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1. Introduction

1.1 Dairying and Clean Streams Accord

Dairying is a significant land use in New Zealand. However, there have been increasing concerns regarding the effects of this intensive land use on the quality of water within streams, rivers, lakes and wetlands.

The Dairying and Clean Streams Accord [the Accord] was signed by the Minister of Agriculture, the Minister for the Environment, the Chairman of Fonterra Co-operative Group and the Chairman of the Regional Affairs Committee, Local Government New Zealand (on behalf of regional councils) in May 2003. The Accord reflects an agreement between these parties to improve the environmental performance of dairying and it establishes a goal of achieving “clean healthy water in dairying areas”.

Five priorities for action are identified in the Accord to reduce the impact of dairying on streams, rivers, lakes and wetlands, as follows:

- Cattle access to waterbodies;
- Dairy herd stream crossings;
- Management of dairy shed effluent;
- Nutrient management; and
- Significant or important wetlands.

The Accord establishes national performance targets with respect to each of these priorities. Please refer to Appendix 1 for further information on these national targets.

Regional Action Plans (RAPs) are developed by Fonterra and each of the regional councils to assist the implementation of the Accord. The Regional Action Plan also has input and support from local Federated Farmers representatives. The purpose of the RAPs is to detail local commitments toward achieving the goal and meeting the national performance targets, while taking into account local circumstances.

2. Performance targets

2.1 Introduction

As outlined in Section 1, the Accord identifies five priorities for action and establishes national performance targets with respect to each of these priorities. These targets are to be achieved on a nationally aggregated level. Refer to Appendix 1 for further information on these national targets.

2.2 Stock access to waterbodies

Performance target

Dairy cattle are excluded from 50% of streams, rivers and lakes by 2007, 90% by 2012

- In most cases, fencing is the only practical method of excluding stock access to waterbodies. However, there may be circumstances where fencing is not required due to natural barriers.
- The type of fencing will depend on factors such as terrain, stock type and costs.
- Stock water races are not included in the definition of a water body. However, suppliers will be encouraged to include them in a stock exclusion plan as resources and circumstances allow.
- Special consideration may need to be given to those suppliers with a high intensity of streambed that is prone to very regular flooding. Recognition of these circumstances will be allowed for under the Fonterra assessment and subsequent implementation plans on a case by case basis.

Implementation actions

Greater Wellington Regional Council:

1. Greater Wellington will continue to promote the fencing off and appropriate management of riparian margins to dairy farmers and groups representing dairy farmer interests. This will include working with individual farmers to protect particular rivers and lakes from the adverse effects of stock access. Education in the form of field days, support of farm environment awards and general advocacy will also continue.
2. Greater Wellington will provide assistance to farmers wanting to plant riparian margins. See Appendix 4 for information about this programme.
3. Greater Wellington will continue to monitor water quality and stream health in rivers around the region and report the results of this monitoring at least annually.

Fonterra Co-operative Group:

1. Fonterra will make shareholders aware of the target and promote the exclusion of stock and appropriate management of riparian margins.
2. Fonterra will promote Greater Wellington services to targeted suppliers during their annual assessment.
3. Achievement of this target will be monitored by Fonterra.

2.3 Dairy herd stream crossings

Performance target

50% of regular crossing points have bridges or culverts by 2007, 90% by 2012

- No data exists on the number of regular crossings in the Wellington region. Fonterra will be measuring the number of daily and twice weekly crossings as part of their on-farm assessment. Greater Wellington is considering its own investigation of this activity as part of its plan effectiveness monitoring. Greater Wellington will share the information they gather from the investigation with Fonterra and Fonterra's assessment of this target in the Wellington region could be reviewed.

Implementation actions

Greater Wellington Regional Council:

1. In the next scheduled review of its consents charging policy, Greater Wellington will investigate waiving or reducing resource consent costs for suppliers wanting to put in a bridge over six metres long (bridges shorter than this are allowed as a Permitted Activity), or a culvert.
2. Greater Wellington will use its GIS database to help identify dairy farms that have recognised waterways on them.

Fonterra Co-operative Group:

1. Fonterra will make shareholders aware of the target and promote the elimination of crossings through streams, to reach the Accord target.
2. Endorse investigations into waiving or reducing resource consent fees for suppliers wanting to put in bridges over six metres long, or culverts.
3. Achievement of this target will be measured by Fonterra.

2.4 Management of dairy shed effluent

Performance target

100% of farm dairy effluent discharges to comply with resource consents and regional plans immediately

Implementation actions

Greater Wellington Regional Council:

1. Greater Wellington will advise consent holders about the expiry date of their consent at least six months before the expiry.
2. Greater Wellington will monitor compliance with resource consents at least annually, except where the consent holder has a record of being fully compliant, in which case Greater Wellington will monitor every three years.
3. In the case of significant non-compliance of a farm dairy effluent discharge, and provided the supplier agrees, Greater Wellington will advise Fonterra about the non-compliance before it begins formal enforcement proceedings. See Appendix 2 for a description of “significant non-compliance”.
4. When requested, Greater Wellington will supply Fonterra with a record of annual inspections of its suppliers, including any enforcement action taken.

Fonterra Co-operative Group:

1. Fonterra will make shareholders aware of the target and promote the appropriate management of dairy shed effluent.
2. Endorse the annual inspection of dairy shed effluent discharges.
3. Fonterra will provide a list of suppliers to Greater Wellington, as per a confidentiality agreement, each September.
4. Each September, Fonterra will request a record of Greater Wellington’s inspections of Fonterra’s suppliers, including any enforcement action taken for significant non-compliance. See Appendix 2 for a description of “significant non-compliance”.
5. Fonterra will action this list as per Appendix 3.

2.5 Nutrient management

- The difference between undertaking a nutrient budget and implementation of this budget is acknowledged. It was decided that education of the importance of undertaking a nutrient budget would be the initial step for this Regional Action Plan.

Performance target

100% of dairy farms to have in place systems to manage nutrient inputs and outputs by 2007

Implementation actions

Greater Wellington Regional Council:

1. Greater Wellington will support Fonterra in their promotion of nutrient budgeting systems.
2. Greater Wellington will encourage the use of nutrient budgets when anyone applies for a discharge permit to discharge dairy effluent to land.
3. Greater Wellington will provide advice to farmers about the requirements for compliance with the regional rule that allows the discharge of fertiliser as a Permitted Activity. If any changes to this rule are proposed as a result of a review of the Regional Freshwater Plan, there will be consultation with farmers before the change is proposed.

Fonterra Co-operative Group:

1. Fonterra will promote nutrient budgeting systems for all dairy farms in consultation with the farming community and fertiliser industry.
2. Achievement of this target will be monitored by Fonterra.

2.6 Wetlands

Performance target

50% of regionally significant wetlands to be fenced to prevent stock access by 2007, 90% by 2012

- Greater Wellington has identified wetlands with a “high degree of natural character” in its Regional Freshwater Plan, and affected landowners have been notified. There has not been differentiation between regionally significant wetlands and others.

Implementation actions

Greater Wellington Regional Council:

1. Greater Wellington will promote its wetland incentives programme to landowners with a wetland on their property. Financial assistance is available to any landowner wishing to fence off any wetland on their property, as far as the programme budget allows.
2. Greater Wellington will use their GIS database to identify dairy farms on or bordering any wetland.
3. With permission of affected landowners, Greater Wellington will investigate the state of all wetlands in the region. This investigation will be completed by June 2005 and affected landowners advised of the results, including the significance of any wetland on their property.

Fonterra Co-operative Group:

1. Fonterra will make shareholders aware of the target and promote the prevention of stock access to significant wetlands.
2. Fonterra will endorse Greater Wellington's identification of regionally significant wetlands.

3. Communication

Progress toward achieving the local performance targets relies upon the actions of individual dairy farmers. It is therefore vital that the farmers are aware of the Regional Action Plan and understand the potential implications on their farming practice. For this reason, Council and Fonterra will jointly communicate the local performance targets and implementation actions contained within this document to dairy farmers and groups representing dairy farmer interests (e.g., Federated Farmers). It is also considered appropriate to extend this communication to other individuals and groups that have an interest in maintaining or enhancing water and habitat quality in the areas identified in Section 1.2.

Implementation actions

Greater Wellington Regional Council:

1. On becoming operative, Greater Wellington will publicise the Regional Action Plan through appropriate forms of media.
2. On becoming operative, Greater Wellington staff will meet with groups representing dairy farmer interests, and other groups that have an interest in maintaining or enhancing water and habitat quality in the Wellington Region and describe and promote the various forms of assistance available to landowners.

Fonterra Dairy Co-operative:

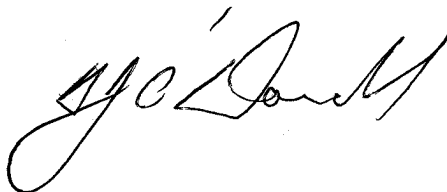
1. Copies of the Regional Action Plan will be sent to all dairy farmers and will be made available to any other person/group, upon request.
2. Existing supplier communication channels will be used to publicise the Regional Action Plan at a local level.

4. Evaluation and review

Fonterra will evaluate the effectiveness of this Regional Action Plan in achieving the overall objective of the Accord (i.e., “clean healthy water in dairying areas”) and to ensure that it reflects community expectations. Monitoring the achievement of the targets may identify that the actions identified in this Regional Action Plan need to be modified or replaced.

In addition, investigations identified in the implementation actions may lead to the development of further actions. The investigation of the adverse effects of stream crossings in certain areas is a good example. To help with this evaluation, representatives of Greater Wellington and Fonterra will meet annually to evaluate and review the content of this Regional Action Plan. Any review will be in consultation with other participants of the original Regional Action Plan and should be complete prior to August in any given year.

5. Signatories



Barry O'Donnell
Director Shareholder Services
Fonterra Co-operative Group Limited



Margaret Shields
Chairperson
Greater Wellington Regional Council



Barry Harris
Chief Executive
Greater Wellington Regional Council

Appendix 1: Dairying and Clean Streams Accord

Purpose

This Accord provides a statement of intent and framework for actions to promote sustainable dairy farming in New Zealand. It focuses on reducing the impacts of dairying on the quality of New Zealand streams, rivers, lakes, ground water and wetlands.

Rationale

Dairying is an important land use and industry in New Zealand:

- Comprising 11% of the total land used in agriculture (1.76 million ha);
- Producing 20% of New Zealand's total export income (\$5.9 billion in the year to March 2003); and
- Involving 3.9 million dairy cows (number of cows in milk in the 2002/03 season).

Dairying, like most intensive land use including urban areas, impacts on water quality and water environments. The ongoing intensification of existing dairy farms and the expansion of dairying into new regions have increased the importance of addressing impacts on water environments.

An industry-backed Accord to improve the environmental performance of dairy farming sends a strong message to the public and to domestic and international consumers, that environmental management is an integral and important component of the dairy industry. Such an Accord builds on current industry and government initiatives and is consistent with overseas trends and expectations. If done well, industry self-management is more effective in achieving positive environmental outcomes than sole reliance on a rule-based regime imposed by regulatory agencies.

This Accord is not legally binding on the parties nor on Fonterra's shareholders and in no way restricts any person in the exercise of any power or discretion under any statute.

Goal

This Accord reflects an agreement that:

Fonterra Co-operative Group, regional councils and unitary authorities, the Ministry for the Environment, and the Ministry of Agriculture and Forestry will work together to achieve clean healthy water, including streams, rivers, lakes, ground water and wetlands, in dairying areas.

In particular, the **goal** is to have water that is suitable, where appropriate, for:

- Fish;
- Drinking by stock;
- Swimming (in areas defined by regional councils).

Principles

We agree that actions will be developed that:

- Are applicable only in dairying areas throughout New Zealand and are able to be adapted for different situations to reflect catchment characteristics;
- Will make a real difference, recognising that greater benefits will be achieved when multiple actions are adopted;
- Are cost-effective;
- Are practical to implement in the context of existing farming operations;
- Clearly recognise the practical and financial constraints to implementation timeframes;
- Recognise that improved waterways management at the farm level will generally focus on headwaters, small streams and drains; and
- Acknowledge the lead role of the dairy industry in the Accord.

We agree on a principle of co-operation and mutual assistance to achieve the agreed objectives. This Accord will be reviewed annually to determine and report progress against performance targets, assess co-operation between the parties, and assist facilitation of regional action plans.

Development of agency actions

We shall encourage a strategic, cohesive partnership approach, which may include:

- A national dairy liaison group, involving the dairy industry, dairy farmer representatives, regional councils, relevant government departments, researchers and other stakeholders;
- Industry adoption of environmental management systems;
- Consistency when developing regional plans, water quality standards and environmental monitoring, while recognising regional differences;
- A co-ordinated communication plan.

Priorities for action and performance targets

We shall focus on the following actions and corresponding performance targets:

- Dairy cattle are excluded from streams, rivers and lakes and their banks.
 - Fencing may not be required where natural barriers prevent stock access.
 - The type of fencing will depend on factors such as terrain, stock type and costs.
 - Streams are defined as deeper than a “Red Band” (ankle depth) and “wider than a stride”, and permanently flowing.

Performance target

Dairy cattle excluded from 50% of streams, rivers and lakes by 2007, 90% by 2012.

- Farm races include bridges or culverts where stock regularly (more than twice a week) cross a watercourse.

Performance target

50% of regular crossing points have bridges or culverts by 2007, 90% by 2012.

- Farm dairy effluent is appropriately treated and discharged.

Performance target

100% of farm dairy effluent discharges to comply with resource consents and regional plans immediately.

- Nutrients are managed effectively to minimise losses to ground and surface waters.

Performance target

100% of dairy farms to have in place systems to manage nutrient inputs and outputs by 2007.

- Existing regionally significant or important wetlands (as defined by regional councils) are fenced and their natural water regimes are protected.

Performance target

50% of regionally significant wetlands to be fenced by 2005, 90% by 2007.

- Fonterra and regional councils develop regional action plans for the main dairying regions to implement this Accord by June 2004.

What these targets mean

These targets are minimum targets that we shall achieve on a nationally aggregated level. This means that:

- Any or all of the national targets may be exceeded or achieved more quickly than stated, at a nationally aggregated level but not less so;
- There will be flexibility in setting regional targets that still, when aggregated, allow the national targets to be met.

Roles and responsibilities

Role of regional action plans

Regional councils and Fonterra will develop regional action plans for dairying regions to assist implementing this Accord. These action plans will not take the place of any agency obligation under statute or commitment to shareholders or the community and will not be legally binding. These action plans will identify local commitments by regional councils and Fonterra and will describe, where necessary:

- Clear regional time-bound targets for the priority actions;
- Programmes to provide necessary information, such as identifying regionally significant wetlands and water bodies suitable for swimming;
- How the councils and Fonterra will work together and share resources, including providing information and advice to farmers, and links between field staff who work directly with dairy farmers;
- A statement of the compliance and monitoring roles of Fonterra and the council;
- A protocol for evaluating, reporting and reviewing the action plans.

Regional action plans may also include:

- A summary of agreed actions to implement the Accord at a regional level;
- Changes to regional plans necessary to support the actions;
- The development and alignment of council-managed incentive schemes to target dairy farmer needs;
- Priority catchments for action within the region;
- Commitments agreed by other potential partners, such as Federated Farmers and Fish and Game Councils.

Role of Fonterra Co-operative Group

As part of its commitment to this Accord, Fonterra will:

- Provide information and advice to suppliers in relation to the priority actions;
- Promote on farm environmental best practice through extension and on farm management programmes;
- Make arrangements with its suppliers to ensure the priority targets are met;
- Develop an assessment scheme for individual dairy farmers with independent third-party audit, by June 2003 and implement by June 2004;
- Continue to develop, promote and implement the Market Focused environmental management system to assist farmers to identify key, farm-specific environmental issues and to demonstrate progress towards the five priority targets;
- Continue to support the “Healthy Waters” Regional Action Teams initiatives beyond June 2003;

- Continue to identify, support and be involved in farm related environmental research and development that supports the priority targets;
- Report publicly on progress annually.

Role of the Ministry of Agriculture and Forestry (MAF) and the Ministry for the Environment (MfE)

As part of their commitments to this Accord, MAF and MfE will:

- Publicly support this Accord, and keep Ministers, national representative bodies (including farmer organisations) and the public fully informed of progress;
- Monitor overall progress towards the Accord targets (MfE);
- Facilitate the development of tools to assist implementing the Accord. These tools may include:
 - Farmer nutrient budgeting training;
 - Standardised bridge and culvert design guidelines;
 - Model rules for regional plans, including permitting stock access to waterways (with conditions);
- Identify any legislative and institutional barriers to effective implementation of the Accord, promote ways to overcome such barriers, and report by June 2004;
- With Fonterra, and regional councils, assess science and research needs to implement the Accord.

Communications

The success of this collaborative effort relies heavily on engaging the farmers and the wider community and on providing consistent information to farmers. Therefore, a communications plan will be developed and updated regularly.

Signatories

Henry van der Heyden	Chairman, Fonterra Co-operative Group
Hon. Jim Sutton	Minister of Agriculture
Hon. Marian Hobbs	Minister for the Environment
Neil Clarke	Chairman, Regional Affairs Committee, Local Government New Zealand

Appendix 2: Threshold for significant non-compliance with resource consents and regional plans

For the purpose of implementing this Regional Action Plan, Greater Wellington will describe an incident as a significant non-compliance when the incident warrants formal enforcement proceedings to be taken. Formal enforcement proceedings are:

1. The person is issued an abatement notice for breaching conditions on a discharge permit or breaching the requirements of the Resource Management Act, 1991 relating to effluent treatment and disposal.
2. The person is issued an infringement notice for breaching conditions on a discharge permit or breaching the requirements of the Resource Management Act, 1991 relating to effluent treatment and disposal.
3. The person is prosecuted for breaching conditions on a discharge permit or breaching the requirements of the Resource Management Act, 1991 relating to effluent treatment and disposal.

In general, before any formal enforcement action is taken against any person, Greater Wellington staff will:

1. Discuss the non-compliance with the person believed to be responsible for the discharge.
2. Give or post to that person an advisory notice or formal notification (verbal or written) about the non-compliance.
3. Request written explanation from the person it holds responsible for the discharge.

Appendix 3: Procedure for Fonterra acting in receipt of notification of an incident of significant non-compliance

Fonterra Actions for Significant Non-Compliance in Effluent Management in the Wellington Region

- Fonterra receives notification of an incident of significant non-compliance, as described in Appendix 2, from Greater Wellington.
- A member of the Fonterra Environment Management Team will discuss the history and detail of non-compliance of the supplier with Greater Wellington.
- The local Field Representative will contact the supplier to schedule a visit from themselves and a member of the Fonterra Environment Management Team.
- Over discussion with the supplier an agreement for immediate compliance will be negotiated and a management and monitoring plan agreed upon.
- The Field Representative keeps in contact with the supplier to ensure immediate and ongoing compliance.

If non-compliance continues any of the following actions may be initiated:

- A member of the Fonterra Environment Management Team visits with Greater Wellington.
- Shareholder Councillor becomes involved.
- Federated Farmers becomes involved.

Appendix 4: Greater Wellington's promotion of streamside management

Greater Wellington's Riparian Management Strategy was released in June 2003. The Strategy outlines how and why Greater Wellington will promote the appropriate management of riparian areas on private land. Greater Wellington will do this by providing information and financial assistance to landowners. The level of assistance Greater Wellington will provide is:

- information and advice to landowners about the appropriate management of streams
- funding for re-vegetating the riparian areas of high value streams with appropriate species (costs for fencing and bridges will remain with the landowner).

Greater Wellington's assessment of the benefits and costs associated with riparian management showed that the greatest benefits result from full streamside retirement and restoration directed at streams with high ecological value. Five criteria in the Strategy identify the kind of streams to target for assistance. The criteria are:

- The stream already has a reasonable amount of high quality aquatic habitat that can be extended and improved by riparian management.
- Riparian management will be effective at rehabilitating any degraded aquatic habitat in the stream catchment.
- The stream will be able to be a functioning ecosystem for the aquatic life that would naturally live there (for example, there are no major barriers to fish passage).
- The stream could provide ecological links and corridors once it is rehabilitated because of the relatively short distance to the sea or Lake Wairarapa.
- The selected stream catchments are representative of the range of stream types in the Region.

The criteria were applied using GIS modelling and 12 catchments were short-listed for the programme. Greater Wellington will promote the programme throughout the region when the catchments have been confirmed as meeting the criteria. In accordance with the Strategy, Greater Wellington will fund streamside planting of fenced streams in these catchments.

Greater Wellington has a biodiversity information series to help landowners manage wetlands, streams, and bush on their properties. These are:

- A beginner's guide to wetland restoration (June 2003).
- Mind the stream: a guide to looking after urban and rural streams in the Wellington region (June 2004).
- Restoration planting: a guide to restoring native vegetation in the Wellington region (June 2004).
- Controlling problem weeds in riparian zones (in development).
- A factsheet for each catchment that is eligible for funding (in development).