



## Aide memoire: Analysis of recent industry correspondence on Freshwater Farm Plans

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<b>Actions sought from ministers</b>	
<i>Name and position</i>	<i>Action sought</i>
To Hon Penny SIMMONDS <b>Minister for the Environment</b>	For noting only
<b>Actions for Minister's office staff</b>	
<b>Forward</b> a copy of the analysis to Minister McClay and Minister Hoggard.	

<b>Appendices and attachments</b>
1. Analysis of Federated Farmers, Dairy NZ and Beef+Lamb Submissions
2. Federated Farmers, Dairy NZ and Beef+Lamb Letters 240305

<b>Key contacts at Ministry for the Environment</b>			
<i>Position</i>	<i>Name</i>	<i>Cell phone</i>	<i>First contact</i>
Principal Author	Samantha Maxwell		
Responsible Manager	Gina McGrath		
General Manager	Sara Clarke		✓

# Analysis of recent industry correspondence on Freshwater Farm Plans

## Purpose

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1. You asked for a summary of the recent letters from Beef + Lamb New Zealand, Dairy NZ and Federated Farmers of New Zealand on the current freshwater farm plan (FW-FP) system. This aide memoire provides summary analysis of the commonalities and differences between these groups' views on FW-FPs.

## Background

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2. Beef + Lamb New Zealand, Dairy NZ and Federated Farmers of New Zealand wrote to you on 5 March 2024 with their views on the current Freshwater Farm Plan system (letters appended at appendix 2). The following themes that came up in this correspondence:
  - taking a more risk-based approach;
  - the groups' views in certification, auditing and quality assurance process;
  - recognition of existing industry and council farm plans;
  - thresholds and timeframes for freshwater farm plan are required;
  - integration of freshwater farm plans with regional planning and existing regulation;
  - protecting farmer data.
3. Further analysis of these groups' views (and similarities and difference between their views) at appendix 1.
4. Officials will assess these views as a part of the review of the FW-FP system and look to engage with each of the relevant groups once Cabinet has endorsed CAB-410.

## Signatures

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Sara Clarke  
General Manager –System Enablement and Support  
**Partnerships, Investment & Enablement**

**2/04/2024**

Hon Penny SIMMONDS  
**Minister for the Environment**

**Date**

## Analysis of Federated Farmers, DairyNZ and Beef+Lamb Letters

Topic	Analysis
<b>Risk-based approach</b>	<p>All of three groups consider that FWFP should take a 'risk-based approach', with risk dictated by catchment context and relative farm risk. DairyNZ and Federated Farmers consider that the degree of risk should dictate the level of detail in a farm plan and the frequency of auditing of the farm plan. They suggested that a tiered system where higher risk farm operations in higher risk catchments are subject to more stringent scrutiny than lower risk farm operations in lower risk catchments. Both DairyNZ and Fed Farmers consider that catchment risk should be determined by regional councils working with their communities and particularly catchment groups. Dairy NZ additionally considered mana whenua should be involved in determining catchment risk. Beef+Lamb's view is that the FWFP system should be underpinned by the risk of a given farming activity based on its likely level of impact on the receiving environment determined by a particular catchment's context.</p> <p><i>See appendix 1 for these group's comments on taking risk-based approach</i></p>
<b>Certification, auditing and quality assurance process</b>	<p>All three groups suggest removing the current certification and audit approach used in FWFP system and replacing it with an alternative assurance approach (like making FW-FPs auditable). Dairy NZ and Federated Farmers noted the importance of quality assurance in the process. They suggested replacing with an assurance process relative to risk. They also considered that the auditing should be adjusted so it was not compulsory for all plans, but instead operates in a similar way to the tax system and can occur at random or when non-compliance is present. Beef+Lamb was of the view that the system should be replaced by a system based on audit alone. They considered that the auditing should be determined by the activity and catchment risk. They shared the view that random auditing should occur. Dairy NZ and Federated Farmers both noted that farmers should be able to engage a third party to develop their FWFP. Beef+Lamb was of the view that farmers should be able to complete the plan themselves, with input only being required for complex plans.</p> <p><i>See appendix 2 for these group's comments on the certification, auditing and quality assurance process.</i></p>
<b>Recognition of existing industry and council farm plans</b>	<p>The view is generally consistent between all three groups, as they consider it is important to supporting existing regional or industry farm planning schemes and initiatives within a farm planning system. They all noted that duplication of farm planning requirements should be avoided. DairyNZ and Federated Farmers also noted that transition period should be considered where appropriate for changes or additions to requirements of FWFP, and to bring existing plans up to national requirements.</p> <p><i>See appendix 3 for these group's comments on recognising existing industry and council farm plans.</i></p>
<b>Thresholds for farm plans</b>	<p>All three groups suggest that the thresholds for having a FWFP should consider the intensity and the impact of the farming. DairyNZ and Federated Farmers specifically note that the system should target commercial operations. Federated Farmers considers that the current thresholds for FWFP are too low for a system aimed at commercial operations. Beef+Lamb consider that low intensity, low impact farmers should not be required to have a FWFP because the environmental return does not justify the regulatory burden.</p> <p><i>See appendix 4 for these group's comments on the thresholds for farm plans.</i></p>
<b>Integrate with regional planning</b>	<p>DairyNZ and Federated Farmers raised concerns around the relationship between FWFP and the implementation of the NPS-FM. This is because it required councils to develop regional freshwater plans at the same time as developing the FWFP system, before developing attribute action plans as required under the NPS-FM. They consider this may create un-aligned systems. They also noted that the timeframes are not sequenced in a way to allow regional councils to use FWFPs as an alternative to a resource consent in Regional Freshwater Plans, as they are currently working to different timelines and requirements. They have argued that it would be pragmatic for councils to develop action plans for all attributes prior to deciding how they should be managed through regional plans or FWFP.</p> <p><i>See appendix 5 for these group's comments on integrating FWFP with regional planning.</i></p>
<b>Integrate with existing regulation</b>	<p>DairyNZ and Federated Farmers suggested that a farm specific approach is the most appropriate for the system. This is because a 'one size fits all' model is ineffective. They suggested by using a farmer specific approach, the farm planning system could also enable the future integration of other farm related resource management matters such as biodiversity and greenhouse gases if deemed appropriate at the time. Farm plans can also act as a quality assurance mechanism, demonstrating environmental stewardship to our high value export markets. Beef+Lamb's view differs in that they suggest there should be high level principles that ensure consistency in approach. They consider that current national guidance on the content of farm plans is excessively prescriptive. DairyNZ and Federated Farmers suggest that unnecessary regulations should be removed for activities that may be managed through FWFP. They also note that the FWFP system could enable the future integration of other farm related resource management matters such as biodiversity and greenhouse gases.</p> <p><i>See appendix 6 for these group's comments on integrating FWFP with existing regulation.</i></p>
<b>Timeframes</b>	<p>All three groups share concerns regarding Southland and Waikato's rollout. DairyNZ and Federated Farmers provide feedback related specifically to their proposed amendments, including readjusting the rollout timeframes to allow for the implementation of a 'risk-based approach', as well as allowing time for industry equivalent plans to be adjusted to meet requirements. They noted that rollout timeframes should be driven by 'relative risk', with a focus on process establishment in sufficient time to be enacted through regional plans.</p> <p><i>See appendix 7 for these group's comments on the timeframes for FWFP.</i></p>
<b>Farmer data</b>	<p>All three groups share the view that farmer data should only be available to the regulator/auditor for the purposes of assessing the plan. They also agree that FWFP should not be required to be officially lodged in any way. DairyNZ and Federated Farmers also noted that farmers should have the choice to release further information to third parties for plan development purposes or to meet processor/market requirements.</p> <p><i>See appendix 8 for these group's comments on farmer data in the FWFP system.</i></p>

Appendix 1		
Dairy NZ comments	Federated Farmers of New Zealand comments	Beef+Lamb New Zealand comments
<b>Topic: Risk-based approach</b>		
<p>FWFP process should take a risk-based approach, with FWFP contents, actions and frequency of audit dictated by:</p> <ul style="list-style-type: none"> <li>• catchment context</li> <li>• relative farm risk, and</li> <li>• specific activity risk (collectively 'relative risk').</li> </ul> <p>All FWFP should have national minimum requirements with additional requirements set through catchment action plans.</p>	<p>FWFP process should take a risk-based approach, with FWFP contents, actions and frequency of audit dictated by:</p> <ul style="list-style-type: none"> <li>• catchment context</li> <li>• relative farm risk, and</li> <li>• specific activity risk (collectively 'relative risk').</li> </ul> <p>The minimum standards for all farm plans (contents and actions) would be driven by these relative risk factors.</p>	<p>FWFP process should take a risk-based approach, B+LNZ do not support a certified and audited Freshwater Farm Plan being required of every farmer. An assessment of risk should look at:</p> <ul style="list-style-type: none"> <li>• The physical catchment context [i.e., climate, geology, topography, baseline state of waterways, specific contaminant influence etc]. This information should be developed by regional councils alongside local communities, so that farmers within a catchment have the same information and the same understanding of risk activities; and</li> <li>• Whether the farming operation undertakes risky activities, and the scale of those activities.</li> </ul>
	<p>Federated Farmers believe that all farms that meet certain commercial thresholds need to undertake an appropriate environmental impact assessment. Through this approach, farmers will need to assess their environmental risk on farm, through a robust and credible industry designed assessment process.</p> <p>If a farm is deemed low risk, a simple and light touch farm plan could be derived from this assessment. If a farm is higher risk, greater detail will be required, and a more comprehensive farm plan developed.</p>	
<p>We recommend a risk-based approach where:</p> <ol style="list-style-type: none"> <li>1. The NPS-FM is amended to provide for environmental outcomes and risk factors to be established at a local catchment level, to inform FWFP risks and actions. We believe catchment risk should be determined by regional councils working with their communities, <b>mana whenua</b> and particularly catchment groups.</li> <li>2. Requirements of FWFP beyond agreed minimum requirements reflect a combination of catchment context, relative farm risk, and specific activity risk (collectively 'relative risk').</li> <li>3. A tiered system whereby high-risk activities in high risk-catchments are subject to more stringent requirements and higher scrutiny, and lower risk activities in low-risk catchments have fewer requirements and lower scrutiny. We expect that industry and catchment representatives would have a role to play in assessing the appropriateness of actions for higher risk plans.</li> </ol>	<p>We recommend a risk-based approach where:</p> <ol style="list-style-type: none"> <li>1. The NPS-FM is amended to provide for environmental outcomes and risk factors to be established at a local catchment level, to inform risks and actions. We believe catchment risk should be determined by regional councils working with their communities including catchment groups.</li> <li>2. A risk-based approach; where the requirements of farm plans reflect a combination of catchment context, relative farm risk, and specific activity risk (collectively 'relative risk').</li> <li>3. A tiered system whereby high-risk activities in high risk-catchments are subject to more stringent requirements and higher scrutiny, and lower risk activities in low-risk catchments have fewer requirements and lower scrutiny. We expect that industry and catchment representatives would have a role to play in assessing the appropriateness of actions for higher risk plans.</li> </ol>	<p>The Freshwater Farm Planning system should be underpinned by the risk of a given farming activity based on its the likely level of impact on the receiving environment determined by a particular catchment's context. This Assessment of risk would place a farm within a risk band, which would determine:</p> <ul style="list-style-type: none"> <li>• Whether or not a farm plan is required for freshwater management; and</li> <li>• Where a farm plan is required, the content within the plan, level of oversight, and frequency of auditing of that farm plan</li> </ul>

<b>Appendix 2</b>		
<b>Dairy NZ comments</b>	<b>Federated Farmers of New Zealand comments</b>	<b>Beef+Lamb New Zealand comments</b>
<b>Certification, auditing and quality assurance process</b>		
<p>Quality assurance is necessary to provide confidence to regulators and the public that FWFPs are an appropriate alternative to resource consents and national regulations <b>and demonstrate delivery towards environmental improvement.</b></p> <p>FWFPs must still have mechanisms to manage farm environmental risk and provide this assurance.</p>	<p>Quality assurance is necessary to provide confidence to regulators and the public that plans are an appropriate alternative to resource consents and national regulations.</p> <p>Farm plans must still have mechanisms to manage farm environmental risk and provide this assurance.</p>	
<p>In order to provide this balance we recommend the following:</p> <ol style="list-style-type: none"> <li>1. Remove certification process – replace with a plan development process relative to risk.</li> <li>2. Remove compulsory auditing of all plans – replace with a process where FWFP are auditable (such as with the tax system). This could include random auditing or auditing where RMA or other non-compliance has occurred. We expect that high-risk plans would be more likely to be audited, and more frequently, than low risk plans.</li> </ol>	<p>In order to provide this balance, we recommend the following:</p> <ol style="list-style-type: none"> <li>1. Remove certification process – replace with a plan development process relative to risk.</li> <li>2. Remove compulsory auditing of all plans – replace with a process where plans are auditable (such as with the tax system). This could include random auditing or auditing where RMA or other non-compliance has occurred. We expect that high-risk plans would be more likely to be audited, and more frequently, than low risk plans.</li> </ol>	<p>The process requiring certification and auditing of FWFPs should be replaced with a system based on audit alone, with frequency of audit determined by:</p> <ul style="list-style-type: none"> <li>• activity, and</li> <li>• catchment risk (alongside random auditing).</li> </ul>
<p>Allow farmers to decide when and how to engage an appropriately qualified third party to develop the FWFP providing reassurance that their plan is fit for purpose.</p>	<p>Allow for farmers the opportunity to contract an accredited third party to develop the plan providing reassurance that their plan is fit for purpose.</p>	<p>Where a farm plan is necessary due to catchment/activity risk factors, it should be as an alternative to a consent, not in addition to a consent. This streamlines the administrative burden on farmers and regulators.</p> <p>Any farm planning process should be able to be completed by the farmer themselves, with input from farm advisors generally only required for high-risk activities or complex catchment contexts.</p>

<b>Appendix 3</b>		
<b>Dairy NZ comments</b>	<b>Federated Farmers of New Zealand comments</b>	<b>Beef+Lamb New Zealand comments</b>
<b>Recognition of existing industry and council farm plans</b>		
It is important to recognise existing industry programs and council established farm plans in the FWFP system. Existing farm plans, prepared and evaluated by appropriately qualified individuals that meet and or exceed minimum requirements should be given recognition as compliant and provided sufficient time to adapt to any additional requirements.	It is important to recognise existing industry programs and council established farm plans in the FWFP system. Existing farm plans that meet minimum standards should be given initial recognition as compliant and provided sufficient time to adapt to any additional requirements.	Duplication of regional farm planning requirements or industry farm planning schemes should be avoided. There should be equivalence granted for existing audited Farm Plans, such as existing regional plans and those through NZFAP+, where the requirements are met.
There is already extensive uptake of industry led farm environment plans in the dairy sector, with more than 8,000 farm plans already completed as part of existing voluntary, sector commitments. FWFP rollout should reflect existing uptake and focus on building upon existing industry led FEP, including current dairy company schemes.	There is already extensive uptake of industry led farm environment plans, particularly in the dairy sector where more than 8,000 farm plans have already been completed as part of existing voluntary, sector commitments. The rollout should reflect existing uptake and focus on building upon existing industry led FEP.	We believe that individual farmer driven farm environmental plans, operating alongside the catchment context, can best achieve the environmental outcomes sought. This is strongly preferred to blanket rules/input standards that don't take actual risks or effects into account and fail to consider the unique regional and catchment context. There needs to be greater provision to recognise plans undertaken as part of industry assurance schemes as equivalent to a FWFP.
We recommend the following: <ol style="list-style-type: none"> <li>1. Recognition of existing farm plans that meet and/or minimum requirements.</li> <li>2. A transition period to bring existing plans up to national requirements.</li> </ol>	We recommend the following: <ol style="list-style-type: none"> <li>1. Recognition of existing farm plans that meet minimum standards.</li> <li>2. A transition period to bring existing plans up to national standards.</li> </ol>	

<b>Appendix 4</b>		
<b>Dairy NZ comments</b>	<b>Federated Farmers of New Zealand comments</b>	<b>Beef+Lamb New Zealand comments</b>
<b>Thresholds for farm plans</b>		
DairyNZ believes that FWFP is requisite best practice for all farms above a certain threshold, to ensure the system is all encompassing, robust and enables targeted action towards environmental improvement based on appropriate risk assessments.	The current FWFP threshold of 20ha for pastoral farming is too low and burdensome for a FWFP system aimed at commercial farms. We believe that for lifestyle block owners and farms too small to be commercial, the time and cost associated with participation in the farm planning system is out of scale with the environmental benefits that would be gained and the administrative burden for regulators.	Low intensity, low impact farmers should not be required to have a FWFP because the environmental return does not justify the regulatory burden.
We recommend the following: 1. That FWFPs are requisite best practice for all farms above an appropriate threshold, namely that the farm is a commercial operation.	We recommend the following: 1. Thresholds are established to assess the commercial nature of a farm. 2. Non-commercial farms may choose to be excluded from the farm planning system. 3. That threshold is determined through further conversations with industry and regional sector.	

<b>Appendix 5</b>		
<b>Dairy NZ comments</b>	<b>Federated Farmers of New Zealand comments</b>	<b>Beef+Lamb New Zealand comments</b>
<b>Integrate with regional planning</b>		
<p>One of the fundamental flaws with the FWFP system and the implementation of the NPS-FM as it stands is that it required councils to develop regional freshwater plans at the same time as developing the FWFP system – all before developing attribute action plans as required under the NPS-FM. The implication being that two separate systems are being developed with ad-hoc meeting points and retrofitting attempts.</p> <p><b>There are also specific provisions within the NPS-FM that limit the potential to use FWFP as an alternative to consents.</b></p>	<p>One of the fundamental flaws with the FWFP system and the implementation of the NPS-FM as it stands is that it required councils to develop regional freshwater plans at the same time as developing the FWFP system – all before developing attribute action plans <b>(a requirement of 2B attributes in the NPS-FM)</b>. The implication being that two separate systems are being developed with ad-hoc meeting points and retrofitting attempts.</p>	
<p>At present, timeframes are not sequenced in a way to allow regional councils to use FWFPs as an alternative to a resource consent in Regional Freshwater Plans, as they are currently working to different timelines and requirements. i.e. some regions are planning on notifying Regional Freshwater Plans this year and are drafting these at the same time as central government is reviewing FWFP regulations.</p>	<p>At present, timeframes are not sequenced in a way to allow regional councils to use farm plans as an alternative to a resource consent in Regional Freshwater Plans, as they are currently working to different timelines and requirements. i.e. some regions are planning on notifying Regional Freshwater Plans this year and are drafting these at the same time as central government is reviewing FWFP regulations.</p>	
<p>It would be pragmatic and optimal for councils to develop action plans for all attributes prior to deciding how they should be managed through regional plans or FWFPs. This would allow them to assess appropriate methods and interventions before settling on the level of regulation necessary. To be most beneficial, these would be set at a catchment scale.</p>	<p>It would be pragmatic and optimal for councils to develop action plans for all attributes prior to deciding how they should be managed through regional plans or farm plans. This would allow them to assess appropriate methods and interventions before settling on the level of regulation necessary. To be most beneficial, these would be set at a catchment scale.</p>	
<p>We recommend the following:</p> <ol style="list-style-type: none"> <li>1. That councils develop catchment specific 'Catchment Action Plans' for priority environmental outcomes and contaminants.</li> <li>2. Catchment Action Plans inform the focus and actions within a FWFP, informed by both national minimum requirements, required environmental outcomes and catchment actions and options.</li> <li>3. That FWFP inform regional plans as a viable alternative to consents and as a means of mitigating regulatory requirements for appropriate actions.</li> </ol>	<p>We recommend the following:</p> <ol style="list-style-type: none"> <li>1. Councils develop catchment specific action plans for priority environmental outcomes and contaminants before decision making around regional planning and farm plan requirements in their regions.</li> <li>2. A national regulatory framework is developed focused on farm plans and their role in catchment specific 'Catchment Action Plans'.</li> <li>3. Farm plans inform regional freshwater plans as a viable alternative to consents and as a means of mitigating regulatory requirements for appropriate actions.</li> </ol>	

<b>Appendix 6</b>		
<b>Dairy NZ comments</b>	<b>Federated Farmers of New Zealand comments</b>	<b>Beef+Lamb New Zealand comments</b>
<b>Integrate with existing regulation</b>		
FWFPs are an appropriate tool for managing matters where the optimal solutions differ on a catchment and farm basis. Yet all these matters are currently regulated under nationally set; one-size-fits-all regulations, for example intensive winter grazing and N Cap, or will be managed through regionally set regulations or requirements.	Farm plans are an appropriate tool for managing matters such as winter grazing, stock exclusion, wetland protection and enhancement and fertiliser use. Yet all these matters are also regulated under nationally set; one-size-fits-all regulations, for example intensive winter grazing and N Cap.	Legislation should focus on high level principles that ensure consistency in approach across all parts of New Zealand. The current national guidance on the content of farm plans is excessively prescriptive.
If designed well, the FWFP system could also enable the future integration of other farm related resource management matters such as biodiversity and greenhouse gases if deemed appropriate at the time. FWFP can also act as a quality assurance mechanism, demonstrating environmental stewardship to our high value export markets.	If designed well, the farm planning system could also enable the future integration of other farm related resource management matters such as biodiversity and greenhouse gases if deemed appropriate at the time. Farm plans can also act as a quality assurance mechanism, demonstrating environmental stewardship to our high value export markets.	
We recommend the following: <ol style="list-style-type: none"> <li>1. Remove unnecessary regulations for activities that may be managed through FWFP.</li> <li>2. Retain the option for farmers to get a resource consent for activities that may benefit from the certainty that consents provide e.g. when significant capital investment is required.</li> </ol>	We recommend the following: <ol style="list-style-type: none"> <li>1. Remove unnecessary regulations for activities that may be managed through farm plans.</li> <li>2. Retain the option for farmers to get a resource consent for activities that may benefit from the certainty that consents provide e.g. when significant capital investment is required.</li> </ol>	

<b>Appendix 7</b>		
<b>Dairy NZ comments</b>	<b>Federated Farmers of New Zealand comments</b>	<b>Beef+Lamb New Zealand comments</b>
<b>Timeframes</b>		
<p>DairyNZ recommends that the roll-out of FWFP should be readjusted to allow for implementation of a risk-based approach underpinned by appropriate central government regulation and regional planning processes.</p> <p>Initial focus should be on establishing an equivalency status for existing farm plans that meet minimum requirements. A transition period should allow for existing plans to upgrade to nationally set requirements if required. This will allow for significant immediate uptake of FWFP, especially in the dairy sector.</p> <p>The remaining farms should be rolled out according to risk and to be aligned and integrated with regional planning processes.</p>	<p>Federated Farmers believe that the roll-out of farm plans should be readjusted to allow for implementation of a risk-based approach underpinned by appropriate central government regulation and regional planning processes.</p> <p>Initial focus should be on establishing an equivalency status for existing farm plans that meet minimum standards. Alongside this a transition period should allow for existing plans to upgrade to nationally set standards. This will allow for significant immediate uptake of farm plans, especially in the dairy sector.</p> <p>The remaining farms should be rolled out according to risk and to be aligned and integrated with regional planning processes.</p>	
<p>We recommend the following:</p> <ol style="list-style-type: none"> <li>1. Recognise those existing farm plans prepared by a suitably qualified person as meeting minimum requirements alongside a transition period for upgrade to national requirements if required.</li> <li>2. Rollout timeframes are driven by 'relative risk', with a focus on process establishment in sufficient time to be enacted through regional plans.</li> <li>3. Order processes logically to enable effective and pragmatic rollout of freshwater management actions 1st catchment contaminant / attribute action plans, 2nd regional freshwater plan development, 3rd FWFP rollout (for farm plans that don't already have equivalency status), 4th FWFP reviews aligned with improved regional state of the environment monitoring.</li> <li>4. Delay timeframes for FWFP rollout nationally and pause the current order to have FWFP for Southland and Waikato until new regulations and timeframes are developed, with guidance as to how existing proposed or operative plans should be adapted to reflect amendments.</li> </ol>	<p>We recommend the following:</p> <ol style="list-style-type: none"> <li>1. Establish equivalency recognition for existing farm plans meeting minimum standards alongside a transition period for upgrade to national standards.</li> <li>2. Rollout timeframes are driven by 'relative risk', with a focus on process establishment in sufficient time to be enacted through regional plans.</li> <li>3. Order processes logically to enable effective and pragmatic rollout of freshwater management actions 1st catchment contaminant / attribute action plans, 2nd regional freshwater plan development, 3rd farm plan rollout (for farm plans that don't already have equivalency status), 4th farm plan reviews aligned with improved regional state of the environment monitoring.</li> <li>4. Delay timeframes and pause the current order to have FWFP for Southland and Waikato until new regulations and timeframes are developed, with guidance as to how existing proposed or operative plans should be adapted to reflect amendments.</li> </ol>	<p>We see that it is necessary as a matter of urgency to address the current situation with regard to Waikato and Southland. Regional Councils in these regions are required to be actively implementing the existing FWFP framework, and B+LNZ calls for this requirement to be suspended while the future of FWFPs is considered.</p>

Appendix 8		
Dairy NZ comments	Federated Farmers of New Zealand comments	Beef+Lamb New Zealand comments
<b>Farmer data</b>		
<p>The farm plans must sit with the farmer or <b>appropriate third party</b> designated by the farmer, and only be made available for auditing and regulatory purposes. Only necessary components should be made available to the regulator or <b>appropriate third parties</b> and should not be subject to broader local government information requirements. The farmer can choose who they make additional data available to for plan development and action appropriateness verification as required by the risk status of their FWFP.</p>	<p>The farm plans must sit with the farmer and only be made available for auditing and regulatory purposes. Only necessary components should be made available to the regulator and should not be subject to broader local government information requirements. The farmer can choose who they make additional data available to for plan development and action appropriateness verification as required by the risk status of their farm plan.</p>	<p>Farmer data needs to be protected, with regulators able to obtain the minimum amount of information about a farmer's business operations necessary to ensure compliance with a FWFP framework. For example, farmers should not have to lodge a FWFP with regulators, and regulators should only retain information about audit performance.</p>
<p>We recommend the following:</p> <ol style="list-style-type: none"> <li>1. FWFPs sit with the farmer with no regulatory requirement for them to be 'lodged'.</li> <li>2. Minimal information is to be submitted for regulatory purposes.</li> <li>3. FWFPs to be made available for regulatory and auditing purposes.</li> <li>4. Farmer choice to release further information to third parties for plan development purposes or to meet processor/market requirements, (notwithstanding the need for action review by appropriate parties according to risk).</li> <li>5. Farmers can approve use of the information by third parties where contracted or of value to the farmer.</li> </ol>	<p>We recommend the following:</p> <ol style="list-style-type: none"> <li>1. Farm plans sit with the farmer with no regulatory requirement for them to be "lodged".</li> <li>2. Minimal information is to be submitted for regulatory purposes.</li> <li>3. Farm plans to be made available for regulatory and auditing purposes.</li> <li>4. Farmer choice to release further information to third parties for plan development purposes (notwithstanding the need for action review by appropriate parties according to risk).</li> </ol>	

5 March 2024



WELLINGTON

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Hon Andrew Hoggard, Associate Minister for the Environment  
Hon Todd McClay, Minister for Agriculture  
Hon Mark Patterson, Minister for Rural Communities  
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Dear Ministers,

## **FRESHWATER FARM PLANS REVIEW**

**Federated Farmers of New Zealand (Federated Farmers) support the Government's stated intention to replace the National Policy Statement for Freshwater Management 2020 (NPS-FM).**

**We strongly believe farm plans have an important role to play in the replacement of this framework and could act as a cornerstone provision for delivering meaningful improvements in freshwater quality and other environmental outcomes.**

**With the right settings, farm plans could remove frustrating duplication, remove the need for farmers to obtain expensive and time-consuming consents, and be a positive enabler of environmental improvement.**

**The current Freshwater Farm Plan (FWFP) framework does not currently provide for practical, cost effective or workable environmental solutions.**

**Significant changes would be needed to achieve change in the most effective and efficient way for farmers and the environment.**

Federated Farmers has long held the belief that, if used appropriately, farm plans offer a pragmatic opportunity for farmers to deliver on freshwater outcomes while reducing regulatory burden and unnecessary cost.

We see farm plans as a practical and effective alternative to impractical one-size-fits all applied nationally that would allow farmers, catchments and communities to tailor their environmental improvement actions to match local needs.

We also note that, if implemented in the wrong way, farm plans could present a costly 'box-ticking' exercise that places a significant burden on farmers for very little environmental gain.

The current regulations present an impractical and inefficient system whereby:

- FWFPs are expensive to write, certify and audit.
- National policy direction and proposed regional rules may mean farmers are still required to gain resource consents in addition to FWFP.
- FWFPs are compulsory for all pastoral farmers over 20 ha.

### **Changes required**

Farm plans are a proven and effective tool to guide farmers' decision making and support their efforts to improve freshwater outcomes through responding to specific farm and catchment risks and issues.

They encourage farmers to own and implement solutions and enable collective action within a catchment, delivering results.

The farm planning system provides an opportunity to enhance environmental outcomes through a less burdensome and costly process compared with blanket rules and regulations. They also offer a real

*Note: Federated Farmers has a policy that letters to Ministers of the Crown may be made available to members and/or made publicly available one month after written or earlier if a substantive response is received and/or the letter is publicly released or referenced by a recipient.*

opportunity to act as an alternative to consents. However, **immediate legislative and regulatory changes are required to enable this to occur effectively and pragmatically.**

The existing legislation and regulations and related costs for the FWFP system are too onerous. As they are being implemented currently, they are a requirement in addition to consenting requirements and standards, rather than the practical and outcomes focused alternative they could be.

The existing regime is also expensive to implement for central Government and councils at a time where we are facing record high rate increases and a strong desire to cut unnecessary Government spending.

Federated Farmers, want a system that is effective, robust and accountable, which empowers farmers to act based on farm and local catchment specific risk.

To achieve this, we recommend the following changes across nine areas. These changes are a move toward a high-trust model which recognises and builds upon the work farmers have already done in farm planning. Nonetheless farmers will be accountable for the environmental outcomes they deliver.

### **1. Take a risk-based approach**

Under the current FWFP framework, all farms must meet the same farm plan requirements, regardless of risk. This places undue costs and administrative and regulatory burden on all farmers but particularly those that present little environmental risk.

Federated Farmers, believe that not all farm plans should have the same requirements. We propose that the farm planning process take a risk-based approach, with each plan's contents, actions and frequency of audit dictated by catchment context, relative farm risk, and specific activity risk (collectively 'relative risk').

The minimum standards for all farm plans (contents and actions) would be driven by these relative risk factors.

The agriculture sector, through levy bodies and processors, should take a leading role in the design and implementation of tools to support the development and roll-out of farm plans. This would ensure that the plans are fit for purpose while remaining cost effective for farmers.

We recommend a risk-based approach where:

1. The NPS-FM is amended to provide for environmental outcomes and risk factors to be established at a local catchment level, to inform risks and actions. We believe catchment risk should be determined by regional councils working with their communities including catchment groups.
2. A risk-based approach; where the requirements of farm plans reflect a combination of catchment context, relative farm risk, and specific activity risk (collectively 'relative risk').
3. A tiered system whereby high-risk activities in high risk-catchments are subject to more stringent requirements and higher scrutiny, and lower risk activities in low-risk catchments have fewer requirements and lower scrutiny. We expect that industry and catchment representatives would have a role to play in assessing the appropriateness of actions for higher risk plans.

We outline a decision framework for this proposed risk-based approach in Appendix 1.

### **2. Amend Certification, auditing, and quality assurance process**

While Federated Farmers, believe the current approach has become too heavy handed and expensive, we also want to avoid the opposite problem of farm plans losing system integrity and credibility if they are too light touch.

We believe that the farm plan system must have integrity. Quality assurance is necessary to provide confidence to regulators and the public that plans are an appropriate alternative to resource consents and national regulations.

Farm plans must still have mechanisms to manage farm environmental risk and provide this assurance.

In order to provide this balance, we recommend the following:

1. Remove certification process – replace with a **plan development** process relative to risk.
2. Remove compulsory auditing of all plans – replace with a process where plans are **auditable** (such as with the tax system). This could include random auditing or auditing where RMA or other non-compliance has occurred. We expect that high-risk plans would be more likely to be audited, and more frequently, than low risk plans.
3. Allow for farmers the opportunity to contract an accredited third party to develop the plan providing reassurance that their plan is fit for purpose.

### **3. Recognise existing industry farm plans**

Recognition of existing industry programs and council established farm plans is fundamental to efficient uptake of the farm planning system. Existing farm plans that meet minimum standards should be given initial recognition as compliant and provided sufficient time to adapt to any additional requirements.

There is already extensive uptake of industry led farm environment plans, particularly in the dairy sector where more than 8,000 farm plans have already been completed as part of existing voluntary, sector commitments. The rollout should reflect existing uptake and focus on building upon existing industry led FEP.

We recommend the following:

1. Recognition of existing farm plans that meet minimum standards.
2. A transition period to bring existing plans up to national standards.

#### **4. Enable farm plans with amended thresholds**

The current FWFP threshold of 20ha for pastoral farming is too low and burdensome for a FWFP system aimed at commercial farms.

We believe that for lifestyle block owners and farms too small to be commercial, the time and cost associated with participation in the farm planning system is out of scale with the environmental benefits that would be gained and the administrative burden for regulators.

The cumulative freshwater effect from these small holdings is better managed through regional planning standards reflecting the risk of the activity to the catchment.

Federated Farmers believe that all farms that meet certain commercial thresholds need to undertake an appropriate environmental impact assessment. Through this approach, farmers will need to assess their environmental risk on farm, through a robust and credible industry designed assessment process.

If a farm is deemed low risk, a simple and light touch farm plan could be derived from this assessment. If a farm is higher risk, greater detail will be required, and a more comprehensive farm plan developed.

We recommend the following:

1. Thresholds are established to assess the commercial nature of a farm.
2. Non-commercial farms may choose to be excluded from the farm planning system.
3. That threshold is determined through further conversations with industry and regional sector.

#### **5. Integrate better with regional planning**

One of the fundamental flaws with the FWFP system and the implementation of the NPS-FM as it stands is that it required councils to develop regional freshwater plans at the same time as developing the FWFP system – all before developing attribute action plans (a requirement of 2B attributes in the NPS-FM). The implication being that two separate systems are being developed with ad-hoc meeting points and retrofitting attempts.

At present, timeframes are not sequenced in a way to allow regional councils to use farm plans as an alternative to a resource consent in Regional Freshwater Plans, as they are currently working to different timelines and requirements. i.e. some regions are planning on notifying Regional Freshwater Plans this year and are drafting these at the same time as central government is reviewing FWFP regulations.

It would be pragmatic and optimal for councils to develop action plans for all attributes prior to deciding how they should be managed through regional plans or farm plans. This would allow them to assess appropriate methods and interventions before settling on the level of regulation necessary. To be most beneficial, these would be set at a catchment scale.

We recommend the following:

1. Councils develop catchment specific action plans for priority environmental outcomes and contaminants before decision making around regional planning and farm plan requirements in their regions.

2. A national regulatory framework is developed focused on farm plans and their role in catchment specific 'Catchment Action Plans'.
3. Farm plans inform regional freshwater plans as a viable alternative to consents and as a means of mitigating regulatory requirements for appropriate actions.

### **6. Ensure better integration with other regulations**

Farm plans are an appropriate tool for managing matters such as winter grazing, stock exclusion, wetland protection and enhancement and fertiliser use. Yet all these matters are also regulated under nationally set; one-size-fits-all regulations, for example intensive winter grazing and N Cap.

Where farmers have a farm plan, they should be able to take farm specific approaches to these issues, identifying risks and mitigations that reflect the farm and catchment context. This creates an incentive for farmers to gain a farm plan and take ownership of the solutions and outcomes.

If designed well, the farm planning system could also enable the future integration of other farm related resource management matters such as biodiversity and greenhouse gases if deemed appropriate at the time. Farm plans can also act as a quality assurance mechanism, demonstrating environmental stewardship to our high value export markets.

We recommend the following:

1. Remove unnecessary regulations for activities that may be managed through farm plans.
2. Retain the option for farmers to get a resource consent for activities that may benefit from the certainty that consents provide e.g. when significant capital investment is required.

### **7. Ensure realistic and achievable timeframes**

Federated Farmers believe that the roll-out of farm plans should be readjusted to allow for implementation of a risk-based approach underpinned by appropriate central government regulation and regional planning processes.

Initial focus should be on establishing an equivalency status for existing farm plans that meet minimum standards. Alongside this a transition period should allow for existing plans to upgrade to nationally set standards. This will allow for significant immediate uptake of farm plans, especially in the dairy sector. The remaining farms should be rolled out according to risk and to be aligned and integrated with regional planning processes.

We recommend the following:

1. Establish equivalency recognition for existing farm plans meeting minimum standards alongside a transition period for upgrade to national standards.
2. Rollout timeframes are driven by 'relative risk', with a focus on process establishment in sufficient time to be enacted through regional plans.
3. Order processes logically to enable effective and pragmatic rollout of freshwater management actions 1<sup>st</sup> catchment contaminant / attribute action plans, 2<sup>nd</sup> regional freshwater plan development, 3<sup>rd</sup> farm plan rollout (for farm plans that don't already have equivalency status), 4<sup>th</sup> farm plan reviews aligned with improved regional state of the environment monitoring.
4. Delay timeframes and pause the current order to have FWFP for Southland and Waikato until new regulations and timeframes are developed, with guidance as to how existing proposed or operative plans should be adapted to reflect amendments.

### **8. Protect farmer data**

To ensure sufficient farmer comfort with the farm plan process, they must feel assured that their farm and personal information is secure. The farm plans must sit with the farmer and only be made available for auditing and regulatory purposes. Only necessary components should be made available to the regulator and should not be subject to broader local government information requirements. The farmer can choose who they make additional data available to for plan development and action appropriateness verification as required by the risk status of their farm plan.

We recommend the following:

1. Farm plans sit with the farmer with no regulatory requirement for them to be "lodged".
2. Minimal information is to be submitted for regulatory purposes.

3. Farm plans to be made available for regulatory and auditing purposes.
4. Farmer choice to release further information to third parties for plan development purposes (notwithstanding the need for action review by appropriate parties according to risk).

### **9. Enable delivery of farm plans as part of a larger freshwater management framework**

Both Coalition Agreements committed to replacing the NPS-FM. The New Zealand First Coalition Agreement also commits to replace the National Environmental Standards for Freshwater. Federated Farmers support these commitments.

Fixing the farm planning framework is only one aspect required to enable a pragmatic and effective freshwater management framework. The NPS-FM is fundamentally flawed and needs to be replaced as signaled. This includes the National Objectives Framework and the poorly conceived focus on 'nationally set, numerical bottom lines' which are impractical and are a blunt way of attempting to identify and deliver the environmental outcomes we are collectively seeking at the catchment scale.

Both the bottom lines and the timeframes for improvement place unfair onus on the current generation of farmers to "fix" freshwater issues that have been many generations in the making (and from which New Zealand at large has benefitted from socially and economically).

These issues can only be resolved by the efforts of current and multiple future generations. The focus should be on identifying the key environmental outcomes specific to a local catchment, ensuring water quality is maintained as a bottom line, and improving water quality where those environmental outcomes are not being met and enhanced where degraded through more pragmatic interventions that are known to be effective.

Farm plans should play a fundamental role in this replacement framework, including amendment of the NOF and a renewed focus on identifying the environmental outcomes and water quality issues that are specific to a catchment. A focus on better categorisation of catchment water quality state and trends (through improved state of the environment monitoring and reporting) will enable these factors to better inform a farm plan system targeted at addressing catchment risk, while providing an iterative feedback loop to assist farmers in delivering freshwater outcomes.

We recommend the following:

1. The NPS-FM is repealed.
2. Improvements are made to regional state of the environment reporting to enable a focus on catchment water quality state and trends.

### **Conclusion**

Farmers are committed to improving freshwater outcomes and want a farm plan framework that allows them to understand issues and identify, own and implement effective solutions.

Well-supported and implemented farm plans can be the primary tool for identifying catchment and farm specific risks and actions, encouraging continuous improvement, innovation and ownership.

Federated Farmers are committed to working with you and officials, on both farm plans and the roles these will play in a replacement to the NPSFM.

Yours sincerely,



**Wayne Langford**  
National President Federated Farmers

## Appendix 1: Decision framework for proposed risk-based approach

Under this proposal, all 'commercial' farms will be required to undertake an environmental impact assessment. The requirements of the farm plan (including content and actions) will reflect catchment specific, farm specific and activity specific risk; with riskier farms subject to a greater number of requirements/actions and auditing.

Table 1: Risk matrix for farm plan requirements. *NB: To be developed further in partnership with wider industry, regional councils and central government and could include for example IWG extent, irrigation and stock exclusion.*

		Contaminant risks in catchment (mapped)		
		High	Medium	Low
Activity Risk	High			
	Medium			
	Low			

Table 2: Farm plan requirement overview. *NB: To be developed further in partnership with wider industry, regional councils and central government.*

Farm Plan Requirements		
	Content	Catchment, farm, and activity/risk specific
	Checked	by Expert using set standards.
	Audited	More frequent random auditing by contaminant, activity, and non-compliance risk
	Consent	Alternative pathway for consent for some activities (e.g. IWG)
	Content	Farm and activity/risk specific
	Checked	by Peers/Industry using set standards.
	Audited	Less frequent random auditing by contaminant, activity, and non-compliance risk
	Consent	Alternative pathway for consent for some activities (e.g. stock exclusion)
	Content	Activity/risk specific
	Checked	By self with additional advice as needed.
	Audited	Low frequency random auditing by contaminant, activity, and non-compliance risk
	Consent	No alternative pathway for consent
Non-commercial	No Farm Plan required	
No risks identified	No Farm Plan required	



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5 March 2024

To: Hon Penny Simmonds, Minister for the Environment  
Hon Andrew Hoggard, Associate Minister for the Environment  
Hon Todd McClay, Minister for Agriculture  
Hon Mark Patterson, Minister for Rural Communities  
Hon Chris Bishop, Minister Responsible RMA Reform

Via email: penny.simmonds@parliament.govt.nz  
andrew.hoggard@parliament.govt.nz  
todd.mclay@parliament.govt.nz  
mark.patterson@parliament.govt.nz  
chris.bishop@parliament.govt.nz

Dear Hon Ministers,

## **FRESHWATER FARM PLANS: A PRACTICAL WAY FORWARD**

**DairyNZ supports the Government's stated intention to replace the National Policy Statement for Freshwater Management 2020 (NPS-FM). Freshwater Farm Plans (FWFP) play an important role in this replacement framework, acting as a cornerstone for delivering meaningful improvements to freshwater quality. However, significant change to the FWFP system is required to achieve this in the most effective way, for farmers and the environment.**

DairyNZ believes that, if used appropriately, FWFPs offer a pragmatic opportunity for farmers to deliver on environmental outcomes while reducing regulatory burden. We see FWFPs as a practical and effective alternative to national, one-size-fits-all rules, allowing farmers to tailor environmental improvement actions to the individual farm and catchment.

However, if implemented inappropriately, FWFP present a costly 'box-ticking' burden for little environmental gain. The current regulations present an impractical and inefficient system whereby:

- FWFPs will be expensive to write, certify and audit.
- National policy direction and proposed regional rules will mean farmers are still required to gain resource consents in addition to FWFPs.
- FWFPs are compulsory for all pastoral farmers over 20 ha.

### **Change required**

Farm plans are a proven and effective tool to guide farmer decision making and support farmer efforts to improve freshwater outcomes through responding to specific farm and catchment risks and issues. They

encourage farmers to own and implement solutions and enable collective action within a catchment, delivering results.

The FWFP system provides an opportunity to enhance environmental outcomes through a less burdensome and costly process compared with blanket rules and regulations. They also offer a real opportunity to act as an alternative to consents. However, **immediate legislative and regulatory changes are required to enable this to occur effectively and pragmatically.**

The existing legislation and regulations and related costs for the FWFP system are too onerous. As they are being implemented currently, they are a requirement in addition to consenting requirements and standards, rather than the practical and outcomes focused alternative they could be. The existing regime is also expensive to implement for central Government and councils at a time where we are facing potentially record rates increases and a strong desire to cut unnecessary Government spending.

DairyNZ wants a system that is effective, robust and accountable, which empowers farmers to act based on farm and local catchment specific risk.

To achieve this, we recommend the following changes across nine areas. These changes are a move toward a high-trust model which recognises and builds upon the work farmers have already done in farm planning.

### ***1. Take a risk-based approach***

Under the current FWFP framework, all farms must meet the same FWFP requirements, regardless of risk and impact on water quality. This places undue costs and administrative and regulatory burden on all farmers but particularly those that present little environmental risk.

DairyNZ believes that not all FWFPs should have the same requirements. We propose that the FWFP process take a risk-based approach, with FWFP contents, actions and frequency of audit dictated by catchment context, relative farm risk, and specific activity risk (collectively 'relative risk'). All FWFP should have national minimum requirements with additional requirements set through catchment action plans.

Scope should be provided for industry partners to have input into the design and implementation of tools to support the development and roll-out of FWFP, for example industry, or catchment group/collective driven FWFP. This would provide avenues to allow development and roll-out of FWFP that are fit for purpose, cost effective and adaptive to multiple uses.

We recommend a risk-based approach where:

1. The NPS-FM is amended to provide for environmental outcomes and risk factors to be established at a local catchment level, to inform FWFP risks and actions. We believe catchment risk should be determined by regional councils working with their communities, mana whenua and particularly catchment groups.
2. Requirements of FWFP beyond agreed minimum requirements reflect a combination of catchment context, relative farm risk, and specific activity risk (collectively 'relative risk').
3. A tiered system whereby high-risk activities in high risk-catchments are subject to more stringent requirements and higher scrutiny, and lower risk activities in low-risk catchments have fewer requirements and lower scrutiny. We expect that industry and catchment representatives would have a role to play in assessing the appropriateness of actions for higher risk plans.

We outline a decision framework for this proposed risk-based approach in **Appendix 1**.

### ***2. Amend certification, auditing and quality assurance process***

While DairyNZ believes the current FWFP framework has become too heavy handed and expensive, we also want to avoid the opposite problem of FWFPs losing system integrity and credibility if they are too light touch. We believe that the FWFP system must have integrity. Quality assurance is necessary to provide confidence to regulators and the public that FWFPs are an appropriate alternative to resource consents and national regulations and demonstrate delivery towards environmental improvement.

FWFPs must still have mechanisms to manage farm environmental risk and provide this assurance.

In order to provide this balance we recommend the following:

1. Remove certification process – replace with a **plan development** process relative to risk.
2. Remove compulsory auditing of all plans – replace with a process where FWFP are **auditable** (such as with the tax system). This could include random auditing or auditing where RMA or other non-compliance has occurred. We expect that high-risk plans would be more likely to be audited, and more frequently, than low risk plans.
3. Allow farmers to decide when and how to engage an appropriately qualified third party to develop the FWFP providing reassurance that their plan is fit for purpose.

### **3. Recognise existing industry farm plans**

Recognition of existing industry programs and council established farm plans is fundamental to efficient uptake of the FWFP system. Existing farm plans, prepared and evaluated by appropriately qualified individuals that meet and or exceed minimum requirements should be given recognition as compliant and provided sufficient time to adapt to any additional requirements.

There is already extensive uptake of industry led farm environment plans in the dairy sector, with more than 8,000 farm plans already completed as part of existing voluntary, sector commitments. FWFP rollout should reflect existing uptake and focus on building upon existing industry led FEP, including current dairy company schemes.

We acknowledge farm planning will evolve over time. Where additional requirements are deemed appropriate and necessary, adequate transition time should be provided to adapt to such requirements.

We recommend the following:

1. Recognition of existing farm plans that meet and/or minimum requirements.
2. A transition period to bring existing plans up to national requirements.

### **4. Farm plans as requisite best practice for all farms**

DairyNZ believes that FWFP is requisite best practice for all farms above a certain threshold, to ensure the system is all encompassing, robust and enables targeted action towards environmental improvement based on appropriate risk assessments.

Addressing New Zealand's water quality challenges requires a collaborative approach, that goes beyond simply focusing on nutrients such as nitrogen. Other contaminants driving water quality issues include sediment, phosphorus and microbes such as *E.coli*, which are mostly associated with overland flow pathways also have significant impacts on ecosystem health and swimability.

Existing science suggests that the Dairy sector contributes 41% of the total pastoral sector nitrogen load, 20% of the phosphorus load and 9% of the sediment load nationally. This highlights that other farming activities also have an important role to play to reduce contaminant loading, and this is best addressed through farm-specific actions in a farm plan in the context of catchment risk.

We recommend the following:

1. That FWFPs are requisite best practice for all farms above an appropriate threshold, namely that the farm is a commercial operation.

### **5. Integrate better with regional planning**

One of the fundamental flaws with the FWFP system and the implementation of the NPS-FM as it stands is that it required councils to develop regional freshwater plans at the same time as developing the FWFP system – all before developing attribute action plans as required under the NPS-FM. The implication being that two separate systems are being developed with ad-hoc meeting points and retrofitting attempts.

At present, timeframes are not sequenced in a way to allow regional councils to use FWFPs as an alternative to a resource consent in Regional Freshwater Plans, as they are currently working to different timelines and requirements. i.e. some regions are planning on notifying Regional Freshwater Plans this year and are drafting these at the same time as central government is reviewing FWFP regulations.

There are also specific provisions within the NPS-FM that limit the potential to use FWFP as an alternative to consents.

It would be pragmatic and optimal for councils to develop action plans for all attributes prior to deciding how they should be managed through regional plans or FWFPs. This would allow them to assess appropriate methods and interventions before settling on the level of regulation necessary. To be most beneficial, these would be set at a catchment scale.

We recommend the following:

1. That councils develop catchment specific 'Catchment Action Plans' for priority environmental outcomes and contaminants.
2. Catchment Action Plans inform the focus and actions within a FWFP, informed by both national minimum requirements, required environmental outcomes and catchment actions and options.
3. That FWFP inform regional plans as a viable alternative to consents and as a means of mitigating regulatory requirements for appropriate actions.

## **6. Remove unnecessary and duplicative regulation**

FWFPs are an appropriate tool for managing matters where the optimal solutions differ on a catchment and farm basis. These include activities such as winter grazing, stock exclusion, feedlots, feed pads and stockholding areas, inland wetland protection and enhancement and fertiliser use. Yet all these matters are currently regulated under nationally set; one-size-fits-all regulations, for example intensive winter grazing and N Cap, or will be managed through regionally set regulations or requirements.

Where farmers have an FWFP, farmers should be able to take farm specific approaches to managing these activities, identifying risks and mitigations that reflect the farm and catchment context. This creates an incentive for farmers to gain a FWFP and take ownership of the solutions and outcomes.

If designed well, the FWFP system could also enable the future integration of other farm related resource management matters such as biodiversity and greenhouse gases if deemed appropriate at the time. FWFP can also act as a quality assurance mechanism, demonstrating environmental stewardship to our high value export markets.

We recommend the following:

1. Remove unnecessary regulations for activities that may be managed through FWFP.
2. Retain the option for farmers to get a resource consent for activities that may benefit from the certainty that consents provide e.g. when significant capital investment is required.

## **7. Ensure realistic and achievable timeframes**

DairyNZ recommends that the roll-out of FWFP should be readjusted to allow for implementation of a risk-based approach underpinned by appropriate central government regulation and regional planning processes.

Initial focus should be on establishing an equivalency status for existing farm plans that meet minimum requirements. A transition period should allow for existing plans to upgrade to nationally set requirements if required. This will allow for significant immediate uptake of FWFP, especially in the dairy sector.

The remaining farms should be rolled out according to risk and to be aligned and integrated with regional planning processes.

We recommend the following:

1. Recognise those existing farm plans prepared by a suitably qualified person as meeting minimum requirements alongside a transition period for upgrade to national requirements if required.
2. Rollout timeframes are driven by 'relative risk', with a focus on process establishment in sufficient time to be enacted through regional plans.
3. Order processes logically to enable effective and pragmatic rollout of freshwater management actions 1<sup>st</sup> catchment contaminant / attribute action plans, 2<sup>nd</sup> regional freshwater plan development, 3<sup>rd</sup> FWFP rollout (for farm plans that don't already have equivalency status), 4<sup>th</sup> FWFP reviews aligned with improved regional state of the environment monitoring.
4. Delay timeframes for FWFP rollout nationally and pause the current order to have FWFP for Southland and Waikato until new regulations and timeframes are developed, with guidance as to how existing proposed or operative plans should be adapted to reflect amendments.

## **8. Protect farmer data**

To ensure sufficient farmer comfort with the FWFP process, they must feel assured that their farm and personal information is secure. The farm plans must sit with the farmer or appropriate third party designated by the farmer, and only be made available for auditing and regulatory purposes. Only necessary components should be made available to the regulator or appropriate third parties and should not be subject to broader local government information requirements. The farmer can choose who they make additional data available to for plan development and action appropriateness verification as required by the risk status of their FWFP.

We recommend the following:

1. FWFPs sit with the farmer with no regulatory requirement for them to be 'lodged'.
2. Minimal information is to be submitted for regulatory purposes.
3. FWFPs to be made available for regulatory and auditing purposes.
4. Farmer choice to release further information to third parties for plan development purposes or to meet processor/market requirements, (notwithstanding the need for action review by appropriate parties according to risk).
5. Farmers can approve use of the information by third parties where contracted or of value to the farmer.

## **9. Enable delivery of FWFP as part of a larger freshwater management framework**

Both Coalition Agreements committed to replacing the NPS-FM. The New Zealand First Coalition Agreement also commits to replace the National Environmental Standards for Freshwater. DairyNZ supports these commitments.

Fixing the FWFP framework is only one aspect required to enable a pragmatic and effective freshwater management framework. The NPS-FM is fundamentally flawed and needs to be replaced as signalled. This includes the National Objectives Framework and the poorly conceived focus on 'nationally set, numerical bottom lines' which are impractical and a blunt way of attempting to identify and deliver the environmental outcomes we are collectively seeking at the catchment scale.

The dairy sector is committed to progress. However, both the bottom lines and the timeframes for improvement required under the NPS-FM are impractical and costly.

These issues can only be resolved by the efforts of current and multiple future generations. The focus should be on identifying the key environmental outcomes specific to a local catchment, ensuring water quality is maintained as a bottom line, and improving water quality where those environmental outcomes are not being met and enhanced where degraded through more pragmatic interventions that are known to be effective.

FWFP should play a fundamental role in this replacement framework, including amendment of the NOF and a renewed focus on identifying the environmental outcomes and water quality issues that are specific to a catchment. A focus on better categorisation of catchment water quality state and trends (through improved state of the environment monitoring and reporting) will enable these factors to better inform a mandatory FWFP system targeted at addressing catchment risk, while providing an iterative feedback loop to assist farmers in delivering freshwater outcomes.

We recommend the following:

1. That the NPS-FM is repealed and replaced.
2. That the NOF is reviewed, some national bottom lines are removed and there is a renewed focus on identifying catchment specific 'environmental outcomes', risks and issues and establishing national bottom lines and thresholds which are fair and achievable in pastoral landscapes.
3. That improvements are made to regional state of the environment reporting to enable a focus on catchment water quality state and trends relative to fair and achievable national bottom lines and not pre-human condition.

## **Conclusion**

Dairy farmers are committed to improving freshwater outcomes and want a FWFP framework that allows them to understand issues and identify, own and implement effective solutions.

Well supported and implemented FWFP can be the primary tool for identifying catchment and farm specific risks and actions, encouraging continuous improvement, innovation and ownership. As such FWFP can form the fundamental basis of a practical and workable replacement to the NPS-FM.

DairyNZ is committed to working with you and officials, on both FWFPs and the roles these will play in a replacement to the NPSFM.

Yours sincerely,



**Jim van der Poel**  
Chairman DairyNZ

## Appendix 1: Decision framework for proposed risk-based approach

Under this proposal, all farms will be required to have a FWFP. The requirements of the FWFP (including content and actions) will reflect catchment specific, farm specific and activity specific risk; with riskier farms subject to a greater number of requirements/actions and auditing.

Table 1: Risk matrix for FWFP requirements. **NB: To be developed further in partnership with wider industry, regional councils and central government.**

		Contaminant risks in catchment (mapped)		
		High	Medium	Low
<b>Activity Risk</b>	<u>High</u> e.g. IWG- 50ha /Stockholding/Irrigation			
	<u>Medium</u> e.g. can't meet SE requirements, and/or IWG less than 50ha			
	<u>Low</u> e.g. extensive farming			

Table 2: FWFP requirement overview. **NB: To be developed further in partnership with wider industry, regional councils and central government.**

FWFP Requirements		
High risk	Content	Catchment, farm, and activity/risk specific
	Checked	by suitably qualified person using set standards.
	Audited	More frequent random auditing by contaminant, activity, and non-compliance risk
	Consent	Alternative pathway for consent for some activities (e.g. IWG)
Moderate risk	Content	Farm and activity/risk specific
	Checked	by Peers/Industry/Processors or suitably qualified person (farmer choice) using set standards.
	Audited	Less frequent random auditing by contaminant, activity, and non-compliance risk
	Consent	Alternative pathway for consent for some activities (e.g. stock exclusion)
Low risk	Content	Activity/risk specific
	Checked	By self with additional advice as needed.
	Audited	Low frequency random auditing by contaminant, activity, and non-compliance risk
	Consent	No alternative pathway for consent
Non-commercial	No Freshwater Farm Plan required	



5 March 2024

Hon Andrew Hoggard  
Associate Minister for the Environment  
Parliament Buildings  
WELLINGTON

**BY EMAIL TO:** andrew.hoggard@parliament.govt.nz

Cc: Hon Penny Simmonds (penny.simmonds@parliament.govt.nz)  
Hon Todd McLay (todd.mclay@parliament.govt.nz)  
Hon Mark Patterson (mark.patterson@parliament.govt.nz)  
Hon Chris Bishop (chris.bishop@parliament.govt.nz)

Dear Minister

## **FRESHWATER FARM PLANS AND NATIONAL BOTTOM LINES**

We understand the Government is currently considering the future of Freshwater Farm Plans (FWFPs) as required under Part 9A of the Resource Management Act 1991. Beef + Lamb New Zealand (B+LNZ) has, alongside others, given a great deal of thought to the role of farm planning as regulatory tool in recent years. We have developed a set of principles that we consider should govern how farm planning is used in this context, and wish to share them with you to assist your policy development process.

We also understand the reform of FWFPs is part of a wider Government process of reviewing freshwater policy instruments – including the National Policy Statement for Freshwater Management 2020 (NPS-FW). As such, we also wanted to share with you concerns we have around the National Bottom Lines set under the NPS-FW.

Before moving into detail, we see that it is necessary as a matter of urgency to address the current situation with regard to Waikato and Southland. Regional Councils in these regions are required to be actively implementing the existing FWFP framework, and **B+LNZ calls for this requirement to be suspended while the future of FWFPs is considered.**

### **Freshwater Farm Plan Principles**

Attached as **Appendix 1** is a set of principles that we consider should guide the development of policy around the role of FWFPs in resource management. While the principles are slightly broader than just FWFPs, the relevance of the principles to FWFPs is undiminished.

On the whole, B+LNZ's strong belief is that FWFPs can play a powerful part in delivering effective and efficient resource management. **To have a FWFP framework succeed, it needs to be anchored to a risk-based approach and not simply a blanket mandatory requirement.** The significance of a risk-based approach is two-fold:

- Firstly, it ensures resources are prioritised towards the management of activities that have the biggest impact on water quality. This applies not just to the resources of

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farmers, but also to the resources of regulators, farm advisors, and all others that play a role in freshwater quality management.

- Secondly, linking the need to manage an activity to an identifiable risk helps farmers to understand 'the why' behind a need to act. Our experience clearly shows that farmers will respond more proactively when they understand 'the why', as compared to when they feel asked to 'tick boxes'.

In addition to the principles in **Appendix 1**, there are several specific ways in which we believe the existing FWFP regime needs to be changed. Key among these are:

- Low intensity, low impact farmers should not be required to have a FWFP because the environmental return does not justify the regulatory burden.
- The existing two-step process requiring certification and auditing of FWFPs should be replaced with a system based on audit alone, with frequency of audit determined by activity and catchment risk (alongside random auditing);
- There needs to be greater provision to recognise plans undertaken as part of industry assurance schemes as equivalent to a FWFP;
- Farmer data needs to be protected, with regulators able to obtain the minimum amount of information about a farmer's business operations necessary to ensure compliance with a FWFP framework. For example, farmers should not have to lodge a FWFP with regulators, and regulators should only retain information about audit performance.

We have begun a process of testing our policy positions based on these principles with sheep and beef farmers through a survey. The results of this survey as at the time of writing are attached as **Appendix 2**, and show strong support for the views we are expressing – both in terms of the views of respondents and the unusually high level of participation,

In line with best practise, the process of testing policy with farmers is an ongoing one and we will continue to test our positions with farmers as reform of the FWFPs and the NPS-FW progresses. We will continue to share the insights from this with you to assist wider policy development.

### **National Bottom Lines**

B+LNZ has undertaken a review of the methodology used to determine current National Bottom Lines for sediment and *E.Coli*. We have significant concerns with the way in which they were set, and their achievability even without any agricultural activity in some catchments. We would like to discuss this work further with yourself and your officials.

In the meantime, **we strongly recommend that all National Bottom Lines – and specifically those for sediment and *E. coli* be reviewed**. Our preference is that they be replaced with a system that sets limits and targets on a catchment-specific basis based on the catchment's physical context.

## **Next Steps**

B+LNZ has been working with a number of agricultural organisations and regional councils in an attempt to seek an aligned view to present to government on the future of FWFPs. A key learning from this experience is that while there appears to be broad agreement on the need for a greater emphasis on prioritisation on the basis of risk, there are a range of views of what that looks like as one moves beyond the principle to the specifics.

With this in mind, we encourage the Government to stand up a process to work with industry and the regional council sector as FWFP policy becomes more granular and specific. This would also provide organisations such as B+LNZ a greater opportunity to bring our farmers along with policy development, and with that have a greater chance of securing widespread buy-in. Again, however, the existing requirement to implement FWFPs in Waikato and Southland needs to be withdrawn as a matter of urgency pending such a process.

We would be very pleased to meet with you to discuss this further, and/or to participate in processes with officials to help reshape freshwater policy generally or FWFPs and the NPS-FW more specifically.

Yours sincerely



Kate Acland

Chair

## APPENDIX 1

### B+LNZ PRINCIPLES FOR FARM PLANNING

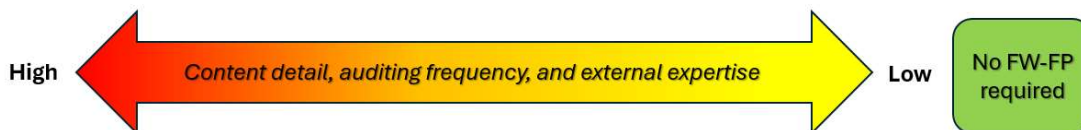
1. B+LNZ supports Farm Planning as a valuable tool that farmers can use to underpin good business and farm management practice.
2. We believe that individual farmer driven farm environmental plans, operating alongside the catchment context, can best achieve the environmental outcomes sought. This is strongly preferred to blanket rules/input standards that don't take actual risks or effects into account, and fail to consider the unique regional and catchment context.
3. **B+LNZ does NOT support a certified and audited Freshwater Farm Plan being required of every farmer.** Rather, we believe that the requirement to have a Freshwater Farm plan should be based on risk.
4. The Freshwater Farm Planning system should be underpinned by the *risk* of a given farming activity based on its the likely level of impact on the receiving environment determined by a particular catchment's context.
5. An assessment of risk should look at:
  - a. The physical catchment context [i.e., climate, geology, topography, baseline state of waterways, specific contaminant influence etc]. This information should be developed by regional councils alongside local communities, so that farmers within a catchment have the same information and the same understanding of risk activities; and
  - b. Whether the farming operation undertakes risky activities, and the scale of those activities
6. This Assessment of risk would place a farm within a risk band, which would determine:
  - a. Whether or not a farm plan is required for freshwater management; and
  - b. Where a farm plan is required, the content within the plan, level of oversight, and frequency of auditing of that farm plan
7. Put another way, an assessment of risk would inform the need for a given farming operation to complete a Freshwater Farm Plan as well as a given Freshwater farm plan's contents. For example, the detail and auditing frequency would be based on the activities being undertaken and the receiving environment as determined by the particular catchment's context.
8. Where a farm plan is necessary due to catchment/activity risk factors, it should be as an alternative to a consent, not in addition to a consent. Farmers should not have to complete a freshwater farm plan AND a resource consent to manage the same type or scale of risk being addressed. This streamlines the administrative burden on farmers and regulators.
9. Any instrument should look to minimise the cost and administrative burden on all players in the system. This should be a requirement set by government on regulators.
10. Legislation should focus on high level principles that ensure consistency in approach across all parts of New Zealand. The current national guidance on the content of farm plans is excessively prescriptive.

11. Duplication of regional farm planning requirements or industry farm planning schemes should be avoided. There should be equivalence granted for existing audited Farm Plans, such as existing regional plans and those through NZFAP+, where the requirements are met.
12. Any farm planning process should be able to be completed by the farmer themselves, with input from farm advisors generally only required for high-risk activities or complex catchment contexts. This is because a farmer-led because a plan developed and owned by a farmer will be most effective in achieving a positive impact.

**Figure 1: B+LNZ Risk matrix for FWFP requirements.** NB: To be developed further in partnership with wider industry, regional councils, and central government.

		Catchment vulnerability to specific contaminants		
		High	Medium	Low
Activity Risk	High			
	Medium			
	Low			
	Very low			

**Figure 2: FWFP requirement overview.** NB: To be developed further in partnership with wider industry, regional councils, and central government.



## APPENDIX 2 – B+LNZ FRESHWATER FARM PLAN SURVEY RESULTS

On Thursday 29 February 2024, B+LNZ sent a short survey form via e-mail to sheepmeat and beef levy payers to test our initial policy positions. As at 9am 4 March 2024, there were **614** responses, and the content below shows level of agreement with B+LNZ statements. Note that this quantity of responses is one of the highest rates of response that B+LNZ has had in recent years and is statistically significant. Additionally, we intend to consult more widely with our farmers on these, and other, freshwater and climate change policy matters in the coming months.

### Questions and Responses

- 95% of respondents either agree or strongly agree that farmers should be able to complete the farm environmental plan themselves without the use of external consultants (especially in lower risk situations). 4% were unsure and 1% either disagreed or strongly disagreed.
- 94% of respondents either agree or strongly agree that Farm plans, where required, should not have a 2-step certification and auditing requirement as currently proposed. To reduce cost and duplication, a single step audit should be sufficient. 5% were unsure and 1% either disagreed or strongly disagreed.
- 94% of respondents either agree or strongly agree that, where appropriate, existing industry plans or regional plans that meet farm environment plan requirements should be recognised as equivalent to avoid duplication. 5% were unsure and 1% either disagreed or strongly disagreed.
- 92% of respondents either agree or strongly agree that if a plan is required, the timeframes, level of detail in the plan, and any auditing requirements should vary depending on the risk. 6% were unsure and 2% either disagreed or strongly disagreed.
- 91% of respondents either agree or strongly agree that using a tailored farm environmental plan to manage a farm's potential impact on freshwater is better than using blanket rules. 7% were unsure and 2% either disagreed or strongly disagreed.
- 89% of respondents either agree or strongly agree that farm plans should only be required based on risk posed by the farm, and the health of the catchment. 7% were unsure and 4% either disagreed or strongly disagreed.
- 87% of respondents either agree or strongly agree that certified and audited plans should not be mandatory. 7% were unsure and 6% either disagreed or strongly disagreed.
- 83% of respondents either agree or strongly agree that farmers should undertake a simple risk assessment to understand the risks associated with their farming operation and determine whether a farm plan is required at all. 14% were unsure and 7% either disagreed or strongly disagreed.
- 78% of respondents either agree or strongly agree that Regional authorities should provide the information and tools needed for farmers to complete a risk assessment. 15% were unsure and 7% either disagreed or strongly disagreed.
- 72% of respondents either agree or strongly agree that farm environmental plans should be used as an alternative to getting a consent from the regional council for some higher risk farming activities. 21% were unsure and 7% either disagreed or strongly disagreed.