

Before the Independent Hearings Panel

under: The Resource Management Act 1991

in the matter of: Submissions and further submissions in relation to the proposed Otago Regional Policy Statement (Freshwater parts)

submitter: **Fonterra Limited**
Submitter ID FPI019

Summary of evidence of Suzanne Patricia O'Rourke

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SUMMARY OF EVIDENCE OF SUZANNE PATRICIA O'ROURKE

- 1 Fonterra owns and operates 28 dairy manufacturing sites throughout New Zealand. Fonterra has two key assets in the Otago region, being the Stirling dairy manufacturing site near Balclutha, and a distribution centre at Mosgiel.
- 2 The Stirling site is an important site for Fonterra and the Otago Region. To enable the continuation of Fonterra's milk processing operations it has undertaken significant continued investment at the site. In 2007, Fonterra upgraded the wastewater treatment plant at a cost of approximately \$10 million. More recently, the site transitioned from using a coal fired boiler to a biomass boiler and is now operating fully on renewable wood biomass energy. This new infrastructure will contribute more than \$13.5 million to the local economy and support an estimated 10 jobs in the wood biomass industry.
- 3 There is an extensive regime of resource consents that enable activities at the Stirling site. This includes ten resource consents held with Otago Regional Council, including eight consents for discharge activities (two to discharge to water, two to discharge to land and four to discharge to air), a consent for a water take and a consent for works on contaminated land. Further consents have been granted by Clutha District Council to accommodate land use activities including activities enabling expansion at the site. Fonterra's consenting programme initiates re-consenting of activities at all its sites five years before the expiry of resource consents. This ensures that site activities can continue to operate lawfully and provides certainty to Fonterra that sites such as Stirling will be part of its ongoing operations. Stirling site operations and its associated discharges are discussed further in the evidence of **Mr Watt**.
- 4 Fonterra is committed to increasing efficiencies and reducing emissions and effects associated with milk collection and its subsequent processing. The Dairy Industry Restructuring Act 2001 obliges Fonterra to collect, pay for and process milk. This means that Fonterra needs to ensure that it has enough capacity across its manufacturing network to process all the milk supplied to it on any one given day. South Island manufacturing sites, including Stirling, are therefore critical in ensuring that all milk provided to Fonterra is able to be processed.
- 5 A current strategic goal for Fonterra includes maintaining a strong focus on delivering value from New Zealand milk while recognising that future milk growth is expected to be flat to declining. Fonterra has a focus on replacing aged assets with new assets that can increase value from the milk, along with replacing boilers and wastewater treatment plants to support its sustainability ambitions. These works will generally be completed on current brownfield sites but at times may need to be outside the existing footprint.

- 6 Fonterra is seeking a policy and rule framework that enables the protection of existing industries, such as milk processing facilities in rural areas, whilst allowing for some flexibility particularly to accommodate sustainability and innovation initiatives.
- 7 Fonterra has developed an internal 'Freshwater Policy' (FWP) to ensure there is a consistent approach to freshwater policy matters at a national, regional and local level. At a national level Fonterra is committed to increasing efficiencies and reducing emissions associated with milk collection and its subsequent processing. This means that when considering its water use and wastewater practices, Fonterra will continue to seek opportunities that are environmentally sustainable, deliver continuous improvement and reflect leading industry practice. The requirement to deliver ongoing environmental improvements is endorsed through Fonterra's FWP.
- 8 Overall, Fonterra is significant both nationally and to the people and communities of Otago. Fonterra makes a significant contribution to the economic and social wellbeing of the Otago region and to the sustainable management of natural and physical resources in Otago.
- 9 It is important that the PORPS recognises the continued investment that Fonterra makes at its Stirling site, to provide certainty for future operations and investment decisions.
- 10 The PORPS must provide appropriate direction in relation to situations where discharges to water may be better than land-based discharges.