

Before an Independent Hearings Panel

The Proposed Waikato Regional Plan Change 1

IN THE MATTER OF the Resource Management Act 1991 (**RMA**)

IN THE MATTER OF the Proposed Waikato Regional Plan Change 1, Block 1 hearings,
Topic B1

**EVIDENCE OF RICHARD IAN WYETH
ON BEHALF OF MIRAKA LIMITED**

(Corporate)

Dated: 15 February 2019

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1. EXECUTIVE SUMMARY

- 1.1 My full name is Richard Ian Wyeth. I am the Chief Executive of Miraka Limited.
- 1.2 Miraka is a Māori-owned dairy processing and exporting company with over 104 milk suppliers largely located in the Upper Waikato catchment and a dairy factory located at Mokai, north-west of Taupo. Miraka operates on strong values that are based on the cultural values of its Māori owners. Kaitiakitanga is a central element of these values and the well-being of both people and environment is paramount.
- 1.3 Given its values and shareholders, Miraka is supportive of Plan Change 1 and its intended outcomes. However, the development and implementation of Plan Change 1 will be of critical importance to Miraka, its milk suppliers, whanau and local communities.
- 1.4 Miraka therefore seeks a Plan Change that is fair and equitable for all and adopts processes and rules that emphasise community engagement and practice change. It seeks targeted changes to certain provisions in the Plan Change to embed that approach.
- 1.5 Miraka's case within this Block 1 of the Hearings will address the importance of effective practice change in achieving the intended outcomes of Plan Change 1 and will focus on the issue of Freshwater Management Unit and Sub-catchment boundaries.

2. INTRODUCTION

- 2.1 My full name is Richard Ian Wyeth. I am the Chief Executive of Miraka Limited (**Miraka**).
- 2.2 I have Bachelor of Arts and Bachelor of Commerce qualifications and 25 years of experience in business management. I have been Chief Executive since Miraka's establishment in 2011 and am responsible for developing and executing Miraka's strategy.
- 2.3 I am authorised to give this evidence on behalf of Miraka.

3. SCOPE OF EVIDENCE

- 3.1 My evidence will:
- (a) Outline the establishment and history of Miraka, including its guiding principles;
 - (b) Describe its operations and its stakeholders;

- (c) Provide an overview of how Plan Change 1 and Variation 1 (**Plan Change 1**) impacts on Miraka; and
- (d) Outline the principles that Miraka has used to approach the Plan Change and the improvements it has requested.

4. MIRAKA AND ITS VALUES

4.1 Miraka Limited is a Māori owned dairy processing and exporting company located in the Central North Island. It was established in 2011 with the purpose of generating wealth outside the farm gate in order to benefit future generations of whanau. The inaugural shareholders recognised the opportunity to add value to the milk they produced from their farms. Miraka is an independent dairy company that has six major Māori shareholders and has marketing partnerships with Vinamilk and Global Dairy Network.

4.2 Miraka's goal is to be commercially successful, based on strong relationships with a focus on quality products and the nurturing of our people. It operates on strong values that are based on the cultural values of its Māori owners. These values embrace:

- (a) Excellence: We will strive to perform beyond our best every day;
- (b) Kaitiakitanga: We will nurture our natural resources and people for a prosperous future;
- (c) Tikanga: We will be respectful of each other's cultural values;
- (d) Integrity: We will take personal responsibility for our actions and will be open, honest and ethical in our behaviour; and
- (e) Innovation: We will be creative in generating new solutions and opportunities.

4.3 Kaitiakitanga is a central element of these values as it underpins our relationship with the natural world and our view of intergenerational wellbeing. Protection of the environment is of paramount importance to Miraka as it is keeping with our vision of "nurturing our world". Kaitiakitanga places an obligation on balancing commercial imperatives and being a good steward of our environment.

5. MIRAKA'S OPERATIONS AND PROGRAMMES

5.1 Miraka produces 35,000 tonnes of whole milk powder and 6 million litres of UHT milk from its factory that is located at Mokai, north-west of Taupo. All of its products are

exported and currently generate over \$200 million revenue annually. The success of these endeavours has been recognised by several awards: the inaugural Māori Excellence in Export Award - He Kai Kei Aku Ringa, Waikato Emerging Exporter and MBIE -Good Employer for Māori Agribusiness.

- 5.2 Miraka now has 106 suppliers of milk. In total, these suppliers milk approximately 70,000 cows on 26,000 ha. The large majority of these farming entities (85%) sit within the Waikato River catchment as illustrated in Appendix 1. Of these suppliers, there are 40 Māori entities farming Māori freehold land (as defined by Te Ture Whenua) which supply 55% of the milk that Miraka receives.
- 5.3 Miraka has signalled its commitment to environmental care throughout its supply chain. Its processing plant is powered by geothermal energy rather than fossil fuels, geothermal steam is used for pasteurisation and dairy waste is composted in a worm farming business.
- 5.4 In addition, all milk suppliers participate in a financially incentivised good management programme, Te Ara Miraka. This programme covers aspects of employment standards, business analysis, milk quality, animal welfare and environmental management. This programme has underpinned significant changes in farming practice within Miraka's supply community. More information on this programme and its success will be given by the other witnesses for Miraka.

6. MIRAKA'S INTEREST IN PLAN CHANGE 1

- 6.1 Overall, Miraka supports Plan Change 1 and its intended outcomes. The improvement of water quality in the Waikato and Waipa Rivers is aligned with Miraka's values, including kaitiakitanga and environmental stewardship. The improvement reflects the aspirations of our community and stakeholders.
- 6.2 Miraka and its milk suppliers will be directly affected by Plan Change 1 and its rules on land use change and the discharge of contaminants, particularly nitrogen. While the rules have yet to be finalised through the hearing process, they are likely to impact on current operations of Miraka and its suppliers and on future opportunities in terms of new dairy products and alternative land use. Miraka's experiences in implementing practice change and improvements within its own operations offer valuable insight into the best way to achieve the necessary reductions in contaminant discharges in the short and long term.
- 6.3 As I described earlier, a large number of Miraka's milk suppliers are Māori owners. It is important that Plan Change 1 does not impose an unreasonable burden on Māori

owners as their land is inherited, has a special status, is often in communal ownership and is extremely difficult to sell. This is an important key equity issue. The development and implementation of Plan Change 1 is of critical importance to these businesses, whanau and local communities.

6.4 Miraka recognises the need to balance improvements in water quality and the possible impact on people and businesses, and seeks provisions that are fair and equitable for all those affected. The well-being of both people and environment is paramount. Based on these concerns, Miraka's principles for underpinning any future management of fresh water contaminants include:

- (a) Future generations are considered;
- (b) Changes in practice and land use are effective in improving water quality;
- (c) Solutions are holistic with respect to receiving environments, contaminants, biophysical factors and cost/benefits;
- (d) There is shared responsibility between all sub-catchments, enterprises, industries and people;
- (e) Economic and social disruption is minimised, and economic hardship is not imposed on communities; and
- (f) Best practices that are necessary to achieve target reductions in contaminants are emphasised and embraced.

6.5 Over the course of the hearings process, Miraka will provide the evidence and details of how those principles can be implemented in Plan Change 1.

6.6 Miraka's evidence within this Block 1 of the Hearings takes the opportunity to highlight the key issues that Miraka has submitted on and to advocate the importance of effective practice change in achieving the intended outcomes of Plan Change 1. Practice change is not explicitly covered in any Hearing topics but in our view is fundamental to many of our individual submission points and topics that are interconnected throughout the Hearings topics.

Richard Wyeth

15 February 2019

Appendix 1 - Location of Miraka milk suppliers relative to the notified sub-catchments
[Hatched areas signify supplier location]

