

Before the Hearings Panel

<i>under:</i>	The Resource Management Act 1991
<i>in the matter of:</i>	Submissions on the Proposed Otago Regional Policy Statement 2021 (<i>excluding parts determined to be a freshwater planning instrument</i>)
<i>between:</i>	Graymont (NZ) Limited <i>Submitter</i>
<i>and:</i>	Otago Regional Council <i>Respondent</i>

**Statement of evidence of Benjamin James Murray
for Graymont (NZ) Limited**

Dated 23rd of November 2022

INTRODUCTION

1. My name is Benjamin James Murray. I am the Health Safety and Environment ('HSE') Manager for Graymont (NZ) Limited ('Graymont' or 'the Company'), with responsibility for the Asia Pacific Southern region which includes four sites in New Zealand. I am accountable for supporting the Company to continuously improve outcomes in health, safety and environmental areas, as well as leading key environmental permitting projects and have been employed by Graymont, or its predecessor companies for the past eleven years.
2. In terms of my quarry operations experience, I first worked at McDonald's Lime (a predecessor company to Graymont) based in Otorohanga, firstly as an Environmental Advisor, from 2012 to 2013, prior to being made a Senior Environmental Advisor in 2013. These roles also included supporting Holcim aggregates quarries with their environmental compliance. Subsequently, I became the Operations Technical Manager for McDonald's Lime in 2014, prior to being employed as the Operations Technical Manager at Graymont in Hamilton in 2015. I have been in my present role as HSE Manager, in Graymont's Hamilton Office for the past three years. This role includes supporting four sites in New Zealand, as well as five in Australia along with general support to other functional groups in the region.¹
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 plant 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 to be essential for mitigating a multitude of 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, including, but not limited to, those that require product for drinking water and waste water treatment and for pollution mitigation / remediation. As a Company, we place great importance on our ability to manage production and logistics to

¹ One in Otago, three in Waikato, two in Victoria, two in South Australia, one in Tasmania. Advising on HSE matters for sales and logistics teams including compliance with relevant regulations and providing information relevant to customers.

² Formerly Taylor's Lime.

accommodate our customer's requirements in an environmentally aware and sustainable manner.

4. The value of retaining local supply has become even clearer during the Covid-19 pandemic, within which Graymont continued to operate as an essential service provider in every jurisdiction that it is present. With the disruption of supply chains globally, having local supply of lime products to provide for clean drinking water, environmental water treatment, construction products and tissue paper (amongst other things) has been essential.
5. Graymont's Makareao plant and quarry is located within the North Otago Region, and within the Waitaki District. The quarry produces pure limestone of between 96-99 percent calcium carbonate and has its own rotary kiln and hydrator, to produce exceptionally high-quality products. These include quicklime, hydrated lime, aggregates and pulverised limestone products, which have the potential to be exported solely for their quality. Currently, Makareao quicklime is also shipped to a number of clients in the North Island of New Zealand, because of its purity, and international markets in Asia Pacific are also being explored further.
6. Given the location of Graymont's Makareao plant and quarry, the Proposed Otago Regional Policy Statement 2021 (hereafter referred to as '**pORPS**' or the '**proposed RPS**'), is of particular relevance to the Company and our ongoing operations.
7. Graymont lodged submissions³ and further submissions to the pORPS.⁴
8. For completeness, I confirm that I am authorised to present this evidence on behalf of Graymont. I am not presenting technical expert evidence, and as such, this brief should be read as 'Company evidence' expressing the position of Graymont.

SCOPE OF MY EVIDENCE

9. In my evidence, in order to provide context to the key submission points and relief sought by Graymont, I:
 - a. set out a background to the Company, its operations and initiatives; and
 - b. highlight the need to explicitly provide for mining and mineral extraction activities within the proposed RPS.

BACKGROUND: THE COMPANY

³ Original Submitter ID Number: 0022.

⁴ Graymont's further submissions were primarily in support of other parties who sought recognition for mining and mineral extraction activities within the proposed RPS.

10. 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 Otago based operations include the Makareao plant and quarry, which is some 167 hectares in size. The Makareao quarry site was chosen principally because it provides a source of high-quality limestone in large quantity. The site has reserves of limestone for many decades. A key customer is the Macrae's gold mine operation, however, over the past ten years it has supplied product to other sectors, including treatment of acid mine drainage, and pulp and paper manufacturing.
11. 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 challenges. For example, our products are used for treating historic pollution sources including mining operations and adjusting dairy factory wash water to allow this to be used as irrigation rather than waste. In the future, lime from the Makareao quarry could find new uses such as production of low-leachate fertiliser (already in production in the North Island) and processing of "green" minerals, such as those required in a low-carbon economy.
12. 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. Graymont has six environmental standards that establish periodic site led goal setting for environmental improvement. 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, carefully monitoring environmental compliance and conducting a regular comprehensive audit programme, which includes both internal and external auditing being undertaken, so as to ensure that our consenting requirements are respected and achieved.
13. 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.

MINING AND MINERAL EXTRACTION PROVISIONS

14. Graymont records that the pORPS does not currently contain provisions that specifically promote the responsible use of minerals. In its submission, the Company noted that the proposed RPS

should specifically recognise mineral resources and the need to protect these resources from encroachment by new incompatible activities, that could be located elsewhere. Further, Graymont stated that the pORPS should recognise that mineral processing activities can only occur in that location where the mineral resource is present. Given this, within its submission to the pORPS Graymont sought the inclusion of objectives and policies to promote responsible mining and mineral extraction activities, which the Company considers is of particular importance. Graymont suggested the inclusion of three provisions, as follows:

Recognise the benefits derived from mineral extraction and processing activities, particularly their contribution towards social, cultural and economic wellbeing.

Activities that may result in reverse sensitivity effects or compromise the operation or maintenance of mineral extraction and processing activities are, managed so that reverse sensitivity effects are minimised.

Manage the adverse effects of mineral extraction and processing activities while having regard to:

- (1) the functional and operational need to locate mineral processing activities where resources are available;
- (2) the extent and magnitude of adverse effects on the environment and the degree to which unavoidable adverse effects can be remedied or mitigated, or residual adverse effects are offset or compensated for;
- (3) requiring consideration of alternative sites, methods and designs, and offsetting or compensation measures (in accordance with any specific requirements for their use in this RPS), where adverse effects are potentially significant or irreversible.

Graymont also provided further submissions in support of a number of other parties who sought recognition for and inclusion of provision for mining, mineral and aggregate extraction activities.

15. With regard to the inclusion of new mining, mineral and aggregate extraction provisions, the Officer⁵ noted, in her Section 42A Report⁶ (the '**Officer's Report**') that many submissions were received regarding the recognition of mining and other extractive industries. The Officer went on to record that the reasons provided for including mineral extraction (and similar) provisions varied across the many

⁵ Ms Felicity Boyd

⁶ Chapter 1: Introduction and General Themes

submissions received seeking their inclusion, but could be summarised as a general position that the proposed RPS has not appropriately recognised the importance of this industry to Otago, particularly for economic well-being.⁷

16. In responding to all of those submitters who sought recognition for mining, mineral extraction (and similar) activities and the inclusion of a policy framework to address the same within the proposed RPS, the Officer recorded that, as a philosophical position, the pORPS has not sought to provide policy direction on specific industries or economic uses of resources. Instead, it focuses on the outcomes sought from the sustainable management of resources and on putting in place management frameworks to protect or otherwise manage those resources, so that where the resource is available, use can occur (regardless of what that use is). For this reason, the Officer did not recommend including an additional chapter in the proposed RPS specifically for mining, going on to state that if alternative pathways are required, then those should be provided for within the relevant chapters of the proposed RPS.⁸
17. The Officer went on to note that her preliminary position on the submissions seeking a separate policy framework for managing mining is that further justification is needed to demonstrate the issues that arise from the application of all of the policy frameworks that the submitters seek an 'exemption' from. She stated that if, on the basis of that justification, additional policy direction is required, that should be targeted to the provisions where there is evidence demonstrating that amendments should be made. The Officer stipulated that introducing a new policy framework as sought by the submitters should be explored only as a last resort. Given this, the Officer did not recommend any changes to the proposed RPS with regard to mining and mineral extraction.⁹
18. Further to the receipt of the Officer's Report, Graymont participated in pre-hearing consultation. As part of this process, Graymont proactively sought to undertake discussions with other submitters regarding possible amendments to the proposed RPS to recognise mining, mineral and aggregate extraction. To this end, Graymont supported the suite of amendments to the Land and Soil ('**LF-LS**'), Biodiversity ('**ECO**') and Urban Form and Development ('**UFD**') provisions offered up by OceanaGold to the Otago Regional Council ('**ORC**' or '**the Council**'), on the 21st of July 2022, as discussed within the Officer's supplementary evidence.¹⁰

⁷ At section 199 of the Officer's Report

⁸ At section 205 of the Officer's Report

⁹ Refer to sections 211 – 212 of the Officer's Report

¹⁰ Titled: "*Brief of Supplementary Evidence of Felicity Ann Boyd Introduction and General Themes*", dated the 11th of October 2022.

19. With regard to the proposed amendments, the Officer stated within her supplementary evidence¹¹ that the amendments proposed by OceanaGold were more specific than those contained within its original submission, but ultimately have the same effect (to improve provision for mining and other extractive industries in the pORPS). Again, the Officer highlighted that many submitters sought similar amendments in their original submissions. The Officer provided significant commentary regarding the proposed amendments, concluding that, while she saw merit in some parts of the amendments, she did not recommend incorporating them all. Those parts of the amendments that the Officer considered to have merit related to recognition of the benefits of mineral and aggregate extraction for the provision of infrastructure and the social and economic well-being of Otago's communities; and recognition of the locational constraints faced by these activities. Given this, the Officer recommended the following:

UFD-P7 – Rural areas

The management of rural areas: ... (4) facilitates primary production, rural industry and supporting activities and recognises:

- (a) *the importance of mineral and aggregate resources for the provision of infrastructure and the social and economic wellbeing of Otago's communities, and*
 - (b) *the requirement for mineral and aggregate activities to be located where those resources are present.*
20. While the Officer's recommended amendments¹² go some way to addressing Graymont's concerns (as highlighted within the Company's submission and in section 14. above), the Company continues to seek additional amendments that provide a pathway to consenting for mining and mineral extraction (or similar) activities, allowing them to operate / continue to operate, be maintained, upgraded and developed in a sustainable manner within the Otago Region.
21. Graymont notes that this, is required so as to enable mineral specific provisions to be reflected in regional and district plans and so that local authorities are able to find policy support within the RPS for recognising the benefits derived from mineral extraction and processing activities;¹³ addressing potential 'reverse sensitivity' issues; and other issues such as those associated with the locational needs for mineral extraction and processing activities and the management of adverse effects from mineral extraction and processing activities.

¹¹ Commencing at section 47

¹² As highlighted above and set out within section 82 of her Supplementary Evidence

¹³ Graymont is aware that the Waitaki District Council sought such recognition.

22. To this end, Graymont does not consider that the amendments recommended by the Officer in her Supplementary Evidence go far enough in supporting mining, mineral and aggregate extraction activities, or provide certainty for both new and, in particular, existing activities and would like to see further recognition for such activities within the proposed RPS. While the Officer recommends an amendment to highlight that mineral and aggregate activities need to be located where those activities are present, Graymont is concerned to ensure that existing, and possible future extraction of minerals is not compromised by activities established, or establishing, near to those resources, which do not rely on access to those mineral resources.
23. Graymont considers that appropriate recognition is vital, as like many others in the mining, mineral and aggregate extraction industry within Otago, Graymont provides products that assist in addressing environmental challenges. As highlighted above, 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 activities such as 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 a number of other environmental purposes.
24. 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.
25. I note that there are a number of other parties who share similar concerns to Graymont, and who also seek appropriate recognition for mining, mineral and aggregate extraction activities.¹⁴ Graymont, would like to support, in particular, the evidence presented by Claire Hunter on behalf of OceanaGold, where she describes the mining and mineral extraction and / or aggregate extraction amendments offered up to the Otago Regional Council to the LF-LS, ECO, UFD chapters, following pre-hearing consultation.

CONCLUSION

26. Graymont is an important stakeholder in the Otago Region, in that it undertakes specialist activities that are reliant on the natural resources of the region. Given the significance of having a sustained

¹⁴ Including, but not limited to Straterra – Natural Resources of New Zealand, Aggregate and Quarry Association, Mokihinui Gold Limited, Foothills Mining Limited and OceanaGold Limited.

supply of minerals and aggregate within Otago, the Company sought amendments to the proposed RPS to specifically promote the responsible use of minerals.

27. The Officer's Report recommends an amendment to UFD-P7 as set out in section 19. above. While these amendments go some way to addressing Graymont's concerns, the Company considers that further direction must be provided within the proposed RPS associated with mining, mineral and aggregate extraction activities in order to give such activities some certainty that they will be able to continue to operate and develop as necessary and to continue to provide products that are may assist in mitigating a multitude of man-made environmental impacts.
28. I thank the Commissioners for their consideration of this statement of evidence.

Benjamin James Murray

Asia Pacific South Health and Safety Manager, Graymont (NZ) Limited

23rd of November 2022