

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 2 hearings,
Topic C6 Schemes and Rule 3.11.5.2. (**Certified Industry
Schemes and Farm Environment Plans**)

**PRIMARY EVIDENCE OF GRANT IAN JACKSON
ON BEHALF OF MIRAKA LIMITED**

(Corporate)

Dated: 3 May 2019

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1. EXECUTIVE SUMMARY

- 1.1 My full name is Grant Ian Jackson. I am the General Manager, Milk Supply for Miraka Limited. I have previously given evidence in Block 1.
- 1.2 Miraka supports the use of Good Management Practices (**GMP**)¹, Farm Environment Plans (**FEP**) and Certified Industry Schemes (**CIS**) as they are key elements of effective practice change which Miraka contends is critical to achieve Plan Change 1 outcomes.
- 1.3 Miraka considers that FEPs provide an effective medium in which to achieve farmer practice change to adopt GMPs on-farm. They provide a platform for joint acknowledgement and ownership of freshwater contaminant risks and mitigation actions. If regulated appropriately, the actions/GMPs committed to within an active FEP should have the appropriate motivators attached to their adoption or otherwise (incentives or negative consequences for non-activity). They need to also be kept live and current through regular monitoring and discussion reviews to maintain accountability. Miraka generally supports the draft FEP template prepared by Council.
- 1.4 The FEPs provide the clarity of the risks and actions required by the land owner/operator and can be linked to incentives or regulations, but a vital element of their success is also the appropriate support and resourcing to empower the land owner to make the right decisions.
- 1.5 Miraka's view is that a CIS administered under the robust framework and guidelines provided in the notified Plan Change 1 will provide a vehicle for the FEPs as well as the support and accountability necessary to firstly empower land owners and secondly establish adequate community trust in land owner action. Miraka therefore strongly opposes the recommendation in the section 42A Report to delete CISs.
- 1.6 Miraka has on-the-ground experience of these methods through the implementation of its own Te Ara Miraka scheme for nearly 3 years and supports the alignment of this scheme with Council requirements, including the proposed Good Farming Practices (GFPs) to be notified as Council-sanctioned GMPs.

¹ The Section 42A Report recommends implementing Good Farming Practice which is similar but not quite the same as Good Management Practice. In any event, Miraka supports the inclusion of Good Farming Practice in Plan Change 1. Both terms are used in this evidence.

2. INTRODUCTION

- 2.1 My full name is Grant Ian Jackson. I am the General Manager, Milk Supply for Miraka Limited (**Miraka**). My qualifications and experiences are outlined in my evidence for Block 1, dated 15 February 2019.
- 2.2 I have also been responsible for co-ordinating and leading Miraka's submission and response on Plan Change 1 and Variation 1 (**Plan Change 1**). In that role I have become familiar with the provisions of Plan Change 1 and their implications for Miraka.
- 2.3 I am authorised to give this evidence on behalf of Miraka.

3. SCOPE OF EVIDENCE

- 3.1 My evidence in Block 1 outlined the key areas of support and the changes that Miraka seeks to the Plan Change and how those fit together. Miraka generally supports Plan Change 1, and supports the use of GMPs, FEPs and CISs to achieve Plan Change 1 outcomes as they are key elements of effective practice change.
- 3.2 Miraka does not support any pre-emptive allocation of contaminants within Plan Change 1 and strongly opposes the use of a Nitrogen Reference Point, which Dr Sheath explains further in his evidence in Block 2. Instead, Miraka seeks that practice change is used as the primary mechanism for reducing discharges of all four contaminants. Miraka has had practical experience in the way practice change can achieve targeted outcomes, and I introduced the Te Ara Miraka programme in my previous evidence.
- 3.3 My evidence for Block 2 will:
- (a) Outline the reasons that Miraka supports the use of FEPs and CISs to assist and ensure farmers change to Good Farming Practice so that sub catchment objectives are met and Stage 1 water quality improvements are achieved (Section 4);
 - (b) Provide working examples from Miraka experience on the effectiveness of FEPs and other tools to achieve practice change within an industry programme, Te Ara Miraka (Section 5); and
 - (c) Comment on various factors that are required to ensure effectiveness of FEP and CIS instruments, and provide community assurance (Section 6).

- 3.4 My evidence should be read alongside that of:
- (a) Dr Gavin Sheath, agricultural consultant; and
 - (b) Ms Kim Hardy, planner, particularly with regard to activity rule status for farming within and outside of a CIS.

4. MIRAKA SUPPORT OF GOOD FARMING PRACTICE, FARM ENVIRONMENT PLANS AND CERTIFIED INDUSTRY SCHEMES

- 4.1 Miraka supports the universal use of Good Farming Practices to reduce the discharge of all four contaminants. Evidence provided in Block 1 outlined the importance of practice change in achieving the water quality improvements sought in Stage 1, and described the various factors that underpin effective practice change. There are three key elements of Plan Change 1 that Miraka also fundamentally supports, in so far as they facilitate practice change: sub-catchment management, FEPs and CISs.
- 4.2 Miraka witnesses addressed the scale of sub-catchment and FMU areas in Block 1 and will give further evidence on sub-catchment management in Block 3. The importance of FEPs as a tool is addressed in this evidence (it has been the subject of comment in Part 2 of the Section 42A report). Further evidence will be given in Block 3, as Miraka expects to be the appropriate forum for detailed consideration of FEP content and process. CISs are addressed in this evidence. Miraka and its witnesses are also willing to participate in any expert caucusing on sub-catchments, FEPs and CISs.
- 4.3 Plan Change 1, as notified, utilises two main tools to assist Council and the community to achieve the objectives and targets of Stage 1. One tool is the use of a Nitrogen Reference Point and identifying an NRP 75th percentile for each FMU, as a way of identifying farming activities with moderate to high levels of contaminant discharge and then requiring those to reduce discharges. The second is the adoption of Certified FEPs by most enterprises in the catchment.
- 4.4 Miraka supports the implementation and ongoing administration of Certified FEPs as a proven way of facilitating farmer practice change to the adoption of Good Farming Practices. Miraka also supports Permitted Activity status for farming activities with a FEP under a Certified Industry Scheme (Rule 3.11.5.3).

- 4.5 Miraka submitted in support of the use of FEPs and CISs, as well as the universal application of GMP (or Good Farming Practice).² My evidence provides working examples from Miraka experience on the effectiveness of these instruments, and gives suggestions to ensure rigour, transparency and accountability.

Farm Environment Plans

- 4.6 In Block 1, Miraka CEO Mr Richard Wyeth emphasised that in alignment with our values, Miraka seeks a Plan Change that is fair and equitable for all and adopts processes and rules that emphasise community engagement and practice change. He emphasised that the well-being of both people and environment is paramount and key to the Miraka values of Kaitiakitanga, Tikanga, Excellence and Integrity.
- 4.7 Miraka supports the FEP approach as the foundation to achieve the Vision and Strategy outcomes as it provides for a fair and equitable platform which applies to all farms and in which all land-managers can own the necessary changes to their farm practices. This ownership of the process by the land manager is important to ensuring buy-in and building of confidence and capability.
- 4.8 Miraka has confidence from its own experience of establishing a framework that addresses our own objectives relating to undertaking business within context of fulfilling these values and achieving the desired outcomes.
- 4.9 Miraka's firm view is that throughout the process of achieving the Vision and Strategy outcomes, community health and prosperity should be maintained through an appropriate timeframe for actions and transition to land use change. The use of FEPs are a primary tool enables those contaminant mitigation actions and/or adoption of Good Farming Practices to be undertaken within an economically viable timeframe. A strong FEP will consider a farming businesses financial business plan alongside its environmental objectives.

Certified Industry Scheme

- 4.10 Miraka supports the implementation of Certified Industry Schemes and the associated Permitted Activity rule for farming under a CIS, on the basis that it already has a comparable working model in place, in Te Ara Miraka, which is explained more below. Miraka is keen to support Waikato Regional Council in the implementation of PC1, in the most efficient and effective manner by removing some of the administrative

² Submission points: PC1-8810; PC1-12840; PC1-8816; PC1-8823; PC1-8848, PC1-8850; PC1-8891; PC1-12465; PC1-8898; and PC1-8899.

burden from Council staff. For Miraka the CIS regime also reduces the risk that its supply base does not meet consenting requirements if left to individual land owners

- 4.11 CISs (along with a permitted activity status) also provide the opportunity for industry to provide constructive support to assist farmers in changing their practices, leading to better outcomes in a shorter time frame. Miraka has emphasised the need to consider practice change in implementing Plan Change 1 and the CIS provides a framework under which the adoption of practice change can be encouraged. Expertise can be shared, incentives put in place and laggards identified and pressured into taking action.
- 4.12 Miraka's legal submissions for Block 1 addressed the legal requirements for the permitted activity rule and I understand will address them again in Block 2.
- 4.13 As noted in Block 1, Miraka has an established Quality Assurance Scheme (Te Ara Miraka) that has been running for 3 years and will provide the foundation of a Certified Industry Scheme, if that is retained in Plan Change 1.

5. SUPPORTING EVIDENCE FROM TE ARA MIRAKA

Te Ara Miraka (Industry Scheme)

- 5.1 I gave an overview of Te Ara Miraka in my Block 1 evidence. In 2015 Miraka established and launched its own quality assurance scheme within its milk supply base called the Te Ara Miraka Farming Excellence Programme. It did so with the ambition to achieve practice change within its farmer supply community and benefit from the resulting farmer resilience, production efficiency, branding story and adherence to traditional Maori values such as Kaitiakitanga and Mahi Ngatahi. Since that launch, the programme has been in implementation for two complete seasons (1 June-31 May) and is part way through its third. It has achieved tremendous results.
- 5.2 From the outset, Miraka believed that the key drivers to the success of Te Ara Miraka in achieving practice change must be to firstly, ensure that farmers are very clear on what Good Management Practice looks like and, secondly, to support the farmers with training and other resources to enable its adoption. The objective is to incentivise change, rather than regulate it. Te Ara Miraka has incentivised the success it has achieved through a 0-20c/kg MS payment scheme relative to the amount of GMP evidenced annually on farm.

5.3 In the past two full seasons Te Ara Miraka has achieved the following results of note:

	2016/17 result (%)	2015/16 result (%)	Proportional Change (%)
Formal Employee Performance discussions/Development Plans	93	79	18
Weekly Dairy Shed water metering (mean annual use <70L/cow/d)	93	82	13
All regional authority recognized waterways stock fenced	100	90	11
Optimum Farm Dairy Effluent Storage (>90% probability volume)	73	66	11
Annual recycling of farm plastics (incl baleage wrap)	90	65	38
Formal Farm Animal Health Plan/Policy	97	84	15
Herd Testing (at least three full tests/season)	69	60	15
Top 10 percentile in industry "In-Calf" rate	17	6	183
Dairy Shed water compliance (free of E Coli and Sediment)	100	76	32
Weighted Somatic Cell Count mean <100k	17	9	89

5.4 Critics of farmer practice change or the adoption of GMPs may highlight the results of the historic initiatives like the Sustainable Dairy Water Accord platform that sought to achieve GMP within 3 key parameters pertaining to freshwater quality benefits. Miraka has been considerably more successful than the Accord.

Sustainable Dairy Water Accord KPI	Miraka %	Sector %
All regional authority recognized waterways stock fenced	100	97
50% of all farms have a Riparian Mgmt Plan	50	8
85% of all farms water metering dairy shed use	100	51

Results as at 31 May 2017

5.5 In my view, the key reason why Miraka can achieve the required changes is incentivisation and administration via a structured framework consisting of a formal on-farm audit from a third-party professional provider.

5.6 The proposed CIS regime in Plan Change 1 has a number of similar characteristics that I expect will make them efficient and effective:

- (a) Have formal structures or organisations with appropriate systems, processes and procedures;
- (b) Are certified by an independent body – the Regional Council;
- (c) Involve qualified and experienced persons to general and audit FEP;
- (d) Have a clear goal to meet the purposes and rules in the Plan Change;

- (e) Include regular monitoring and reporting; and
 - (f) Have consequences for failure to implement change.
- 5.7 In my view, the key reason why Miraka can achieve the required changes is incentivisation and administration via a structured framework consisting of a formal on-farm audit from a third-party professional provider.
- 5.8 I have also suggested below some additional ways in which CIS can succeed through greater transparency and accountability.

Farm Environment Plans

- 5.9 Te Ara Miraka provides, amongst other things, a farm environment plan to its farmer participants in which freshwater contaminant risks are identified and mitigating GMPs identified and committed to. In addition, specific GMPs are also provided as targets with a financial incentivisation and reporting on progress is always available to farmers. Participants are also benchmarking against peers. A Farm Sustainability Manager engages with farmers on a face-to-face basis at least once a year to re-evaluate operational changes and practice changes towards GMP or excellence. Support and resourcing is provided as necessary.
- 5.10 Farm Environment Plans are a key component of any CIS and Te Ara Miraka already has a track record of having implemented a FEP template across all of its supply farmers and having achieved many of the Good Farming Practices committed to by the farmer participants. I can provide copies of the Te Ara Miraka FEP template as part of any conferencing on the details of Schedule 1 about FEPs.
- 5.11 Miraka is near the completion of a refreshed and user interactive geospatial FEP template that once created by a Certified Farm Environment Planner will be accessible to both land managers and Regional Council staff alike, as well as Miraka staff for support and resourcing for practice change. These refreshed FEPs will take into account the relevant matters for an FEP outlined in Plan Change 1 Schedule 1. FEPs will be audited annually by a third party Certified Farm Environment Planner and farmer actions audited annually by an independent auditing party. Internally Miraka will adopt KPIs to drive the adoption of GFPs by its supply community/scheme participants.
- 5.12 The purpose of these plans is to identify all risks associated with each of the four key contaminants. The FEP then contains commitments to actions within the control of the land owners that mitigate these risks from a list of recognised GMPs sanctioned by the Council.

- 5.13 Miraka supports a further annual audit of FEPs by a delegated representative of Council staff to ensure consistency across all CIS.
- 5.14 The implementation of actions/mitigations to achieve GMP is a key element of Miraka's position on achieving water quality improvements by individual enterprises or land owners, rather than through tools such as allocations and input limits. Miraka views FEPs as an effective vehicle for formally documenting farm-specific risk and mitigating actions.
- 5.15 In the context of Plan Change 1, if a quantitative benefit in the form of reduced contaminant loss can be attributed to the adoption of a mitigating GMP, then the regular assessment of GMP on farm can be linked to a sub-catchment contribution towards an improvement target. This will provide the Council and community with confidence in the progress being made towards Stage 1 objectives. The details of this will be discussed in relation to sub-catchment planning in Block 3.
- 5.16 Te Ara Miraka and its FEPs are already being undertaken by a qualified farm planner and actions are subject to annual audit by an independent auditing party. Failure to participate by a land manager/farmer is a contravention of Miraka's contracted conditions of supply and will result in the termination of milk collection as well as a substantial financial penalty.

6. ENSURING FEP AND CIS EFFECTIVENESS

Farm Environment Plans

- 6.1 The essential element to satisfy critics will be adequate monitoring and reporting, both to the farmer and to Council for an individual farmer/enterprise as well and consequences for non-action. A second essential element will be the establishment of a robust and impartial framework of education, resourcing, assessment and reporting. Miraka's view is that the Certified Industry Scheme guidelines adequately provide for these elements (Section 42A C1.2.5.2 – paragraph 310).
- 6.2 An effective FEP must be compiled in collaboration with the farm owner/operator to ensure the necessary buy-in to motivate change. The farmer will require the guidance of a suitability qualified Farm Environment Planner, who has the required knowledge and experience in soil conservation, nutrient management and either livestock or horticultural production systems. The plans need also be aligned to the land owners/operators overarching business plan and objectives.

- 6.3 The plans must be kept “live” through regular review by all parties and farmers/land owners must be held accountable for the adoption of the necessary GMPs by an auditing party or regional authority representative. Complacency on the part of either party will erode both the importance and value of this tool as well as the trust from the wider community stakeholders.
- 6.4 The final essential feature of a plan’s effectiveness is regular reporting and communication of progress or lack thereof to all stakeholders, with consequences for any unsanctioned inactivity on behalf of the land owner/operator (Sect 42A C1.2.5.2-paragraph 310). I would anticipate that land managers who do not comply with the identified actions within their FEPS would be subject to enforcement action by the Council. If any land managers repeatedly fail to comply they could be removed from the CIS and therefore lose the benefits of being in that CIS (including permitted activity status, expert support).
- 6.5 Miraka has linked the adoption of many GMPs to its contracted Supply Terms already and is committed to extend this to more practices once they have been confirmed by Regional Council.

Certified Industry Schemes

- 6.6 As discussed above, a CIS requires the inclusion of all the normal demands of a fully consented process but with some administration and monitoring occurring by non-Council entities. The community must have confidence that the resource management actions undertaken by farmers under the Scheme will be as robust as normal consenting processes. This includes accountability and consequences for any scheme operators should the scheme participants not adhere to the intent of the scheme objectives and performance deadlines.
- 6.7 Consequences could include enforcement action by the Regional Council for both the farmer and the CIS for failing to implement the relevant FEPS. I would also be happy to see CIS being deregistered and losing their certification for repeated breaches, if that was possible under the terms of Plan Change 1.
- 6.8 As long as the certification process for CISs undertaken by Council is comprehensive, and the performance of a CIS is audited by a third party and transparent to the greater community, trust will be established and maintained. This is especially likely to be the case if reporting demonstrates progress towards Stage 1 objectives is being achieved.

6.9 Miraka is confident that it has demonstrated all these factors within Te Ara Miraka and has every ambition to register the programme as a CIS.

Grant Jackson

3 May 2019