



FONTERRA LIMITED

**PROPOSED PLAN CHANGE 55
– WAITOA DAIRY
MANUFACTURING FACILITY
(NOISE)**

Application, Assessment of
Environmental Effects and S32
Evaluation

14 February 2024

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REPORT INFORMATION

Report Status	Final
Our Reference	MDL000929
File Location	Fonterra/MDL000929 – Waitoa Plan Change - Noise/Plan Change as Lodged/Updated Version/Final/Waitoa Noise Plan Change Application (Final Updated 14.2.24)
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1. INTRODUCTION

This report supports an application by Fonterra Limited (“**Fonterra**”) to the Matamata-Piako District Council (the “**Council**”) for a Plan Change pursuant to Section 73(2) and Schedule 1 of the Resource Management Act 1991 (“**RMA**”).

The Applicant is the owner and operator of the Waitoa Dairy Manufacturing Facility (the “**Facility**”) located to the north of the intersection of State Highway 26 (“**SH26**”) and Number 1 Road. The Facility is within the Industrial Zone and is also currently the subject of a Development Concept Plan (“**DCP**” attached as **Appendix A**) within the Operative Matamata-Piako District Plan (“**District Plan**”). The DCP is embedded into the District Plan by way of referencing in Schedule 5 and inclusion within Part C of the Plan which includes all Planning Maps, Structure Plans, DCP’s and provisions relating to Matamata Airport. The DCP is intended to enable the operation and expansion of the Facility subject to performance standards including compliance with noise limits at a defined Noise Emission Control Boundary (“**NECB**”). The NECB extends beyond the area occupied by the Facility. Despite there being no history of complaints, regular assessment of noise levels has demonstrated that the Facility is exceeding the defined noise limits at a number of measurement points. The application for a Plan Change seeks to replace the current plan provisions with a new NECB and associated provisions that will provide an appropriate and enduring framework for managing noise emissions beyond the site boundary.

2. REPORT STRUCTURE

The report addresses the statutory requirements for a Plan Change under the relevant provisions of the RMA:

- Section 3 describes the existing environment affected by the Plan Change proposal.
- Section 4 identifies the issues to be addressed.
- Section 5 describes the Plan Change proposals.
- Section 6 sets out the processing requirements in respect of proposed plan changes.
- Section 7 provides the section 32 evaluation required for the Plan Change application.
- Section 8 provides an Assessment of the Environmental Effects.
- Section 9 provides an assessment against relevant planning documents.
- Section 10 summarises the lwi consultation undertaken for the proposal.
- Section 11 summarises the affected party consultation undertaken for the proposal.
- Section 12 provides a notification assessment.
- Section 13 summarises and concludes the report.

3. EXISTING ENVIRONMENT

The Facility is a long established industrial activity located at Waitoa on the corner of SH26 and Number 1 Road immediately adjacent to and north of the Morrinsville-Waitoa Branch Railway Line. Fonterra also owns adjacent farmland immediately north of the main dairy manufacturing facilities (which contains a wastewater treatment plant) and across (west of) Number 1 Road.

First established in 1902, milk processing activity has progressively expanded to occupy an extensive site which is now served by vehicular access and car parking located to the west, via Number 1 Road, and rail access along the south-eastern boundary, adjacent to SH26. The Waitoa River defines the eastern boundary. Within the site, the Energy Centre supporting all on-site manufacturing activity is located mid-way along the south-eastern boundary, close to the boundary and accessed via road and rail to receive coal deliveries. Large scale buildings accommodating milk driers are dominant visual elements, as are exhaust towers from processing activities. A UHT production facility occupies the majority of the southern portion of the site between SH26 and Number 1 Road, on the site of the former Factory village. Fonterra has recently constructed a 30MW Biomass Boiler within the north-eastern corner of the site, which is in the final stages of commissioning.

The residential area of Waitoa village is situated in two enclaves located alongside and to the south-east of SH26, located primarily along Farmer Road and Ngarua Road. The majority of land between the two roads and fronting SH26 now consists of vacant sections following the acquisition and removal of former dwellings by Fonterra (to create a buffer between the Facility and residential areas of the village). The remaining residential areas of the village consists of primarily single storey detached dwellings of variable age on generous sections. Boundary treatment is typically permeable wire fencing and vegetation.

Topographically, the site and surrounding area is generally flat, with dairy pasture extending around the northern and western site boundaries, and the eastern boundary (beyond the Waitoa River). Mature vegetation extends along the south-eastern boundary parallel with SH26 and along the Waitoa River.

While the Facility and its immediate curtilage is located within the Industrial Zone, land to the north, west and east is within the Rural Zone (with the Waitoa River located within the Kaitiaki (Conservation) Zone). In terms of land to the south-east of SH26, the established Waitoa Village is located within the Settlement Zone (with a “Business Precinct” covering the majority of properties fronting SH26 directly opposite the Facility, and a “Residential Precinct” covering the remainder). Otherwise, the remainder (and majority) of land on the south-eastern side of SH26 is within the Rural Zone.

4. ISSUE IDENTIFICATION

The Facility makes a significant contribution to the local and regional economy.

The Facility is one of two key manufacturing assets owned by Fonterra in the Matamata-Piako District (the “**District**”), the other being the Morrinsville Dairy Manufacturing Facility. Combined, these assets have a value of \$1.5B which equates to \$650M of production value per annum.

The Facility processes approximately 60,000 metric tonne of product (not including UHT) during the milk processing season, with up to 2.7 million litres of milk being processed per day during peak milking season. The milk is processed into a range of nutritional and milk powders, these include: nutritional powders, whole milk powders (regular, instant and fortified), stolle milk powders (skim), organic milk powders (whole and skim), caramelised milk powder, cheese powder and fat filled milk powder. The Facility is the only site in New Zealand that can produce the full range of nutritional powders, and is able to manufacture organic and store milk powders. Products manufactured at the Facility are then exported to 35 global markets.

The dairy GDP for the District in the year to March 2023 was \$667.6 million, representing 29.1% Of the District’s total GDP. Employment data shows dairy to be a significant employer in the District with approximately 1250 farming jobs and 1150 processing jobs, accounting for 15.5%of all jobs in the District and totalling approximately \$232.9 million in wages.¹ The Facility itself employs over 400 people.

The Facility is therefore, of significance to the regional economy. The Waikato Regional Policy Statement (“**RPS**”) requires that “Regionally Significant Industry” (which includes the Facility) is recognised and that provision is made for their continued operation and expansion.

The site is currently the subject of District Plan provisions based on a DCP which provides a supportive framework enabling the operation and expansion of the Facility subject to compliance with performance standards including daytime and night-time noise limits at a defined NECB. The existing NECB extends beyond the area occupied by the Facility and runs parallel with the south-eastern side of SH26.

The existing NECB was established through the preparation of the current District Plan. Rather than being defined through modelling of the then existing or predicted noise

¹ “Solid Foundation Dairy’s Economic Contribution to NZ” (4 September 2024) Sense Partners: <https://dcanz.com/wp-content/uploads/2023/09/Solid-foundations-Final-04-September-2023.pdf>

environment, the approach taken was rather more pragmatic. It recognised the existing high noise environment along the state highway corridor and also the proximity of residential dwellings fronting SH26. The NECB was defined to incorporate the state highway corridor but exclude the privately owned dwellings adjoining its south-eastern side. Operationally, the intention was that opportunities would be taken through site development and the replacement and refurbishment of assets to progressively reduce noise emissions from the Facility, to a level that would achieve compliance with the NECB. Thus, compliance was a target rather than being achievable at the date that the plan provisions became operative.

The current District Plan provisions reflect this approach by requiring that new activities established after 1993 should, by June 2000, ensure that cumulative noise emissions should comply with the stated limits at the NECB.

In parallel with on-site noise reduction measures, Fonterra progressively acquired and removed dwellings located along SH26, in close proximity to the Facility. Ongoing development of the Facility has followed an '*acoustic budget*' approach, whereby the design specification of new activities has been driven by the need to ensure compliance for any new activity, including taking account of the cumulative effects on total noise emissions from the site. For example, the acoustic design requirement in respect of the UHT Plant consented in 2013 stipulated a requirement to achieve a higher level of noise reduction than might have been required for the individual building, to ensure that cumulative noise emissions would not increase.

The Facility is subject to annual noise emissions assessment and historical noise levels at defined measurement points illustrate a trend of gradual noise reduction, particularly in respect of measurement points located within the residential areas of Waitoa Village. Detailed assessment by Fonterra's acoustic advisors identified key noise sources likely to be contributing to noise levels from the Facility. Options for reducing noise emissions from these sources were investigated and capital works implemented to achieve a reduction in noise levels. In particular, considerable on-site mitigation work to reduce noise emissions from the Specialty Powders Exhaust and Driers 1 and 2 Cooling Towers ("**D1/D2 Cooling Towers**")² was completed in January 2021. However, the Facility has been unable to reduce noise emissions to achieve compliance with the NECB. As District Plan rules have the force and effect of a regulation and are enforceable, continued infringement of the standards at the NECB is not acceptable.

² The D1/D2 Cooling Towers are currently non-operational following their closure at the end of the 2023 season but could be recommissioned in the future. Noise monitoring was undertaken at the time the D1/D2 Cooling Towers were operational.

Community consultation has also identified noise sources which, whilst probably not exceeding the noise standard, are nevertheless a source of some annoyance (e.g. reversing alarms on forklifts). These aspects have also been addressed through on-site management measures. Longer term site development and the replacement and refurbishment of existing assets will also provide the opportunity to implement measures to achieve reduced noise levels (e.g. the specification of the Drier 3 dehumidifier was driven by acoustic assessment). However, information available to date from Fonterra's acoustic advisors indicates that because of the proximity of major immovable plant (Nutritional Products building housing Driers 1 and 2 and Energy Centre) close to the south-eastern boundary of the site, full compliance at the current NECB is impracticable.

Fonterra is therefore seeking to alter the District Plan provisions to establish a new NECB (based on recent noise emission reductions) and associated noise rules through a private plan change process.

The process followed in preparing this Plan Change is consistent with Rule 5.2.5 of the District Plan which states:

That any variation or change to existing development concept plans and new scheduled sites shall develop a noise control boundary and noise controls by reference to rule 1.4.2(i).

Rule 1.4.2(i) states:

The Council shall ensure that existing activities are not adversely affected by the proposal. In determining appropriate noise levels, Council shall have regard to the noise environment of the locality in which it is proposed to site the facility and the practicality of reducing noise from the utility components;

The establishment of an enduring NECB and associated plan provisions will ensure that there is a practicable framework of provisions that will ensure that the District Plan continues to provide for the protection of local amenity values whilst also enabling the continued operation and expansion of the Facility. A Plan Change process is the most efficient and effective process to achieve these outcomes and will provide both Fonterra and the local community with certainty regarding acceptable noise emissions from the site. The changes to the District Plan are specific to the relationship between the operative DCP and adjacent Waitoa community and have no effect on any District Plan provisions applying elsewhere within the District.

5. THE PLAN CHANGE PROPOSAL

5.1 REPLACEMENT NECB AND NOISE RULES

The purpose of the Plan Change is to establish a long term NECB (and associated noise rules) which provides certainty regarding acceptable levels of amenity for the local community and enables the ongoing operation and expansion of the Facility.

The Plan Change seeks to incorporate the proposed changes into the District Plan by the following means:

- Replace the existing DCP diagram with a new DCP diagram (which includes the proposed new NECB); and
- Replace the existing DCP noise provisions with new noise provisions; and
- Introduce new Performance Standards for existing and new noise sensitive activities.

No changes are required or proposed in respect of the Objectives and Policies of the District Plan.

The proposal is to replace the existing DCP with a new DCP which:

- Updates the current DCP to an electronic format (that is the same as other “second generation” DCP’s in the District Plan) so it can be included within Council’s GIS system for the Planning Maps. Part of this exercise involved ensuring the replacement DCP is accurate and to scale (n.b. the current DCP was hand drawn and consequently is not fully accurate or to scale);
- Defines a new NECB for the Facility based on 45dB L_{Aeq};
- Updates the noise provisions to relate to the new NECB;
- Amends the noise provisions to provide for off-site mitigation for “*habitable rooms*”³ within existing buildings accommodating “*noise sensitive activities*”⁴ within the new NECB; and

³ The proposed definition for “*Habitable room*” is the same as the National Planning Standards: “*any room used for the purposes of teaching or used as a living room, dining room, sitting room, bedroom, office or other room specified in the Plan to be a similarly occupied room.*”.

⁴ The proposed definition for “*Noise sensitive activity*” is: “*a) any residential activity (including visitor accommodation and retirement accommodation); b) any educational activity; c) any healthcare activity; d) any congregations within places of worship or marae.*”.

- Amend the noise standards to provide clarity regarding the noise measurement descriptor and ensure consistency with the National Planning Standards.

New rules are also proposed within the District-wide noise provisions regarding the establishment of new buildings accommodating “*noise sensitive activities*” within the proposed NECB. New definitions are proposed for “*habitable room*”, “*bedroom*” and “*noise sensitive activity*” to assist with implementing the proposed new noise rules.

An Acoustic Assessment relating to the proposed NECB and amendments to the noise provisions is included in **Appendix B**. The proposed replacement DCP (with new NECB and updated rules) is attached as **Appendix C**. The proposed new District-wide noise rules and definitions are attached as **Appendix D**.

5.2 REPLACEMENT DCP AND UPDATED PLANNING MAP

During the development of the replacement DCP (attached as **Appendix C**), a number of anomalies were identified within the existing DCP which have been addressed as follows:

- 1. Southern Landscape Buffer Area:** The following minor amendments have been made to the Southern Landscape Buffer Area to more accurately reflect the location of buildings, infrastructure and existing planted/grassed areas:
 - a) As with Coal Access Road, a gap has been created within the Landscape Buffer Area for the railway servicing the Facility; and
 - b) The existing DCP showed the Landscape Buffer Area encroaching over existing buildings and hardstand areas within the Industrial Zone immediately south of the identified 60m tall building area (and north of the railway). Accordingly, the Landscape Buffer area has been amended so that it is only located on the southern side of the railway in this area (consistent with existing buildings, hardstand areas and planted/grassed areas).
- 2. Northern and Western Landscape Buffer Area:** The existing DCP notes that the Landscape Buffer Area along the northern and western boundaries of Fonterra’s Farm is 10m wide. However, this was not drawn to scale so has been amended accordingly on the updated DCP.
- 3. Eastern Landscape Buffer Area:**
 - a) Aligning the eastern boundary of the eastern Landscape Buffer Area with the western boundary of the Kaitiaki (Conservation) Zone (n.b. on the existing DCP, the eastern boundary of the Landscape Buffer Area follows the path of the Waitoa River, but a Kaitiaki (Conservation) Zone (approximately 25m wide either side of the Waitoa River centreline) was subsequently introduced into the Planning Maps overlaying the Waitoa River (and Landscape Buffer Area));



b) Correctly aligning the western boundary of the eastern Landscape Buffer Area with the terraced floodplain for the Waitoa River within Fonterra's farm (consistent with the note on the existing DCP which states "*N.B. Area boundary follows edge of floodplain*"). 2008/2009 LiDAR contours were utilised to correctly identify the outer (western) edge of the terraced floodplain area (and the correct western boundary of the eastern Landscape Buffer Area).

4. Industrial Zone: As with the eastern boundary of the eastern Landscape Buffer Area, aligning the eastern boundary of the Industrial Zone with the western boundary of the Kaitiaki (Conservation) Zone. On the existing DCP, the eastern boundary of the Industrial Zone follows the path of the Waitoa River, but a Kaitiaki (Conservation) Zone was subsequently introduced overlaying the Waitoa River (and the Industrial Zone shown on the DCP).

During the development of the updated DCP, some anomalies were also identified on the Planning Maps. In particular, while the existing DCP shows the eastern boundary of the Industrial Zone following the correct physical path of the Waitoa River, the Planning Maps incorrectly show the location of the Waitoa River and consequently show the Industrial Zone eastern boundary in a different location to that shown on the DCP. Conversely, the existing Planning Maps show the Kaitiaki (Conservation) Zone correctly following the true physical path of the Waitoa River (even though the Planning Maps show the Waitoa River in the incorrect location). As a result, the Planning Maps show the Industrial Zone overlapping the Kaitiaki (Conservation) Zone (and true path of the Waitoa River) in some areas and being located further away from (west of) the Kaitiaki (Conservation) Zone (and true path of the Waitoa River) in other areas (resulting in several areas of unzoned land). Accordingly, on the Planning Maps, Fonterra seeks to show the correct location of the Waitoa River and align the eastern boundary of the Industrial Zone with the western boundary of the Kaitiaki (Conservation) Zone. A proposed updated Planning Map is attached as **Appendix E**.

5.3 SCHEDULE 5 OF THE DISTRICT PLAN

In Part B (Rules) of the District Plan, Schedule 5 includes the legal descriptions (and title references) for land within "Sites subject to a Development Concept Plan" (including "Fonterra Waitoa" (i.e. the Facility)). Following a review of the legal descriptions and title references of the land relevant to the DCP covering the Facility, the following errors were identified:

1. The 30ha northern-most parcel of land on Fonterra's farm (Lot 4 DP 4444 (CT SA156/212)) is not included (despite being located within the operative DCP, and the title being issued in 1909);

2. “Lots 6, 7 and 8 DPS 76060 (CT 62A/268)” are incorrectly referenced within the list of legal descriptions and title references, this should be amended to be “Lots 6, 7 and 8 DPS 78060 (CT SA67D/321)”; and
3. The various title references should include “SA” to reflect that the properties are located within the South Auckland Land Registration District.

These were obviously errors when the original DCP provisions were included in the District Plan, so Fonterra seeks the following amendments to the list of legal descriptions (and title references) for the “Fonterra Waitoa” DCP in Schedule 5:

Fonterra Waitoa

Lot 2 DPS 78059 (CT SA62A/265), Lot 3 DPS 78060 (CT SA62A/267), Lot 4 DPS 78061 (CT SA62A/254), Lot 4 DP 4444 (CT SA156/212), Lot 9 DPS 78061 (CT SA62A/255), Lot 5 DPS 78059 (CT SA62A/266) and Lots 6, 7 and 8 DPS 768060 (CT SA67D/32162A/268).

6. PROCESSING REQUIREMENTS

Under cl25(4) of the RMA's First Schedule, the Council has a limited ability to reject the Plan Change in whole or in part on certain grounds. With respect to the matters listed under cl25(4)(a) - (e), it is considered that the Council can accept the Plan Change for the following reasons:

- The Plan Change is not frivolous or vexatious;
- The substance of the Plan Change request has not been given effect to or rejected by the Council or the Environment Court;
- The Plan Change reflects sound resource management practice;
- The Plan Change is not inconsistent with the purpose of the Act; and
- The Plan Change is being made more than 2 years after the date on which the District Plan was made operative.

No other statutory approvals are required.

The Plan Change process is subject to the provisions in the RMA, including Part 2, the Purpose and Principles, and Sections 31, 32, 74 and Part 2 of Schedule One. Part 2 of Schedule One links the private plan change process back to the provisions of Part 1 (Council initiated plan changes) via clause 29, meaning there is a degree of commonality between both.

However, it is also important to take account of case law in terms of how the framework should be applied in respect of Part 2 of the Act. In particular, the Supreme Court 2014 decision *Environmental Defence Society Inc. vs the New Zealand King Salmon Co Ltd* provides guidance as to how Part 2 of the RMA applies to plan changes. It found that there was no need to refer back up the hierarchy of plan provisions to Part 2, because other high-level planning instruments are deemed to have given effect to Part 2 at the national, regional or local level.

The Court also noted that there are three exceptions to this general rule:

- Invalidity (i.e. the higher order document may be illegal).
- Incomplete coverage (i.e. the higher-level document may not fully cover the issue being considered).
- Uncertainty of meaning (i.e. the higher-level document is not clear in its application to the issue).

In this case, the relevant planning instruments that are being applied are the RPS and the District Plan.

The question to be considered is the extent to which they can be relied on as incorporating all relevant Part 2 matters, or whether any of the above exceptions apply, meaning that Part 2 needs to be revisited.

In terms of the issues relating to the operation and expansion of the Facility, the objectives and policies of the RPS and District Plan provide comprehensive coverage and are valid documents. As set out below, assessment of the two documents concludes that they are consistent in respect of the provisions applying to the Facility and land within the DCP area. As the documents are both clear and certain in respect of the matters addressed through the proposed Plan Change, and the plan change does not propose any changes to the operative policies or objectives, there is no requirement for further detailed assessment of Part 2 matters.

7. SECTION 32 EVALUATION

7.1 OVERVIEW

Section 32 of the RMA imposes a duty that before making a decision on a plan change application, an evaluation must be carried out.

An evaluation report must –

- (a) *Examine the extent to which the objectives of the proposal being evaluated are the most appropriate way to achieve the purpose of this Act; and*
- (b) *Examine whether the provisions in the proposal are the most appropriate way to achieve the objectives by*
 - i. *Identifying other reasonably practicable options for achieving the objectives; and*
 - ii. *Assessing the efficiency and effectiveness of the provisions in achieving the objectives; and*
 - iii. *Summarizing the reasons for deciding on the provisions; and*
- (c) *Contain a level of detail that corresponds to the scale and significance of the environmental, economic, social, and cultural effects that are anticipated from the implementation of the proposal.*

An assessment under subsection (1)(b)(ii) must –

- (a) *Identify and assess the benefits and costs of the environmental, economic, social, and cultural effects that are anticipated from the implementation of the provisions, including the opportunities for –*
 - i. *Economic growth that are anticipated to be provided or reduced; and*
 - ii. *Employment that are anticipated to be provided or reduced; and*
- (b) *If practicable, quantify the benefits and costs referred to in paragraph (a); and*
- (c) *Assess the risk of acting or not acting if there is uncertain or insufficient information about the subject matter of the provisions.*

If the proposal (an **amending proposal**) will amend a standard, statement, regulation, plan or change that is already proposed or that already exists (an **existing proposal**), the examination under subsection (1)(b) must relate to –

- (a) *The provisions and objectives of the amending proposal; and*
- (b) *The objectives of the existing proposal to the extent that those objectives –*
 - i. *Are relevant to the objectives of the amending proposal; and*
 - ii. *Would remain if the amending proposal were to take effect*

7.2 OPTIONS CONSIDERED (SECTION 32(1(B))

7.2.1 Overview

Several options have been considered to address the issue identified in section 4 above.

- **Option 1:** Retain existing provisions and require on site noise reduction measures.
- **Option 2:** Wait for the next District Plan review.
- **Option 3:** Replace the existing provisions by way of a private plan change.

Each of the options is required to be evaluated to determine which is the most appropriate method for achieving the District Plan objectives. Accordingly, it is necessary to identify these objectives and explain their relevance to the issues being addressed.

Section 2.4 of the District Plan sets out the Sustainable Management Strategy which comprises a series of objectives, described as outcomes. Of direct relevance to the issues affecting the Facility is Objective 2.4.2.01 which states:

To manage activities in a manner that gives certainty to the public as to the potential location and effects of activities.

Policy P1 directs that development controls, performance standards and 'other methods' will be used as follows:

To implement effective separation between incompatible activities while recognising that some existing activities may not be able to provide effective separation within their sites.

The DCP is specifically designed to enable the integrated and coordinated development of the Facility in a manner that will provide physical separation from sensitive receivers. The Facility and Waitoa Village form part of an existing environment. The issue that needs to be addressed in this instance, is the interface between these activities. The DCP achieves this through the identification of 'existing' and 'future' development areas and identifies a management framework, including the NECB, for addressing effects likely to extend beyond the boundaries of the Facility.

In respect of the Environment, Objectives 3.5.2.3.01, 3.5.2.3.02 and 3.5.2.3.04 state:

O1

To ensure that residences are free from the effects of unreasonable and excessive noise, odour, dust, glare and vibration.

O2

To provide healthy and safe working, living and recreational environments by avoiding and mitigating the effect of excessive noise, vibration, odour and dust

O4

To ensure that lawfully established activities which generate minor nuisance effects are not unreasonably compromised by the proximity or action of neighbouring land-users or non-rural activities.

The associated policy framework explains the need to protect higher amenity standards in respect of residential areas. This is to be achieved through development controls and performance standards designed to maintain a healthy and safe environment, recognising that whilst existing activities should take all reasonable steps to internalise any nuisance effects, some degree of external effect is accepted. The existing DCP has been developed as the preferred method for giving effect to that policy direction to ensure that noise emissions beyond the site are not 'unreasonable' or 'excessive' and will maintain health and safety.

7.2.2 Option 1

This option would retain the existing District Plan provisions and require Fonterra to undertake further steps to reduce noise emissions to achieve compliance with the existing NECB. Regular monitoring has demonstrated that exceedance of the existing provisions has occurred over a significant period of time. On-site noise reduction measures have been implemented, including the acoustic budget approach taken in respect of new plant, equipment and buildings.

This approach has been employed in respect of new assets and buildings and also where significant assets are approaching the end of their design life or require periodic maintenance and renewal. For example, the new UHT plant and recently constructed dehumidifier were both designed according to an acoustic budget approach, the effect of which is that the investment has been able to occur without increasing overall noise emissions from the site.

Significant capital was recently committed to further noise reduction measures associated with the Specialty Powders Exhaust and D1/D2 Cooling Towers, both of which achieved reductions in overall noise emissions at the NECB. The approach is capable of wider application as existing plant and equipment approaches the end of its design life or requires significant maintenance although there are limitations on the extent to which noise emissions can be practically reduced due to the location of critical plant in relation to potentially sensitive receivers.

Some key noise sources located in very close proximity to the south-eastern boundary of the Facility are not capable of being moved. These sources relate to the Nutritional Products

building which houses Driers 1 and 2, and the Energy Centre, which supplies energy to the whole site. These activities cannot be removed or relocated within the site without a fundamental restructuring and reconfiguration of the site and its associated infrastructure, much of which lies below ground. The cost and complexity of such an approach would be significant and would not be undertaken before first considering whether investment in the capacity of alternative existing facilities would be more efficient.

Changes have been and will continue to be made to achieve the reduction in noise emissions from these key noise sources. For example, coal loader movements have altered significantly. However, opportunities to reduce noise emissions from other sources in this location are limited by the type of plant, its anticipated asset life and its location and height relative to sensitive receivers. Boundary treatment would be ineffective in reducing noise levels. Fonterra's acoustic advisors have explained that, notwithstanding the potential to achieve some reduction over time as plant and equipment is replaced, the reduction of noise emissions from these sources close to the boundary to achieve compliance with the current NECB is impracticable.

Consequently, the retention of the current NECB and associated provisions would require resource consent to retain the existing noise sources causing the exceedance and for any additional activities that could not, in themselves or cumulatively, achieve compliance.

The current NECB boundary and associated provisions do not, therefore, appropriately relate to existing on-site activities and there is a continuing risk of complaint and potential enforcement action.

Compliance with the NECB is not achievable without the removal of existing noise sources which are critical to the manufacturing activities undertaken on the site. These cannot be moved without fundamentally reconstructing the site. Compliance is therefore impracticable.

As such, existing dwellings within the Waitoa village will continue to be exposed to levels of noise that exceed the levels anticipated by the District Plan. The current proposal has identified a number of properties with dwellings that require further assessment (being within the proposed NECB) to establish whether additional mitigation measures are required in order to provide an acceptable internal noise environment. This level of uncertainty does not assist Council in undertaking its statutory functions in respect of the management of resources and the protection of residential amenity. Option 1 is impracticable as a means of achieving compliance with the existing NECB. It will not resolve the issue and will not achieve the District Plan Objectives intended to provide certainty and the protection of residential amenity.

In terms of the ongoing operation and expansion of manufacturing activities and associated employment, resource consent and associated costs would be required in respect of any activity that could not, in itself or cumulatively, demonstrate compliance. An uncertain consenting framework would not be conducive to major economic investment decisions and the costs of participating in consenting processes would fall on both Fonterra and the wider community.

Overall, the retention of the existing provisions would provide little, if any, certainty to Fonterra or the wider community and this uncertainty, cost and potential delay would weigh heavily in decisions regarding longer term investment in the Facility.

7.2.3 Option 2

This option perpetuates the existing situation of non-compliance with the existing plan provisions and potential adverse effects on the health and social well-being of the community in the event that properties are receiving unacceptable levels of internal night time noise. It is understood that an opportunity to address the issue may present itself as part of wider proposals by the Council to implement the requirements of the National Planning Standards (“**NPS**”). The implementation of the NPS changes in respect of industrial areas within the District is expected to be addressed during 2024. However, this timeframe relates to the relatively straightforward transition of the current plan to the new format outside of the usual Schedule 1 process. There is no certainty, and indeed it is unlikely, that Council would choose to complicate and potentially delay that process through the incorporation of changes requiring close scrutiny.

Outside of the NPS changes, a Council initiated plan change would be required. While the costs of such a proposal might well be borne by the Council and its broader population base rather than by Fonterra and its immediate community, the resolution of the issue could take a considerable period of time.

In the interim, the current provisions do not provide any level of certainty that will enable long term investment decisions to be made either by Fonterra or by individual property owners and there is a continuing risk of complaint and enforcement action. Such an environment would not support continued major investment in the Facility, in terms of either the replacement of plant, or the expansion of its production capacity. As such, Option 2 does not achieve the desired level of residential amenity stated in Objectives 3.5.2.3.01, 3.5.2.3.02 and 3.5.2.3.04, and creates a level of uncertainty in respect of economic investment and employment growth which will not achieve Objective 2.4.2.01.

7.2.4 Option 3

Amending the District Plan through a private plan change process provides a specific focus on the issues relating to the current NECB. While this places a financial burden on Fonterra to promote the plan change and will also result in potential costs to the wider community in terms of their participation in the process, it allows a direct dialogue between Fonterra, the directly affected community and Council, to ensure that practicable solutions can be found that will establish appropriate plan provisions to protect residential amenity whilst also enabling the continued operation and expansion of the Facility. Such an approach will contribute towards the achievement of Objectives 3.5.2.3.01, 3.5.2.3.02 and 3.5.2.3.04.

The proposed rules focus on the achievement of an acceptable internal noise environment that provides a comfortable level of amenity within “*habitable rooms*” and, in particular, minimises the potential for sleep disturbance within bedrooms. No additional measures are considered necessary for the external environment given that such areas will predominantly be used during the daytime hours, during which period the proposed noise rules establish a 50dB $L_{Aeq(15min)}$ noise limit.

The proposed noise rules require an assessment to be made of the internal noise environment of “*habitable rooms*” within existing buildings accommodating “*noise sensitive activities*” located within the NECB (i.e. existing dwellings), enabling a clearer understanding of the actual effects of the noise emissions and the nature of works that will establish an acceptable level of internal noise reduction. The rules set out a process and specific timeframes and obligations that will provide certainty to all parties, with the costs being borne by Fonterra.

The proposed rules framework adopts L_{Aeq} as the descriptor of sound in replacement of the L_{10} descriptor used in the current plan provisions. The proposal reflects the approach set out within NZS 6802:2008, Acoustics-Environmental Noise which establishes the descriptor as the most appropriate for the measurement of continuous sound. The NPS require that Territorial Authorities amend their District Plans by 2024 to adopt a standardised approach to noise assessment and measurement based on NZS 6802:2008. Accordingly, the adoption of this approach in the Proposed Plan Change provides for the early implementation of the NPS and is a more efficient and effective approach than deferring the matter for future attention.

The proposed performance standards relate to internal noise levels within “*habitable rooms*” and specify a requirement in respect of existing buildings accommodating “*noise sensitive activities*” within the NECB, to achieve 35dBA $L_{Aeq(15min)}$ in respect of bedrooms and 40dBA $L_{Aeq(15min)}$ in other habitable rooms. Actual noise levels are to be determined through property specific assessments funded by Fonterra and any proposed measures to achieve

the specified levels will be undertaken by Fonterra, including the provision of mechanical ventilation where the levels can only be achieved with windows closed.

The performance standard required to be achieved in respect of existing dwellings imposes a significant obligation on Fonterra in terms of potential internal mitigation measures as it provides a higher level of acoustic insulation for bedrooms than is required by current District Plan provisions (Rule 5.2.9(i)(a)) requiring the insulation of new buildings accommodating noise sensitive activities located close to state highways. As such, the standard will provide a high level of comfort and amenity for occupants whilst minimising the potential for reverse sensitivity effects, consistent with Objectives 3.5.2.3.01, 3.5.2.3.02 and 3.5.2.3.04.

The proposed new noise rules in respect of new buildings accommodating “*noise sensitive activities*” being located within the NECB recognise that new occupants will be moving into an area already affected by noise emissions from a regionally significant industrial activity, thereby increasing the potential for reverse sensitivity effects. In these circumstances, the policy direction set by the RPS is that such effects should be avoided or minimised. The proposed new rules do not alter the activity status of new buildings accommodating “*noise sensitive activities*” but will ensure that the potential for sleep disturbance is avoided. In practical terms, the requirement is highly likely to be met in any event through Building Code compliance. As such, it does not place an unnecessary or unreasonable burden on potential developers but will ensure that the aims of Objectives 3.5.2.3.01, 3.5.2.3.02 and 3.5.2.3.04 are met.

Increased certainty resulting from an enduring planning framework of provisions to manage noise will support Council in undertaking its statutory functions and will enable long term decisions to be made by property owners, and by Fonterra in respect of investment in plant renewals, upgrades or expansion in operational capacity and related employment growth.

7.2.5 Summary

Retaining the current District Plan provisions and relying on on-site noise reductions measures will not address the issue. There is no certainty regarding the timing of such measures and the specialist advice is that full compliance is impracticable in any event.

Deferring the matter until a District Plan review is likely to take a considerable period of time. Option 3 is therefore, the preferred option as it will directly address the issue and provide resolution within the shortest timeframe.

While the costs of the process will largely fall on Fonterra and the directly affected community rather than on the wider ratepayer base, the specific focus will enable direct dialogue between the parties which could potentially minimise costs to any party.

Option 3 (Private Plan Change) is the most appropriate in terms of enabling Fonterra and affected property owners the required level of certainty in a timely manner to make long term investment decisions and for Council to undertake its statutory functions.

8. ASSESSMENT OF ENVIRONMENTAL EFFECTS

The proposed Plan Change has a primary focus on the management of noise emissions from the existing Facility. Analysis of the existing and predicted noise emissions that arise or could arise from planned development within the DCP area has been undertaken by Marshall Day Acoustics who have a detailed understanding of the existing site operations and its acoustic performance, having been involved in the preparation of annual monitoring reports for many years. The Acoustic Assessment in **Appendix B** sets out the ways in which any acoustic effects are mitigated against.

This assessment provided as part of the proposed Plan Change has confirmed that changes were required to existing on-site plant and equipment to reduce noise levels from those existing. The nature of the required changes has been investigated by Fonterra to identify what would be practicable, having regard to cost, operational and physical limitations. This has resulted in committed capital expenditure in plant upgrade to achieve noticeable noise reductions. In particular, considerable on-site mitigation work to reduce noise emissions from the Speciality Powders Exhaust Stack and D1/D2 Cooling Towers was completed in January 2021. The completed works resulted in reduced noise levels significantly below those recorded through annual monitoring over previous years.

Despite these improvements, full compliance with the current noise standards applying at the existing NECB will still not be achievable due to the proximity of the noise sources to the NECB boundary. These noise sources are fixed assets (Driers 1 and 2, central Cooling Tower and the Energy Centre) which are critical to the operation of the Facility. The reconfiguration of the site to relocate these activities elsewhere within the DCP area would require fundamental redevelopment of the site and its associated infrastructure and would be uneconomic. Fonterra is however committed to further investigation of the potential for on-site noise reduction measures as part of the consideration of options for changes to or the replacement of existing plant, or the procurement of additional plant as part of the expansion of manufacturing and processing activity.

The investigation of further options for noise reduction will occur but this will take time. Specialist advice is that no practicable on-site noise reduction measures would enable compliance with the current NECB. In the interim, noise emissions from the current known environment require management to address their effects beyond the site.

Consistent with the approach of the existing DCP:

- Taking account of the recent noise reduction measures, the Acoustic Assessment identifies a new NECB and associated noise rule based on the Facility achieving 45dB $L_{Aeq(15min)}$ and 75dB L_{AFmax} night-time noise levels⁵ (at the NECB).
- During daytime hours⁶ (and consistent with the approach in the existing DCP noise rules), the Facility will be required to achieve 50dB $L_{Aeq(15min)}$ at the NECB.

Within the amended NECB are a number of residential properties not owned by Fonterra which could be exposed to night-time noise levels above 45dB L_{Aeq} . The aim of the proposed plan provisions is to ensure that noise received internally from the Facility does not result in adverse effects on residential amenity. A key focus is to ensure that noise received internally by any existing dwelling is not at a level that could result in sleep disturbance (i.e. above 35dB $L_{Aeq(15min)}$).

The proposed provisions therefore establish a clear mechanism for the further assessment of effects on existing dwellings within the proposed NECB to identify whether they require any modification to achieve an acceptable internal acoustic environment. The proposed rules impose a process, timeframes and requirements on Fonterra to undertake mitigation measures, including the provision of mechanical ventilation where acceptable internal noise levels can only be achieved when windows are closed. The Acoustic Assessment provided in **Appendix B** explains that this approach will provide an acceptable level of acoustic amenity for residential neighbours, including ensuring that they are protected from levels that could result in sleep disturbance.

The proposed provisions which will apply to the NECB reflect the most recent versions of the New Zealand Standard for the measurement of noise (NZS 6801:2008 Acoustics – Measurement of Environmental Sound) which changes the L_{10} noise descriptor currently used in the DCP for operational sound to L_{Aeq} , and also updating the reference from the L_{max} descriptor to L_{AFmax} . The New Zealand Standard recognises the A-weighted equivalent continuous sound level (L_{Aeq}) as the acoustic index that best represents the community response to noise as opposed to the L_{A10} acoustic index used in previous standards and in the DCP. As the NPS are rolled out in respect of District Plan preparation, the L_{Aeq} acoustic index will be required to be adopted into the District Plan by 2024 at the latest.

Regardless of this direction, it is important to understand the effects of the change in the descriptor to determine whether any additional or alternative provisions are required. The

⁵ Between the hours of 10pm and 7am.

⁶ Between the hours of 7am and 10pm.

relationship between the L_{A10} index and the L_{Aeq} index is dependent upon the nature of the sound source under consideration. Typically, for constant sound sources, the difference between L_{Aeq} and L_{A10} is an increase of 2 to 3 decibels or less; as is the case for sound emissions from the Waitoa Facility. A change of 2 decibels is generally considered to be imperceptible. A change of 3-4 decibels is generally considered to be just perceptible. Marshall Day Acoustics have provided a comparison of existing and predicted noise levels using both the L_{Aeq} and L_{A10} descriptors. Their analysis, which is included in **Appendix B**, illustrates no significant difference in the positioning of the NECB using either descriptor.

Accordingly, the proposed NECB is based upon application of the L_{Aeq} descriptor and has, where practical, been defined to follow property boundaries, thereby including full properties even where they may be only partially affected.

As a result of recent substantial noise mitigation measures to the Specialty Powders Exhaust Stack and D1/D2 Cooling Towers, the proposed noise provisions reflect a significant reduction in noise levels from those recorded over recent years (during which time there have been no recorded complaints). It is concluded that the proposed Plan Change will provide an effective framework for ensuring that no adverse effects will arise in respect of acoustic amenity.

As discussed in Section 5 of this report, during the development of the replacement DCP, a number of anomalies/errors were identified within the existing DCP and Planning Maps (and the legal descriptions of the land relevant to the DCP in Schedule 5 of the District Plan). Section 5 describes these anomalies/errors and how they have been addressed in the proposed replacement DCP and updated Planning Map. In summary, the proposed changes provide a more accurate reflection of the location of the Landscape Buffer Area, Waitoa River and Industrial Zone including through taking into account the location of the Kaitiaki (Conservation) Zone boundary. The proposed changes to the DCP and Planning Maps address existing anomalies and do not result in any new development opportunities for Fonterra, so do not result in an increase in potential adverse environmental effects beyond the boundaries of the Facility.

Similarly, as discussed in Section 5.3 of this report, Fonterra also seeks to take the opportunity to correct some errors in the list of legal descriptions and title references for the land relevant to the DCP covering the Facility (in Schedule 5 of the District Plan).

9. STATUTORY ASSESSMENT

Hauraki Gulf Marine Park Act

As the Facility is located within the Catchment for the Hauraki Gulf, regard must be had to sections 7 and 8 of the Hauraki Gulf Marine Park Act. These sections recognise the national importance of the Hauraki Gulf and establish the importance of the management of the Hauraki Gulf, its islands, and its catchments. The proposed Plan Change has no effect on the nature of activities that can be undertaken pursuant to the DCP; its primary focus is on the management of noise emissions from authorised activities. As such, the Plan Change will have no adverse effects on the Hauraki Gulf and does not conflict with the recognition of the national importance or management of the Gulf.

National Policy Statements or NZ Coastal Policy Statement

There are no relevant national policy statements or New Zealand coastal policy statements of relevance to the proposal.

National Environmental Standards

Given the specific focus of the proposed Plan Change on the management of noise emissions from the site, there are no national environmental standards of relevance to the proposal.

Waikato Regional Policy Statement 2016

The RPS sets out the strategic RMA framework for the identified issues of significance, and resultant priorities and outcomes sought to achieve the integrated management of the natural and physical resources of the Waikato Region.

The RPS specifically defines a “regionally significant industry” as:

Means an economic activity based on the use of natural and physical resources in the region and is identified in regional or district plans, which has been shown to have benefits that are significant at a regional or national scale. These may include social, economic or cultural benefits.

In this case, the existing Facility forms a significant part of the dairying industry which is of both regional and national significance. As such, the provisions that relate to “regionally significant industry” are directly relevant, as are those that provide direction of general application within the region.

The objectives and policies in the RPS that are particularly relevant to the Proposed Plan Change are discussed below.

Objective IM-O2 (Resource use and development) relates to Integrated Management, stating:

IM-O2 – Resource use and development

Recognise and provide for the role of sustainable resource use and development and its benefits in enabling people and communities to provide for their economic, social and cultural wellbeing, including by maintaining and where appropriate enhancing:

- 1. access to natural and physical resources to provide for regionally significant industry and primary production activities that support such industry;*
- 2. the life supporting capacity of soils, water and ecosystems to support primary production activities;*
- 3. the availability of energy resources for electricity generation and for electricity generation activities to locate where the energy resource exists;*
- 4. access to the significant mineral resources of the region; and*
- 5. the availability of water for municipal and domestic supply to people and communities.*

Objective UFD-O1 (Built environment) relates to Urban Form and Development, stating:

UFD-O1 - Built environment

Development of the built environment (including transport and other infrastructure) and associated land use occurs in an integrated, sustainable and planned manner which enables positive environmental, social, cultural and economic outcomes, including by:

- 1. promoting positive indigenous biodiversity outcomes;*
- 2. preserving and protecting natural character, and protecting outstanding natural features and landscapes from inappropriate subdivision, use, and development;*
- 3. integrating land use and infrastructure planning, including by ensuring that development of the built environment does not compromise the safe, efficient and effective operation of infrastructure corridors;*
- 4. integrating land use and water planning, including to ensure that sufficient water is available to support future planned growth;*
- 5. recognising and protecting the value and long-term benefits of regionally significant infrastructure;*
- 6. protecting access to identified significant mineral resources;*
- 7. minimising land use conflicts, including minimising potential for reverse sensitivity;*
- 8. anticipating and responding to changing land use pressures outside the Waikato region which may impact on the built environment within the region;*

9. *providing for the development, operation, maintenance and upgrading of new and existing electricity transmission and renewable electricity generation activities including small and community scale generation;*
10. *promoting a viable and vibrant central business district in Hamilton city, with a supporting network of sub-regional and town centres; and*
11. *providing for a range of commercial development to support the social and economic wellbeing of the region; and*
12. *strategically planning for growth and development to create responsive and well-functioning urban environments, that:*
 - a. *support reductions in greenhouse gas emissions and are resilient to the current and future effects of climate change;*
 - b. *improve housing choice, quality, and affordability;*
 - c. *enable a variety of homes that enable Māori to express their cultural traditions and norms;*
 - d. *ensure sufficient development capacity, supported by integrated infrastructure provision, for identified housing and business needs in the short, medium and long term;*
 - e. *improves connectivity within urban areas, particularly by active transport and public transport;*
 - f. *take into account the values and aspirations of hapū and iwi for urban development.*

To achieve Objectives IM-O2 and UFD-O1, Policy IM-P4 provides specific policy direction in respect of regionally significant industry, stating:

IM-P4 - Regionally significant industry and primary production

The management of natural and physical resources provides for the continued operation and development of regionally significant industry and primary production activities by:

1. *recognising the value and long term benefits of regionally significant industry to economic, social and cultural wellbeing;*
2. *recognising the value and long term benefits of primary production activities which support regionally significant industry;*
3. *ensuring the adverse effects of regionally significant industry and primary production are avoided, remedied or mitigated;*
4. *co-ordinating infrastructure and service provision at a scale appropriate to the activities likely to be undertaken;*
5. *maintaining and where appropriate enhancing access to natural and physical resources, while balancing the competing demand for these resources;*
6. *avoiding or minimising the potential for reverse sensitivity; and*
7. *promoting positive environmental outcomes.*

The policy recognises that regionally significant industrial activities have the potential to result in adverse effects beyond their boundaries. Where this occurs, the approach that is

to be taken is to ensure that such effects are avoided, remedied or mitigated and that positive outcomes are promoted. The policy is directly relevant to the proposed Plan Change. Annual monitoring of the Facility has identified that the noise limits at the current NECB are consistently exceeded. Fonterra has undertaken a detailed assessment to identify potential noise sources and, through rigorous analysis of options for reducing emissions from these sources, recently undertook considerable on-site mitigation work to reduce noise emissions from the Speciality Powders Exhaust Stack and D1/D2 Cooling Towers, resulting in a noticeable reduction in noise levels received by the local community. For specific properties, the level of noise reduction could well result in the establishment of an acceptable internal noise environment, even with open windows. The proposed plan provisions provide for this to be established through an acoustic assessment to be funded by Fonterra. Where this demonstrates that additional measures are required to ensure that internal noise levels will not result in sleep disturbance, the proposed provisions will require Fonterra to undertake the necessary works if requested by the property owners.

In terms of the Objectives and policies outlined in the RPS, the proposed Plan Change will:

- Facilitate the continued operation and expansion of dairy manufacturing activities on the site;
- Establish an appropriate framework for the management of noise emissions to protect the acoustic amenity of the local community;
- Provide certainty to Fonterra to enable continued investment in the site;
- Provide certainty to the wider community regarding acceptable levels of acoustic amenity;
- Assist the District Council in undertaking its statutory functions under the RMA;
- Assist in the management of potential reverse sensitivity effects;
- Improve the acoustic amenity of the site and surrounding environment;
- Give effect to the RPS direction to provide for the development of a regionally significant industry.

Overall, the proposed Plan Change is consistent with and will give effect to, the objectives and policies of the RPS.

Waikato Regional Plan

There are no Regional Plan provisions of relevance to the proposal.

Matamata-Piako District Plan

The proposed Plan Change does not involve any changes to the objectives, policies or general rules of the Operative District Plan. As the sole focus of the proposal is on the replacement of noise management rules within an existing, site specific, DCP, the Plan Change will retain the structure and content of the District Plan in all respects.

10. IWI CONSULTATION

In the interest of ensuring consistent treatment and communication with all iwi authorities, Fonterra engaged in consultation with various iwi authorities set out below.

Subsequent to a 25 June 2020 meeting with Council, consultation occurred with Ngāti Hauā representatives to establish whether the proposals raised any issues of cultural significance. The 27 August 2020 response to that consultation is included in **Appendix F** and notes Ngāti Hauā's support for the proposals.

As requested by Council, the following provides an overview of other Iwi consultation undertaken by Fonterra in 2021:

- Ngāti Rāhiri Tumutumu – verbal response from Jill Taylor confirming they are happy for Ngāti Hauā to take the lead.
- Ngāti Tara Tokanui – verbal response from Amelia Williams confirming they are happy for Ngāti Hauā to take the lead.
- Ngāti Maru (Paul Majurey and Waati Ngamane) – no response to date.
- Ngāti Tamaterā (John McEnteer) – no response to date.

On 25 July 2023, Fonterra emailed an update of the Plan Change Application to Iwi contacts from Ngāti Hauā, Ngāti Rāhiri Tumutumu, Ngāti Tara Tokanui, Ngāti Maru, Ngāti Tamaterā, Ngāti Hako, Ngāti Pāoa and Waikato Iwi. No responses have been received to date.

11. AFFECTED PARTIES CONSULTATION

Fonterra and its consultant advisors originally met with staff from the Council (Ally van Kuijk and Steve Turfrey) on 10th July 2019 to discuss the company's intention to promote a private plan change as part of a package of measures including on-site mitigation measures. At that stage, the detail of the proposed measures could not be confirmed as they were to form part of an internal review process to determine what could be achieved taking account of asset condition, operational considerations and capital investment.

Subsequently, Fonterra undertook the necessary internal review process from which it was able to confirm capital investment in the mitigation of noise emissions from the Specialty Powders Exhaust located midway along the south-eastern boundary of the site. Acoustic assessment of the effects of these works was undertaken and contracts confirmed for the proposed works to be completed by the end of 2020. The assessment of the predicted NECB resulting from the works was the subject of further discussions with Matamata-Piako District Council staff (Dennis Bellamy) and its Acoustic Consultant (Neville Hegley (Hegley Acoustic Consultants)) on 18 November 2019.

These discussions explained the process which had led to the identification of the proposed on-site mitigation works and included a site walk-over to identify the location of the works and other noise sources. The effects of the proposed works in respect of a revised NECB were explained and discussed. Fonterra explained its commitment to continuing investigation of the potential for on-site noise reduction in conjunction with the maintenance and replacement of existing assets and the procurement of new plant and equipment. However, this would occur over an extended timeframe. While it is possible that a future Plan Change or District Plan Review process might be able to incorporate a more tightly defined NECB, there is currently no reliable information on which to base any assessment of the scope and effectiveness of these additional on-site reduction measures.

Council explained the need for the plan change documentation to explain how any proposed changes to the NECB compare to the existing plan provisions, noting the proposed change in the metric used for measurement. The proposals have addressed this requirement.

Consultation with the wider Waitoa community occurred on 26 November 2019 as part of a regular Community Liaison arrangement. The meeting was attended by six local residents, some residing at Ngarua Road and some along SH26. While the meeting had a broad agenda, a specific presentation was made in respect of the proposed Plan Change, explaining that the proposal is being made as a means of addressing historical non-compliance with the current plan provisions.

Matters raised by the attendees included reference to noise sources generally located towards the southern end of the Facility, including the sound of reversing alarms, steam emissions, truck movements through the SH26/Number 1 Road intersection and parked trains idling along the site frontage. General discussion described these noise sources as occasional ‘annoyance’ although comment was also made that the noise environment associated with the facility had significantly improved. Whilst some of the noise sources are beyond Fonterra’s immediate control and are outside of the scope of the current plan provisions, Fonterra staff confirmed that they would investigate measures that would address some of the matters raised. These were described as ‘easy fixes’ and have subsequently been addressed through changes to on-site management practices. In describing the Plan Change process, Fonterra staff explained the intention to undertake direct communications with the owners and occupiers of properties within the proposed NECB.

Subsequent to the consultation process described above, Fonterra identified proposed mitigation measures to reduce noise emissions from the D1/D2 Cooling Towers located towards the northern end of the south-eastern site boundary. On-site mitigation work to reduce noise emissions from the Specialty Powders Exhaust Stack and D1/D2 Cooling Towers was completed in January 2021.

A draft of the Plan Change and Section 32 evaluation was provided to Council for comment on 1 May 2020 and meeting was held with Council’s senior planning staff (Ally van Kuijk) and Planning Consultant (Marius Rademeyer) on 25 June 2020. This meeting identified a number of technical matters that have been addressed through the finalised proposals.

Ongoing consultation has been undertaken with Council planning staff and Planning Consultant (Marius Rademeyer) and Council Acoustic Consultants (initially Neville Hegley then subsequently Neil Savory (Savory Acoustics)) in relation to the development of the Plan Change Application, replacement DCP, NECB and associated noise rules, and updating the Planning Map.

Another round of consultation was undertaken with the Waitoa community on 31 May 2023 as part of the regular Community Liaison arrangement. Fonterra representatives made a verbal presentation providing an update on the proposed Plan Change, including in relation to an upcoming comprehensive consultation process. In this regard, on 25 July 2023, a consultation letter was posted to surrounding landowners located within and immediately beyond the proposed NECB (extent of consultation area agreed with Council). The consultation letter summarised the Plan Change Application and provided an opportunity for any written feedback to be emailed to Fonterra (via waitoa@fonterra.com) by 25 August 2023. No written feedback was received. A copy of the consultation letter (and map showing the extent of consultation) is attached as **Appendix G**. During the

consultation period, Fonterra representatives provided another verbal presentation at a regular Community Meeting on 16 August 2023. No significant concerns were raised by attendees at the 31 May and 25 August 2023 Community Meetings, the feedback was generally positive and included feedback that there had been a substantial decrease in noise from the Facility in recent years.

12. NOTIFICATION

Schedule 1 of the RMA enables private plan changes to be subject to limited notification. The test for limited notification (as set out in Clause 5A(2)) is that the local authority may limited notify a private plan change but only if it is able to identify all the persons directly affected by the proposed change.

Fonterra, in accordance with the results from the Marshall Day Acoustics Report Appendix B) is that the persons directly affected by the proposed change are clearly identifiable. The Plan Change proposes to replace the existing DCP and NECB for Fonterra's Facility and introduce a suite of new provisions to manage the effects of noise emissions beyond the site. Only those properties that fall within the proposed NECB stand to be affected by the Plan Change on the basis that they may potentially require noise mitigation to achieve an acceptable internal noise environment. The updated DCP (in **Appendix C**) shows the full extent of the proposed NECB. A copy of the 'shapefile' for the updated DCP (and proposed NECB) has been provided to Council's GIS officer (enabling the proposed NECB to be loaded into the Council's GIS system to provide a basis for identifying potentially affected properties).

The changes sought through the Plan Change have no effect beyond the immediate vicinity of the Facility and do not involve any changes to provisions applying elsewhere within the District. As such, the Plan Change does not require full public notification, or a more extensive limited notification process beyond those parties owning or occupying property within the proposed NECB.

13. CONCLUSION

Fonterra is applying to the Council for a Plan Change pursuant to Section 73(2) and Schedule 1 of the RMA. The Plan Change seeks to replace the current plan provisions with a new NECB and associated provisions that will provide an appropriate and enduring framework for managing noise emissions beyond the site boundary of the Facility.

The current NECB and associated noise rules do not appropriately relate to existing on-site activities, so compliance is not achievable without the removal of existing noise sources which are critical to the manufacturing activities undertaken on the site.

Fonterra is therefore seeking to alter the District Plan provisions to establish a new NECB (based on recent noise emission reductions) and associated noise rules through a private plan change process. The new noise rules also provide for off-site mitigation (funded by Fonterra) for “*habitable rooms*” within existing buildings accommodating “*noise sensitive activities*” within the NECB. A new noise rule is also proposed in respect of habitable rooms in new buildings accommodating “*noise sensitive activities*” within the NECB. The proposed rules focus on the achievement of an acceptable internal noise environment that provides a comfortable level of amenity within “*habitable rooms*” and, in particular, minimises the potential for sleep disturbance in bedrooms.

A Section 32 evaluation has been undertaken in Section 7 of this report which concludes that the Plan Change Application is the most appropriate option in terms of enabling Fonterra and affected property owners the required level of certainty in a timely manner to make long term investment decisions and for Council to undertake its statutory functions.

Section 8 of this report provides an assessment of environmental effects and concludes that the proposed Plan Change will provide an effective framework for ensuring that no adverse effects will arise in respect of acoustic amenity.

The statutory assessment in Section 9 of this report demonstrates that the plan change is consistent with the policy framework of the relevant planning documents.

As discussed in Section 12 of this report, the Plan Change does not require full public notification, or a more extensive limited notification process beyond those parties owning or occupying property within the proposed NECB.