

Fonterra Limited, Te Rapa
Resource Consent Applications 2017
Consultation

December 2016 / Summary of Consultation Discussions

General:

Te Rapa Consultation.

Fonterra identified the following parties as key stakeholders for its consultation associated with the application for resource consent and notified these parties in a letter dated 18 November 2015 that a number of resource consents for discharges to the Waikato River held by the site expire 1 September 2017 and requested their response as to how they would like to be consulted and the appropriate point of contact.

Waikato-Tainui
Turangawaewae Trust Board
Affco (Horotiu)
Contact Energy Limited
Department of Conservation
Fish & Game New Zealand
Hamilton City Council
Waikato District Council
Waikato District Health Board (Population Health)
Waikato River Authority
Waikato Regional Council
Watercare

For several of the above parties consultation also included discussion about Fonterra's Te Awamutu manufacturing site's discharges to the Mangapiko Stream. Ultimately the Te Awamutu sites discharges contribute to environmental effects within the lower Waikato River.

Consultation has also been undertaken with the proposed re-consenting of the sites activities being advised to approximately 80 neighbours and asking how they wanted to be involved and/or the receipt of supporting reports and information. Only 2 neighbours responded to this invitation but neither indicating their desire to receive further information. The introductory letter also indicated that Fonterra had commissioned consultants Golder Associates Limited to undertake an assessment of the effects of the sites discharges on the water quality and ecology of the Waikato River. The letter concluded that the report "comprehensively discusses the characteristics of the discharges from the site, the receiving environment and presents an assessment of environmental effects as a result of these discharges" and a copy of the report was enclosed with the letter for consultation purposes. Key matters noted in the letter considered to be of particular relevance are Fonterra's acknowledgement of the changed regulatory provisions, such as Te Ture Whaimana o Te Awa o Waikato – Vision and Strategy for the Waikato River and the Waikato Regional Council's proposed Healthy Rivers Plan for Change, that would need to be addressed in the application and from this that Fonterra would propose options to improve the quality of its discharges.

Fonterra stated that its consultation was to ensure stakeholder understanding of the sites activities and associated effects and further consultation would be on-going until the application was lodged and after lodgement in order to try to narrow down any concerns and if possible to reach a satisfactory conclusion of any stakeholder concerns. Fonterra also seeks to continue consultation with neighbours and stakeholders through annual community meetings or individual consultation as desired. The community meetings enable the site to present a summary of the sites environmental performance against the consent performance standards, any non-compliance incidents and importantly actions taken to prevent a re-occurrence.

Due to delays in completing the evaluation of best practicable options for wastewater treatment at the site and for the capital cost requirements associated with these, such that any proposal can be committed to the extent of consultation has not been to a point where Fonterra considers it has adequately briefed the stakeholders on the proposed plant upgrades and what these mean in terms of improvement to the water quality of the Waikato River. As such further consultation discussions are planned to continue after the applications are lodged.

A summary of the consultation discussions and the key aspects raised from these meetings and discussions is shown in the table below. A brief overview of individual consultation with stakeholders is also provided.

Table 1: Summary of Consultation

Consulted Party	Contact	Key Aspects noted by the stakeholders
Waikato-Tainui	Tim Manukau (Environment Manager)	<ul style="list-style-type: none"> • Waikato-Tainui referred Fonterra to the requirements of the Vision & Strategy that the river water quality must be improved. • What quantum of improvement is Fonterra proposing? Only on knowing this can Waikato-Tainui respond to Fonterra's consent applications
Turangawaewae Marae Trust Board	Dennis Ngataki	<ul style="list-style-type: none"> • Turangawaewae will undertake completion of a cultural impact assessment to enable Fonterra to understand cultural aspects of concern.
Affco Horotiu	Rowan Ogg	<ul style="list-style-type: none"> • Reply received confirming Affco support the proposal
Contact Energy	Sarah Williams	<ul style="list-style-type: none"> • Contact energy working with Fonterra on the operation of the Te Rapa sites co-generation plant and the associated emissions to air.
Dept of Conservation	Andrew Styche	<ul style="list-style-type: none"> • Concerns primarily with Te Awamutu site discharges • Nutrient reduction in discharges rather than offset mitigation • How will proposal align with Vision & Strategy?
Fish & Game NZ	Ben Wilson (CEO)	<ul style="list-style-type: none"> • Concerns primarily with Te Awamutu sites discharges to Mangapiko Stream. • Interested in what Fonterra proposing to improve the quality of its discharges • Monitoring of discharge should have priority over monitoring requirement in Waikato River given any downstream effects not likely to be measurable
Hamilton City Council	Paul Ryan (Senior Planner)	<ul style="list-style-type: none"> • Fonterra's western stormwater discharge into land drainage area that is covered by HCC general stormwater discharge consent
Waikato District Council	Stephen Howard (Senior Planner)	<ul style="list-style-type: none"> • No specific aspects identified from reports received
Waikato District Health Board	Kali Gounder/Mark Palmer (Public Health)	<ul style="list-style-type: none"> • No concerns but reserved right to comment on receipt of application
Waikato River Authority	Bob Penter	<ul style="list-style-type: none"> • Declined to comment as potential conflict of interest in that the WRA has input into the appointment of hearing commissioner
Waikato Regional Council	Barry Campbell	<ul style="list-style-type: none"> • Information only
Watercare	Mark Bourne	<ul style="list-style-type: none"> • No response to request for consultation
Neighbours	B Whittington	<ul style="list-style-type: none"> • No concerns and no further information required
	C Miers	<ul style="list-style-type: none"> • Not interested in the technical aspects

A summary of the individual consultation undertaken with each party is provided below.

Waikato-Tainui

Notification to Waikato-Tainui commenced in November 2015 with an introductory meeting by Adrian Pyne (Upper North Island Environmental Risk and Compliance Manager) and Dave Wright (National Consents Manager) with Tim Manukau (Environmental Manager). An outline of Fonterra's proposed consent project plan to assess and evaluate the effects of both the Te Rapa and Te Awamutu sites discharges to the respective surface water bodies was discussed. It was also noted the consent applications would be lodged to renew the Te Rapa sites water take permit and the discharge to air permit.

Mr Manukau indicated that Fonterra should engage with the Turangawaewae Trust Board who would be able to provide Fonterra with an understanding of any cultural matters associated between Waikato-Tainui and the Waikato River.

With regards the regulatory matters and notably the Vision and Strategy for the Waikato River Tim indicated that while the assessment of effects of the discharges on the river water quality was interesting Waikato-Tainui were really interested in what quantum improvement was Fonterra proposing to align itself with the requirements of the Vision and Strategy. Dave Wright replied that in order to incentivise investment and hence improve the scale of any improvement some 'guarantee' of support for a long-term consent term was required.

For further review of technical reports associated with the application Tim referred Fonterra to Gavin Donald (GMD Consulting) who Waikato-Tainui will be using to assess Fonterra's application.

Copies of the following documents have been provided to GMD Consulting for their review and comment:

Te Awamutu Site:

Environmental Management Services Limited (December 2015): Fonterra Limited, Te Awamutu Site Activity Description for Resource Consent Applications – Preliminary for Consultation.

Golder Associates (November 2015): Fonterra Te Awamutu Assessment of Effects of its Discharges on the Water Quality and Ecology of the Mangapiko Stream.

Te Rapa Site:

Environmental Management Services Limited (February 2016): Fonterra Limited, Te Rapa Site Activity Description for Resource Consent Applications – Preliminary for Consultation.

Golder Associates (November 2015): Fonterra Te Rapa Assessment of Effects of its Discharges on the Water Quality and Ecology of the Waikato River.

Beca Limited (March 2016): Fonterra Te Rapa Air Quality Impact Assessment.
Fonterra Environmental Technical Group (August 2015): Fonterra Te Rapa Water Balance Report.

Turangawaewae Trust Board

Following confirmation from Tim Manukau that Fonterra should be liaising with Turangawaewae Trust Board, Sarah Lealand (Te Rapa site Environmental Manager), Adrian Pyne, Dave Wright and Haylee Putaranui (Business Development and Relationship Manager) met at the marae with Dennis Ngataki. An outline of the activities for which resource consents are held by the site and that expire in 2017 was presented and an invitation was extended to the Trust Board for Fonterra to fund the documentation of a cultural impact assessment (CIA) report, the purpose of which to help Fonterra understand how its activities impact on the iwi cultural and spiritual values, and thereby how it might propose to avoid, remedy or mitigate these effects if possible. Fonterra also discussed if it could assist with resourcing of a facilitator to help with completion of the report.

Mr Ngataki confirmed the Trust Board was interested in completing the CIA report. A copy of the Golder November 2015 report assessment the effects of the Te Rapa site on the water quality and ecology of the Waikato River has been provided to the Trust Board.

Several discussions between Fonterra and Mr Ngataki have taken place seeking to complete the cultural impact assessment however time and resourcing difficulties by the Trust Board has meant that at the time of lodgement Fonterra has been unable to fully understand the cultural and spiritual concerns the Turangawaewae Trust Board has to Fonterra Te Rapa's activities. It is therefore proposed that Fonterra will work with the Trust Board to ensure their comprehensive understanding of the applications and what impact the site activities have on the cultural and spiritual matters of Turangawaewae Trust Board.

Affco Horotiu (Affco)

Rowan Ogg responded to Fonterra's letter of 19/11/15 re the invitation of consultation indicating that "Affco supports your proposal as drafted. We do not intend on submitting but would be happy to should that provide assistance at the time".

No further correspondence with Affco has been held.

Contact Energy Limited (Contact)

Contact Energy Limited has a contract with Fonterra for the supply of steam, hot water and electrical energy from the operation of a co-generation and boiler facility on the Te Rapa site. Fonterra supplies Contact with water and wastewater services and hold the resource consents for these services. Contact has been consulted to ensure that any proposed conditions of consent are adequate for the operation of the co-generation facility and also to ensure Contact has internal management procedures in place to enable Fonterra to comply with the performance standards specified in these consent.

Department of Conservation (DoC)

The point of contact between Fonterra and the Department of Conservation has been with Andrew Styche (Community Technical Advisor). Initial contact (November 2015) was to introduce Fonterra's proposed re-consenting project, namely confirming each site's resource consents expiring in 2017 and seeking confirmation as to how DoC would like consultation to be undertaken. Copies of associated technical reports to help ensure DoC understand the existing environment and the effects of each site's activities were provided including Golder Associates (November 2015) evaluating the effects of the respective discharges to surface

water, Golder Associates report assessing Fonterra's Performance in Reducing Nutrient Loads to the Waikato River from Te Rapa and Te Awamutu Manufacturing Sites.

Andrew identified the following key aspects to DoC:

- Temperature reduction is number 1 priority because of the potential barrier to fish migration
- Reduction in nutrients from the discharges is preferred over offset mitigation.
- DoC want to understand what Fonterra is proposing to align with the Vision & Strategy and the quantum of these reductions
- DoC accepts the term of consent needs to be reflective of the level of investment
- Andrew is not sure if there is any benefit monitoring periphyton/invertebrates/fish at Te Rapa because the upstream catchment is having significantly more impact on these environmental aspects than the discharge. Hence monitoring in-river really doesn't show any effect from the discharge and is an unnecessary expenditure. Andrew would rather see monitoring of the discharge.

Fish and Game New Zealand

A meeting with Ben Wilson (CEO) and Adam Daniel (Fisheries Manager) of the Auckland/Waikato branch of Fish and Game NZ was held in April 2016. An outline of the respective activities undertaken on both the Te Rapa and Te Awamutu sites was presented including the outcome from the Golder Associates assessment of effects, including the discharge of nitrogen and phosphorus and at Te Awamutu Fonterra's identification of the Mangapiko Stream temperature change resulting from the discharge streams. Copies of the Golder Associates draft reports (November 2015) assessing the effects of the discharges on the water quality and ecology of the Mangapiko Stream and Waikato River were provided to Fish & Game for their review and comment.

Ben confirmed Fish & Game would be interested in determining whether the Te Awamutu discharge is acting as a thermal barrier to the upstream movement of brown trout in December.

Fonterra confirmed that as part of its application an options assessment report to evaluate treatment options to reduce the impact of its operations on the Mangapiko Stream and Waikato River will be completed. This will help Fonterra identify the best practical options from which discharge water quality improvements can be made and the timing for these if necessary. Fish & Game confirmed that this report is critical for their consideration of the applications.

Further to these initial meetings with Fish & Game Fonterra's technical experts have reviewed the criticality of temperature to fish within the Mangapiko Stream (Golders November 2016, Section 5.5.4) and have concluded that summer conditions in the Mangapiko Stream both upstream and downstream of the Te Awamutu site discharges exceed WRC water quality temperature guidelines. Fonterra in its recognition of the effect temperature potentially on the Mangapiko Stream is proposing implementation of reducing the wastewater discharge temperature by installation of cooling towers or equivalent options which it considers will address Fish & Game's concerns.

Fish & Game confirmed (29/3/16) they had no interest in the matter of the discharge to air consent application for Fonterra's Te Rapa site.

As with proposed further consultation with iwi Fonterra propose to discuss the best practical option to lower the wastewater temperature and will discuss these with Fish & Game after the application is lodged.

Hamilton City Council (HCC)

Consultation with Hamilton City Council re the Fonterra Te Rapa site activities was initiated by the introductory letter (November 2015) and was followed up with email correspondence and a meeting. Paul Ryan (Senior Planner) was the Council's point of contact. In response to the November letter HCC asked:

1. For what will Fonterra be applying? Specifically, will Fonterra apply for renewal of consents for the same consented limits - daily volumes, maximum rates, temperatures, etc. - or will the applications seek for increased or decreased consented limits?
2. Would you please confirm the locations of the stormwater discharges.

The stormwater discharge locations were confirmed as being 2 discharge points direct to the Waikato River while the western catchment discharge, servicing the roading interchange for entry and exit from the site is into an unnamed tributary to the Waikato River.

A meeting was held on 5th April 2016 (Paul Ryan, Raewyn Simpson) at which hard copies of the technical reports assessing the effects of the discharges to the Waikato River, Golder Associates (November 2015), Beca Limited Discharge to Air report and the Waikato River Catchment Nutrient report were provided.

Given the Te Rapa sites water take and discharges are downstream of the HCC activities Raewyn and Paul did not see any particular issues or effects associated with the take and discharges. With the discussion about the Waikato catchment Paul indicated he felt HCC would have more interest in the Hautapu sites river discharge activity because of it being upstream of HCC's area of interest.

The main interest of HCC to the Te Rapa sites activities were the discharges of stormwater given Council have catchment management plans either in place or planned to satisfy the requirement of their overall stormwater discharge consent No. 105279. The Te Rapa catchment is yet to be completed. Raewyn asked "How are Fonterra applying best practices for stormwater management?" The management of stormwater from the site was discussed including the segregation of high risk activities, on-line continuous monitoring and the large lined storage pond to which any out-of-spec stormwater can be diverted.

Raewyn asked about the stormwater discharge associated with the roading entry/exit interchange to the site and its discharge to the unnamed tributary to the Waikato River. Raewyn asked for a map showing the details of the stormwater discharge and the unnamed tributary.

Raewyn also asked if the discharge is within a 'land drainage area'. The map of the western road interchange catchment and discharge to the unnamed tributary was provided on 8/4/16 and included our comment "Our check is that this tributary is not a farm drain but picks up stormwater and groundwater from the upstream catchment and becomes lost in the industrial area to the south of Ruffell Road. The unnamed tributary is within a WRC drainage area. The interchange surface area is small in comparison to the other land areas contributing to the tributary flow".

Waikato District Council (WDC)

An invitation by Fonterra was made to Waikato District Council, letter dated 18 November 2015, to understand how Council would like to be consulted to understand the Te Rapa sites activities and the intended re-consenting of the discharges to the Waikato River. Stephen Howard, Senior Planner, for the Council and Dave Wright met on 30 May 2016 to discuss the technical assessments undertaken and how Fonterra's activities might impact on the Council's water abstraction from the Waikato River.

The current discharge activities by the Te Rapa site are not known to have had any impact on the Council's water abstraction on the Ngaruwahia Point.

Copies of Fonterra's technical reports provide to WDC, completed up to the date of the May meeting included the assessments of effects from the discharge activities on the water quality and ecology of the Waikato River (Golder Associates, November 2015), Fonterra's Performance in Reducing Nutrient Loads to the Waikato River from Te Rapa and Te Awamutu Manufacturing Sites (Golder Associates, May 2016) and the Beca Limited's report assessing ambient air quality effects from the sites emissions into air.

Waikato District Health Board (WDHB)

Kali Gounder, Health Protection Officer, was the primary point of contact until end March 2016 when Fonterra were advised Mark Palmer would take over this role. Fonterra provided (November 2015) the WDHB with copies of their assessment of effects on the Mangapiko Stream and Waikato River, on 24 March 2016 forwarded copies of the assessment of effects on ambient air quality from the emissions to air from the Te Rapa site operations and the sites' activity description reports.

Mr Gounder replied he had reviewed the Golder Associates reports for both Te Rapa and Te Awamutu and confirmed the WDHB had no major public health issues at this stage, but they reserved their right to make comment/submission after the receipt of the application.

Waikato River Authority (WRA)

Fonterra's standard invitation letter dated 18/11/15 was sent to Mr B Penter together with copies of the Golder Associates (November 2015) reports assessing the respective sites effects of the Mangapiko Stream and Waikato River respectively.

A reply dated 19/1/16 was received stating "The Waikato River Authority prefers not to comment on proposed resource consent applications as we have a role in appointing a commissioner to resource consent hearing panels."

Watercare Limited (Watercare)

Given Watercare's water take from the Waikato River Fonterra (letter 18/11/15) asking them if and how they might like to be consulted with re the Te Rapa and Te Awamutu activities on the Waikato River. No correspondence was received from Watercare.

The aspect of how Fonterra's activities impact on downstream abstractive water users is covered in Golder Associates (October 2016) report, section 7.4.

Neighbours

In November 2015 a consultation letter was sent out to approximately 80 neighbours to the Te Rapa site advising them of the re-consenting of the sites water take, discharges to the Waikato River, discharge of contaminants into the air from both factory operations and from the raising of steam and electricity and other associated activities, and asking whether they wanted to be involved.

Two neighbours responded.

B Whittington (Pukete Road)

Has no concerns regarding Te Rapa re-consenting and doesn't require further information.

Cheryl Miers (River Road)

Ms Miers advised that she isn't interested in the technical aspects as trusting that both fonterra and Waikato Regional Council will manage this.