



GRAYMONT

SUBMISSION ON PROPOSED PLAN CHANGE 1 TO THE WAIKATO REGIONAL PLAN

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SUBMISSION ON: **Plan Change 1: Waikato
Regional Plan**

BY: Graymont (NZ) Limited

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Attention: Mr Benjamin Murray

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1.0 INTRODUCTION

Graymont (NZ) Limited (hereafter referred to as ‘**Graymont** or ‘**the Company**’) is wholly owned subsidiary of Graymont Limited, a global operation associated with the manufacture and supply of lime and limestone products. The Company currently operates four plants across New Zealand, and supplies quality lime and limestone products to Agricultural, Animal Health and Industrial markets of New Zealand and the Asia Pacific regions. The Company’s plant across the Country consist of:

Oparure Quarry

Presently Graymont owns and mines the country’s largest single limestone quarry at Oparure, just north of Te Kuiti. This 67-hectare quarry produces limestone for use as agricultural lime, kiln feed stock, aggregates and pulverised limestone products.

Otorohanga

At Otorohanga 20km north of the Oparure quarry the Company operates two rotary lime kilns. This plant manufactures quicklime and hydrated lime products which are supplied to domestic and export customers across the South Pacific.

Te Kuiti

Supplied with limestone from Oparure, the Te Kuiti site operates a vertical gas fired Maerz Kiln to produce quicklime.

Makareao Plant and Quarry

The Makareao plant and quarry is based in the South Island and located in North Otago. The quarry produces pure limestone of between 96-99% calcium carbonate and has its own rotary kiln, to produce high quality quicklime. Hydrated lime, aggregates and pulverised limestone products are also produced at the site.

The proposed Plan Change introduces the first stage of changes to the Regional Plan following the development of the Te Ture Whaimana o Te Awa o Waikato (The Vision and Strategy for the Waikato and Waipa rivers). Given much of the Company’s assets are located within the area subject to the Plan Change, the provisions are particularly relevant to their ongoing operations.

2.0 SUBMISSION

2.1 Objective 1

Objective 1: Long-term restoration and protection of water quality for each sub-catchment and Freshwater Management Unit/Te Whāinga 1: Te whakaoranga

tauroa me te tiakanga tauroa o te kounga wai ki ia riu kōawaawa me te Wae Whakahaere i te Wai Māori

By 2096, discharges of nitrogen, phosphorus, sediment and microbial pathogens to land and water result in achievement of the restoration and protection of the 80-year water quality attribute targets in Table 3.11-1.

Relief Sought

Graymont is supportive of the 80-year timeframe to achieve the water quality objectives of the Vision and Strategy as identified in Objective 1.

The Company seeks that the Council adopt Objective 1 as notified.

2.2 Objectives 3 and 4

Objective 3: Short-term improvements in water quality in the first stage of restoration and protection of water quality for each sub-catchment and Freshwater Management Unit/Te Whāinga 3: Ngā whakapainga taupoto o te kounga wai i te wāhanga tuatahi o te whakaoranga me te tiakanga o te kounga wai i ia riu kōawāwa me te Wae Whakahaere Wai Māori

Actions put in place and implemented by 2026 to reduce discharges of nitrogen, phosphorus, sediment and microbial pathogens, are sufficient to achieve ten percent of the required change between current water quality and the 80-year water quality attribute targets in Table 3.11-1. A ten percent change towards the long term water quality improvements is indicated by the short term water quality attribute targets in Table 3.11-1.

Objective 4: People and community resilience/Te Whāinga 4: Te manawa piharau o te tangata me te hapori

A staged approach to change enables people and communities to undertake adaptive management to continue to provide for their social, economic and cultural wellbeing in the short term while:

- a. Considering the values and uses when taking action to achieve the attribute targets for the Waikato and Waipa Rivers in Table 3.11-1; and*
- b. Recognising that further contaminant reductions will be required by subsequent regional plans and signalling anticipated future management approaches that will be needed to meet Objective 1.*

Relief Sought

Graymont supports the proposed staging of water quality standards through the introduction of short-term improvements in water quality over 10 years as identified in Objective 3. The Company considers that such an approach sets

practical and achievable water quality targets. Further to this, the Company believes that the adaptive management approach provided by Objective 4 will encourage innovation and flexibility in achieving the desired water quality outcomes. This flexibility will assist with industry achieving the balance between environmental improvements and providing economic, social and cultural sustainability.

The Company seeks that the Council adopt Objectives 3 and 4 as notified.

2.3 Policy 5

Policy 5: Staged approach/Te Kaupapa Here 5: He huarahi wāwāhi

Recognise that achieving the water quality attribute targets set out in Table 11-1 will need to be staged over 80 years, to minimise social disruption and allow for innovation and new practices to develop, while making a start on reducing discharges of nitrogen, phosphorus, sediment and microbial pathogens, and preparing for further reductions that will be required in subsequent regional plans.

Relief Sought

As identified in Graymont's submission to Objectives 1, 3 and 4, the Company considers that the 80-year timeframe proposed by the Plan Change represents an appropriate period to achieve the desired water quality standards and that the staging of this will ensure that the economic, social and cultural values are given due consideration. The Company has always looked to evolve its practices over time through the adoption of new technologies and techniques. As a result, Graymont supports the intent of Policy 5 as it seeks to encourage innovation and new practices to gradually achieve the water quality outcomes over time, rather than dictating a single method or action.

The Company seeks that the Council adopt Policy 5 as notified.

2.4 Policy 6

Policy 6: Restricting land use change/Te Kaupapa Here 6: Te here i te panonitanga ā-whakamahinga whenua

Except as provided for in Policy 16, land use change consent applications that demonstrate an increase in the diffuse discharge of nitrogen, phosphorus, sediment or microbial pathogens will generally not be granted.

Land use change consent applications that demonstrate clear and enduring decreases in existing diffuse discharges of nitrogen, phosphorus, sediment or microbial pathogens will generally be granted.

Relief Sought

Graymont has interests within a considerable area of land that is subject to Plan Change 1. The Company has aspirations to further develop its existing operations, as well as the potential rehabilitation of the current quarry sites. As such, the land use change provisions contained within Policy 6 are directly applicable to the Company.

As currently drafted, the policy does not recognise the potential environmental benefits of all land use change, such as the rehabilitation of existing extractive industry sites. In addition to this, it is the Company's opinion that the policy is at odds with the approach adopted for point source discharges, such as Policies 11 and 12, which provide for discharges to be offset in alternative locations, consideration to be given to the staging of reductions or for the employment of innovative solutions to ensure that the overall objectives of the Plan Change are able to be achieved.

As such, the Company seeks that Policy 6 be adopted, subject to the following amendment (red text indicates proposed changes sought by the Company):

Policy 6: Restricting land use change/Te Kaupapa Here 6: Te here i te panonitanga ā-whakamahinga whenua

*Except as provided for in Policy 16, land use change consent applications that demonstrate an increase in the diffuse discharge of nitrogen, phosphorus, sediment or microbial pathogens will generally not be granted. **Consideration will however be given to the net environmental result of the land use change and the ability of the change to assist in achieving the identified overall water quality standards.***

Land use change consent applications that demonstrate clear and enduring decreases in existing diffuse discharges of nitrogen, phosphorus, sediment or microbial pathogens will generally be granted.

2.5 Policy 9

Policy 9: Sub-catchment (including edge of field) mitigation planning, co-ordination and funding/Te Kaupapa Here 9: Te whakarite mahi whakangāwari, mahi ngātahi me te pūtea mō te riu kōawāwa (tae atu ki ngā taitapa)

Take a prioritised and integrated approach to sub-catchment water quality management by undertaking sub-catchment planning, and use this planning to

support actions including edge of field mitigation measures. Support measures that efficiently and effectively contribute to water quality improvements. This approach includes:

- a. *Engaging early with tangata whenua and with landowners, communities and potential funding partners in sub-catchments in line with the priority areas listed in Table 3.11-2; and*
- b. *Assessing the reasons for current water quality and sources of contaminant discharge, at various scales in a sub-catchment; and*
- c. *Encouraging cost-effective mitigations where they have the biggest effect on improving water quality; and*
- d. *Allowing, where multiple farming enterprises contribute to a mitigation, for the resultant reduction in diffuse discharges to be apportioned to each enterprise in accordance with their respective contribution to the mitigation and their respective responsibility for the ongoing management of the mitigation.*

Relief Sought

Graymont supports the development of sub-catchment plans as a more effective means of achieving water quality outcomes than generic region wide provisions. In addition to this, the Company is encouraged by the support in the policy for a collaborative approach to the development of the sub-catchment plans. As a result, the Company wants to signal its intent to participate in the development of sub-catchment plans that are relevant to its operations.

The Company seeks that the Council adopt Policy 5 as notified.

2.6 Policy 10

Policy 10: Provide for point source discharges of regional significance/Te Kaupapa Here 10: Te whakatau i ngā rukenga i ngā pū tuwha e noho tāpua ana ki te rohe

When deciding resource consent applications for point source discharges of nitrogen, phosphorus, sediment and microbial pathogens to water or onto or into land, provide for the:

- a. *Continued operation of regionally significant infrastructure; and*
- b. *Continued operation of regionally significant industry.*

Relief Sought

Graymont supports the general direction of Policy 10 that provides for the continued operation of significant industry. The Company's operations at the

Otorohanga kiln plant, the Te Kuiti kiln plant and the Oparure quarry are specialist activities that are reliant on the natural resources of the region and as a result are unable to be relocated outside of the catchments applicable to the Plan Change.

Lime and limestone products are used for road construction, drinking water treatment, efficient agricultural production as well as manufacturing (including steel making, pulp and paper making and environmental protection for metals extraction). As the population grows, a sustained supply of minerals and aggregate will not only be required to provide for building, construction and roading projects associated with this growth, but it will also be needed to maintain and redevelop existing infrastructure, which is key to unlocking regional economic potential. The Company is a significant employer in the region, with 77 positions being directly provided by the Company and a considerably larger number indirectly employed. The Company considers that the protection of this industry is important for the ongoing social and economic sustainability of the region and nation.

Given the unique circumstances associated with the Company's operation and use of such confined natural resources, Graymont considers it appropriate that Policy 10 be amended to add an additional criterion that provides for the continued operation of existing industry that is associated with the extraction and manufacture of products from natural resources unable to be relocated out of the catchment.

Graymont supports Policy 10 and seeks that it be adopted, subject to the following amendment (red text indicates proposed changes sought by the Company):

Policy 10: Provide for point source discharges of regional significance/Te Kaupapa Here 10: Te whakataui i ngā rukenga i ngā pū tuwha e noho tāpua ana ki te rohe

When deciding resource consent applications for point source discharges of nitrogen, phosphorus, sediment and microbial pathogens to water or onto or into land, provide for the:

- a. *Continued operation of regionally significant infrastructure'; ~~and~~*
- b. *Continued operation of regionally significant industry' ~~;~~ and*
- c. *Continued operation of existing quarrying and mining industry activities that are associated with the extraction and manufacture of products from natural resources and that due to geophysical constraints, are unable to be relocated outside of the catchment.*

2.7 Policy 11

Policy 11: Application of Best Practicable Option and mitigation or offset of effects to point source discharges/Te Kaupapa Here 11: Te whakahāngai i te

Kōwhiringa ka Tino Taea me ngā mahi whakangāwari pānga; te karo rānei i ngā pānga ki ngā rukenga i ngā pū tuwha

Require any person undertaking a point source discharge of nitrogen, phosphorus, sediment or microbial pathogens to water or onto or into land in the Waikato and Waipa River catchments to adopt the Best Practicable Option to avoid or mitigate the adverse effects of the discharge, at the time a resource consent application is decided. Where it is not practicable to avoid or mitigate all adverse effects, an offset measure may be proposed in an alternative location or locations to the point source discharge, for the purpose of ensuring positive effects on the environment to lessen any residual adverse effects of the discharge(s) that will or may result from allowing the activity provided that the:

- a. Primary discharge does not result in any significant toxic adverse effect at the point source discharge location; and*
- b. Offset measure is for the same contaminant; and*
- c. Offset measure occurs preferably within the same sub-catchment in which the primary discharge occurs and if this is not practicable, then within the same Freshwater Management Unit[^] or a Freshwater Management Unit[^] located upstream, and*
- d. Offset measure remains in place for the duration of the consent and is secured by consent condition.*

Relief Sought

Graymont supports the direction provided within the policy for the adoption of the Best Practicable Option with regard to managing point source discharges. Further to this, the Company considers that the provision within the policy to offset the adverse effects of a discharge at alternative locations enables flexibility and practicality in the ongoing operations of the Company; will promote the development of innovative solutions; and will result in a more effective way of achieving the desired water quality targets.

The Company seeks that the Council adopt Policy 11 as notified.

2.8 Policy 12

Policy 12: Additional considerations for point source discharges in relation to water quality targets/Te Kaupapa Here 12: He take anō hei whakaaro ake mō ngā rukenga i ngā pū tuwha e pā ana ki ngā whāinga ā-kounga wai

Consider the contribution made by a point source discharge to the nitrogen, phosphorus, sediment and microbial pathogen catchment loads and the impact of that contribution on the likely achievement of the short term targets in Objective 3 or the progression towards the 80-year targets in Objective 1, taking into account:

- a. *The relative proportion of nitrogen, phosphorus, sediment or microbial pathogens that the particular point source discharge contributes to the catchment load; and*
- b. *Past technology upgrades undertaken to model, monitor and reduce the discharge of nitrogen, phosphorus, sediment or microbial pathogens within the previous consent term; and*
- c. *The ability to stage future mitigation actions to allow investment costs to be spread over time and meet the water quality targets specified above; and*
- d. *The diminishing return on investment in treatment plant upgrades in respect of any resultant reduction in nitrogen, phosphorus, sediment or microbial pathogens when treatment plant processes are already achieving a high level of contaminant reduction through the application of the Best Practicable Option.*

Relief Sought

Graymont considers that the provision within Policy 12 to enable the staging of mitigation measures allows for investment costs to be spread over time and appropriately takes into account the economic consequences of the implementation of the Plan Change.

The Company seeks that the Council adopt Policy 12 as notified.

2.9 Policy 13

Policy 13: Point sources consent duration/Te Kaupapa Here 13: Te roa o te tukanga tono whakaaetanga mō te pū tuwha

When determining an appropriate duration for any consent granted consider the following matters:

- a. *A consent term exceeding 25 years, where the applicant demonstrates the approaches set out in Policies 11 and 12 will be met; and*
- b. *The magnitude and significance of the investment made or proposed to be made in contaminant reduction measures and any resultant improvements in the receiving water quality; and*
- c. *The need to provide appropriate certainty of investment where contaminant reduction measures are proposed (including investment in treatment plant upgrades or land based application technology).*

Relief Sought

Graymont believes that the direction provided within Policy 13 for enabling resource consent durations exceeding 25 years will increase investment certainty

and as such be directly attributable to the achievement of the water quality targets.

The Company seeks that the Council adopt Policy 13 as notified.

2.10 Policy 17

Policy 17: Considering the wider context of the Vision and Strategy/Te Kaupapa Here 17: Te whakaaro ake ki te horopaki whānui o Te Ture Whaimana

When applying policies and methods in Chapter 3.11, seek opportunities to advance those matters in the Vision and Strategy and the values for the Waikato and Waipa Rivers that fall outside the scope of Chapter 3.11, but could be considered secondary benefits of methods carried out under this Chapter, including, but not limited to:

- a. Opportunities to enhance biodiversity, wetland values and the functioning of ecosystems; and*
- b. Opportunities to enhance access and recreational values associated with the rivers.*

Relief Sought

Graymont supports the intent of Policy 17 regarding the consideration of opportunities to advance the aspects of the Vision and Strategy that are not directly addressed within the Plan Change 1 document. The Company considers that Policy 17 fits within the framework that is created by Policies 5 and 11 for the consideration of alternative and innovative methods for achieving the ultimate Strategy objectives.

The Company seeks that the Council adopt Policy 17 as notified.

3.0 CONCLUSION

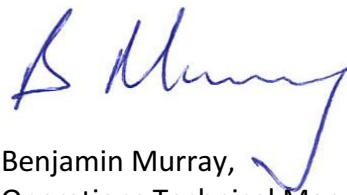
Graymont thanks the Council for this opportunity to provide a submission to Proposed Plan Change 1. The Company would be happy to meet with the Council and other submitters who raise similar issues to Graymont, to discuss its submission and the relief it seeks.

Graymont wish to be heard in support of this submission.

If others make a similar submission Graymont would consider presenting a joint case with them at any hearing.

Graymont cannot gain an advantage in trade competition through this submission.

Signature:



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for and on behalf of Graymont NZ Ltd

Date:

7th of March 2017

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