

IN THE MATTER of the Resource Management Act 1991

AND

**IN THE MATTER of the hearing of submissions on Proposed Plan Change
1 (and Variation 1) to the Waikato Regional Plan**

TOPIC 2

**BY FEDERATED FARMERS OF NEW ZEALAND INC,
FEDERATED FARMERS OF NEW ZEALAND (WAIKATO
REGION) 1999 INCORPORATED, FEDERATED FARMERS
OF NEW ZEALAND – ROTORUA TAUPO PROVINCE
INCORPORATED, FEDERATED FARMERS OF NEW
ZEALAND (AUCKLAND PROVINCE) INCORPORATED**

(“FEDERATED FARMERS”)

Submitter with ID: 74191

To WAIKATO REGIONAL COUNCIL

(“WRC”)

**STATEMENT OF PRIMARY EVIDENCE OF PAUL FREDERICK LE
MIERE FOR FEDERATED FARMERS ON HEARING TOPIC 2**

3 May 2019



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STATEMENT OF EVIDENCE OF PAUL FREDERICK le MIERE

Introduction

1. My full name is Paul Frederick le Miere. I am the North Island Regional Policy Manager at Federated Farmers.
2. My qualifications and experience are set out in paragraphs 19 to 28 of my Statement of Evidence for Topic 1 dated 15 February. At paragraphs 29 to 33 of that statement I also provide an explanation of what Federated Farmers does.
3. In my Statement of Evidence for Topic 1, I confirmed that I had read and agreed to comply with the Environment Court's Code of Conduct for Expert Witnesses. This was on the basis that my evidence contained technical aspects relating to water quality science that were within my area of expertise.
4. The nature of my evidence for Topic 2 is not of a technical nature and relates to matters of policy analysis or fact that I have observed in my role as a policy manager at Federated Farmers. However, I do refer to some of the statements and conclusions contained in my evidence for Topic 1. Accordingly, to the extent that my evidence is of a technical or expert nature, I confirm that I have read and abide by the Code of Conduct in respect of those parts.
5. This statement of evidence focuses on three matters arising from the section 42A report's recommendations for PC1:
 - a. The objective for PC1, in particular, the staged implementation of the Vision & Strategy with the focus of the first 10 years on 10% of the journey and the adoption of good management practices.
 - b. Implementation issues with PC1, particularly as a result of proposed changes to the Certified Industry Schemes (**CIS**), consent activity status for Farm Environment Plans (**FEPs**) and prioritisation of sub-catchments.
 - c. Schedule C, in particular proposals to adopt more stringent stock exclusion and setback standards.

Objective for PC1

6. As explained in our submission, Federated Farmers supports efforts to improve water quality. However, we consider that, in order to achieve sustainable management, these efforts need to be targeted and balanced with the economic cost

and social disruption. For these reasons, Federated Farmers supports the staged implementation of the Vision & Strategy.

7. Our interpretation of PC1, based on the CSG and TLG reports and provisions contained in PC1, is that the objective of PC1 is to implement the first 10% of the journey to achieving the Vision & Strategy. Our interpretation of the TLG reports, and other documents regarding the catchment, is that there is still much to understand about the catchment including source, sink and transport pathways for contaminants, drivers of water quality and effects of on farm mitigations. Accordingly, our view of this first 10 years is to start on the water quality improvement journey whilst gaining a better understanding of water quality at a catchment, sub-catchment and property level.
8. Federated Farmers is a pan sector organisation and we are seeking an outcome that provides for all sectors and does not pit one sector against another. Since PC1 was notified we have undertaken significant consultation with our membership. This has included member advisories, surveys, detailed case studies, drop in information days and many one on one or group meetings. Our membership has supported the changes proposed in our submission and, relevant for present purposes, agrees with our interpretation of PC1 representing the staged implementation and 10% of the Vision & Strategy journey.
9. Our view is that this first 10 years is about farmers adopting good management practices (or good farming practices as is the terminology now proposed in the section 42A report). We consider that significant progress can be made by adopting this approach and that this is consistent with the 10% target for the first 10 years.
10. Federated Farmers considers that it is important that this is the metric against which the policy and rule framework for PC1 should be assessed. As explained in my evidence for Topic 1, our analysis is that around half of the monitored sites meet the 10 year targets (the balance only need modest improvements within the next 10 years). In addition, TLG's analysis showed that PC1 would comprehensively over deliver on the 10 year targets (achieving more than 10% improvement in 99% of cases, with the lowest median improvement being 31%).
11. Federated Farmers is very concerned by various statements in the section 42A report that more stringent rules and standards are required because the 80 year targets require significant progress. Our view is that this loses sight of the staged approach proposed by PC1 and the need to provide for sustainable management.

Implementation issues with PC1

12. One matter that causes Federated Farmers significant concern is the Council's ability and capacity to implement PC1. We are particularly keen to avoid a situation like Horizons where, as a result of Overseer version change and the way in which the plan provisions were drafted, Horizons Regional Council is unable to implement the One Plan. We are currently one of the stakeholder groups engaging with the council in the development of both an interim plan change (to be a short term fix) and a longer term plan change. To date, my policy advisor in the region, and/or I, have attended several meetings with Horizons Regional Council on this issue.
13. The issues with Horizons One Plan have come at considerable expense for many groups (including Federated Farmers), having gone through the council hearing, Environment Court and High Court processes only to find ourselves back at the drawing board. It has also caused farmers considerable uncertainty and stress, as they currently have no pathway through which to obtain resource consent.
14. The implementation issues with PC1 that Federated Farmers is concerned about relate to Council's capacity to process 5,000 resource consents (assuming that all properties over 20ha have to obtain resource consent). While I acknowledge that this is a different type of implementation issue from Horizons, I consider that it is an equally concerning issue and the outcome could be the same – Council could find itself back at the drawing board, having to design a new plan.

Volume of consents to be processed

15. The CSG and the section 32 report recognised that implementing PC1 was going to be extremely resource intensive, particularly if 5,000 resource consents were required for properties over 20ha.¹
16. The section 32 report identified that there were around 13,700 rural properties in the Waikato.² As part of an attempt to manage the number of resource consents, it was decided that the 5,700 properties under 4.1ha and 3,000 properties under 20ha would not be required to obtain resource consents or FEPs. In a further attempt to reduce the number of resource consents, it was decided that having FEPs as a permitted activity under the CIS would remove a further 2,500 resource consents. This would leave WRC to process around 2,500 consents.

¹ Section 32 report, page 20 and Section 42A report, para 807.

² Section 32 report, page 165.

17. The section 42A report proposes three fundamental changes that will significantly increase the implementation burden on WRC (there are other changes that will likely add to the volume of consents but these are the ones that appear to have the greatest impact):
- a. First, it recommends that the FEPs under a CIS will have to obtain resource consent. That will likely double the resource consents to be processed from 2,500 to 5,000.
 - b. Second, it recommends that the activity status for most activities is restricted discretionary. The higher activity status will presumably increase the amount of time WRC staff spend processing consents, particularly if discretion or control is retained over the content of FEPs.
 - c. Third, it recommends that seven sub-catchments are changed from priority 2 or 3 to priority 1, and proposes that all dairy farmers are treated as priority 1. That will significantly increase the volume of consents to be processed by 1 September 2021 (or six months after the plan become operative, if the recommended changes to Rule 3.11.5.1A are adopted).

Increase in Council staff

18. The changes proposed by the section 42A report are likely to significantly increase the number of staff Council needs to employ to implement PC1. The ability to recruit and pay suitably qualified people will significantly impact on the ability to implement the version of PC1 recommended by the section 42A report.
19. In the Lake Taupo catchment, I understand that Council employed at least three full time staff to manage the implementation and ongoing compliance of farmers with Variation 5. I understand that there are around 100 farmers in the Taupo catchment. Compared with the FEPs under PC1, the information to be processed was significantly narrower, with farmers in Taupo simply having to determine their benchmarked nitrogen discharge allowance and prepare a nitrogen management plan (as opposed to the FEP which seeks to identify and address all critical source areas and control all four contaminants). A nitrogen management plan is more of a desktop exercise (as it is a matter of running farm inputs through Overseer) whereas the FEP under PC1 requires a farm visit to identify and assess hotspots, and tailor mitigations. Farming activities with a nitrogen management plan are also a controlled activity in Taupo.

20. It would be reasonable (and potentially conservative) to assume that reviewing a FEP that relates to four contaminants and requires a site visit, would double the staff time compared with reviewing a nitrogen management plan. That would result in around six staff per 100 farmers. Multiplying that across the Waikato catchment, requiring restricted discretionary consents for 5,000 (or more) farming activities could generate the need to employ 300 or more staff.
21. My analysis is consistent with Council's case study of the Lake Taupo catchment. That report states that Council needed to establish a regulatory implementation team with a manager and staff specifically trained in understanding farm systems, nutrient management and farm businesses. That report also noted that the cost of managing diffuse nitrogen discharges on a per farm basis was high compared with the Council's point source rule implementation.³
22. The section 32 report notes that the cost to ratepayers, taxpayers and individual landowners of regulation to implement and maintain a property level cap on nitrogen over a farm were significant due to the one on one time needed to benchmark historic discharges, develop a nitrogen management plan, and apply for and implement a resource consent.⁴ In Taupo, the Lake Taupo Protection Trust has government and regional council funding to assist with complying with the plan. It meets the costs of benchmarking and calculating the nitrogen discharge allowance. However, farmers still have to pay an estimated \$1,000 to \$3,000 for the staff time in processing consents (which are considerably narrower than what is proposed in PC1).⁵
23. Putting to one side the costs involved in employing staff to implement PC1, there is the significant issue of where Council is going to find sufficient and suitably qualified staff to scrutinise and process 5,000 resource consents (with the level of scrutiny and processing time increasing if the recommended restricted discretionary activity status is retained).
24. I have reviewed Mr Lee Matheson's evidence for the Topic 1 hearing and the concerns he raises about the potential shortage of skills and experienced farm environment planners.⁶ He estimates that, based on the notified version of PC1, at least 125 Certified Farm Environment Planners (**CFEPs**) would be needed to prepare FEPs for those in Priority 1 sub-catchments. However, he estimates that

³ Case Study I: Lake Taupo catchment property-level nitrogen discharge limits, Doc#3398680.

⁴ Section 32 report, page 149.

⁵ <https://www.waikatoregion.govt.nz/Community/Your-community/For-Farmers/Taupo/Nitrogen-management-in-the-Lake-Taupo-catchment/>

⁶ Statement of Evidence of Lee Anthony Matheson for New Zealand Institute of Primary Industry Management – Waikato Branch dated 15 February 2019.

only 93 members from all Waikato and Bay of Plenty branches of the NZIPIM might be willing to prepare FEPs.

25. Mr Matheson's analysis might indicate that my estimate of 300 staff members is on the high side (although in the context of Taupo it does not appear to be), but it also shows that even if the numbers were lower, it is still likely to be very difficult for Council to find sufficiently qualified staff to process 5,000 resource consents if the industry considers there are insufficient professionals to prepare FEPs (and the skillsets appear to be the same).

Certified Industry Scheme (CIS)

26. Federated Farmers supports the CIS as a means for Council to cost effectively implement PC1 by reducing the resource consent processing burden. Federated Farmers also supports the CIS as a means for providing farmers with the option of dealing with their industry body to prepare a FEP or engaging with Council to obtain a resource consent for their FEP. Federated Farmers considers that if Council has a robust certification and audit process for the CFEPs, then an FEP prepared under both mechanisms ought to be just as robust.

Activity status

27. Federated Farmers supports a controlled activity status for FEPs prepared outside a CIS. Federated Farmers is concerned that not only will a more stringent activity status increase the implementation burden for WRC, but it will also increase compliance costs for farmers. Farmers are being asked to obtain a resource consent to carry on an activity that many of them have been doing for many years and, in many cases, many generations. The feedback from our membership is that the activity status of the consent ought to reflect the fact that they are not proposing a new or different activity.
28. A controlled activity status was adopted in the Bay of Plenty Regional Council's Plan Change 10 for Rotorua farmers obtaining consent for Nutrient Management Plans to manage nitrogen and phosphorous. BOPRC has had significant and extensive engagement in that catchment with the farmers. The feedback from our members in that catchment is that the activity status recognises that these are existing businesses who are proposing changes to how they operate to significantly lower their nitrogen footprint.
29. Federated Farmers also questions the rigour that a restricted discretionary activity status would apply in practice if WRC was to process 5,000 consents (or even if the

number was 2,500 consents). Based on the analysis above, WRC might need to employ 125 to 300 skilled and qualified staff just to process 2,500 to 5,000 consents to the restricted activity status standard. In addition, while the issue in Horizons was with the ability to grant a restricted discretionary activity consent under the rules (and council passing a resolution to the effect that it would grant these without applying the One Plan standards), a similar issue could arise in the Waikato if WRC was to cut corners in an effort to process the large volume of restricted activity consents.

Prioritisation

30. Federated Farmers supports a prioritised approach to the implementation of PC1. In all of the circumstances, it makes sense:
 - a. WRC has limited resources. It cannot process 5,000 resource consents by September 2021 (or six months after the plan becomes operative, if the recommended changes to Rule 3.11.5.1A are adopted).
 - b. Mr Matheson has identified that the supply of suitability qualified people to prepare FEPs is limited. There are not enough people who could prepare FEPs to ensure 5,000 were completed by September 2021.
 - c. The section 32 report and TLG reports concluded that some catchments have poorer water quality than others. It also concluded that the overall 10 year results were not sensitive to the level of implementation of FEPs. This supports a staged and prioritised approach, as opposed to increasing the FEPs to be prepared by 2021 as proposed in the section 42A report.
31. For these reasons we do not support the section 42 report's recommendations to move seven sub-catchments from priority 2 or 3 to priority 1, or to make all dairy farms priority 1.
32. We also have concerns about the recommended changes to Rules 3.11.5.1A and Rule 3.11.5.4. The effect of Variation 1 was that FEPs had to be prepared by 1 March 2022 for Priority 1, 1 March 2025 for Priority 2 and 1 March 2026 for Priority 3 sub-catchments. However, the section 42A report proposes that Priority 1 sub-catchments obtain resource consent (and prepare FEPs) by 1 September 2021 (or six months after PC1 becomes operative) for Priority 1 sub-catchments, 1 March 2025 (or 1 year after PC1 becomes operative) for priority 2 sub-catchments and 1 January 2026 for Priority 3 sub-catchments.

33. While we consider it appropriate to provide for a situation where PC1 is still subject to appeals (and potentially significant changes) before resource consent is required, Federated Farmers is concerned that there is real issue for the 10-year timeframe of this plan change, as well as a significant implementation issue for WRC.
34. The recommended changes are likely to result in more than 70% of farms requiring FEPs by September 2021. However, if the matter is appealed to the Environment Court (which seems inevitable with so many submitters and the significance of the issues), and assuming no further appeals to the High Court, it could, at best, take two years for Environment Court appeals to be resolved (our experience in Rotorua is that the first Environment Court hearing was two years after the Council hearing and the appeals are far from being resolved). Assuming there is a Council decision in April 2020, and it takes two years to resolve appeals, it could be September 2022 (at the earliest and potentially much later) when Priority 1 sub-catchments require resource consents and FEPs.
35. Many farmers might choose to wait until the resolution of the appeals and the confirmation of the rules before obtaining a FEP and applying for resource consent (particularly if there are appeals seeking an entirely different policy and rule framework). Not only would that mean that there would be a huge number of FEPs to prepare and consents to process in six months, it would also likely have the effect of reducing the timing between the three priority groups with the effect that 5,000 resource consents and FEPs are required within a short time of each other.
36. This was part of the reason for the proposal in Federated Farmers' submission that the timeframes for PC1 are moved by at least two years to reflect the delays to date i.e. move the 2026 date to 2028 to provide for a 10 year timeframe.

Long Term Plan and funding

37. If WRC is to implement PC1 as amended by the section 42A report, it would likely need to significantly increase its rates take. Federated Farmers submits on WRC's Long Term Plan (**LTP**) and Annual Plan each time they are consulted on. In last year's LTP, WRC signalled a 10% rates increase for the first three years of the LTP but then proposed to drop these to 0.8% by year 4 and to decrease rates by -0.6% from year 6. This was on the basis of the notified version of PC1 i.e. processing and monitoring 2,500 consents, less farms were priority 1, etc.
38. I drafted Federated Farmers' submission on last year's LTP. Our submission focused on Council needing to invest sufficient resources to establish a platform to

enable PC1 to succeed i.e. the sub-catchment forensic work that is needed to better understand water quality issues. Farmers pay the highest rates. Our members would be very disappointed if the next LTP proposes to significantly increase rates to meet the costs of processing and monitoring 5,000 resource consents, particularly if this was at the expense of the proper sub-catchment forensic work needed to address water quality.

Cost to applicant

39. While we are concerned about potential rates increases, a likely outcome is that many of the costs of implementing PC1 will simply be passed onto applicants.
40. WRC states on its website that its resource consent charging system is a “user pays” system.⁷ This means that the applicant contributes towards the cost of assessing and monitoring the consent, and for maintaining records relating to that activity. The current schedule of fees and charges for resource consents was set through the LTP (which we submitted on) and is attached as **Annexure PLM2**.
41. It is not clear how Council intends to structure its charging for resource consents under PC1, but the schedule of fees and charges provides some indication. For example, if Council employs technical farm systems people (as it did for Lake Taupo), it might charge \$165 per hour for a manager’s time and \$140 per hour for a technical officer’s time. These rates are on par with the estimated cost of \$150 per hour for a CFEP engaged by a farmer to prepare a FEP, as set out in the Ag First report.⁸ Such an approach also appears to involve an element of double handling in that why does a farmer need to engage a CFEP to prepare the FEP if Council is engaging someone (or at least charging staff members out at) the same rate to do the same work.
42. From a farmer perspective, it would make sense to do one or the other:
 - a. If farm environment planners are certified and audited by Council, why not let the farmer engage the CFEP at \$150 per hour to prepare the FEP and then Council should have not need to pay someone with the same skills and at the same rate to do the same thing.

⁷ <https://www.waikatoregion.govt.nz/services/regional-services/consents/resource-consents/apply-for-resource-consent/costs-to-applicants-and-consent-holders/>

⁸ Page 10 of Ag First report, Annexure AM2 to the Statement of Evidence of Andrew Peter McGiven for Federated Farmers dated 3 May 2019.

- b. Alternatively, have no certification and audit process, the farmer can engage who they like to prepare the FEP (at whatever rate) and then Council charges the farmer \$140 to \$165 per hour for the staff member or manager to review the FEP.
43. The costs to farmers if Council was to require 5,000 consents and was to review and have control or discretion over the contents of FEPs would be significant. The AgFirst report estimated that the average number of hours to prepare FEPs is 24.75 but that this was likely conservative. It also estimated that the average cost to prepare FEPs was \$4,692 (again this is likely to be conservative). The cost to farmers could be doubled if Council is to review FEPs and have control or discretion over the FEP contents (which would presumably involve a farm visit and scrutiny of critical source areas and mitigations proposed). This assumes that the application is non notified and no hearing is required. As Council notes on its website, the costs if the application is notified and proceeds to hearing will exceed \$10,000.
44. In addition to consent application costs are monitoring costs. I understand that the proposal with the CIS is that the CIS will undertake a monitoring and auditing function. WRC would still need to carry out some monitoring but the CIS would reduce the Council's costs. I note that Council would still need to carry out monitoring, auditing and enforcement of resource consents granted.
45. If all activities required resource consent, this would significantly increase the Council's monitoring and auditing costs. Based on my discussions with several organisations that are considering establishing as a CIS, it is very unlikely that they would do so if FEPs prepared under a CIS required resource consent. The effect would be to double the activities Council would need to monitor and audit.
46. Presumably Council would pass the monitoring and auditing costs onto farmers. This could significantly increase the costs for farmers. The Council's current schedule of fees and costs (annexure PLM2) shows that the annual monitoring fee for farms greater than 100ha in Lake Taupo is \$925 (and \$530 for properties 20ha to 100ha and \$320 for under 20ha). This is for simply monitoring compliance with a benchmarked nitrogen number, which can essentially be a desktop exercise e.g. receipts can be provided for fertiliser, feed and stock purchased to confirm compliance with a NDA.
47. I think that it is likely that farm visits would need to be required to confirm compliance with FEPs (although it is likely that risk approach could be adopted and/or the portal could be used to reduce the level of monitoring e.g. photos could be posted to the portal as mitigations are completed). FEPs also control four contaminants, not just

nitrogen. Therefore, I think that the monitoring costs to farmers are likely to be significantly higher than they are for Lake Taupo.

48. A further issue, set out in our submission, is that Council will likely need to adopt a different approach to monitoring and enforcing compliance with FEPs to recognise that flexibility is required to respond to things like seasonal and economic fluctuations e.g. flood or drought or downturn in wool prices (I understand that these matters will be addressed in the context of FEPs in the next hearing).
49. There are also the Council resourcing issues in terms of how would Council employ sufficient staff to monitor compliance with 5,000 resource consents.

Water quality improvements

50. As explained in my evidence for Topic 1, the TLG modelling shows that the proposed policy mix is likely to overshoot the 10 year targets at 99% of sites. The section 32 report also records that the sensitivity analysis of the modelling shows that the policy mix over-achieved the 10% target to such a degree that it was insensitive to the degree to which actions contained in a FEP are implemented.⁹
51. In these circumstances, there does not appear to be the need for Council to process 5,000 resource consents, or to retain control or discretion over the content of FEPs. This would be different from a situation where there was a real risk to achieving the 10% targets and risk of FEPs failing.
52. In all of these circumstances, the CIS as a permitted activity seems like a reasonable option for addressing the practical implementation issues with ensuring that 5,000 farms obtain FEPs. A controlled activity status for FEPs that are not prepared under a CIS also seems to be the most appropriate option. These would be the least restrictive as well as most efficient ways of obtaining the necessary direction of travel of the next 10 years and achieving the short term targets.

Schedule C

53. The section 42A report notes that the notified version of PC1 proposed more stringent stock exclusion requirements than the draft national regulations for stock exclusion that were proposed in 2017.¹⁰ The report then goes on to recommend or propose changes to make them even more stringent e.g. a requirement for intermittent waterbodies to be fenced, increased setbacks, a requirement for stock

⁹ Section 32 report, page 78.

¹⁰ Section 42A report, para 888.

crossings etc. Federated Farmers considers that the stock exclusion and setback requirements ought to be consistent with the Sustainable Dairying Water Accord i.e. permanent waterways greater than 1m wide and deeper than 30cm, and a setback of 1m where fencing is required (the standards would apply to all farms (not just dairy) but different standards can be proposed as part of the tailored actions in FEPs). A copy of the Accord is attached as **Annexure PLM1** and the stock exclusion requirements are contained on page 6.

Draft national regulations

54. Federated Farmers participated in the consultation on the draft national regulations and had many meeting with Ministers and their officials. Based on our GIS analysis, we estimated that the proposed regulations would impose a cost over around \$2.1 billion nationally on dairy and drystock farms. This was solely based on the cost of fencing permanent waterways on slopes below 15 degrees. The estimate also did not include things livestock crossings or water reticulation (which the Ag First report shows significantly increase the costs of fencing).
55. Our GIS analysis showed that for the entire Waikato region, the national regulations would result in 28,561km of waterbodies that would need to be fenced at an estimated cost of over \$285 million (this cost was estimated on the same basis as above, i.e. only fencing). This was on the basis that 6,520 Waikato farms (3,996 dairy and 2,388 drystock) would be affected by the draft regulations. However, I note that this did not take into account the dairy land that had most likely already been fenced. If dairy land was excluded the cost would be closer to \$104 million (although I consider this would significantly underestimate the cost because it does not include livestock crossings and water reticulation).

Ag First and Baker Ag reports

56. The cost of stock crossings and water reticulation were included in the cost estimates for case study farms presented as part of the Ag First¹¹ and Baker Ag¹² reports.
57. The Ag First report studied 11 Fonterra dairy farms and 13 AgFirst farms (three dairy and 10 drystock, including one lifestyle property). The report showed that there was little that the dairy farms needed to do in order to comply with the stock exclusion requirements in Schedule C (as notified). This was because most of their waterways

¹¹ Commissioned by Federated Farmers and attached to the Statement of Evidence of Andrew Peter McGiven for Federated Farmers dated 3 May 2019.

¹² Commissioned by the Hill Country Group and attached to the Statement of Evidence of Richmond Beaumont Evan Beetham dated 15 February 2019.

were fenced under the Sustainable Dairying Water Accord and due to the interpretation of Schedule C only applying to new fences. The dairy farms still had to undertake significant mitigations under FEPs and I would expect they would need to undertake more fencing if intermittent waterways were included (as recommended by the section 42A report).

58. The cost of water reticulation was significant for some of the Ag First drystock farms, with the cost ranging from \$1,500 (to reticulate four paddocks) to \$173,000. The cost of stock crossings ranged from \$13,493 (for four culverts) to \$190,000.
59. The Baker Ag report showed that the cost of water reticulation for the four drystock case study farms ranged from \$80,000 to \$250,000. That report appears to have assumed that the livestock crossing structures would simply involve the installation of culverts at \$869 per culvert (with the four case study farms having between zero and 22 culverts).
60. These costs are in addition to the costs of installing the fencing itself (i.e. the \$285m figure above). When all of the actual and consequential costs of stock exclusion are considered, the cost per farm are likely to be very high (particularly for hill country drystock properties which might require helicopters to supply fencing materials to areas that cannot be accessed by car due to terrain).
61. The particularly high cost for hill country properties, where returns and profits are low, highlights a potential implementation or regulatory failure issue. It is conceivable that many of these farmers are not earning enough to pay hundreds of thousands of dollars for stock exclusion. If they cannot afford to meet the standards in Schedule C, what happens?
62. An issue that was identified in the Ag First report was the inconsistency between Schedule C and Schedule 1, as notified. Schedule 1 provided for alternative mitigations to stock exclusion to be adopted in circumstances such as where fencing was not practical or the costs extreme. An example was the drystock farm in the Ag First report that would need to spend \$479,138 fencing steep gullies to allow sheep grazing while excluding cattle.
63. The AgFirst report identified that alternative, lower cost and effective mitigations could be to provide stock with water, shade and shelter away from the waterbody.
64. I am concerned that the section 42A report has not recommended any changes to Schedule C to address this inconsistency. While I understand that Schedule 1 is going to be addressed in Hearing Topic 3, I consider that Schedule C ought to be

clarified to provide for alternative mitigations to stock exclusion where these are identified through a FEP. This would provide some assistance to the hill country farm scenario above.

Slope

65. As notified, Schedule C required all waterbodies to be fenced (or appropriately exclude stock) regardless of slope. The section 42A report proposes to restrict the stock exclusion requirements to land below a certain slope, but does not make a recommendation about what that threshold should be.
66. Federated Farmers agrees that the stock exclusion standards in Schedule C should not apply to all land. However, we consider that slope is not the appropriate measure and propose stock units as the threshold for stock exclusion.
67. A slope threshold was something that considered as part of the draft national regulations for stock exclusion. As part of our engagement on the draft regulations, we carried out analysis of a range of rolling and hill country farms. This found that slope was too difficult or subjective to assess. For example, it depended on how much of the paddocks were above a certain slope, how large the paddocks were and who carried out the assessment. We also found that most hill country farms would arguably be captured (on the basis that they would not trigger the slope threshold if they had large paddocks containing some areas below the slope threshold).
68. Following the notification of PC1, we carried out extensive consultation with our membership and one of the questions we asked was what worked and what did not work in terms of stock exclusion. This included asking what farmers' experiences were in other regions. The overwhelming feedback from our membership was that stock units was a more practical threshold for stock exclusion. The feedback was that it was easy for everyone to understand (farmers are used to operating on a stock unit basis) and it was easier for council to monitor and enforce. Our membership also felt that it struck a better balance between environmental benefit and economic cost.
69. The Tuki Tuki Plan Change 6 and Auckland Unitary Plan requires stock exclusion on the basis of stock units as opposed to slope. Those plans both use 18 stock units as the threshold.
70. Based on the feedback from members, and the approaches in Tuki Tuki and Auckland, Federated Farmers proposed 18 stock units as the threshold in its track changes to PC1 (attached to our submission). We maintain this view.

Setbacks

71. The section 42A report proposes that a 1m setback is adopted for land with a slope less than 15 degrees and a 3m setback is adopted for land with a slope of 15 to 25 degrees. For the reasons explained above, Federated Farmers does not agree with a proposal to use slope as a threshold. This does not provide certainty for farmers and may be impractical. For example, what if part of the paddock or land that the stream runs through is below 15 degrees but part of it is steeper? How much of the land needs to be steeper in order for the 3m setback is to apply? Also, what if this results in fences that vary in setback distances and start and stop as land changes slope?
72. A more pragmatic approach would be to adopt a setback of 1m in Schedule C, as proposed in Federated Farmers' submission, then to provide for a greater setback to be determined as part of the FEP. This would ensure that setbacks are tailored at critical source areas and addressing water quality risks, as opposed to requiring an inflexible and non targeted approach that is potentially very difficult for Council to enforce and for farmers to understand.

Intermittent waterways

73. As notified, Schedule C applied to continually flowing water bodies. This is consistent with the Sustainable Dairying Water Accord (although I note that the Accord applies to waterbodies greater than 1m in width and deeper than 30cm). The section 42A report proposes to amend Schedule C so that it applies to intermittent rivers and artificial watercourses. Federated Farmers does not support this recommendation.
74. Our GIS analysis as part of our response to the draft national stock exclusion regulations, and the case studies in the Ag First and Baker Ag reports, showed the significant cost of fencing permanent waterways. We are very concerned about these costs increasing significantly if intermittent waterways are included. We are also concerned about the practical difficulties for farmers and Council in distinguishing wet areas of paddocks from intermittent waterways.
75. I asked our GIS analyst if we could map intermittent waterways and estimate the size and scale of the issue. However, after looking at the maps with her, we found that it was simply too difficult to confirm whether dark lines or areas on a map were intermittent waterways, shadows or something else and quantification of the issue would require ground truthing.

also concerned about the practical difficulties for farmers and Council in distinguishing wet areas of paddocks from intermittent waterways.

75. I asked our GIS analyst if we could map intermittent waterways and estimate the size and scale of the issue. However, after looking at the maps with her, we found that it was simply too difficult to confirm whether dark lines or areas on a map were intermittent waterways, shadows or something else and quantification of the issue would require ground truthing.
76. Federated Farmers considers that a tailored approach through FEPs is a more pragmatic, targeted and appropriate response to intermittent waterways. Through the FEP, critical source areas can be identified and if the appropriate mitigation is the fencing of an intermittent waterway, that can be adopted.

Conclusion

77. In conclusion, Federated Farmers has some significant concerns about the increased cost, reduced practicality and potentially inability to implement many of the changes proposed in the section 42A report. Due to the significant number of changes contained in the section 42A report I have not been able to respond to everything and refer to Federated Farmers' detailed submission. However, on the basis of my analysis of the policy and practical implications of several of the key changes, I consider that the section 42A recommendations pose some real risks and should not be adopted.



P le Miere

Sustainable Dairying: Water Accord

A Commitment to New Zealand
by the Dairy Sector












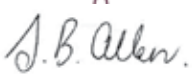






Sustainable Dairying: Water Accord

The Sustainable Dairying: Water Accord (the Accord) has been developed under the oversight of the Dairy Environment Leadership Group (DELG). DELG includes representatives from farmers, dairy companies, central government, regional councils and the Federation of Māori Authorities.

Accountable Partners

In accordance with this Accord the following parties have specific responsibilities and are accountable for delivering the commitments and monitoring and reporting as specified. They undertake to carry out those responsibilities in good faith and to the best of their abilities.

  John Luxton Chairman	  John Wilson Chairman	  Laurie Margrain Chairman	  Kingi Smiler Chairman
  Graeme Milne Chairman	  Stephen Allen Chairman	  Malcolm Bailey Chairman	  Roger Usmar General Manager

Supporting Partners

Supporting Partners make commitments to the outcomes of this Accord in support of the Accountable Partners.

  Bill McLeod Chairman	  Bill McLeod Chairman	  David Graham Chairman	  Willy Leferink Chairman	  John Donkers Chairman	  Hilton Collier President
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Friends of the Accord

Friends of the Accord are supportive of the purpose of this Accord and commit to contribute to its success in the spirit of collaboration.

- Westland Milk Products
- Regional/Unitary Councils: Northland Regional Council; Auckland Council; Waikato Regional Council; Bay of Plenty Regional Council; Hawke's Bay Regional Council; Gisborne District Council; Taranaki Regional Council; Horizons Regional Council; Greater Wellington Regional Council; Environment Canterbury; West Coast Regional Council; Marlborough District Council; Tasman District Council; Otago Regional Council; Environment Southland
- The Federation of Māori Authorities
- Ministry for Primary Industries
- Ministry for the Environment

Purpose, Vision & Approach

The purpose of this Accord is to:

Enhance the overall performance of dairy farming as it affects freshwater by:

- Committing to good management practices expected of all dairy farmers in New Zealand
- Recording pledges by the dairy sector, with the support of others, to assist and encourage dairy farmers to adopt those good management practices and to monitor and report progress.

...And in so doing ensure the dairy sector contributes responsibly to realising the vision for New Zealand's waterways.

Vision

Underpinning the Accord is a common desire of the signatories to recognise, protect and, where opportunities exist, enhance the many benefits and experiences New Zealanders enjoy in freshwater. These include fishing, swimming, recreating, gathering mahinga kai and provision of habitat for aquatic species as well as the ability to use water for social, cultural and economic betterment. The Accord refers to these as freshwater values and interests.

These values and interests have shaped the high-level goal or "vision" to which this Accord contributes:

Our waterways continue to provide for the full range of values and interests enjoyed by New Zealanders.

Approach

The vision will be promoted by managing land and water use to contribute to achieving the water quality desired by New Zealanders and profitable, competitive and sustainable agriculture. For the dairy sector this will be delivered by a commitment to:

- build a culture of continuous improvement in on-farm performance relating to natural resource use
- develop partnerships with Māori agribusiness and an understanding of how the principle of kaitiakitanga/guardianship can be reflected in practice
- develop partnerships with other stakeholders including communities and community groups, researchers and other relevant government and non-government agencies to promote and support the ethic of stewardship and build effective management tools and technologies

- reduce the impact of existing dairy farms in catchments where desired values have been significantly compromised by dairying
- ensure new dairying implements good practice in environmental management from the time of conversion.

Subject to five yearly reviews, progress against this vision will be measured by the extent to which the individual commitments specified in this Accord are delivered.

How the Accord contributes

This Accord is an expression of the dairy sector's commitment to industry self-improvement. It also recognises that the dairy sector's actions and expectations do not exist in isolation of other parties. Success in achieving the vision and delivering better water quality depends upon a range of parties working with a common understanding of the issues and challenges and pursuing shared vision and aligned actions. In this way the Accord is an expression of collective responsibility across the dairy sector and a wider range of stakeholders.

Sustainable dairying – lifting the game

DairyNZ has joined with other dairy industry organisations including Federated Farmers, the Dairy Companies Association of New Zealand and the Dairy Women's Network to produce a new refreshed strategy for sustainable dairy farming, *Making Dairy Farming Work for Everyone*.

Dairy farming needs to be seen to work for all New Zealanders. The strategy is therefore centred around dairy farming being both competitive and responsible. This means being competitive in a local and global sense – and responsible today and tomorrow.

This Accord contributes to that wider aspiration and in particular to the strategy's objective of environmental stewardship and wise use of natural resources. It takes a vital step by positioning the sector to cope with a future that will focus on managing water within limits, recognising that expectations of performance will evolve over time.

Visit www.dairynz.co.nz/strategyrefresh for more information.

Background

The importance of New Zealand's freshwater is undeniable. Recent years have seen a heightened call for action as our rivers, lakes and wetlands have been subject to new pressures and competing demands. The 2003 Dairying and Clean Stream Accord (DCSA) was one of the first major industry efforts to extend beyond regulatory bottomlines, engage with other stakeholders and take responsibility for doing better.

Since that first DCSA the focus on water has sharpened further. The Government issued the National Policy Statement on Freshwater Management, many regional councils have issued new regional plans and co-governance in different forms has emerged. The Land and Water Forum was also established to foster collaboration between multiple stakeholders and build a durable way forward in tackling land and water challenges and opportunities.

This Sustainable Dairying: Water Accord builds on, and effectively succeeds, the successful DCSA that ran from 2003 until 2012. It seeks a further step change in the management of risks to waterways posed by dairying. In doing so it recognises the costs that accrue where freshwater values and interests are compromised. There are benefits in maintaining healthy waterways both for the dairy sector and its reputation as a high quality, sustainable food producer, and for all current and future New Zealanders.

How this Accord works

This document includes expectations and commitments.

- **Expectations** are what the signatories to this document expect over the medium to long term. They are in the nature of goals that set a direction of travel in addressing water issues as we move ahead. Expectations are not, however, enforceable performance measures as they are seldom within the direct control of any one Accountable Partner.
- **Commitments** are those measures (e.g. programmes or other initiatives and associated resourcing commitments) that parties pledge to the realisation of expectations. Commitments are distinguished according to whether they are made by DairyNZ (on behalf of the sector as a whole), by dairy companies (on behalf of their supplier farmers) or by Supporting Partners.

The Accord also clearly sets out what monitoring and reporting is to occur, by whom and according to what timeframe. Although fixed timeframes are set, the nature of the issues means that the commitment to maintain and enhance water needs to be for the long term. Timeframes and commitments will require refreshing over time.

Words followed by an asterisk (*) are defined in the Glossary at the end of this document.

Local partnerships and initiatives

This Accord cannot deal in detail with all the circumstances, issues and opportunities that exist in the many varied catchments throughout New Zealand. It also doesn't seek to capture the full range of sector responses to its environmental sustainability challenges. Individual dairy companies and DairyNZ have their own sustainability strategies and programmes that target water issues and which will be critical to the implementation of this Accord.

Further, some responses and solutions need to be addressed at the catchment scale. The opportunity for local partnerships focused on specific issues and challenges remains a likely and necessary way forward in some places. This may also mean that other land uses and industries will need to be involved if public expectations for water are to be met in full. The dairy sector is already involved in catchment scale programmes and that effort will continue.

Relationship to Resource Management Act (1991)

This Accord cannot, and does not purport to, substitute for the control of land and water by government agencies and regional councils under the Resource Management Act 1991, the associated National Policy Statement on Freshwater Management (NPSFM) or current or future national environmental standards. As noted earlier, this Accord is emerging at a time when regional councils are fundamentally overhauling the management of water in response to the NPSFM.

The commitments made in this Accord, while attempting to reflect expectations of good practice dairying, may not as a result of the application of the NPSFM, be regarded by regional councils as an adequate response to some, or all, dairying and environment issues faced in all or parts of their regions. Accordingly, regional councils must reserve the right to exercise their statutory functions, duties and rights as they consider appropriate in the regional context.

Regional programmes

Although regional councils are friends of this Accord, where they have policies, rules or voluntary targets or programmes in place those must have priority. Nothing in this Accord is to be read as derogating from those existing rules or programmes. Where such a situation exists, or is likely to exist in the future, regional councils may work with the accountable and supporting partners to produce a *regional programme of action*. This programme will align the Accord targets with those expected at the regional or sub-regional level ensuring that all parties have clear expectations.

Overview of Key Commitments

Nature of Commitment	
DairyNZ	Design and promote tools and resources that build capacity throughout the dairy sector to enable full and timely completion of the commitments made in this Accord.
Dairy Companies	Design and implement programmes to encourage and support supplier farms to make changes necessary to meet the targets specified in this Accord.
DCANZ	Act as secretariat for the administration of this Accord including the collation of data for reporting to the Dairy Environment Leadership Group (DELG).
Fertiliser Association of New Zealand <ul style="list-style-type: none"> • Ballance Agri-Nutrients • Ravensdown Co-operative 	<p>Continue, in partnership with the dairy sector and, where applicable, other Supporting Partners, to:</p> <ul style="list-style-type: none"> • support farmers in good nutrient management practice • gather robust and comprehensive data on nutrient use and nutrient use management practices on dairy farms • invest in the continuous improvement of nutrient modelling tools. <p>Continue to invest in research into the optimal nutrient uptake by pasture and minimisation of nutrient loss from the farm system.</p>
Federated Farmers	<p>Continue to:</p> <ul style="list-style-type: none"> • provide a strong farmer voice and leadership across the whole agricultural sector on workable, practical and equitable responses to water issues • support and promote the value and importance of this Accord through its membership and in public forums. <p>Provide “eyes and ears” feedback to DELG on implementation issues and work constructively and respectfully within the framework and processes established under the Accord to raise and resolve any such issues.</p>
Irrigation NZ	Continue to build capacity in the irrigation sector to define and deliver good management practice in water use.
New Zealand Institute of Primary Industry Management	Promote the expectations and commitments made under this Accord to its members and ensure that continuing professional development of its membership has due regard to this Accord.
Regional Councils	Engage with the dairy sector in the development and implementation of regional programmes of action to identify specific opportunities for co-coordinated and mutually beneficial action targeted at shared goals.
Federation of Māori Authorities	<p>Continue to:</p> <ul style="list-style-type: none"> • provide voice and leadership for Māori agribusiness as major contributors to Aotearoa New Zealand’s primary industries • work collaboratively and develop innovation to increase land utilisation, productivity and performance within resilient business models and sustainable practices • seek durable solutions to the harvest, access, use and quality of water as an enabler of sustainable economic prosperity for Aotearoa New Zealand • have a long term focus on sustainable economic prosperity through the best use of resources and assets to create wealth and well-being • develop further partnerships between Māori agribusiness and the dairy sector • participate in the Dairy Environment Leadership Group.
Government agencies (to the extent that commitments fall within individual agencies’ functions and responsibilities)	<p>Continue to:</p> <ul style="list-style-type: none"> • recognise sustainable dairy farming as critical to New Zealand’s economic well-being and a legitimate and valued land use • support research that will provide the dairy sector with the tools and knowledge to enable a reduction in the freshwater footprint of dairying • support policy research and innovation aimed at identifying the optimal approaches to managing the impacts of dairying by securing wise use of resources and socially durable resource management decisions • work with the sector to explore and unlock the potential for dairy growth and enhanced water management through, for example, irrigation schemes.

Accountable Partners
 Supporting Partners with specific commitments
 Friends of the Accord

Riparian Management

Expectations

- Dairy farms will exclude dairy cattle from significant waterways and significant wetlands.
- Riparian planting will occur where it would provide a water quality benefit.
- The crossing of waterways by dairy cows will not result in degradation of those waterways.

Dairy companies will:

Implement measures to exclude dairy cattle from waterways* and drains* greater than one metre in width and deeper than 30 cm and significant wetlands* on dairy farms* according to the following phase-in timetable.

For waterways and drains

- 90% exclusion of the length present on dairy farms by 31 May 2014; and
- 100% of the length present on dairy farms¹ by 31 May 2017.

For significant wetlands

- 100% exclusion of all wetlands identified by a regional council as at 31 May 2012 by 31 May 2014; and
- 100% exclusion of any additional regionally significant wetlands present on dairy farms within three years of them being identified by the regional council.

Encourage dairy farmers to

- exclude dairy cattle from all wetlands; and
- apply the stock exclusion commitment to third party grazing land as if it were their own land.

Implement measures to ensure 100% of regular stock crossing points* are either bridged or culverted by 31 May 2018.

Introduce measures to achieve progressive planting of the length of waterways* within or bounding dairy farms from which there is stock exclusion* where planting will contribute to water quality enhancement according to the following phase-in schedule:

- 50% of dairy farms with waterways will have a riparian management plan* by 31 May 2016 and all of these farms will have completed
 - half of their riparian management plan commitments by 31 May 2020
 - full implementation of their riparian management plan by 31 May 2030
- 100% of all dairy farms with waterways will have a riparian management plan* by 31 May 2020.

Promote and facilitate (including through partnerships with other organisations) riparian planting to enhance ecosystem health (on-going).

DairyNZ will:

Systematically prepare (in partnership with regional councils) regionally tailored riparian management guidelines² to promote stream health and water quality according to the following timetable.

Guidelines completed for³:

- Three regions completed by 31 May 2014
- Nine regions by 31 May 2015
- All regions by 31 May 2016.

¹Stock exclusion from streams smaller than one metre in width and 30cm in depth may be negotiated as part of regional programmes of action where necessary to maintain or enhance particular freshwater values and interests in specific localities.

²The preparation of guidelines will be prioritised according to the presence of priority catchments determined by the state of/risk to water quality and by the introduction of limits on contaminant loads from diffuse discharges.

³Such guidelines will include recommended setback/planting width, planting density and plant species and well as the recommended means by which the extent of planting should be monitored.

*See Glossary for definitions on page 14.

Monitoring and reporting

Dairy companies will monitor and report:

- Length of stock excluded waterway/area of significant wetland and the length of any dispensations* (reported annually).
- The percentage of regular stock crossings that have bridges or culverts and any dispensations* (reported annually).
- Extent of riparian margin planted on-farm and through industry/community partnerships (e.g off-farm planting) (reported annually)

DairyNZ will report:

- Progress on the development of riparian management guidelines (reported annually).

Nutrient Management

Expectation

- Dairy farmers will manage Nitrogen (N) and Phosphorus (P) loss from dairy farming systems, acknowledge the need to manage within nutrient loss limits and pursue continuous improvement in nutrient use efficiency.

Dairy companies will:

Collect data from all dairy farmers (using agreed protocols and consistent data collection systems*) and model N loss and N conversion efficiency from those farms according to the following phase-in timetable:

- 85% of dairy farms providing data for the season ending 31 May 2014
- 100% of dairy farms providing data for the season ending 31 May 2015.

Provide N loss and N conversion efficiency performance information back to dairy farmers along with performance benchmarking, according to the following phase-in timetable:

- 85% of dairy farms by 30 November 2014
- 100% of dairy farms by 30 November 2015.

In catchments recorded in an operative regional plan as being fully allocated in nutrient assimilative capacity terms, either:

- reduce, as appropriate, the average per hectare N and/or P loss (with N modelled using Overseer®); and/or
- engage in catchment programmes that seek to improve water quality outcomes in receiving waters using specified on-farm and/or catchment scale good management practices.

Manage P loss risk associated with sediment discharge, run off and overland flows by:

- Meeting the stock exclusion and riparian management commitments (by dates specified in Section 5 of this Accord)
- Ensuring that 100% of races and regular stock crossing points* over all waterways have bridges or culverts (by dates specified in the Riparian Management section of this Accord)
- Promoting good practice in the on-farm management of tracks, races and winter cropping (on-going)

- Promoting good practice in effluent management and meeting the effluent management commitments (by dates specified in the Effluent Management section of this Accord).

DairyNZ will:

By 31 May 2013 develop an audited nitrogen management system that will enable dairy companies to model nitrogen loss on supplier dairy farms in a robust manner according to agreed protocols and consistent data collection systems.

Assist dairy companies to present meaningful information to their suppliers by collating information from multiple companies for benchmarking purposes.

Enhance the ability to make cost effective changes in farm systems that reduce nutrient loss by:

- Supporting relevant research
- Ensuring quality nutrient management advice is available
- Ensure proven cost effective solutions are available to farmers too (on-going).

By 31 May 2013 DairyNZ will (in partnership with the fertiliser industry) develop and promote a nutrient management adviser and certification programme aimed at improving the quality and availability of specialist nutrient management advice.

Supporting Partners:

Fertiliser companies and the **New Zealand Institute of Primary Industry Management** will:

- provide nutrient budgeting/management planning services to dairy farmers as part of the commercial relationship between customers and fertiliser supply.

Fertiliser companies will:

- partner with dairy companies to collect nutrient use/management information from dairy farmers
- ensure 10% of Fertiliser Association of New Zealand member company nutrient management advisers are certified by 31 May 2013 and 50% by 31 May 2014.

*See Glossary for definitions on page 14.

Monitoring and reporting

Dairy companies will monitor and report:

- Progress with implementation of the data collection programme
- The average N loss per hectare (by region and/or catchment) as modelled using Overseer (initially for 2013/2014 with a progress update every three years using a five-year rolling average once data is available).
- Actions and resources devoted to the promotion of good practice in nutrient management (reported annually).

DairyNZ will report:

- Actions and resources devoted to research and the development of nutrient management tool development and promotion.
- Progress with the development and implementation of a nutrient management adviser and certification programme including the numbers of people trained and certified as nutrient management advisers (reported annually).

Effluent Management

Expectations

- Dairy farms will comply with regional council effluent management rules and/or resource consent conditions.
- Effluent systems installed on dairy farms will be fit for purpose and able to achieve 365-day compliance with applicable rules.

Dairy companies will:

Arrange for the assessment of supplier dairy farms on a three yearly basis to review compliance (or ability to comply) with regulatory requirements (resource consents and regional plan rules). For farms identified as being at risk of non-compliance, a farm specific management plan shall be put in place to ensure 365-day compliance. An annual assessment will be undertaken until such time as the management plan is fully implemented and non-compliance risk is remedied.

This three yearly assessment programme is to be delivered according to the following timetable:

- 85% of farms are being assessed by 31 May 2013
- 100% of farms are being assessed by 31 May 2014.

By 31 May 2014 introduce programmes to reduce reliance on discharges to water from two-pond Farm Dairy Effluent (FDE) treatment systems in areas where land application would result in improved water quality outcomes.

DairyNZ will:

Build excellence in the design, construction and maintenance of effluent (including sludges and slurries) management infrastructure by developing and/or promoting:

- Industry design and construction code of practice and standards (by 31 November 2012 with promotion on-going)
- A training and accreditation scheme for effluent industry (by 31 November 2012 with promotion on-going)
- Pond construction training /design guidance (by 31 November 2012 with promotion on-going)
- A FDE system warrant of fitness scheme available as a tool for farmers (by 31 May 2014).

Build excellence in the operation of FDE systems by:

- Ensuring there is high quality training available for those operating FDE systems.
- Promoting as a matter of good practice that people new to the industry have participated in FDE training (such as that currently offered by the Primary Industry Training Organisation) before having responsibility for operating FDE systems.

Monitoring and reporting

Dairy companies will monitor and report:

- The size and nature of the programme to provide three yearly farm dairy effluent assessment and any significant change to that programme (one off reporting in 2013 with further updates annually).

DairyNZ will monitor and report:

- The number of people who have completed effluent system designer training certification and the number of companies with accreditation for effluent design services (reported annually).
- Actions and resources promoting the use of accredited companies in FDE management (reported annually).
- The number of people who have completed the Primary Industry Training Organisation effluent management course or other relevant courses established in accordance with DairyNZ's commitment to building excellence in the operation of FDE operating systems (reported annually).
- The rate of compliance (based on regional council reported significant non compliance* and, to the extent possible, on type of compliance failure) with regional councils' effluent rules and resource consent conditions (reported annually).

Water Use Management

Expectations

- Dairy sheds will use no more water for wash down and milk cooling than that necessary to produce hygienic and safe milk.
- Irrigation systems will be designed and operated to minimise the amount of water needed to meet production objectives.

Dairy companies will:

By 31 May 2014:

- Introduce programmes to assist dairy farmers to meet national and local regulation controlling water takes
- Commit to requiring 85% of all dairy farms (including all significant water users) to install water meters by 2020.

DairyNZ will:

Promote water use efficiency in the farm dairy and in the reticulation of stock drinking water, through in particular promotion of the existing Smart Water Use programme (on-going).

Promote the installation and use of water meters to measure water use in the farm dairy (on-going).

By May 31 2015 institute on-farm trials to better understand the volumes of water being used for shed wash down and milk cooling for a range of shed types and under different seasonal and geographical conditions.

Work with, and support, Irrigation NZ on the Irrigation

Good Management Practice programme as detailed below and promote that programme through extension channels (on-going).

Supporting Partners:

Irrigation NZ will develop and promote a capacity building and good practice assurance programme.

This programme will build excellence in the design, installation and commissioning of irrigation infrastructure by developing and promoting:

- Design Code of Practice and standards and design audit procedure
- A training and accreditation scheme for irrigation design companies
- A training scheme for irrigation installers
- A training and accreditation scheme for evaluators
- A irrigation system commissioning report by a certified evaluator for all new and replacement irrigation systems certifying that installation is in accordance with design.

It will also build excellence in the operation of irrigation systems by ensuring:

- Irrigation system operator training
- Annual calibration of irrigation systems and a five yearly audit by a certified evaluator
- Online resources to enable irrigators to easily determine and benchmark their system performance
- An 80% beneficial use performance benchmark.

Monitoring and reporting

Dairy companies will monitor and report:

- The number of dairy farms that have water meters installed (reported annually from 2014/15).
- Programmes and resources devoted to encouraging compliance with national and local regulation (reported annually from 2014/15).

DairyNZ will monitor and report:

- The results of the water use trials.
- The number of people who have completed irrigation system designer, evaluator and operator training (reported annually).
- The number of companies with accreditation for irrigation system design services and who hold a National Certificate in Irrigation Evaluation (reported annually).

Conversions

Expectations

- New dairy farms establish and operate using good practice at the outset to minimise potential negative consequences on water values and interests.
- New dairy conversions will comply with all relevant regional plan rules and/or hold all necessary resource consents.

Dairy companies will:

From 31 May 2013, ensure that new dairy farm conversions* comply with the following standards before milk collection commences:

- Dairy farms must have systems in place to manage all sources of effluent to ensure compliance with relevant regulatory obligations 365 days a year.
- All animal races are to have bridges or culverts when crossing all waterways* and drains*.
- Animals are to be excluded from waterways* and drains* that are at any point within the boundary of the dairy farm* wider than one metre and deeper than 30cm.
- Dairy farms must have a nutrient management plan* in place.
- All required regulatory consents have been sought (including consents for water take and use/irrigation).
- From 31 May 2015 ensure that all new dairy farm conversions* have a riparian management plan* in place before milk collection commences.

DairyNZ will:

Work with rural professionals to ensure the expectations of new dairy farms are understood by those advising on conversions* and factored into the advice given in conversion decision-making process (on-going).

By 31 May 2014 produce published material that explains the industry good practice obligations for conversions* (including regionally-specific practices) and additional recommended practices (including in particular practices in relation to wetlands). It will also make that material available to relevant organisations (including regional councils, dairy companies and rural professionals).

Supporting Partners:

Federated Farmers will promote good industry practice through membership publications and other relevant communications including providing recognition of outstanding examples of sustainable dairy conversions.

The New Zealand Institute of Primary Industry Management will promote continuing professional development opportunities for rural professionals that include raising awareness of industry good practice obligations for dairy conversions and how these obligations are most appropriately implemented.

Monitoring and reporting

Dairy companies will monitor and report:

- The pre-supply check procedures in place and audit results that ensure 100% compliance (reported annually).

DairyNZ will monitor and report:

- The initiatives to engage with rural professionals and raise awareness of issues relating to dairy conversions* (reported annually).

*See Glossary for definitions on page 14.

Governance & Administrative Matters

Oversight and review

The Dairy Environment Leadership Group (DELG) will continue to maintain oversight of the Accord. It will undertake a review of the adequacy and continued appropriateness of the Accord commitments every five years with the first review to be completed before 1 June 2017. To the extent possible, five yearly reviews will consider the contribution made to the vision as expressed in the Purpose, Vision and Approach section of this Accord.

Collective responsibility for compliance

All dairy companies agree there is a collective responsibility for ensuring compliance with this Accord and that they will act in the common interest of this Accord in the event that a supplier farm seeks to change dairy company in response to efforts by that dairy company to ensure compliance with this Accord.

Communication and collaboration

Accountable Partners will meet annually with Supporting Partners to share information regarding any issues associated with the Accord and its implementation. Such meetings will aim to strengthen the relationship between the dairy sector and supporting partners and build a sense of collaboration and trust.

Monitoring and reporting

Dairy companies will provide information to DairyNZ/DCANZ in accordance with the timeframes indicated to demonstrate compliance with the commitments made in this Accord. Dairy companies and DairyNZ will work together to ensure data is collected in a manner that allows for valid aggregation/collation and reporting at appropriate regional and/or catchment scales (noting the need to maintain individual dairy farm confidentiality).

DairyNZ/DCANZ will collate that information and report to DELG annually on progress against Accord commitments providing the information according to the frequency indicated in this Accord.

Audit

The report referred to above will be prepared in draft form and audited by an independent third party commissioned by DELG (and funded by DairyNZ/DCANZ) prior to finalisation. The audit will include:

- a review of the validity of the systems and practices used for data collection by dairy companies; and
- a check of the reliability of a sample of farm-level information (through on the ground verification of reported information).

The final report will include third party verification as to the accuracy of the reported data. A separate summary will also be prepared for farmers.

Additional Accountable Partners

If DELG considers that the aims and spirit of the Accord would be enhanced by the addition of further Accountable or Supporting Partners or Friends, it will initiate discussion with those additional parties and encourage them to commit accordingly. An up to date list of all signatories will be kept on the DairyNZ/DCANZ websites (www.dairynz.co.nz and www.dcanz.com).

The **Dairy Environment Leadership Group** (DELG) is collective of interests established to influence dairy industry sustainability priorities and monitor progress on enhancing environmental performance. It includes representatives from farmers, DairyNZ, dairy companies, government agencies, the Federation of Māori Authorities, Federated Farmers (Dairy) and regional councils. DELG has overall governance responsibilities as specified in this Accord.

The **Dairy Companies Association of New Zealand** (DCANZ) is the umbrella body of companies processing milk in New Zealand. It was established to work collectively on public policy issues of importance to dairy companies and engage in advocacy and representation with authorities in New Zealand and overseas. Its membership comprises Fonterra Co-operative Group Ltd, Open Country Dairy Ltd, Westland Milk Products Ltd, Synlait Ltd, Tatua Co-Operative Dairy Ltd, Miraka Ltd and Goodman Fielder.

DairyNZ is the industry organisation representing New Zealand's dairy farmers. It is funded by farmers through a levy on milksolids. DairyNZ's purpose is to secure and enhance the profitability, sustainability and competitiveness of New Zealand dairy farming.

Glossary

Agreed protocols and data collection systems

The protocols and systems agreed as part of DairyNZ's audited nitrogen management system developed in accordance with DairyNZ's commitment to nutrient management under this Accord. These may include protocols for measuring nitrogen management performance in areas where Overseer® is not a reliable tool.

Conversion

The development of a new dairy farm on land previously used for another form of pastoral farming, cropping or forestry. This includes farms where there has been a greater than two year gap since last run as a dairy farm.

Dairy farm

A property engaged in the farming of dairy cattle for milk production.

- *From 1 June 2012 to 31 May 2017* the "property" shall be limited to the milking platform (that area devoted to feeding cows on a daily basis during the milking season) but excluding any dairy grazing land (whether or not contiguous with the milking platform) that is owned by the same person or entity as the milking platform and/or farmed in association with the milking platform.
- *From 1 June 2017* the "property" shall include, in addition to the milking platform, any land regularly used for dairy grazing* (whether or not contiguous with the milking platform) that is owned or leased by the same person or entity as the milking platform and/or farmed in association with the milking platform.

This definition excludes:

- land used under a third party grazing arrangement between the owner of dairy cattle and another landowner for the purpose of temporary grazing; and
- land that is owned or leased by the same person or entity as the milking platform but which is not regularly used for dairy grazing.

Dispensation

Dispensations for individual dairy farms may be granted by dairy companies in respect of compliance with

stock exclusion and stock crossing obligations. Such dispensations will relate to exceptional situations where permanent fencing and/or bridging/culverting is impractical or cannot be feasibly achieved in the timeframes indicated in the riparian management commitment. Where such dispensations are made, dairy farms will be subject to farm-specific management plans that detail practices to mitigate effects (including use of temporary fencing) and/or timeframes by which full compliance with obligations of this Accord is to be achieved.

Drain

An artificially created channel designed to lower the water table and/or reduce surface flood risk and that permanently contains water but does not include any modified (e.g. straightened) natural watercourse.

Exclusion

In the context of stock, "excluded" means effectively barred from access to water and to the banks of a waterway either through a natural barrier (such as a cliff) or a permanent fence, except for any regular stream crossing point.

Land regularly used for dairy grazing

Land used each year for grazing dairy cattle throughout the off-season (i.e. that part of the year when cows are not being milked).

Nutrient management plan

A plan prepared in accordance with the Code of Practice for Nutrient Management (NZ Fertiliser Manufacturers' Research Association 2013) which records and takes into account all sources and nutrients in the farming system and all relevant nutrient management practices and mitigations.

Regional councils

Has the same meaning as given in Section 2 of the Resource Management Act 1991.

Regional policy statement and regional plan

Have the same meaning as given in Section 2 of the Resource Management Act 1991.

Regular stock crossing point

A point on a waterway or drain where dairy cattle cross to access the milking shed, then return following milking, more than once per month.

Riparian management plan

A plan that records, in narrative and/or map form, what riparian margin is to be planted and with what species in order to promote the water quality and/or any biodiversity or landscape objectives sought by the landowner. Riparian management plans are to be developed consistent with the riparian management guidelines developed by DairyNZ. For the avoidance of doubt, riparian management plans need not propose riparian planting on all riparian areas from which stock are excluded if there would be no significant water quality benefit from such planting.

Significant non-compliance

In the context of effluent management means those incidents of non-compliance with rules or consent conditions that result in, or present a risk of, untreated farm dairy effluent discharging to a waterway.

Significant wetland

An area which has a vegetative cover dominated by indigenous wetland plant species and which is identified as significant in an operative regional policy statement or regional plan.

Waterway

A lake, spring, river or stream (including streams that have been artificially straightened but excluding drains) that permanently contains water and any significant wetland. For the avoidance of doubt, this definition does not include ephemeral watercourses that flow during or immediately following extreme weather events.

The Sustainable Dairying: Water Accord was first published in July 2013. This edition was published in December 2015 with minor updates and revisions as part of a reprint of the original version. Minor changes were made to ensure consistent annual reporting of obligations.

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Dairynz 



Schedule of fees and charges | Te rārangi o ngā nama me ngā utu

The council may fix charges relating to its functions and responsibilities under Section 36 of the Resource Management Act 1991. An outline of current policy and charges is provided below.⁽¹⁹⁾

Application charges

Changes to policy statements and plans (section 36(1)(a))

When assessing applications for the preparation of, or changes to policy statements or regional plans, the council will:

- charge applicants actual and reasonable costs
- require applicants to pay a \$500 deposit per application or a deposit of up to 50 per cent of the estimated costs of the council carrying out its functions in relation to such applications
- require applicants or their agent to pay for the costs incurred on an ongoing basis.

Resource consent application processing⁽²⁰⁾ (section 36(1)(b))

For carrying out its functions in relation to the receiving, processing and deciding on resource consent applications (including assessment of application for certificates of compliance) and for considering and deciding on changes to or reviews of consent conditions and transfer of consents, the council will:

- charge applicants and consent holders actual and reasonable costs
- fix specific amounts to be charged for specified consents (see table below) and require applicants and consent holders to pay the full charge prior to work commencing on the application or review
- require applicants or consent holders, where a specific amount has not been fixed to pay a deposit of up to 50 per cent of the estimated costs with a minimum deposit of \$1,000 prior to consideration of the application or review, with the balance of the costs to be paid on a regular basis as costs are incurred
- require applicants or consent holders, where a specific amount has not been fixed, to pay the actual and reasonable costs of the processing of the application as determined, according to the following formula:

Charge = (staff time x charge rate⁽²¹⁾) + administration fee + direct costs including disbursements + notification and hearing costs

Fixed application charges	\$ (GST exclusive)
Bore consent	400
Controlled Activity Bridge consent	1,100
Controlled Activity Culvert consent	1,200
Taupō land use >20ha	1,050
Mooring inside zoned marine area	400
Change to mooring	150
Consent application lodgment fee (fee per application)	250
<ul style="list-style-type: none"> • One application • Two applications • Three applications • Four or more applications 	200
	175
	150
Consent transfer fee	90

Staff charge rates

	Rate per hour (\$) (GST exclusive)
Technical expert	185
Manager	165
Technical officer	140
Senior resource officer	135
Resource officer	120
Business support	90

¹⁹ For the full policy, refer to the council's 'Administrative Charges Policy'. This document is available on request.

²⁰ An indication of likely costs, based on average costs for processing a particular category of consent, can be provided at the time of making an application. However, actual charges may vary, depending on the complexity of the environmental issue involved and the process to be followed.

²¹ Refer to staff charges table at the end of this section.

Annual consent holder charges

Consent administration charge (section 36(1)(c))

The resource consent annual administration fee contributes to the cost the council incurs on undertaking its consenting and monitoring functions required under the Resource Management Act 1991. This includes maintaining consent and compliance information, updating consent status, processing consent surrenders and expiries, annual charge enquiries as well as general oversight of the consenting and monitoring activities of the council. This charge is the same for all categories of resource consent.

Information gathering, research and data monitoring (section 36(1)(c))

A scale of charges will be used for charging different classes of consent holders for information gathering, research and data monitoring, and for the exercise of resource consents

A specific amount will be charged across all classes of consents for state of the environment monitoring associated with the effectiveness of policy statements and plans.

Data monitoring does not cover site specific consent compliance monitoring which is charged on an actual cost basis, except in relation to consents to take water for farm dairy purposes (i.e. milk cooling and shed washdown purposes) where a fixed charge applies as described below.

Consent compliance monitoring

All monitoring of compliance with consent conditions, excluding farm dairy water take consents, will be charged on an actual cost basis.

Actual and reasonable costs for monitoring consent compliance will be directly charged according to the following formula:

Charge = (staff time x charge rate⁽²²⁾) + direct costs including disbursements

Consent holder or their agent will pay for costs incurred on an ongoing basis as they occur, unless otherwise agreed by Waikato Regional Council.

Where consent is held to take water for farm dairy purposes, an annual charge of \$60 applies, which is included as part of the annual consent holder charge. This fee applies so long as monitoring determines that compliance has been achieved. If the consent holder is found to be non compliant, any costs in addition to the \$60 fee will be directly charged in accordance with the above formula.

2018/19 Resource consent holder charges (all amounts are GST exclusive)

Consent class	Description	Consent administration	Information gathering, research and data monitoring	Compliance monitoring	Total
Air					
Discharge of contaminants	Discharges of NES contaminants to the air	130	410	-	540
Other discharges	Other discharges to air, including odour	130	-	-	130
Discharges					
Agricultural	Discharges to land and water from agricultural sector activities	130	250	-	380
Process discharges					
Major	Stormwater discharge >200 litres per second; Sewage >15 m ³ per day; mine wastewater >100 m ³ per day; geothermal 100 – 1500 m ³ per day	130	415	-	545

22 Refer to staff charges table at the end of this section.

Consent class	Description	Consent administration	Information gathering, research and data monitoring	Compliance monitoring	Total
Minor	Industrial, mining, quarry, urban and commercial discharges to land and water that do not fall into "Major" class	130	310	-	440
Geothermal					
Large	Discharge of geothermal sourced waters exceeding 100,000 m ³ per day	130	15,565	-	15,695
Medium	Discharge of geothermal sourced waters from 20,001 to 100,000 m ³ per day	130	5,796	-	5,926
Small	Discharge of geothermal sourced waters of less than 20,000 m ³ per day ⁵	130	1,680	-	1,810
Takes					
Water takes	Takes of surface or ground water, excluding farm water takes	130	Minimum charge of \$65, then 32 cents per m ³	-	
Farm water takes	Takes of surface or ground water for farming support	130	Minimum charge of \$65, then 32 cents per m ³	60	
Non-consumptive water takes	Non-consumptive water takes with no impact on water availability, or for flood management or environmental purposes	130	-	-	130
Non-consumptive water takes	Non-consumptive water takes that impact flow regimes or water availability	130	600	-	730
Geothermal takes					
Large	Takes of geothermal sourced fluids exceeding 100,000 m ³ per day	130	43,360	-	43,490
Medium	Takes of geothermal sourced fluids of between 20,001 and 100,000 m ³ per day	130	17,823	-	17,953
Small	Takes of geothermal sourced fluids of between 1,000 and 20,000 m ³ per day ⁴	130	4,680	-	4,810
Dams					
Waikato	Large dams within the Waikato hydro network used for electricity generation	130	4,100 per dam	-	
Large	Dams deeper than 3 metres and which hold more than 20,000 m ³ of water	130	3,000 per dam	-	

Consent class	Description	Consent administration	Information gathering, research and data monitoring	Compliance monitoring	Total
Small	All dams not covered by the consent classes above	130	135 per dam	-	
Coastal					
Marine farms		130	110 per hectare	40	
Moorings	All mooring structures	130	-	-	130
Other	Activities requiring consent which may significantly impact upon the coastal environment and do not sit within the classes listed above	130	320	15	450
Land use					
Major	Large scale land use activities that have potential to generate significant land instability or sediment discharges. Including (but not limited to): Forestry harvesting >20 ha Metal extraction >500 m ³ Earthworks >10,000 m ³	130	1,470	-	1,600
Minor	Large scale land use activities that have some potential to generate significant land instability or sediment discharges. Including (but not limited to): Forestry harvesting <20 ha Metal extraction <500 m ³ Earthworks <10,000 m ³	130	275	-	405
Land use - Lake Taupō⁽²³⁾					
Large	Land areas greater than 100 hectares	130	345	-	925
Medium	Land areas from 20 to 100 hectares	130	150	-	530
Small	Land areas less than 20 hectares	130	75	-	320
Other					

²³ A remission of the information gathering, research and data monitoring component of this charge will be considered where the consent holder can demonstrate that the consented land use is primarily a low nutrient discharge

Consent class	Description	Consent administration	Information gathering, research and data monitoring	Compliance monitoring	Total
Other	Activities requiring consent which do not fit within the consent classes above, but which may have environmental effects and will require some supervision and monitoring by Waikato Regional Council	130	-	-	130
Administration charge only	Activities requiring consent which do not fit within the consent classes above, and which are not expected to have major environmental effects that will require some supervision and monitoring by Waikato Regional Council	130	-	-	130

Note:

- All charges exclude GST.
- GST at the prevailing rate will be added to all charges when invoiced.
- Whitebait stands and bore permits will not be charged an annual charge.
- For geothermal takes of less than 1000 m³ per day, the charge applicable to a water take will apply.
- For geothermal discharges less than 100 m³ per day the process minor category will apply and for those between 100 and 1500 m³ per day the process major category will apply.

- charges to individual consent holders are deemed to be unreasonable
- a redress of relative benefits to the consent holder is necessary
- the information produced by an applicant for a resource consent benefits the community as a whole.

Navigation safety related charges

Pursuant to section 684B of the Local Government Act 1974, Waikato Regional Council has made a bylaw in respect of navigation safety within the Waikato region. Section 684B(h) of the Local Government Act allows the regional council to set fees in respect of activities that it has to undertake to implement the bylaw.

Any costs incurred for particular services provided for navigation safety which are not outlined below are fully recoverable from the person or organisation causing this cost to be incurred.

Remission

Under Section 36(5) of the RMA the council has discretion to remit the whole or any part of any charge. Charges will be remitted where:

Bylaw requirement	Fee (\$) (GST exclusive)
Application for temporary events (Clause 4.4), or suspension or exemption of any provisions within this bylaw (Bylaw 4.2)	\$108.70
Application for permanent speed upliftings (Clause 4.3)	Actual and reasonable costs
Public notice for a temporary event (Clause 4.4)	Actual and reasonable costs
Mooring inspection fee (charged annually)	62.50
Visitor mooring rental	\$17.39 per night \$86.96 per week

Bylaw requirement	Fee (\$) (GST exclusive)
Registration of personal watercraft	\$43.48
Transfer of registration	Free
Dealer registration	\$43.48
Management of navigation safety related activities for Port Taharoa	Actual and reasonable costs
Management and inspection of navigation safety-related activities	Actual and reasonable costs
Assessment and report on any RMA consent application which has the potential to affect navigational safety	Actual and reasonable costs

Note

1. The bylaw does not apply to Lake Taupō.
2. All charges exclude GST. GST at the prevailing rate will be added to all charges when invoiced

Charges under the Building Act 2004

Waikato Regional Council will charge for all application, inspection and compliance processes associated with its regulatory role under the Building Act 2004, including but not limited to PIMs, building consents, compliance schedules, inspections, code of compliance certificates, DSAP, annual WOF and dam classification certificates.

Charges under the Maritime Transport Act 1994

In accordance with section 444 of the Maritime Transport Act (MTA) regional councils exercising a delegated function or power may charge a fee in relation to that function or power.

The total hours charged for cost recovery will be at the discretion of the Regional On Scene Commander. Staff hourly rates will be at the appropriate rate as set out in the schedule of fees and charges.

Requests for information and documents

Resource management plans and consents

Except as provided in relation to policy documents, actual and reasonable costs will be charged for providing documents, information and advice in respect of resource management plans and resource management consents (sections 36(1)(e) and (f) of the Resource Management Act 1991). The first half hour of staff time will not be charged, after which the total staff time spent on auctioning the request will be charged at the relevant staff charge rate.

Technical reports

Many of our technical reports are available to download free of charge on the council's website: www.waikatoregion.govt.nz

Technical reports will be charged at a base rate of \$20 plus \$0.15 per A4 page and \$0.30 per A3 page. Earlier technical reports priced less than \$10 will be provided free of charge. All prices are GST exclusive.

Policy documents

Many of our policy documents and plans are available to download free of charge on the council's website: www.waikatoregion.govt.nz

Requests for policy documents and plans will be charged at the following rates:

Document	Fee (\$) (GST exclusive)
Regional Coastal Plan – hard copy	\$120
Regional Coastal Plan – CD ROM	\$20
Waikato Regional Plan – hard copy	\$120
Waikato Regional Plan (including maps) – CD ROM	\$20
Waikato Regional Plan Maps (full set) – hard copy	\$1,600
Waikato Regional Plan – individual maps	Cost of production
Transitional Regional Plan	\$20
Regional Policy Statement	\$80