.</p>

Plan Section - B2 Physical Resources	
Relevant Plan Provisions	Assessment
<p><b>TRANSPORT NETWORKS ROAD, PATHWAYS, RAIL AND AIRFIELDS</b></p> <p><b>Objective B2.1.1</b>  <i>An integrated approach to land use and transport planning to ensure the safe and efficient operation of the District's roads, pathways, railway lines and airfields is not compromised by adverse effects from activities on surrounding land or by residential growth.</i></p> <p><b>Policy B2.1.2</b>  <i>Manage effects of activities on the safe and efficient operation of the District's existing and planned road network, considering the classification and function of each road in the hierarchy.</i></p> <p><b>Policy B2.1.3</b>  <i>Recognise and protect the primary function of roads classified as State Highways or Arterial Roads in Appendix 9, to ensure the safe and efficient flow of through traffic en-route to its destination.</i></p> <p><b>Policy B2.1.4 (a)</b>  <i>Ensure all sites, allotments or properties have legal access to a legal road which is formed to the standard necessary to meet the needs of the activity considering:</i>  – the number and type of vehicle movements generated by the activity;  – the road classification and function; and  – any pedestrian, cycle, public transport or other access required by the activity.</p> <p><b>Policy B2.1.4(b)</b>  <i>Avoid or mitigate adverse effects on the safe flow of traffic along State Highways and Arterial Roads from new property access or new/expanded activities which generate a high level of traffic movements.</i></p> <p><b>Policy B2.1.19</b>  <i>Encourage viable alternatives to road transport such as the movement of freight via rail.</i></p>	<p>The relevant transport objectives (and their associated policies) relate to the integration of land use and transport and the safe and efficient use of roads. The proposed DPMA for Fonterra Darfield is accessed via State Highway 73. In addition, the Midland Railway Line runs to east-west past the southern end of the DPMA with an existing siding into the site.</p> <p>Access to the proposed DPMA will therefore involve the continuation of vehicles crossing an existing rail crossing when accessing the site. This rail crossing is controlled via bells and barrier arms and is the highest level of threshold treatment available.</p> <p>The provisions contain a number of mechanisms to ensure that the relevant transport objectives are achieved. These include a requirement for the proponent of any building which may increase the capacity for processing or storage within the DPMA to ensure that the design of both the site access points remains appropriate relative to the anticipated increase in traffic. Written approval must be obtained from the road and/or rail controlling authorities prior to any increase being permitted. Accordingly, a process is triggered whereby the building proponent must consult, where applicable, with NZTA, KiwiRail and the District Council and obtain approval for any up-grade in design at either access to the site.</p> <p>The ODP contains several relevant transport controls. These include a requirement that any access into the DPMA is limited to the existing access points being the primary vehicle access from State Highway 73 and a secondary emergency access from Auchenflower road. The existing and potential future rail siding areas are also indicated within the site. Specific provision also requires that all parking and manoeuvring areas within the DPMA meet the existing requirements of the District Plan in respect of design and layout.</p> <p>These measures all demonstrate how the proposed plan change provisions will achieve those objectives and policies concerned with safe flow of traffic on the State Highway, safe access into and circulation within the DPMA; the provision and encouragement for movement of freight via rail, and how access to the DPMA will be reviewed and managed to meet the traffic demands of any future growth.</p> <p>The Transportation Assessment in <b>Appendix 5</b> provides further analysis in respect of these matters and the ability for the existing access and rail provision to accommodate future growth in traffic volumes.</p>



B3 People's Health, Safety and Values	
Relevant Plan Provisions	Assessment
<p><b>Quality of the Environment</b></p> <p><b>Objective B3.4.1</b> <i>The District's rural area is a pleasant place to live and work in.</i></p> <p><b>Objective B3.4.2</b> <i>A variety of activities are provided for in the rural area, while maintaining rural character and avoiding reverse sensitivity effects.</i></p> <p><b>Rural Character</b></p> <p><b>Policy B3.4.1</b> <i>Recognise the Rural zone as an area where a variety of activities occur and maintain environmental standards that allows for primary production and other business activities to operate.</i></p> <p><b>Policy B3.4.3</b> <i>Avoid, remedy or mitigate significant adverse effects of activities on the amenity values of the rural area.</i></p> <p><b>Policy B3.4.4</b> <i>Ensure that any adverse effects arising from "rural based" industrial activities in the Rural (Inner Plains) Zone of a size and scale beyond what is permitted by the District Plan and "other" types of industrial activities in all Rural zones are avoided, remedied or mitigated to the extent that the adverse effects are no more than minor.</i></p> <p><b>Policy B3.4.5</b> <i>Enable the continued and enhanced operation, innovation and development of established dairy plant sites for the purposes of administration, processing, testing, storage, handling, packaging and distribution of milk and dairy products, related by-products and ancillary activities within specifically identified Dairy Processing Management Areas within the Rural (Outer Plains) Zone, whilst ensuring the integrated management of effects on the environment at the boundary of the Management Areas through ODPs. The establishment of non-dairy processing related industrial activities shall be avoided.</i></p> <p><b>Policy B3.4.6</b> <i>Maintain low levels of building density in the Rural zone and the predominance of vegetation cover.</i></p> <p><b>Policy B3.4.7</b> <i>Avoid high rise buildings or highly reflective utility structures.</i></p>	<p>The DPMA actively supports achievement of Objective B3.4.2 to provide for a variety of activities within the rural environment, and in particular an activity which is concerned with primary production. The District Plan specifically identifies a dairy plant as being an appropriate activity.</p> <p>To ensure the rural area is maintained as a pleasant place to live and work in, the DPMA establishes parameters or limits around those effects which have the potential to extend beyond the DPMA boundary. These primarily concern noise, transport and landscape effects and have been assessed in the attached reports.</p> <p>Additional controls are proposed to manage effects such as lighting, construction and earthworks. The combined effect of these provisions is to avoid and mitigate those effects beyond the site boundaries.</p> <p>Prior to PC43, there was some tension between recognising and providing for rural based business, and protecting rural character and limiting building density. This saw the inclusion of new Policy 3.4.5 which specifically recognises existing dairy plant sites and operations and enables their continued operation and development while ensuring the integrated management of effects on the environment at the boundary of the Management Areas through ODPs.</p> <p>The proposed Plan Change actively achieves Policy 3.4.5 through increased recognition and enabling continued development through the use of an ODP and DPMA provisions. Suitable controls are also provided to manage the effects of the activity and any potential expansion at the boundary.</p> <p>In achieving Policy 3.4.5 it is also necessary to enable increased built form that is greater than that expected from typical farming activity. Within the DPMA itself, there is certainty as to where buildings will be located, and in particular buildings with greater height. Providing for this intensity of development within an established site, gives certainty to the community that this type of development is not dispersed and ensures that the balance of the wider rural area will maintains its existing level of openness and amenity.</p>

<p><b>GLARE AND NIGHTGLOW</b></p> <p><b>Policy B3.4.10</b></p> <p><i>Avoid night lighting shining directly into houses, other than a house located on the same site as the activity, or from vehicles using roads in the District.</i></p>	<p>PC43 introduced a specific rule imposing limits on lighting within the DPMA. This rule limits all light spill to 3 lux and requires all lighting to be directed away from adjoining properties and roads. The Fonterra Darfield plan change will utilise the identical provision which will enable this site to achieve the intent of Policy 3.4.10.</p>
<p><b>NOISE AND VIBRATION</b></p> <p><b>Policy B3.4.12</b></p> <p><i>Recognise temporary noise associated with short-term, seasonal activities as part of the rural environment, but ensure continuous or regular noise is at a level which does not disturb people indoors on adjoining properties.</i></p>	<p>PC 43 introduced a specific rule imposing limits on noise from activities within the DPMA. The operative rule that is now within the Plan required specific day-time and night time noise limits to be met at a Noise Control Boundary identified on an ODP. This provision will remain the same for the Fonterra Darfield site which also proposed to utilise a NCB.</p> <p>No existing dwellings will be within the NCB proposed and the ability to establish a dwelling within the NCB area is not prevented, but internal acoustic criteria is required to ensure that reverse sensitivity matters are managed and that regular noise does not disturb people indoors on adjoining properties to ensure consistency with Policy 3.4.12.</p>
<p><b>DUST</b></p> <p><b>Policy B3.4.15</b></p> <p><i>Mitigate nuisance effects on adjoining dwellings caused by dust from earthworks, or stockpiled material.</i></p>	<p>The management of dust is controlled through limits on earthworks volumes, cut and fill depths and stockpile heights. Similarly, no excavated material is permitted to be taken off-site without consent. These limits will ensure that should large scale earthworks be required, then there will be consent requirements in place to ensure measures with regard to dust suppression and transportation of material are controlled. Additional requirements are also provided for all large scale construction activities i.e. where buildings are proposed that will increase capacity for milk processing, through a controlled activity status including the ability to address dust and sediment management. These provisions will therefore achieve the intent of Policy 3.4.15.</p>
<p><b>REVERSE SENSITIVITY EFFECTS</b></p> <p><b>Policy B3.4.19</b></p> <p><i>Ensure new or upgraded road infrastructure and new or expanding activities, which may have adverse effects on surrounding properties, are located and managed to mitigate these potential effects.</i></p> <p><b>Policy B3.4.20</b></p> <p><i>Protect existing lawfully established activities in the Rural zone from potential for reverse sensitivity effects with other activities which propose to establish in close proximity.</i></p>	<p>The proposed Fonterra Darfield DPMA will incorporate an existing activity, as well as provide for its future expansion.</p> <p>The provisions that are proposed to be utilised have been primarily developed and established (via PC43) to avoid, or mitigate effects beyond the boundary. Minor amendments to these are proposed to ensure that they equally apply to the Fonterra Darfield site. This includes the use of a Noise Control Boundary that has been identified on the proposed ODP. The NCB imposes a requirement on those neighbours who may wish to build a new house within this area to include appropriate noise insulation as part of the building construction and a ventilation system that avoids the need to open windows. This approach does not seek to prevent dwellings from being constructed but wishes to ensure that potential reverse sensitivity effects are mitigated in accordance with the direction of these policies.</p>

In summary the proposed plan change is considered to be consistent with the intent of the relevant strategic objectives and policies for the District. In particular it is aligned with those objectives and policies that seek to recognise and provide for existing Dairy Processing sites, provide for rural based business in the rural zones and impose methods which avoid or mitigate environmental effects to enable these activities to integrate with their rural surrounds.

## **9 Statutory Considerations**

### **9.1 Sections 74 & 75 of the RMA**

Section 74 of the RMA prescribes that the District Council must prepare and change a district plan in accordance with its functions under s31 and the provisions of Part 2.

The District Council must also have regard to an evaluation report prepared in accordance with s32.

Section 74(2) requires the District Council to also have regard to proposed regional plans, management plans, the Historic Places Register, regulations or the Plans of adjoining territorial authorities to the extent that these may be relevant.

It is noted that the proposal does not involve any cross territorial issues, any matters of historical reference or matters addressed by management plans or strategies prepared under other Acts. With respect to Regional Plans, these are identified and addressed further below.

Section 74(2A) also requires the Council to take into account relevant planning documents recognised by an iwi authority, to the extent that its content has a bearing on resource management issues.

### **9.2 Section 31 – Functions of Council**

Any plan change must assist the Council to carry out its functions so as to achieve the purpose of the Act. The functions of a territorial authority are set out in s31 of the Act and include:

- establishing, implementing and reviewing objectives, policies, and methods to achieve integrated management of the effects of the use and development of land; and
- controlling actual or potential effects of the use and development of land.

The request for plan change clearly accords with these stated functions. The proposal provides for the use and development of land for dairy processing activities. The proposed ODP and its use of largely existing rules (with minor amendments) provide the methods for Council to manage potential effects of this activity and demonstrates an integrated management approach. The ODP provides a high level overview of the parameters to development and sets in place those matters which must be implemented and maintained as mitigation measures e.g. access locations, landscape treatment, and noise control.

### **9.3 Section 75 – Contents of District Plans**

Section 75 requires a District Plan to state objectives for the District, policies to implement the objectives and rules to then implement the policies.

The proposal does not introduce any new, or alter any existing, objectives or policies, but does introduce minor amendments to existing rules. The reasons for the amendments to the rules is provided in this Plan Change and is consistent with s75(2) and the current format of the Selwyn District Plan (Rural Volume).

Section 75 requires a District Plan to not be inconsistent with Regional Plans. These are identified and discussed in paragraphs further below.

Section 75(3)(a), (b) and (c) also requires a District Plan to give effect to any National Policy Statement, the New Zealand Coastal Policy Statement and the Regional Policy Statement. These are discussed as follows:

#### **9.4 National Policy Statements (NPS) and New Zealand Coastal Policy Statement**

There are three NPS to which consideration must be given. These are:

- NPS for Renewable Electricity Generation
- NPS for Electricity Transmission
- NPS for Freshwater Management

There is no direct connection or geographic proximity to renewable electricity generation activities. The proposed DPMA has no impact on Electricity Transmission, being some distance from any main transmission lines. The site is served by an existing electricity supply that extends from a substation that was constructed near the site specifically to serve the Fonterra Milk Processing facility. This substation is not within Fonterra's ownership and has been maintained within the Rural Buffer Zone area of the proposed DPMA. This means that the existing Rural (Outer Plains) zone provisions including maximum height and setbacks remain applicable as are the Plan provisions relating to Utilities. The proposed DPMA does not propose practices or effects that are inconsistent with the NPS for Freshwater Management noting that there are a range of options available for the recycling and discharge of stormwater from the site and discharge of treated wastewater to land.

With respect to the Coastal Policy Statement, the proposed DPMA is not part of the Coastal environment.

#### **9.5 Canterbury Regional Policy Statement (RPS)**

The RPS provides an overview of the Resource Management issues in the Canterbury region, and the objectives, policies and methods to achieve integrated management of the natural and physical resources of the Region. The methods include directions for provisions in district and regional plans.

The chapters of primary relevance of the Regional Policy Statement are listed as follows:

- Chapter 5 Land Use and Infrastructure
- Chapter 7 Fresh Water
- Chapter 11 Natural Hazards
- Chapter 14 Air
- Chapter 16 Energy

The request for Plan Change gives effect to the key provisions of these chapters, as assessed in Table 2 below:

Table 2: Regional Policy Statement Assessment

<p><b>Objective 5.2.1 – Location, design and function of development (Entire Region)</b></p> <p><i>Development is located and designed so that it functions in a way that:</i></p> <p><i>1) achieves consolidated, well designed and sustainable growth in and around existing urban areas as the primary focus for accommodating the region's growth; and</i></p> <p><i>2) enables people and communities, including future generations, to provide for their social, economic and cultural well-being and health and safety; and which:</i></p> <p><i>a) maintains, and where appropriate, enhances the overall quality of the natural environment of the Canterbury region, including its coastal environment, outstanding natural features and landscapes, and natural values;</i></p> <p><i>b) provides sufficient housing choice to meet the region's housing needs;</i></p> <p><i>c) encourages sustainable economic development by enabling business activities in appropriate locations;</i></p> <p><i>d) minimises energy use and/or improves energy efficiency;</i></p> <p><i>e) enables rural activities that support the rural environment including primary production;</i></p> <p><i>f) is compatible with, and will result in the continued safe, efficient and effective use of regionally significant infrastructure;</i></p> <p><i>g) avoids adverse effects on significant natural and physical resources including regionally significant infrastructure, and where avoidance is impracticable, remedies or mitigates those effects on those resources and infrastructure;</i></p> <p><i>h) facilitates the establishment of papakāinga and marae; and</i></p> <p><i>i) avoids conflicts between incompatible activities.</i></p>	<p><b>Objective 5.2.1</b> is concerned with the location, design and function of development across the entire region. The objective is in two parts. The first part (1) is concerned with growth in and around existing urban areas and is not relevant to this request for plan change. The second part (2) is concerned that people and communities are enabled to provide for their wellbeing, health and safety. This objective is qualified by a series of sub-clauses (a) to (i) with those of primary relevance being (2)(a), (c), (e), (f), (g), and (i).</p> <p>The Fonterra Darfield site already exists in this location and provides an appropriate node for future concentration and growth of dairy processing activities. The proposed DPMA for this site is part of a continuum of rural production and is appropriately located where it is accessible to the farms it services.</p> <p>The effects of the existing and future potential traffic on regionally important infrastructure has been assessed and provisions have been incorporated into the plan change to ensure that effects on the efficiency and safety of both State Highway 1 and the Main Trunk Railway line are addressed on an on-going basis as part of any building consent processes which increase milk processing or storage capacity.</p> <p>The provisions of the plan change include rules which, whilst enabling of dairy processing activities, set limits in respect of environmental effects on adjoining activities and property e.g. noise limits, landscape retention and maintenance, lighting, signage etc. As such, the provisions avoid and/or mitigate conflicts between activities in the DPMA and those on adjoining properties.</p> <p>The proposal also represents significant economic and social wellbeing benefits to the community. The proposed DPMA reflects the significance of the dairy industry in this context.</p>
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<p><b>Objective 5.2.2 – Integration of land-use and regionally significant infrastructure (Wider Region)</b></p> <p><i>In relation to the integration of land use and regionally significant infrastructure:</i></p> <p><i>1) To recognise the benefits of enabling people and communities to provide for their social, economic and cultural well-being and health and safety and to provide for infrastructure that is regionally significant to the extent that it promotes sustainable management in accordance with the RMA.</i></p> <p><i>2) To achieve patterns and sequencing of land-use with regionally significant infrastructure in the wider region so that:</i></p> <p><i>a) development does not result in adverse effects on the operation, use and development of regionally significant infrastructure.</i></p> <p><i>b) adverse effects resulting from the development or operation of regionally significant infrastructure are avoided, remedied or mitigated as fully as practicable.</i></p> <p><i>c) there is increased sustainability, efficiency and liveability.</i></p>	<p><b>Objective 5.2.2</b> is concerned with integration of land use and significant infrastructure. The provisions of the request for the plan change include specific rules in respect of the vehicle accesses to the site including the primary state highway access. This includes a control mechanism for on-going review of its efficiency and safety as development and processing capacity increases within the DPMA. Similarly, the ODP provides opportunity to continue to utilise the Midland Railway Line for transporting freight via the existing siding thereby promoting increased sustainability and transport efficiency.</p>
<p><b>Policy 5.3.2 – Development conditions (Wider Region)</b></p> <p><i>To enable development including regionally significant infrastructure which:</i></p> <p><i>1) ensure that adverse effects are avoided, remedied or mitigated, including where these would compromise or foreclose:</i></p> <p><i>a) existing or consented regionally significant infrastructure;</i></p> <p><i>b) options for accommodating the consolidated growth and development of existing urban areas;</i></p> <p><i>c) the productivity of the region’s soil resources, without regard to the need to make appropriate use of soil which is valued for existing or foreseeable future primary production, or through further fragmentation of rural land;</i></p> <p><i>d) the protection of sources of water for community supplies;</i></p> <p><i>e) significant natural and physical resources;</i></p>	<p>The proposal provides mechanisms to mitigate any potential reverse sensitivity effects and conflicts with transport networks along with integrating with transport networks and modes so as to provide for the sustainable and efficient movement of goods.</p> <p>Whilst some further hardstand and built development will result in a loss of available soil, the area of soil lost is very small relative to the expansive area of the wider plains. These soils are not actively farmed or utilised productively at present.</p>



<p>2) avoid or mitigate:</p> <p>a) natural and other hazards, or land uses that would likely result in increases in the frequency and / or severity of hazards;</p> <p>b) reverse sensitivity effects and conflicts between incompatible activities, including identified mineral extraction areas; and</p> <p>3) integrate with:</p> <p>(a) the efficient and effective provision, maintenance or upgrade of infrastructure; and</p> <p>(b) transport networks, connections and modes so as to provide for the sustainable and efficient movement of people, goods and services, and a logical, permeable and safe transport system.</p>	
<p><b>Policy 5.3.3 – Management of development (Wider Region)</b></p> <p><i>To ensure that substantial developments are designed and built to be of a high-quality, and are robust and resilient:</i></p> <p>1) through promoting, where appropriate, a diversity of residential, employment and recreational choices, for individuals and communities associated with the substantial development; and</p> <p>2) where amenity values, the quality of the environment, and the character of an area are maintained, or appropriately enhanced.</p>	<p>This proposal will provide certainty in respect of dairy processing activities, which in turn will generate and offers employment opportunities as detailed in the Economic Impact Report contained within <b>Appendix 8</b>.</p>
<p><b>Policy 5.3.5 – Servicing development for potable water, and sewage and stormwater disposal (Wider Region)</b></p> <p><i>Within the wider region, ensure development is appropriately and efficiently served for the collection, treatment, disposal or re-use of sewage and stormwater, and the provision of potable water, by:</i></p> <p>1) avoiding development which will not be served in a timely manner to avoid or mitigate adverse effects on the environment and human health; and</p> <p>2) requiring these services to be designed, built, managed or upgraded to maximise their ongoing effectiveness.</p>	<p>The DPMA will be self-sufficient in terms of servicing i.e. it is not required to be part of a reticulated, urban system.</p> <p>The existing site holds its own consents for water take and discharges to air and land.</p> <p>Matters related to future air discharge, water requirements and the recycling and discharge of stormwater can be effectively managed through a number of options and via resource consents from the Regional Council as required in the future.</p>

<p><b>Policy 5.3.12 – Rural production (Wider Region)</b>  <i>Maintain and enhance natural and physical resources contributing to Canterbury’s overall rural productive economy in areas which are valued for existing or foreseeable future primary production, by...</i>  2) <i>enabling tourism, employment and recreational development in rural areas, provided that it:</i>  a) <i>is consistent and compatible with rural character, activities, and an open rural environment;</i>  b) <i>has a direct relationship with or is dependent upon rural activities, rural resources or raw material inputs sourced from within the rural area;</i>  c) <i>is not likely to result in proliferation of employment (including that associated with industrial activities) that is not linked to activities or raw material inputs sourced from within the rural area; and</i>  d) <i>is of a scale that would not compromise the primary focus for accommodating growth in consolidated, well designed and more sustainable development patterns, and;</i></p>	<p>The request for plan change has a direct relationship to rural production, will concentrate growth to the core of the existing site, and will generate additional employment directly and indirectly linked to the core activities undertaken on the site.</p>
<p><b>Objective 7.2.1 – Sustainable management of fresh water.</b>  <i>The region’s fresh water resources are sustainably managed to enable people and communities to provide for their economic and social well-being through abstracting and/or using water for irrigation, hydro-electricity generation and other economic activities, and for recreational and amenity values, and any economic and social activities associated with those values, providing:</i>  (1) <i>the life-supporting capacity ecosystem processes, and indigenous species and their associated freshwater ecosystems and mauri of the fresh water is safe-guarded...</i>  <b>Objective 7.2.4 – Integrated management of fresh water resources</b>  <i>Fresh water is sustainably managed in an integrated way within and across catchments, between activities, and between agencies and people with interest in water management in the community, considering:</i>  (1) <i>the Ngai Tahu ethic of Ki Uta Ki Tai (from the mountains to the sea);</i>  (2) <i>the interconnectivity of surface water and groundwater;</i>  (3) <i>the effects of land uses and intensification of land uses on demand for water and water quality; and</i>  (4) <i>kaitiakitanga and the ethic of stewardship; and</i>  (5) <i>any net benefits of using water, and water infrastructure, and the significance of those benefits to the Canterbury region.</i></p>	<p>The established activities have existing consents for water take. The future needs for fresh water are not known however, any additional water required beyond the volumes already consented, would require either a variation or new consent to be obtained. This would be considered in the appropriate manner at that point in time, in the context of the relevant statutory plans and their objectives and policies.</p> <p>Matters related to air discharge, water requirements and the recycling and discharge of stormwater can be effectively managed through a number of options and via resource consents as required in the future to ensure that freshwater is managed sustainably.</p>

<b>Chapter 11 - Natural Hazards Objective 11.2.1 –</b> <i>Avoid new subdivision, use and development of land that increases risks associated with natural hazards</i>	The existing Fonterra Darfield site is located on land that is understood to be close to the Hororata fault line. Following the Canterbury earthquake sequence, all existing buildings on-site (Stage 1 of consented development) received little damage due to being designed to a high standard of engineering. Similarly, any new buildings will be required to meet the appropriate geotechnical and engineering requirements to avoid increase risks associated with natural hazards.
<b>Objective 14.2.2 – Localised adverse effects of discharges on air quality</b> <i>Enable the discharges of contaminants into air provided there are no significant localised adverse effects on social, cultural and amenity values, flora and fauna, and other natural and physical resources.</i>	Fonterra holds consents for discharge of contaminants to air from its established plant. As development occurs within the DPMA over time, variations or additional consents may be required, depending on the nature of the activities and processes proposed. There are a number of alternatives to how this may be achieved to minimise the potential for localised effects.
<b>Objective 16.2.1 – Efficient use of energy</b> <i>Development is located and designed to enable the efficient use of energy, including:</i> ..... 2) <i>planning for efficient transport, including freight</i>	The proposed DPMA is located adjacent to State Highway 73 and the Midland Rail Line. This proximity will assist in efficient use of energy in transport of freight. The location of the DPMA within the Outer Plains, close to farms, also assists in reduction of transportation of milk to the plant.

## 9.6 Natural Resources Regional Plan, Proposed Land and Water Regional Plan and Proposed Canterbury Air Regional Plan

Relevant regional plans include the operative Natural Resources Regional Plan (NRRP) in terms of air discharges and the partially operative Canterbury Land and Water Regional Plan (LWRP).

The NRRP is now only concerned with the sustainable management of air discharges across the Canterbury Region. The Plan manages and controls a range of air discharge activities for the purpose of maintenance and enhancement of air quality. The operative Air chapter (Chapter 3) seeks to protect and maintain air quality by managing air discharges. For this plan change the relevant objectives and policies relate to protection of localised air quality, and avoidance or mitigation of effects such as dust nuisance (e.g. during construction activities) or discharge of contaminants to avoid significant effects on the environment including adverse effects on health and safety and offensive or objectionable odours.

The Proposed Canterbury Air Regional Plan (pCARP) was notified on 28 February 2015 and all rules within the Plan took legal effect at this time. The hearing on the pCARP has been held, however it remains adjourned at the time of writing. Through the hearing process it is likely that some changes will occur to the notified version of the Plan. However, the notified objectives and policies of this Plan broadly seek (for industrial and large scale discharges to air) to:

- Enable discharges of contaminants into air associated with industrial activities in locations where the discharge is compatible with the surrounding land use pattern;
- Apply the best practicable option to all large scale and industrial activities discharging contaminants into air so that degradation of ambient air quality is minimised;

- Avoid the discharge of contaminants into air where the discharge will result in the exceedance, or exacerbation of an existing exceedance, of the guideline values set out in the Ambient Air Quality Guidelines; and
- Offset, within Clean Air Zones, significant increases of PM<sub>10</sub> concentrations from discharges of contaminants in accordance with the Resource Management (National Environmental Standards for Air Quality) Regulations 2004.

The partially operative LWRP is a new planning framework for the management of land and water within Canterbury. In particular, it is concerned with the setting of water quality and quantity limits and meeting the requirements of the NPS for Freshwater Management and principles and targets in the Canterbury Water Management Strategy.

The LWRP is now partially operative, with the exception of those rules pertaining to the taking and use of surface water and dams released. Accordingly, the majority of the LWRP provisions are now beyond appeal. The LWRP has subsequently been subject to six variations/plan changes, one of which (Variation 1) affects the catchment that contains the Darfield site and specifically focuses on reducing water takes and reducing nitrate loading where areas are over allocated in terms of these uses. The provisions of Variation 1 have now been made operative.

Fonterra holds a number of consents for its existing plant in respect of earthworks, discharges to air, discharges to land for stormwater, treated wastewater and sewage as well as the storage of hazardous substances. It is acknowledged that these consents may need to be varied or new consents obtained as the DPMA develops over the coming decades. These consents will require detailed design of the particular systems involved to demonstrate compliance with the relevant Plans and over time can be expected to incorporate improved technologies and practices.

Additionally, it is noted that the nature of future activities within the DPMA is not defined and these may change in response to changes in the industry and markets. Accordingly, it is appropriate that the integration of matters relating to wastewater, air discharge and water takes are addressed through subsequent resource consent processes noting that there are a range of options available to Fonterra that can enable their ability to achieve this criteria as discussed earlier within this report.

As noted above, any new activities within the DPMA over time, will require existing consents to be varied or new consents to be obtained. On this basis, the integrated management of activities within the DPMA will be achieved on the consideration of those specific detailed proposals, again noting that there are a number of options available to Fonterra to manage discharges from its site should it expand.

In summary, the proposed DPMA is not considered to be inconsistent with the relevant Regional Plans.

## **9.7 Canterbury Regional Land Transport Strategy 2012-2042 (RLTS)**

The Canterbury Regional Land Transport Strategy (RLTS) sets the strategic direction for land transport within the Canterbury region over a 30 year period. The RLTS identifies the region's transport needs, the roles of land transport modes along with the planning, engineering, education, encouragement and enforcement methods that will be applied in the achievement of objectives.

The provisions of the DPMA accord with this Strategy, specifically controlling the use of all access points in the event that new buildings are proposed that will increase milk processing capacity for the site. In the event that such changes are proposed the design of access must be approved by the relevant road controlling authority. Accordingly, the safety and efficiency of local roads and the State Highway will be protected and can respond, as necessary, to any changes to the RLTS.

## 9.8 Iwi Documents

Te Rūnanga o Ngāi Tahu represents Ngāi Tahu as an iwi authority for the purposes of the RMA, and Te Taumutu Rūnanga along with Te Ngāi Tūāhuriri Rūnanga are the kaitiaki Rūnanga for subject area. There are no statutory acknowledgement areas, silent file areas or Waahi Taonga areas identified in the District Plan that could be directly affected by this plan change, however Fonterra have commissioned the preparation of a cultural impact assessment (CIA), prepared by Tipa & Associates. A copy of the CIA and Fonterra's subsequent response to the CIA is contained in **Appendices 7A and 7B**.

The relevant iwi document for the area is the Mahaanui Iwi Management Plan 2013 (IMP). This document provides a values-based policy framework for the protection and enhancement of Ngāi Tahu values, and for achieving outcomes that provide for the relationship of Ngāi Tahu with natural resources, for the hapu who hold manawhenua rights over lands and waters within the takiwa from the Hurunui River to the Hakatere River and inland to Ka Tiritiri o Te Moana.

During the Stage 1 and 2 consent process for the Darfield site, Fonterra consulted with Ngāi Tahu and Tūāhuriri Rūnanga. To ensure that any potential adverse effects of the Milk Powder Plant on the archaeological or cultural values of the area were minimised, an 'accidental discovery protocol' condition was proposed and included as a consent condition requiring the involvement of Tūāhuriri Rūnanga should any remains or items of interest be found during the construction of the Milk Powder Plant. These conditions are considered an appropriate level of mitigation and have been retained as a matter of control within the proposed Plan Change in the event that any earthworks that exceeds the set limits and construction that will increase the capacity for milk processing is proposed. This control is in the form of a controlled activity consent requirement. Both the earthworks and construction controls specifically refer to an ADP as specified within the Mahaanui Iwi Management Plan in particular Policy P4.1 which seeks to work with local authorities to ensure a consistent approach to the identification and consideration of Ngāi Tahu interests in subdivision and development activities.

Matters regarding the protection and sustainable use of freshwater will continue to be considered under future consenting requirements, noting that there are a range of options available to minimise both the use of freshwater and impacts upon air and freshwater from increased development on this site. This includes the capture and recycling of stormwater on-site which has already been implemented on the existing site to assist with reducing future demands pressure on water take requirements.

As referred to in Section 7.7, further consultation with Taumutu Rūnanga and Tūāhuriri Rūnanga has occurred through the preparation of the CIA. Overall, the CIA advises that the runanga have few concerns with the proposal and support (in principle) the type of plan change proposed. Those areas of concern that have been identified relate to Te Taumutu Rūnanga and Te Ngāi Tūāhuriri Rūnanga seeking:

1. to form a long term relationship with Fonterra to deliver cultural, environmental and economic outcomes;

2. for Fonterra to prepare or make available to the runanga a range of information relating to the operation of the Darfield Milk Factory. Once the two runanga receive this information they may make recommendations to Fonterra on how they would like Fonterra to address concerns raised within this information;
3. for Fonterra to show how they will integrate the recommendations from the CIA prepared by Jolly 2014 in Plan Change 43. Currently, Fonterra have provided some information in relation to how they will address these recommendations but not all areas;
4. a site visit by a group from Te Ngāi Tūāhuriri Rūnanga and Te Taumutu Rūnanga to the Fonterra Darfield Milk Factory in the short term so Fonterra so representatives from the two runanga can see what Fonterra have planned at the factory in relation to the plan change and what future expansion they have planned.

Fonterra responded to these matters in their letter to the runanga dated 2 February 2016, a copy of which is also contained in Appendix 7B. In essence, Fonterra has welcomed the opportunity to build a strong relationship with Te Taumutu Rūnanga and Te Ngāi Tūāhuriri Rūnanga. Fonterra will therefore seek to provide all information outlined in the CIA, organise a site visit and hold regular hui to discuss issues, share information and give updates on any future expansion at the Darfield Milk Factory. These outcomes are considered to be consistent with the 'collaboration' Policy K4.1 of the IMP, the primary purpose of which is to enhance the exercise of kaitiakitanga.

In summary, the request for a plan change is not considered to significantly impact upon any cultural values and provided the ADP controls are maintained, it is considered to be consistent with the intent of the Mahaanui Iwi Management Plan.

## 9.9 Part 2

Part 2 sets out the purpose and principles of the RMA. The purpose of the Act is to promote sustainable management of natural and physical resources. This is defined to mean:

*Managing the use, development, and protection of natural and physical resources in a way, or at a rate, which enables people and communities to provide for their social, economic, and cultural well-being and for their health and safety while:*

- (a) sustaining the potential of natural and physical resources (excluding minerals) to meet the reasonably foreseeable needs of future generations; and*
- (b) safeguarding the life-supporting capacity of air, water, soil, and ecosystems; and*
- (c) avoiding, remedying, or mitigating any adverse effects of activities on the environment.*

The key matters for this assessment therefore are:

- Will the proposed Plan Change (in terms of the management of use, development and protection of natural and physical resources) enable people to provide for their wellbeing, health and safety?
  - Will the potential of natural and physical resources to meet the reasonably foreseeable needs of future generations be sustained?
  - Will the life-supporting capacity of air, water, soil, and ecosystems be safeguarded?
- and



- Are the adverse effects of this enablement capable of being avoided, remedied or mitigated?

In order to achieve the purpose of the Act, it is necessary to:

- recognise and provide for the matters of national importance in section 6;
- have particular regard to the other matters in section 7;
- take into account the principles of the Treaty of Waitangi (section 8);

The proposal is considered able to achieve the purpose of the Act. The Economics report appended to this Statutory Analysis and Evaluation describes the scale and significance of dairying within the Selwyn District and Canterbury Region. It is not only a reasonable anticipation, but also economically appropriate that the processing of milk is provided for within the District. This will optimise the efficiency of the milk processing industry, as well as provide employment and ensure that the benefits or value of production are realised within the district in terms of household expenditure and contribution to the economy.

Section 8.2.1 in this Report clearly set out the reasons why the status quo in terms of the District Plan provisions is not efficient. The absence of a DPMA being applied to the Fonterra Darfield site continues to result in considerable time delays to the operation and development of the established milk plant, the costs of which are replicated by all parties, including the Council, in considering and processing those consents.

The provisions of the plan change clearly enable the ongoing use and development of physical resources for existing dairy processing sites. This will assist the community to provide for its economic and social wellbeing.

The proposed amendments to rules are particular to the DPMA for the Fonterra site only and to address small areas of ambiguity that were present in the operative provisions that arose from the decision on PC43. In this respect the proposed provisions better provide for the health and safety of the community than the current operative provisions.

Adverse effects are able to be avoided, remedied or mitigated. There will be no significant change in the landscape values of the locality noting the considerable perimeter landscaping that has been established through the Stage 1 and 2 consent processes for this site. This Plan Change also recognises the context of the existing site and the expectation that milk processing is an anticipated activity in rural areas.

No significant adverse noise effects will be experienced at any existing house surrounding the site. The use of a noise control boundary will also allow for noise associated with future expansion to be managed to avoid reverse sensitivity effects should any sensitive activity seek to locate within this NCB area. This control does not seek to prohibit sensitive activities from establishing in these areas, particularly where they are on third party land but will ensure that a suitably appropriate acoustic environment is provided for such activities. The potential adverse effects of utilising a NCB control over some third party land is considered to be outweighed by the significant benefits that are otherwise gained through the DPMA.

There are a number of options to provide for discharges to air and land from activities on the site. These options include using different alternatives of boiler fuel e.g. biofuel, low sulphur coal (air discharge) and recycling collected stormwater from roofs back into the buildings in a similar manner to the existing buildings. In addition, there is the ability to store excess stormwater or treated wastewater in ponds on-site (again similar to what occurs on site at present) before discharging to land during periods that avoid ponding and surface runoff. In addition, matters related to air discharge can be appropriately managed through future resource consent applications which are particular to the nature and scale of future activities, detailed design and adoption of best practice at that time.

There are no matters of national importance considered relevant to this application. The area of land subject to the plan change does not include an outstanding natural landscape or feature and there are no impacts on the margins of a river or stream.

The “Other Matters” of relevance to this Plan Change are:

- s7(b) the efficient use of natural and physical resources
- s7(c) the maintenance and enhancement of amenity values
- s7(f) the maintenance and enhancement of the quality of the environment.

The formulation of this specific Plan Change (and earlier involvement in the formulation of PC43) has had regard to these matters. The ODP and accompanying rules provide an overview of how the site will be developed over time and will achieve the integrated management of effects at the DPMA boundary with the Rural Zone.

The DPMA makes efficient use of infrastructure related to the existing dairy plant, and the area is highly accessible to the State Highway and midland rail line. In this context the proposal represents a very efficient use of the natural and physical resources of the land providing a range of benefits for the wellbeing of the community, most notably direct and indirect employment.

The DPMA will result in development which contrasts with the wider, open rural plains, however this is not out of context with the existing site and the anticipation of rural processing facilities within some parts of the Rural environment due to the efficiencies gained in locating rural industry near the rural environment. Provisions relating to the location of buildings and activities, control of noise emissions and retention of mitigating factors such as landscaping, will maintain existing amenity values.

With respect to s8, it is recognised that an accidental discovery protocol is now required for any further construction works on-site in accordance with the specifications of the Mahaanui Iwi Management Plan. The CIA has also outlined opportunities for Taumutu Rūnanga and Tūāhuriri Rūnanga to express kaitiakitanga toward the environment through the establishment of a long-term relationship with Fonterra.

In summary, having regard to the content and analysis contained within this report, it is concluded that the proposal achieves Part 2 of the RMA and is a more efficient and effective mechanism for managing the long-term operation of the Fonterra Darfield site than the existing provisions of the Operative District Plan.

## 10 Consultation

The request for a plan change has been discussed with the following groups and individuals. Consultation involved dialogue early in the plan change development process with sufficient time for feedback before finalising. On the basis that Fonterra were actively engaged with Synlait during the preparation of PC43 to ensure that the provisions would be effective and applicable to both sites, only limited changes are required for the proposed Plan Change.

It is also noted that consultation in accordance with the 1<sup>st</sup> Schedule of the RMA will be undertaken by Selwyn District Council prior to public notification of the Plan Change and that any other interested parties are able to put forward their views through the statutory public notification process.

A short summary on consultation undertaken to date is provided below:

### **Selwyn District Council**

Meetings were held with Council staff during the preparation of Plan Change 43 during which Fonterra was working closely with Synlait. It was clearly indicated that the policy framework, ODP approach and DPMA rules were designed so that they could effectively apply to both the existing Synlait Dunsandel site and Fonterra Darfield sites with minimal specific provisions required for each site. For simplicity, it was considered appropriate for the Synlait site to be included within Plan Change 43 while the Fonterra site would follow shortly after and primarily only need to make minor amendments and insert a new ODP.

More recently, the draft ODP and proposed text amendments of the Plan Change were provided to Council for initial feedback. No specific concerns were raised by Council staff, although it was advised that consultation should also occur with Synlait to ensure consistency in approach.

### **Environment Canterbury (ECan)**

Ecan staff attending the same meeting as Selwyn District Council regarding PC43 were informed of Fonterra's intention to also insert an ODP into the Plan in relation their Darfield milk processing site.

A draft ODP and outline of the draft text amendments and Plan Change was supplied to Ecan on the 22<sup>nd</sup> March 2016 and a letter in response received on the 2<sup>nd</sup> May 2016. Matters identified in letter were:

1. Air quality – no concerns;
2. Transport – support consultation with NZTA re: SH73 intersection; advice re: update of Regional Land Transport Plan (2015); potential upgrade of Waimakariri River Bridge – deferred to SDC; seeks further discussion re: use of rail and other forms of transport;
3. Consents – no concerns, except to note requirement for earthworks consents (and new discharge to air and land consents) from ECan;
4. Section 32 – update to recognise that LWRP is now operative.

In response to these comments consultation has been undertaken with both NZTA and Selwyn District Council, the requirement for earthworks consents is acknowledged and the section 32 assessment has been updated.

### **Synlait**

Fonterra have maintained good lines of communication with Synlait throughout the preparation of PC43 to ensure that the now operative DPMA can effectively work for both sites, albeit with minor amendments to allow for specific references between each site e.g. landscaping.

A draft of this Plan Change was sent to Synlait for comment prior to lodgement. Feedback from Synlait was received from Shoshona Galbreath of Duncan Cotterill and requested that the operative landscaping provisions be retained as they relate to the Synlait DPMA.

Synlait are concerned that the draft amendments are moving any 'new building that increases the capacity or storage' from a permitted activity status to a controlled activity status. They agree that the existing permitted activity rule standard is confusing in that it effectively requires landscaping to be consented as a controlled activity regardless, however they would rather leave it that way than risk any new buildings not being listed as a permitted activity in the first instance.

Fonterra has and will continue to maintain an open dialogue with Synlait on the provisions of this Plan Change.

### **Adjoining Property Owners**

Fonterra contacted its immediate and adjoining neighbours to the proposed DPMA and held a community meeting on 4 February 2016 to discuss the private plan change request. No substantial feedback was received. A follow-up meeting was subsequently held with Mr Buttle to ensure that all neighbours had an opportunity to review the information supporting the proposal and to seek clarification on any matters of specific concern.

### **NZTA**

A draft ODP and outline of the draft text amendments and Plan Change was supplied to NZTA on 29 March 2016 and meeting with NZTA representatives held on the 30<sup>th</sup> March. Initial response was that NZTA were supportive of the draft plan change.

Further details were provided to NZTA in the form of the Transport Assessment by Mr Carr of Carriageway Consultants. Jon Richards of NZTA responded on the 7<sup>th</sup> July that having reviewed the implications of the proposal in relation to the safe and efficient use of State Highway 73, NZTA agreed with the Transport Assessment of Mr Carr regarding the potential traffic growth and the impact on the SH73 intersection. Therefore NZTA had no objection to the proposal.

### **Orion**

A draft ODP and outline of the draft text amendments and Plan Change was supplied to Orion on 29<sup>th</sup> March 2016. Orion responded on the 15 April 2016 requesting:

1. the insertion of a 'Build Free Area' on the ODP around the substation on the site (5m buffer protection) and over the underground cables/overhead lines as per the registered easement areas; and
2. the addition of a general note in Appendix 26 to reference compliance with the NZ Electrical Code Practice for Electrical Safe Distances 34:2001 for any buildings, structures and earthworks.

Fonterra agreed with these amendments and the plan change has been amended accordingly.

### **Central Plains Water**

A draft ODP and outline of the draft text amendments and Plan Change has been supplied to CPW Limited and a subsequent meeting was held on 29 February 2016. As outlined in the letter from CPW (dated 1 March 2016 and contained in **Appendix 9**), CPW confirms that it has agreed to alter the current designation through Fonterra's property to the amended corridor shown on the attached plan, should CPW decide to give effect to the designation in this location.

## **11 Conclusion**

This Statutory Analysis and Evaluation Report with accompanying AEE and appendices presents all of the relevant information required by the Selwyn District Council to process the request for a private Plan Change. The information provided is at a level of detail that is appropriate to the scale and significance of the issues concerned. Potential environmental effects have been identified and appropriately avoided, remedied or mitigated through the proposed provisions.

Although no changes are proposed to any Objectives or Policies of the District Plan, all of the matters of policy and statutory consideration have been identified and addressed, including for all relevant higher order documents. Consultation with stakeholders has also been initiated and will be on-going as required.

Overall, it is considered that the inclusion of the ODP for the Fonterra Darfield site and associated amendments will more appropriately give effect to the established objective and policy framework of the District Plan, thereby ensuring that the overriding purpose of the RMA to promote the sustainable management of natural and physical resources continues to be achieved. On this basis, it is concluded that the purpose of the Act under this Section 5 would be better achieved by the Plan Change proceeding.