

Under the Resource Management Act 1991 (**RMA**)

In the matter of An application for replacement water and discharge permits for cooling and processing purposes at the Maitara Processing Plant

Applicant Alliance Group Limited (**Alliance**)

Statement of evidence of Danny Hailes for Alliance Group Limited

16 November 2020

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Qualifications and experience

1. My full name is Daniel Joseph Hailes.
2. I am employed by Alliance Group Limited (Alliance) in the company's Executive Leadership Team as General Manager Livestock and Shareholder Services. I have held this role since December 2019.
3. I hold a Bachelor of Laws (with Honours) from the University of Otago. I am enrolled as a Barrister and Solicitor of the High Court of New Zealand and hold a current Practising Certificate issued by the New Zealand Law Society under the Lawyers and Conveyancers Act 2006. In 2014, I graduated from the Advanced Management Programme at Harvard Business School in Boston.
4. I have been employed by Alliance since March 1993. Roles I have held with the company include Legal Counsel, Plant Manager at the Alliance Dannevirke Plant in Hawkes Bay, Plant Manager at the Alliance Pukeuri Plant in North Otago, General Manager Commercial based in the company's corporate office. Prior to accepting my current role, I was Company Secretary and in 2018 I was the acting Plant Manager at the Alliance Maitaha Plant. In my various roles with Alliance I have been actively involved in a number of resource consent applications and other environmental initiatives. I have held directorships with Network Waitaki Limited, Network Waitaki Contracting Limited, Deer Industry New Zealand and DEEResearch Limited. I am an authorised signatory of Alliance and authorised by Alliance to give evidence in this matter.
5. I have reviewed various reports submitted as part of the consent applications, the evidence of Mr Wiese and Mr Richardson and the Section 42A Report.

Scope of evidence

6. My evidence addresses consultation with Hokonui Runanga.

Hokonui Runanga

7. Alliance recognises that Ngāi Tahu exercise tino rangatiratanga over the Maitaha River and its catchment as the Treaty partner and mana whenua have kaitiaki responsibilities to manage the Maitaha River for intergenerational outcomes.
8. Alliance recognises that the Maitaha River Statutory Acknowledgement Area, Maitaha River Mātaitai Reserve, Te-Au-Nui-Pihapiha-Kanakana (the Maitaha Falls) and Tuturau are areas of high cultural significance.
9. Alliance recognises that maintaining and improving habitat for mahinga kai and taonga species and managing them within the Maitaha River Mātaitai Reserve

and downstream is a priority in order to support resilient and abundant populations suitable for customary harvest.

10. Alliance's appreciation of the cultural significance of the area and Hokonui Runanga desire to see a viable plant continue operating in the area means that Alliance has dedicated significant effort to consultation with Hokonui Runanga and their advisors and this has been reciprocated by Hokonui Runanga. Alliance was working on the understanding that the views of Hokonui Runanga would be supported by Te Runanga o Ngai Tahu. This consultation has involved a number of meetings, phone calls and emails between Alliance and Hokonui Runanga. Those heavily involved in these discussions for Alliance have been myself (as part of the Alliance Executive Leadership Team), Mr Richardson, and more recently Manufacturing General Manager Mr Wiese. For Hokonui Runanga Mr Nicholas, Manager, and Mr Parata, Environmental Officer (Pou Takawaenga Taiao) have been involved. Others involved in the discussions at different times have included the Mataura Plant Manager and Environmental Manager Ms Nagel and Ms McKee, Ms Rae Blair from Te ao Marama Incorporated, Ms Bartlett and Ms Guise from Aukaha and Ms McKenzie from Te Runanga o Ngai Tahu.
11. I am proud of the work that has been done through this consultation. Alliance believes it has the beginnings of strong relationship with Hokonui Runanga which has not only been developed through discussions about this application, but also through actual work being undertaken on the Elver Trap and Transfer programme and associated activities. The relationship was planned to be under-pinned by a Memorandum of Understand (MOU) developed between the two parties which outlines many objectives to be achieved into the future. Those that are relevant to the current applications are generally described in the Conditions requiring a Kaitiaki Plan to be developed as discussed by Mr Richardson and Mr Low, but with more detail sitting in the MOU.
12. Agreement between both parties on the conditions proffered as part of Alliance's evidence was very close until the s42A report recommendations were released. Due to the recommendations of the s42A report being significantly out of line with all expectations and with where discussions had developed with Hokonui Runanga this agreement was not reached at the time of writing. Despite the application being with Environment Southland for over one and a half years, and the vastly different timeframes recommended than that proposed by Alliance, these recommendations came without warning. This is of course very disappointing and its potential impact on the relationship between Alliance and Hokonui Runanga is also disappointing. However, at the time of writing, Hokonui Runanga advised that they were still interested in what Alliance had to say through this evidence and in response to the s42A report, so Alliance has decided to continue as planned in the hope that a realistic consent term will be granted,

and that Alliance and Hokonui Runanga will be able to build on the strong relationship foundations that have been established.

13. As Alliance is still determined to achieve a workable set of conditions, at the time of writing Alliance is still proposing a set of conditions that may be acceptable to Hokonui Runanga if a consent is granted for a 25 year term, a material reduction in the term of 35 years applied for It should be noted that DOC also found these conditions acceptable and at the time of writing I understand they are considering withdrawing their right to be heard, even after reviewing the recommendations of Environment Southland. These conditions are significantly different to those initially offered. The key differences are discussed in the evidence of Mr Richardson and Mr Low.

14. For the avoidance of any doubt I want to be clear that Alliance wishes to be part of a future which sees the cultural values and health of the Mataura River improved, the role of Hokonui Runanga as kaitiaki better recognised, and the ongoing operation of the Mataura Plant continuing to support the local and regional community and economy in an environmentally responsible and sustainable way over the long term. I am firmly of the view that we can achieve those things, but not on the basis of a short term consent as recommended in the s42A report.



Danny Hailes

16 November 2020