



Processing – the brown question¹

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INTRODUCTION

This paper outlines Rayonier New Zealand's (RNZ) experience with gaining approvals for a new MDF plant. The myth that processing is inherently brown, the fact the RNZ is a New Zealand company but a subsidiary of an American company, and the fact that the proposal was to establish a medium density fibreboard plant (MDF), a new industry to Southland, set the scene for the need for RNZ to be very focused on its approach.

CONSULTATION

A. Initial Meetings

In June 1995 RNZ publicly announced its intent to build a MDF plant in the Southland/Otago region. RNZ made a decision to be very open about its intentions and to be committed to a process of consultation. In mid-1995 a project team was established. I was part of the team and welcomed the overall philosophy. It is not an approach driven by RMA, but a practical method of developing a project within a community.

Following the press announcement, a RNZ team met with the representatives of every District, City and Regional Council of those two regions. The meetings were to generally advise of RNZ's intent, the process of manufacturing MDF, and the expected discharges. Councils were also advised that RNZ was entering a site-selection process and that railway and state highway access was essential.

It was also hoped that the consultative process would be two-way and that any impediment from a Council's perspective would be identified before RNZ was too far into the site selection process.

During the site selection process it became clear that the area between Clinton and Edendale was becoming the most promising. Meetings were held with Southland Regional Council (SRC) and Gore District Council (GDC) staff to ascertain any major issues. Meetings were also held with representatives of the

Department of Conservation (DOC), Fish and Game and local iwi on the same basis.

Information from this consultation helped to further shape the proposal and the major identified issues were:

- There should be minimal discharge to surface water.
- The area between Maitua and Gore was sensitive to air discharges.
- The use of native timber in the process should be excluded.
- Waste disposal in Southland would be difficult, due to old landfill sites.
- The site should be large enough to contain proposed effects.

It was the start of the challenge to obtain discharge standards from all councils in order for the design of the MDF plant to be further developed. It should be noted that at this stage RNZ had a basic design, information as to the expected maximum discharges, and no site. In other words it was open to suggestions.

B. Community Consultation

As soon as RNZ had secured an option to purchase the proposed site, 3km south of Maitua, consultation with immediate neighbours was commenced. This was done prior to a press release of the selected site. This was in October 1995. After the release the next layer of neighbours around the property were visited.

On November 1, 1995 a community meeting was held at Maitua Town Hall and this was followed by a series of neighbourhood meetings at Brydon Hall. Applications were lodged with councils in December 1995 with the understanding that they would not be notified until the end of January. The applications, and the supporting AEE were also given to neighbours, iwi and statutory bodies. The applications were publicly notified on February 25, 1996.

Four neighbourhood meetings were held – the first before the proposal was notified and the last prior to the prehearing. At the meeting RNZ consultants were made available to speak to neighbours at their request.

Submissions closed on March 27,

1996. Eighty-two submissions were received by GDC and 74 by SRC. Approximately one-third of the submissions were in support.

C. Further Consultation

An office was opened in Gore and RNZ adopted an open-door policy. The AEE documents were distributed at no cost to anyone expressing an interest. Over 100 documents were distributed. RNZ representatives accepted speaking engagements with many community groups and schools.

After submissions were received, individual submitters were written to in response to issues raised in their submissions. RNZ met with those who were available and wished to discuss the matter further. Thirty-four such meetings were held. Consultation continued with iwi, DOC and Fish and Game Council.

Three of the four immediate neighbours gave consent to the proposal. One neighbour's four-hectare property has now been purchased. One neighbour runs sheep on the areas not utilised by the plant. RNZ proposed a liaison committee of immediate neighbours to meet at least once a year and when necessary to discuss specific issues. A staff member has been appointed as the direct contact for neighbours.

Three open days have been held on the site, the last beginning on February 16, 1997 at which approximately, 3000 people attended. A newsletter is distributed free in the community to provide development information.

Liaison group meetings have been held to discuss monitoring proposals and the presentation of the Environment Management Plan to councils.

D. Results of the Consultation

Peter Glasson, the Planner for the project, summarised the consultation process in his evidence:

"It is my opinion that the resource consent application process is an *interactive* process to which consultation should play a major part. As a result of the consultation undertaken, major changes have

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occurred to the project and these changes have produced positive environmental benefits. I have been involved in a large number of projects where consultation has been undertaken but the scale of consultation undertaken on this project has far exceeded any that I have previously been involved on."

Some of the changes brought about were location of site and the mill within the site, noise control measures, and water discharge.

SITE SELECTION

A. Philosophy

In my past life I had been involved in a large development where a site was selected by being in the preferred location, driven by, visited briefly and had a willing seller. Afterwards there was all manner of problems with the site, and in particular geological constraints. I was therefore pleased that the project team was committed to spending time, money and energy on the site selection process. RNZ selected a Planner, not his company, to help coordinate the project. The overall selection involved six separate stages. The project involved a range of specialists evaluating 19 separate parameters for each site.

Although RNZ did not perceive the proposal (if subject to conditions) would result in any significant adverse effect on the environment, the work undertaken would satisfy Clause 1(b) of fourth schedule of RMA which states:

"(b) Where it is likely that an activity will result in any significant adverse effect on the environment, a description of any possible alternative location or methods for undertaking the activity" ...

The rigours of the site selection process was undertaken by RNZ not so much because of this provision of RMA but to locate a site suitable for a MDF plant's requirements and where there would be minimal effects on the environment.

B. Site Selection Study

The site selection study was undertaken in a series of stages. **Stage 1** involved the identification of MDF Plant requirements. **Stage 2** was the locality Selection Study which considered all areas in South Otago and Southland, resource location and transport corridors. In **Stage 3** a Site Selection Study was carried out. This meant identification of general locality screening parameters, selection of study corridor, and selection of preferred localities. In **Stage 4** screening parameters

were identified for site selection. In **Stage 5** Possible Sites were selected, eliminating some sites due to size, buffer distance, road and rail access, environmental factors and flooding. **Stage 6** involved a comparison of four sites using all site selection parameters and the final selection of a site for MDF development.

The parameters used to evaluate sites are given in Table 1.

Table 1 Site Evaluation parameters

• energy supply	• flood potential	• archaeological sites
• water supply	• seismic activity	• Maori cultural values
• site area	• soils	• climatic conditions
• effluent disposal	• underlying geology	• terrestrial ecology
• topography	• distance to dwellings	• location nearest settlement
• road access	• visual/landscape effects	
• rail access	• noise effects	

There was much criticism that a number of criteria related to RNZ's needs, not the general environment. An example was RNZ's desire to locate close to a state highway and rail and not to be sited in the middle of a forest. RNZ's evaluation was that a location adjacent to major transport routes was environmentally sensible. Pulp was already being moved up and down the existing transport routes. It was considered that trucks at five-minute intervals, travelling up back-country roads, would create some major traffic impacts.

C. Final Site Selection

The relevant parameters identified the preferred localities as Edendale to Matura, Matura to Gore, Gore to Clinton but excluded urban settlements because they contained no sites of sufficient size for the MDF plant. The only industrial-zoned site identified was at Awarua, and a specific site study concluded it was not viable.

A major consideration of the selection of possible sites was the need for RNZ to negotiate with a willing seller and that the process was not a designation process that could possibly involve the compulsory purchase of land under the Public Works Act. Two separate real estate companies were therefore commissioned to identify possible sites where the existing owners were willing to sell their properties. Land that was currently on the market was examined together with a direct approach to property owners.

A total of 11 sites were evaluated in detail. Overall, the final site had distinct advantages over any of the other sites evaluated. Some of the sites were suitable for the plant on some of the parameters, but the final site was the site with the largest number of positive parameters and least number of environmental effects and constraints to the development of the MDF plant. There may well be other sites nearby to the final site but RNZ had to

have a willing seller. Only after the final tests were made were negotiations entered into with the land-owner. The proposal has nearly finished construction and to date the site has lived up to all its expectations.

CHALLENGES

The myth that processing is brown, in my opinion leads to some mind sets that pro-

vide challenges under RMA. I, for one, was expecting an effects-based approach to the proposal. In other words, once RNZ identified its discharges, the site and the effects, then the council standards would be available by which to finalise and judge the design.

The challenges are summarised as follows:

- RNZ's inexperience with the demands of the RMA process.
- Inadequately-zoned land or provisions for industrial development.
- The separation of Regional and District Council functions.
- Lack of standards, consistent or otherwise for discharges.
- Irrelevant and ultra vires requirements.
- Unwillingness to verbally deal with minor matters.
- Delays at the Environment Court.

In the first of these RNZ provided challenges to the process by its own inexperience of the process and by not having an existing plant in New Zealand. Also RNZ changed some consultants in March 1997 after issues with design were encountered. The team designing the plant wished for as much flexibility as possible in order to make changes if they required. This approach to design always has to be balanced against the information required to assess the effects of a proposal. The overall footprint has not changed but parts of the design have been altered since the consent. Location of some of the components has been altered, larger ponds have been built and some different wastewater treatment technology has been introduced.

The second challenge is common throughout New Zealand where it is difficult to find zoned land for large-scale industrial development. A number of plans do not make it clear whether or not the community wants industry. It is diffi-

cult when reviewing the policies and objectives as to whether or not industry would be encouraged as a land use. RNZ came up against the attitude that flat land can only be for agricultural purposes – unfortunately, large-scale industry requires flat, well-drained land. The MDF plant has a foot print of at least 20 ha. The disposal field will for part of the year be grazed and then for the rest of the year be used for silage. The rest of the site, not utilised by the plant for landscaping, will be grazed. However, the 20 ha will be taken out of production. The top soil has been stockpiled in mounds in the eventuality of the plant being closed and the land returned to pasture. However, there are a number of new proposed plans in New Zealand which seek to have objectives that no such land be taken out of production.

Separation of council functions also proved a problem. In this case, GDC persisted until the final decision, to control discharges to land, air and water. The reasons given were that these matters went to site suitability and the health and safety of the community. Instead of relying on the SRC consultants for reports on these discharges, GDC employed separate consultants. RNZ had to pay for this in the cost of the application.

In New Zealand there is a lack of standards for discharges. In effect (GDC rather than SRC), a final designed project was required for presentation despite the fact that MDF is not a new process and that there are three other plants in New Zealand. It will always be a point for debate as to how much information needs to be available to assess the effects of a proposal. During the time RNZ made its application, Juken Nissho applied to locate a similar plant in Gisborne. The property is industrially zoned but in an area that is very rural in nature with some other large industrial plants. This proposal took six months. It was based on a black box concept. A final design was not required, but standards of discharges were set as well as maximum site and location requirements. With regard to discharges, there is much reliance on the guidelines being produced by the Ministry for the Environment. Unfortunately these are guidelines, not standards, and there is no consistent approach by councils as to whether or not they accept these guidelines, or whether they will require levels, more or less, stringent. As air and water plans develop, this challenge may be better dealt with.

RNZ had particular difficulty with GDC wishing to control internal management processes. One extreme example was requiring RNZ's maintenance plans and approving them. RNZ went to appeal

over the condition to supply a management plan to be subject to GDC's approval after the consent process. Judge Skelton upheld RNZ's approach.

There were a number of requests for further information that were, in my opinion, irrelevant and excessive. Unfortunately, if you do not supply the information the process can be delayed. RNZ was asked what our response was to a request "for RNZ to conduct an existing community health profile for a stated distance, say two kilometres radius, around the proposed site". The response was that "the AEE has clearly shown that there will be no health effects from the operation of the MDF plant. There is therefore no need to conduct an existing community health profile. The responsibility for monitoring the health of the community is borne by Southern Health." The fact that RNZ would not do such a study nearly delayed the entire application process as did our refusal to provide the following:

"Identification of transportation routes other than State Highways is essential. State routes to be taken by logging trucks and outward goods vehicles, including proximity to these routes to schools, churches, school bus routes, rail and pedestrian crossings, milk tanker routes, etc. Particular concern is held in respect to Kana and Bridge Streets in Maitai, including the strength of culverts and bridges on these routes. Reference to Kana and Bridge Streets should not be read as the only concern. All routes other than State Highways need investigation and report."

The original AEE had stated:

"The majority of logging movements will occur independently of the operation of the proposed MDF plant as the forests mature. The pattern of distribution may change if logs and chips are directed to the MDF plant proposed rather than exported directly. The main impact of the plant would be near the proposed entrance with traffic levels further away from the site not affected."

It was interesting to note that neither of these were followed up in the decision by any condition, other than controls on the access to the site.

On a more minor note, a lot of minor information was formally required which required a formal response and added to the general administrative workload of all parties. An example that could easily have been answered over the phone was:

"More information about the earth mounding, this is material sourcing for the mounds."

The answer was that the material would be from the on-site earthworks.

The final challenge is an ongoing issue in New Zealand, i.e. the time it takes to get the Environment Court. In this case, there was to be a delay of at least a year.

The Conclusion

RNZ received its consent. It took 18 months and \$1.5 million. The RNZ case study is considered by some to be a success story under RMA. However the process was anything but smooth. The myth that all processing is brown is just that, a myth. I welcome the day when a truly effects-based approach to all activities is achieved. I end with the following observations. Dairy farms in Southland are:

- permitted to discharge treated effluent on to land at 150 kg/N per ha per year;
- permitted any number of cows;
- permitted to discharge fertiliser;
- there is no monitoring required.

RNZ has a consent to discharge treated wood wastewater on to land at 200 kg/N per ha per year and is heavily monitored.

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