

**Before Hearing Commissioners at Waikato Regional Council in
Hamilton**

under: The Resource Management Act 1991

*in the matter
of:* Submissions on Proposed Plan Change 1 to
the Waikato Regional Plan

between: **Graymont (NZ) Limited**
Submitter

and: **Waikato Regional Council**
Respondent

**Primary statement of evidence of Terrence Mark Silcock for Graymont
(NZ) Limited**

Submitter ID Number: 73954

Dated 3rd of May 2019

INTRODUCTION

1. My name is Terrence Mark Silcock. I am the New Zealand Operations Manager for Graymont (NZ) Limited (**'Graymont'** or **'the Company'**). I am accountable for all of the Company's operations and have been employed by Graymont, or its predecessor companies for the past sixteen years.
2. In terms of my quarry operations experience, I first worked at Holcim New Zealand's Aggregates Quarry based in Hastings, prior to being employed at the Taylor's Lime Makareao Quarry Site, which is a hard rock limestone quarry and lime plant situated in North Otago. Subsequently, I was employed by McDonald's Lime as the Operations Manager,¹ prior to taking on my present role with Graymont.
3. Graymont is the wholly owned subsidiary of Graymont Limited, a global operation associated with the manufacture and supply of lime and limestone products. The Company currently operates plant in four locations across New Zealand, with three of these situated within the Waikato Region, being the Oparure Quarry together with lime kilns in both Otorohanga and Te Kuiti. Graymont also operates the Makareao kiln and quarry within North Otago.² Graymont supplies quality lime and limestone products to the Agricultural, Animal Health, Construction, Water Treatment, Environmental and Industrial markets of New Zealand and the Asia Pacific regions. Graymont's products have proven essential for mitigating many natural and man-made environmental impacts, while at the same time remaining indispensable for vital industrial processes. Consistency of supply of quality product is critical to a number of Graymont's customers and, as a company, we place great importance on our ability to manage production and logistics to accommodate our customer's requirements in an environmentally aware and sustainable manner.
4. Given that much of the Company's plant and operations are located within the Waikato Region, Proposed Plan Change 1 to the Waikato Regional Plan (hereafter referred to as **'PC1'**), is of particular relevance to the Company and our ongoing operations.
5. Graymont lodged submissions³ and further submissions to PC1.
6. For completeness, I confirm that I am authorised to present this evidence on behalf of Graymont. I am not presenting technical

¹ As of the 1st of July 2015, McDonald's Lime and Taylor's Lime were purchased by Graymont and the two companies are now unified as one, under the Graymont umbrella.

² Formerly Taylor's Lime.

³ Original Submitter ID Number: 73954.

expert evidence, and as such, this brief should be read as ‘company evidence’ expressing the position of Graymont.

SCOPE OF MY EVIDENCE

7. In my evidence, in order to provide context to the submission points and relief sought by Graymont with regard to the Block 2 Hearings, I:
 - a. set out a background to the Company, its operations and initiatives; and
 - b. highlight the need to continue to provide for point source discharges associated with regionally significant industry (as per Policy 10).

BACKGROUND: THE COMPANY

8. As discussed in the preceding paragraphs, Graymont’s operations, which commenced in 1865 as McDonald’s Lime and Taylor’s Lime, are associated with the manufacture and supply of quality lime and limestone products. Graymont’s Waikato based operations include the Oparure Quarry which is located immediately North of Te Kuiti. The quarry, which is located on top of rich Waitomo strata, is some 67 hectares in size and is New Zealand’s largest single limestone quarry. It produces exceptionally high-grade limestone for supply to the Company’s Otorohanga and Te Kuiti plants. Associated with the Oparure Quarry, and in Otorohanga, the Company operates two rotary lime kilns, which manufacture quicklime and hydrated lime products that are supplied to domestic and export customers across the South Pacific. At the Otorohanga site Graymont has specialised teams such as laboratory staff and associated facilities, the Company also has engineering and maintenance teams, who work to consciously maintain, manage and improve our operations. In Te Kuiti Graymont has a further, vertical gas fired Maerz Kiln, used for producing quicklime.
9. Graymont both prides itself on, and is committed to operating in a sustainable manner. As a Company, we are proud that our products are part of the solution in terms of addressing many of today’s environmental challenges⁴. Indeed, Graymont aims to consistently meet or exceed its regulatory and resource consent or permit obligations, while working to minimise the environmental impact of its operations. To fulfil our commitment, we integrate environmental accountability into our strategic planning and take a systems approach to our practices with respect to environmental impacts,

⁴ Graymont supplies the Stockton mine with quicklime to treat acid mine drainage. The quicklime reacts with the sulfuric acid in the discharge to raise the pH, and remove aluminium from the discharge.

The Oparure quarry was a supplier to the Tui mine remediation project. Limestone was used to adjust the pH of the acidic runoff. <https://www.waikatoregion.govt.nz/Services/Regional-services/Waste-hazardous-substances-and-contaminated-sites/Tui-mine/>

carefully monitoring environmental compliance and conducting a regular comprehensive audit programme, which includes both internal and external auditing being undertaken.⁵

10. Graymont is consciously aware that the mining and processing of minerals, such as limestone, can generate dust and other pollutants, which, if left uncontrolled could potentially pose a nuisance or have a negative impact on the environment. Our operations involve the removal and deposition of earth and low-quality limestone as overburden, followed by excavation and further size reduction of the limestone underneath. Crushed limestone undergoes further comminution and classification or is sent to the quicklime kilns. Once the quality limestone is removed from the ground, historic practice has been to rehabilitate this into productive pasture.
11. Graymont operates in accordance with stringent company-wide standards and practices aimed at reducing air pollutants and discharges / emissions. Graymont's lime kilns are monitored using periodic stack testing, to ensure that our consenting requirements are respected and achieved. We also carry out weekly water sampling and testing, to demonstrate compliance with overburden placement and water discharge consents.
12. During 2018 Graymont undertook a number of air-pollution control-equipment capital projects across our operations. This saw a new baghouse commence operation on Kiln 2 at our Otorohanga plant, significantly reducing the pH of process water discharge to the Mangapu River. This also reduced kiln particulate emissions, and allows the collection and use of kiln dust as a road stabilisation product. Further, the implementation of bag-leak detection systems is now complete across all of Graymont's New Zealand based plant. These systems enable early detection of bag leaks and limit emissions of airborne dust to the atmosphere. In addition, and with regard to environmental sustainability, Graymont is determined to become an industry leader with its utilisation of the materials and the reuse of resources involved with its operations. To this end, the Company is seeking to reduce its environmental footprint through continuous operational improvements.

POLICY 10

13. Policy 10 as notified sought to provide for point source discharges of regional significance.
14. Graymont supported Policy 10 in part, noting that the Company's operations within the Waikato Region are specialist activities that are reliant on the natural resources of the region and as a result, are

⁵ Graymont's compliance audits demonstrate a good environmental history.

unable to be relocated outside of the catchments applicable to PC1. Given the unique circumstances associated with the Company's operation and use of such confined natural resources, Graymont sought that Policy 10 be amended to provide specifically for the continued operation of existing industry that is associated with the extraction and manufacture of products from natural resources unable to be relocated outside of the catchment. In addition, the Company lodged further submissions⁶ in support of the inclusion of a definition for regionally significant industry to be included within PC1. Graymont also lodged further submissions in support of those submissions⁷ seeking to provide certainty that regionally significant industry would be able to continue to operate and grow, and that new regionally significant industry could be established.

15. Graymont, is concerned to ensure that PC1 provides adequate protection to enable its activities to continue to operate. Given the continued demand for high-quality lime, it is anticipated that Graymont's Oparure Quarry will require expansion in the future, which may also result in parts of the existing quarry being retired and rehabilitated. The Company considers it important that PC1 recognise and provide for such changes and ensure that a flexible approach is applied to retired land so that is available for alternative land use and does not become redundant.
16. While Graymont acknowledges the importance of and need for improvements in water quality to occur within the Waikato Region, it is cognisant that the Regional Policy Statement ('RPS') provides direction for lower order planning documents, and specifically with regard to regionally significant industry, that must also be considered. To this end, Policy 4.4 of the RPS directs that management of natural and physical resources provides for the continued operation and development of regionally significant industry and primary production activities by, amongst other things, *recognising the value and long term benefits of regionally significant industry to economic, social and cultural wellbeing; ensuring the adverse effects associated regionally significant industry are avoided, remedied or mitigated; minimising reverse sensitivity effects; and promoting positive environmental outcomes.*
17. The Officer's Section 42A Report (the '**Officer's Report**') does not accept Graymont's suggested amendment to provide more specifically for mining operations, nor does it recommend extending the policy to specifically reference the growth of regionally significant industry and the establishment of new regionally significant industry. In this regard, the Officer's Report acknowledges the direction provided in the RPS and supports the

⁶ In support of BT Mining Limited original submissions.

⁷ Made by BT Mining Limited

continued inclusion of Policy 10 as notified, along with a recommendation to include a definition for regionally significant industry that is consistent with that of the RPS.

18. Graymont is committed to operating in a sustainable manner and in striving to minimise the environmental impact of its operations. As a Company we take our environmental obligations seriously and are constantly looking at new methodologies and technology to minimise adverse effects, such as the installation of new baghouses and the bag leakage detection system that I have already outlined.
19. As discussed earlier in my evidence, Graymont provides products that assist in addressing environmental challenges. Our lime and limestone is used for a variety of purposes including within the steel, pulp and paper and gold mine industries and for construction. Our products are used for soil stabilisation for roads and subdivisions and for forest roads; drinking water treatment; water treatment for dairy factories; sewerage sludge treatment; acid mine drainage; efficient agricultural production and fertiliser use; animal health; for use in architectural features; as well as for other environmental purposes.
20. A sustained supply of minerals and aggregate is not only required to provide for building, construction and roading projects, but it will also be needed to maintain and redevelop existing infrastructure, as the population continues to grow and put pressure on the same. Because of the significance of minerals and aggregates in building and infrastructure, the extraction of low cost, locally sourced minerals is important to the economic wellbeing of the Waikato Region.
21. Within the Officer's Report it is considered that the RPS provisions provide guidance and direction that supports having specific policy relating to regionally significant infrastructure and industry. Indeed, the Officer's Report notes that this will assist in ensuring, in relation to the management of point source discharges, that the direction in the RPS is met, including providing for the continued operation and development of regionally significant industry while managing its adverse effects on water quality. Further, the Officer's Report states that direction to cease all point source discharges by 2026 is not necessary to achieve PC1's objective, nor is it appropriate, taking into account the costs and benefits associated with this approach. Graymont supports the Officer's Report in this regard, in particular, the retention of Policy 10, providing for point source discharges of regional significance for current and future operations. Industries such as Graymont would not be able to operate without some form of point source discharge.
22. Graymont notes that there are a number of submitters who are

opposed to Policy 10, either seeking its deletion or seeking amendments to require similar restrictions for point source discharges to those proposed for diffuse discharges. Graymont further notes that the RPS provides different direction as to implementation methods for point source discharges and for diffuse discharges. In light of this, the Company considers that it is appropriate for PC1 to also provide for the individual consideration and control of point source and diffuse discharges.

CONCLUSION

23. Graymont is a key stakeholder in the Waikato Region, in that it undertakes 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 PC1. Given the significance of the Company's activities to the region, Graymont sought that Policy 10 be amended to provide specifically for the continued operation of existing regionally significant industry that is associated with the extraction and manufacture of products from natural resources.
24. The Officer's Report recommends the retention of Policy 10, without change. Graymont generally supports the Officer's Report recommendations. The Company considers that, while recognising the importance of, and need for, improvements in water quality to occur, the direction provided within the RPS associated with regionally significant industry must be recognised and provided for in PC1 to give regionally significant industry some certainty that it will be able to continue to operate and develop as necessary.
25. I thank the Commissioners for their consideration of this statement of evidence.

Terrence Mark Silcock

New Zealand Operation's Manager, Graymont (NZ) Limited

3rd of May 2019