Regulatory Impact Statement: Options to amend regulations for farming activities

Coversheet

Purpose of Document	
Decision sought:	*This interim analysis is to support the release of a public discussion document on freshwater national direction amendments relating to the Resource Management (Stock Exclusion) Regulations 2020 and Resource Management (National Environmental Standards for Freshwater) Regulations 2020*
Advising agencies:	*Ministry for the Environment (MFE)* *Ministry for Primary Industries (MPI)*
Proposing Ministers:	*Minister Responsible for RMA Reform* *Minister of Agriculture* *Associate Minister for the Environment*
Date finalised:	*12 March 2025*

Problem Definition
Regulation 17 of the Resource Management (Stock Exclusion) Regulations 2020 requires all stock to be excluded from wetlands that support threatened species, regardless of the size of the wetland, or the intensity of the farming system. Regulation 17 is inflexible and is unable to be adapted to individual circumstances, meaning in some areas (e.g., along the West Coast and the South Island High Country) there is the potential that the benefits of excluding stock from these wetlands is disproportionate to the cost. Regulation 36 of the Resource Management (National Environmental Standards for Freshwater) 2020 requires dairy farmers to report their use of synthetic nitrogen fertiliser over a 12-month period to regional councils. We have heard from some primary sector stakeholders that the current reporting timeframes (1 July - 30 June) do not align with other time periods in the farming calendar (which typically runs 1 June - 31 May), making it difficult and time-consuming to provide the information. We have also heard that some of the reporting requirements (i.e., provision of receipts) can be difficult to gather, and do not support regional councils in the compliance monitoring and enforcement of the regulations.

Executive Summary
Scope The scope of this interim Regulatory Impact Statement (RIS) is deliberately narrow to support the delivery of the Government's priorities in 2025, as part of the package of national direction under the Resource Management Act 1991 (RMA). The proposals focus on amendments to the Stock Exclusion Regulations and standards for farming activities in the National Environmental Standards for Freshwater (NES-F). **Consultation** The options outlined in this interim RIS have benefited from initial targeted engagement with stakeholders (council representatives, industry representatives, and environmental

non-government organisations (eNGOs)) and iwi/Maori. This interim RIS has been prepared to support Cabinet decisions on proposals that will be progressed through to public consultation. Further information is needed to inform final option development and cost-benefit analyses, which we intend to seek during public engagement. Following public consultation, feedback will inform advice and options within the final RIS to support Cabinet decision making.

Options considered

Part A: Amendments to the Stock Exclusion Regulations

Part A of this interim RIS focuses on options for amending the Stock Exclusion Regulations to address the unintended outcomes of excluding stock from natural wetlands (i.e., regulation 17).

The five options considered in this interim RIS include:

Option One – Status quo - the natural wetland requirements remain unchanged

Farmers would still be required to exclude stock from wetlands which contain a threatened species by 1 July 2025.

Option Two – Repealing regulation 17

Under this option, regulation 17 would be repealed. This means that there would no longer be a national rule requiring stock to be excluded from natural wetlands supporting a population of threatened species.

Option Three – Only apply regulation 17 to dairy cattle, dairy support cattle, pigs, and intensively grazed beef cattle and deer

Under this option, regulation 17 would be refined to only apply to dairy, dairy support cattle, pigs, and intensively grazed beef cattle and deer. This means that all other stock, including non-intensively grazed beef cattle and deer, would not be required to be excluded from wetlands containing a threatened species.

Option Four - developing an exception from regulation 17 for DOC- and LINZ-administered leased land

Under this option, an exception from regulation 17 would be provided to farms on land administered and leased by the Department of Conservation (DOC) or Land Information New Zealand (LINZ).

Option Five – Extending compliance timeframes

Under this option, regulation 17 would remain in place, however, its commencement date for existing pastoral systems would be extended (currently 1 July 2025). This would provide more time to farmers to invest in stock exclusion measures, and spread costs (e.g., the cost of fencing) over time.

Option three best meets the policy objectives and is the preferred option for consultation.

Part B: Amendments to standards for farming activities in the NES-F

Part B focuses on options for amending standards for farming activities in the NES-F, specifically the application of synthetic nitrogen fertiliser to pastoral land to meet the Government's priorities.

The three options considered in this interim RIS include:

Option One – Status quo - the regulations remain unchanged

Regulations relating to the application of synthetic nitrogen fertiliser to pastoral land would remain in place. This means dairy farmers must report their annual use of synthetic nitrogen fertiliser in line with the current reporting timeframes.

Option Two – Repealing the reporting requirements

Under this option, the reporting requirements (i.e., regulation 36) would be repealed. This means that there would no longer be national requirements for dairy farmers to provide a report to their regional council detailing their use of synthetic nitrogen fertiliser in the past year.

Option Three – Amending the reporting requirements

Under this option, regulation 36 would be amended to address issues raised by stakeholders during engagement. This includes the non-alignment between the NES-F reporting date and other dairy reporting and the requirement to provide purchase receipts.

Option four – Removing Subpart 4 – Application of synthetic nitrogen fertiliser to pastoral land from the NES-F.

Under this option, the N-Cap and associated regulations (i.e., Subpart 4) would be removed from the NES-F. There would be no national regulations managing the application of synthetic nitrogen fertiliser. The management of nitrogen application will instead be done through other mechanisms (e.g., regional plans).

Option three best meets the policy objectives and is the preferred option for consultation.

Limitations and Constraints on Analysis	

This interim Regulatory Impact Statement (RIS) has been informed by targeted engagement with key stakeholders and Māori, which began in November 2024 and supported the development of options for public consultation. Following public consultation, feedback will inform final advice and options included within the final RIS, to support Cabinet decision making. The analysis in this RIS has been limited by the following:

Compressed timeframes

Cabinet decisions and Ministers' commissioning set the timeframes under which this proposal has been developed, with options anticipated to be progressed as part of the National Direction work programme and expected to be delivered in 2025. These constrained timeframes have impacted the quality of the data and evidence (i.e., relying on data/ evidence that is readily available, such as previous consultations, and limited ability to procure further evidence), as well as our ability to engage extensively with stakeholders and partners.

Scope

The scope of options assessed within the RIS are deliberately narrow to support the delivery of Government priorities in 2025, as part of the package of national direction under the Resource Management Act 1991 (RMA). Options are limited to those which can be delivered through RMA instruments (e.g., national direction).

The high-level objectives and criteria (including how to assess and weigh criteria) for this interim RIS are consistent with the National Direction work programme. There is no scope to tailor them for this specific policy area.

Limited engagement with stakeholders and partners (iwi/ Māori)

Feedback on these proposals is limited. Targeted engagement on policy options began in November 2024. Public consultation will be important to ensure that stakeholder and iwi/Māori views are reflected in the development of policy options and recommendations in the final RIS.

Limited evidence base for wetlands

Officials have extremely limited information on the number of wetlands which are captured by regulation 17 of the Stock Exclusion Regulations 2020, or the cost and benefits of this regulation. The initial RIS assessing the stock exclusion regulations had minimal analysis on the impacts of the regulations regarding wetlands, due to the availability of information. Because of this, and because the regulations have not yet come into force (due to come into force 1 July 2025), the effects of changing the regulations are unclear.

Concurrent policy changes affecting the status quo

This analysis considers the status quo as the legislation that is currently in place. However, the Government has announced its intention to amend and replace multiple legislative instruments (as part of the resource management reform programme) that will change the status quo in terms of freshwater management, once passed. These include, but are not limited to, the replacement of the RMA itself, amendments to the freshwater farm plan system, and amendments to (or new) national direction instruments covering four key areas: i) infrastructure and energy, ii) housing, iii) farming and primary sector, and iv) emergencies and natural hazards. We are awaiting further Ministerial decisions on what these changes will be and when they will be implemented, but in some cases (particularly the introduction of a new RM system) they will significantly impact the future status quo.

New option to remove the nitrogen fertiliser cap

At a meeting with officials on 4 March 2025, Ministers directed officials to consult on removing the nitrogen cap. While the general impacts of this option are addressed in this RIS there has not been an opportunity to undertake an assessment of the option against Māori Rights and Interests under the Treaty of Waitangi.

Responsible Managers

Nik Andic *Manager, Freshwater* *Ministry for the Environment*  *12 March 2025*	*Claire McClintock* *Manager, Water Policy and Adaptive Farming* *Ministry for Primary Industries*  *12 March 2025*

Quality Assurance (completed by QA panel)

Reviewing Agency:	*Ministry for the Environment, Ministry for Primary Industries*
Panel assessment and comment	*A quality assurance panel with members from the Ministry for the Environment and the Ministry for Primary Industries has reviewed the interim Regulatory Impact Statement. The panel considers that it meets the Quality Assurance criteria.*

Section 1: Context

1. The resource management system governs how people interact with natural resources, with the Resource Management Act 1991 (RMA) regulating land use, the use of natural resources, and the provision of infrastructure.

2. National direction instruments support local decision-making under the RMA. National environmental standards enable the Government to make regulations that prescribe standards for activities controlled under the RMA.[1],[2] Section 360 regulations are made for various purposes, including to prescribe measures for the purpose of excluding stock from waterbodies.[3]

3. In 2020 the following instruments were gazetted:

   - the Resource Management (Stock Exclusion) Regulations 2020 (the Stock Exclusion Regulations), developed under Section 360 of the RMA
   - the Resource Management (Natural Environmental Standards for Freshwater) Regulations 2020 (NES-F).

Summary of issues and options

Stock Exclusion Regulations

4. The Stock Exclusion Regulations require the exclusion of livestock from rivers wider than one metre ('rivers' for the purposes of this paper), lakes, and natural wetlands (collectively referred to as water bodies), and were put in place to manage the environmental risks associated with stock entering water bodies.

5. Regulation 17 requires stock to be excluded from any natural wetland that supports a population of threatened species as described in the compulsory value for threatened species in the NPS-FM 2020 (including those identified in a regional plan that becomes operative after the commencement date). This regulation comes into force on 1 July 2025 for existing pastoral systems.

6. Public consultation was undertaken in 2023, which sought feedback on options to amend the low slope map and associated regulations to avoid lower intensity farming being captured. Options consulted on included defining lower intensity farming for the purpose of an exception from the map, or using certified freshwater farm plans to manage the effects of stock entering waterways. The low slope map and associated regulations were repealed in December 2024 via the Resource Management (Freshwater and Other Matters) Amendment Act 2024.

7. Feedback from the primary sector during consultation in 2023 and targeted engagement beginning November 2024 noted the challenge of excluding stock from natural wetlands in non-intensive farming systems, and that most of these wetlands are those specified in regulation 17. Feedback also highlighted difficulties with the cost of identifying whether a wetland contains threatened species (e.g., the cost of hiring an ecologist), and whether regulation 17 applies to that wetland.

8. Part A (page 7) of this RIS focuses on options for amending the Stock Exclusion Regulations to address these issues.

NES-F

9. The NES-F sets out requirements for carrying out certain activities that pose risks to freshwater and freshwater ecosystems. Specifically, Part 2 of the NES-F sets out standards for the following farming activities:

[1] Refer to part 3 of the RMA
[2] National direction can be either: national policy statement (NPS), national environmental standards (NES), national planning standards or section 360 regulations.
[3] Refer to section 360(1) (hn) of the RMA

- Subpart 1 – Feedlots and other stockholding areas
- Subpart 2 – Agricultural intensification (temporary standards)
- Subpart 3 – Intensive winter grazing
- Subpart 4 – Application of synthetic nitrogen fertiliser to pastoral land.

10. During targeted engagement, we heard some information requirements are challenging to provide while adding little value to the regulator (e.g., the provision of synthetic nitrogen fertiliser purchase receipts).
11. We also heard that the current period for which reporting is required (1 July - 30 June) does not align with the dairy farming calendar (which typically runs 1 June - 31 May), meaning farmers are having to report across two accounting years. This is particularly difficult in cases where farm ownership, leases and sharemilking arrangements change from 31 May.
12. Part B (page 21) of this RIS focuses on options for amending standards for farming activities in the NES-F.

Drivers for change

13. In December 2023, the Government began its reform of the resource management system with a three-phased approach:[4]
    - **Phase one**: Repeal the Natural and Built Environment Act (NBA) and Spatial Planning Act (SPA) (completed in December 2023).
    - **Phase two**: Targeted changes to the existing resource management system, to address the most pressing issues:
        - **Fast-track Approvals Act** – passed in December 2024
        - **Two bills to amend the Resource Management Act and a package of national direction** – changes to the existing system that can address the most pressing issues in the short term; Resource Management (Freshwater and Other Matters) Amendment Act 2024 (passed in October 2024); Resource Management (Consenting and Other System Changes) Amendment Bill 2024 (introduced in December 2024).
    - **Phase three**: Legislation to replace the Resource Management Act.
14. The changes considered in this interim Regulatory Impact Statement (RIS) form part of 'phase two' of this approach and provide for amendments to national direction under the RMA.

What objectives are sought in relation to the policy problems?

15. The Government's overall objectives for Phase 2 of the resource management reform work programme [ECO-24-MIN-0022 refers] are:
    - Making it easier to get things done by:
        - unlocking development capacity for housing and business growth
        - enabling delivery of high-quality infrastructure for the future, including doubling renewable energy
        - enabling primary sector growth and development (including aquaculture, forestry, pastoral, horticulture and mining)
    - While also:

[4] RMA Reform Phase Three fact sheet.pdf (beehive.govt.nz)

- safeguarding the environment and human health
- adapting to the effects of climate change and reducing the risks from natural hazards
- improving regulatory quality in the resource management system
- upholding Treaty of Waitangi settlements and other related arrangements.

16. The *Coalition Agreement New Zealand National Party & New Zealand First* includes "replacing the National Policy Statement for Freshwater Management 2020 and the National Environmental Standards for Freshwater to better reflect the interests of all water users".

17. In addition, the coalition agreements include National's 100 point economic plan which references 19 actions (outlined in the National Party's Getting Back to Farming) to cut red tape and replace one-size-fits-all rules with local decision making.[5] These are also referenced in the National Party's *Primary Sector Growth Plan*.

18. The objectives sought in relation to the specific proposals in this interim RIS are to:

- simplify existing regulations to remove unnecessary costs, complexity and rigidity;
- provide more flexibility for local decision-making at a regional and catchment scale; and
- safeguard the environment.

What criteria will be use across both problems to compare options to the status quo?

19. This RIS, in alignment with the wider national direction work programme, will use the following criteria:

Criteria	Approach for the analysis
Effectiveness	• The option contributes to the understanding of hazards and risks to source waters (by councils, water supplier, resource user, public). • The likelihood the option will reduce contamination of the source water that is high-risk to human health. • Option improves the likelihood of compliance with the DWSNZ by reducing the reliance on treatment.
Efficiency	• Is it providing enough flexibility to allow local circumstances to be adequately taken into account/addressed at the local level? • Is it cost-effective in so far as it ensures better management of the risks that some land use activities pose to the drinking water safety, while doing so at the least possible cost?
Alignment	• Does the option integrate well with other proposals and the wider statutory framework?

[5] Point 36 – New Zealand National Party 100-point economic plan (adopted by the New Zealand National Party and ACT New Zealand Coalition Agreement and the New Zealand National Party and New Zealand First Party Coalition Agreement). The 19 actions referred to in Point 36 are from the New Zealand National Party *Getting Back to Farming* manifesto document.

Implementation	• The option is clear and leaves little room for interpretation. In cases where flexibility is allowed, there are clear parameters guiding a decision when not to apply default methods. • The ease of implementation. • Sufficient resources are available for implementation of the option in a timely way.
Treaty of Waitangi	• Iwi, hapū, whānau Māori can exercise rangatiratanga and make decisions over their respective resources and taonga which they wish to retain. • The degree the options provide protection for drinking water managed by and for iwi, hapū and whanau Māori under the principles of kawanatanga, active protection and equity.

Part A: Options to amend the Stock Exclusion Regulations

Section 1: Diagnosing the policy problem

What is the context behind the policy problem and how is the status quo expected to develop?

20. Livestock entering water bodies cause a range of environmental effects, including increased contaminant losses (e.g., pathogens, sediment) and damage to the banks and beds of water bodies. These effects can adversely impact freshwater ecosystems, human health, and cultural values.

21. The sections below describe existing mechanisms for managing the impacts of livestock entering water bodies:

- Stock Exclusion Regulations
- Freshwater farm plans (FWFPs)
- Regional plan rules
- Industry-led initiatives.

22. Depending on the options progressed in Part A that are progressed, existing mechanisms will need to be relied on to various extents to manage stock exclusion.

Stock Exclusion Regulations

23. The Stock Exclusion Regulations were gazetted in 2020 and took immediate effect for new pastoral systems, with compliance for existing farms required by mid-2023 or mid-2025 depending on stock type and practices.

24. The regulations require certain types of stock to be excluded from waterways and apply to any person who owns or controls stock.[6] Appendix A provides an overview of the regulations for existing farm systems, by type of stock, waterbody, and commencement date.

Exclusion of stock from natural wetlands

25. Regulations 16 and 17 require stock to be excluded from any natural wetland:

- identified in a regional or district plan or a regional policy statement that is operative on the commencement date (regulation 16)
- that supports a population of threatened species as described in the compulsory value for threatened species in the NPS-FM (including those identified in a regional plan that becomes operative after the commencement date (regulation 17).

26. There is an exception to the natural wetland requirements for the geographical area of the Upper Taieri Scroll Plain located in Otago (regulation 3A).

27. Draining wetlands for agricultural and urban development over the past 150 years has led to significant wetland loss and deterioration. Wetlands support high levels of biodiversity, provide habitats, improve water quality and resilience to flooding, and have strong cultural and spiritual importance for Māori.[7]

[6] Regulation 4: Stock –

(a) means beef cattle, dairy cattle, dairy support cattle, deer, or pigs; and

(b) to avoid doubt, does not include any feral animal.

[7] Wetland area | Stats NZ

28. Allowing stock to graze in a wetland can have negative environmental outcomes on water quality and biodiversity by increasing sediment runoff, nutrient load and habitat damage, especially where stock are intensively grazing.[8],[9] The impacts of stock entering natural wetlands can be higher than other water bodies, due to their unique attributes.

29. However, excluding stock from wetlands in lower intensity farms may also result in adverse outcomes, because when farming at low stocking rates, farmers are more likely to destock and/or operate more intensively on smaller areas that can be fenced efficiently, which may lead to:

    - reduced weed management of the wetland area and a negative outcome to wetlands (e.g., relatively impenetrable thatches of pasture grasses to the detriment of smaller, low growing and threatened indigenous plants)
    - adverse effects on water quality where farmers choose to operate more intensively on smaller areas of land.

30. Whether light grazing is beneficial for wetlands or not is highly dependent on the wetland and its conditions. Some wetlands such as peat bogs, or those where native vegetation is dominant (or strong seed banks exist), are best left un-grazed to encourage native regeneration and avoid the introduction of pest plants.

31. When undertaken with care, grazing can be a pragmatic way to control introduced grass swards over large areas. Some rare plant communities can benefit from very light grazing to control introduced grasses; others are best left un-grazed.

32. Where a wide range of exotic species are well established throughout the wetland, grazing may be justified. Without management, these species can invade the ephemeral wetland zone and result in loss of native wetland plant species. Introduced plants can also become a hindrance for public access and enjoyment of waterways.

33. Public consultation feedback in 2023 highlighted that requiring all stock to be excluded from wetlands is a particular issue for the Upper Taieri Scroll Plain in Otago, and pastoral lease land in the South Island high country. Feedback from the primary sector during targeted engagement in November-December 2024 reiterated this issue.

Freshwater farm plans (FWFPs)

34. Mandatory FWFPs were introduced as a regulatory tool designed to support farmers and growers to identify, manage, and reduce on-farm risks to freshwater in a way that is tailored to their individual conditions, operating system, and catchment needs.

35. A FWFP will typically include:

    - the identification of on-farm areas of risk (like waterways and critical source areas)[10]
    - actions to manage those risks (such as plans to strategically fence/ exclude stock from waterways).

36. On 2 April 2024, Cabinet noted that the Government would explore potential changes to the FWFP system [CBC-24-MIN-0014]. In October 2024, the Resource Management (Freshwater and Other Matters) Amendment Act paused the roll out of FWFPs across the country while these changes are made.

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[8] McKergrow, L.A., Rutherford, J.C., & Timpany, G.C. (2012). Livestock-Generated Nitrogen Exports from a Pastoral Wetland. Journal of Environmental Quality, 41(5), 1681-1689.

[9] McKergow, L.A., Tanner, C.C., Monaghan, R.M., & Anderson, G. (2007). Stocktake of diffuse pollution attenuation tools for New Zealand pastoral farming systems. NIWA Client Report: HAM2007-161. https://niwa.co.nz/sites/default/files/import/attachments/stocktake-v10.pdf

[10] As defined in the Resource Management (National Environmental Standards for Freshwater) 2020 as a landscape feature such as a gully, swale, or depression that accumulates runoff from adjacent land; and delivers, or has the potential to deliver, 1 or more contaminants to 1 or more rivers, lakes, wetlands, or drains, or their beds (regardless of whether there is any water in them at the time).

37. It is intended that FWFPs will provide a way to manage the impacts of farming activities on freshwater, including stock exclusion.[11]

Regional plan rules

38. Rules to exclude stock under the Stock Exclusion Regulations are a minimum requirement. Regional councils can set their own additional rules regarding stock exclusion in their regional plans.

39. Most regional councils have operative or partially operative plan rules relating to stock exclusion. These can apply region-wide, to sub-regions or specific catchments. For example, Canterbury has plan rules that apply to intensively farmed stock and stock in priority areas identified in their regional plan, while Auckland has specific requirements around intensive stock that apply to all areas.

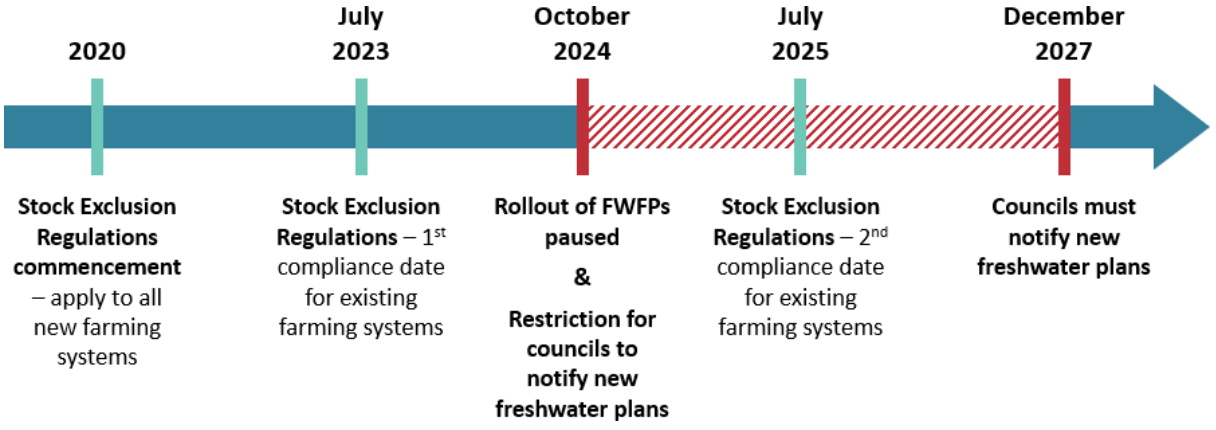
40. A key difference to the regulations is that regional plan rules are expressed as activity statuses and include consenting pathways. Consequently, the plans tend to include a permitted activity rule in addition to consenting pathway (via discretionary or non-complying activity rules) for those that cannot comply with the permitted activity conditions. In contrast, the regulations do not determine activity statuses, and instead express minimum requirements that individuals must comply with irrespective of plan rules and consents.

41. Regional plan rules vary widely in terms of the stock that they apply to. Some apply to stock types not captured by the regulations such as sheep, horses, and goats (e.g., Waikato has rules requiring horses to be excluded from all rivers and drains that continually contain water).

42. In October 2024, the Resource Management (Freshwater and Other Matters) Amendment Act restricted councils' ability to notify new freshwater plans until the gazettal of the replacement National Policy Statement for Freshwater Management (NPS-FM). New freshwater plans giving effect to the NPS-FM must be publicly notified by December 2027.[12]

43. Figure 1 provides a timeline of the compliance dates relating to the Stock Exclusion Regulations, as well as important dates relating to the rollout of the FWFPs and notification of new freshwater plans by councils. Where options analysed in this RIS involve repealing national direction and relying instead on FWFPs and/or freshwater plans, the availability of these during the period October 2024 – December 2027 is uncertain.

Figure 1: Timeline for the Stock Exclusion Regulations, the rollout of the FWFPs and notification of new freshwater plans by councils.



[11] First RMA Amendment Bill passes third reading | Beehive.govt.nz
[12] Section 80A(4)(b) of the RMA.

Industry initiatives

44. Industry initiatives (e.g., Sustainable Dairying: Water Accord[13]) have increased voluntary stock exclusion in recent years. The 2021 Rural Decision Makers Survey indicates many major streams on sheep and beef farms are stock excluded and that dairy farmers are fencing nearly all the wetlands on their properties.[14] This highlights that steady progress is being made on fencing and excluding stock from waterways, although there are still stretches of waterways that do not have stock excluded.

What is the policy problem or opportunity?

Exclusion of stock from natural wetlands

Previous consultation (2023)

45. Consultation in 2023 sought feedback on addressing the unintended outcomes of excluding stock from natural wetlands where they are part of a lower intensity farming system (e.g., by developing an exception to stock exclusion requirements).[15]

46. While most submissions did not support applying a broad exception to wetlands for lower intensity farms,there were two areas where this was identified as an issue[16]:

- **the Upper Taieri Scroll Plain[17]:** this is on the basis that the Upper Taieri Scroll Plain is a unique, vast, low gradient and ephemeral wetland complex, with wet and dry periods corresponding to the Taieri River level. Local farmers have grazed cattle within the wetland complex (when dry), and some submissions suggested that grazing is a useful form of weed management in that instance. There is limited evidence available on the impacts of low intensity grazing in wetlands in New Zealand, and it is not clear whether the impacts of stock entering them and clearing vegetation may outweigh the benefits of the weed control provided.

- **DOC or LINZ[18] pastoral lease land in the South Island high country and along the West Coast**: submissions identified these regions as areas with lower intensity farms where excluding stock from wetlands can be costly and not proportionate to the benefits. Submissions also indicated that fencing these wetlands would mean weed control from light grazing would cease, potentially resulting in worse ecological outcomes[19]. Officials have limited information available on how many wetlands are captured by regulation 17 (or the total area of these wetlands), how many are already fenced, meaning it is difficult to determine the overall cost of this regulation [20].

47. Following the 2023 consultation, changes were made to exempt the geographic area of the Upper Taieri Scroll Plain from regulations 14 and 15 (beef cattle and deer on low slope land) and regulations 16 to 18 (exclusion of stock from natural wetlands)[21],[22]

[13] Sustainable Dairying: Water Accord - DairyNZ | DairyNZ
[14] Information sheet: Restricting stock from waterways » Manaaki Whenua (landcareresearch.co.nz)
[15] Developing an exception from the low slope map for lower intensity farming discussion document | Ministry for the Environment
[16] Consultation identified multiple situations in which an exception to the low slope map for lower intensity farming would be inappropriate. Identified situations include mahinga kai sites, regionally significant wetlands, sensitive water bodies, natural wetlands, significantly degraded catchments, native fish spawning or passage sites, indigenous ecosystems, threatened environments, recreational areas, spring-fed streams, river flats, and culturally significant areas.
[17] The Upper Taieri Scroll Plain is a unique, vast, low gradient and ephemeral wetland complex, with wet and dry periods corresponding to the Taieri River level. Coupled with its unique climate, the Upper Taieri Scroll Plain holds unique hydrology and biodiversity values found nowhere else in the world.
[18] Department of Conservation (DOC) or Land Information New Zealand (LINZ).
[19] Submission from the High Country Accord indicated that there are now approximately 160 remaining pastoral or special leases of pastoral land covering about 1.3 million hectares.
[20] essential-freshwater-ria-part-II-detailed-analysis.pdf The RIS outlining the cost of the regulations assessed the package of stock exclusion regulations, and had no information on the cost of regulation 17 alone.
[21] The Minister for the Environment and Minister of Agriculture agreed to support the Otago Regional Council request for an exemption that would enable an alternative approach to stock exclusion in the Upper Taieri Scroll Plain: Cabinet-Paper-

48. However, no changes were made to exempt the geographic area of the South Island high country, as this option went beyond the scope of creating an exception for lower intensity farms. This exception would apply to all farms in the area, regardless of intensity or lease arrangements.

Targeted engagement (2024) and remaining issues

49. Although we did not recommend creating a specific exception for the South Island high country after the 2023 consultation, we note that there may be areas or specific wetlands where the cost of excluding stock does not match the benefits, or where allowing light grazing of wetlands may be beneficial. Where there are large numbers of small wetlands captured by regulation 17 (e.g., high country pastoral leases), this may come at a significant cost to farmers.

50. Feedback from the primary sector during targeted engagement from November 2024 reiterated the challenge of excluding stock from natural wetlands in extensive farming systems, and that the majority of these wetlands are those specified in regulation 17.

51. November 2024 targeted engagement feedback also highlighted the cost of identifying whether a wetland contains threatened species (e.g., the cost of hiring an ecologist), and determining whether regulation 17 applies to that wetland, in addition to the cost of excluding the stock from that area.

52. The analysis of options in this interim RIS focuses on regulation 17, as this has been where the majority of remaining issues with the stock exclusion regulations have been identified.

Resource-Management-Stock-Exclusion-Amendment-Regulations-2023.pdf

[22] Regulations 14, 15 and 18 have since been repealed by the Resource Management (Freshwater and Other Matters) Amendment Act.

Section 2: Deciding upon an option to address the policy problem

What scope will options be considered within?

53. The scope of this interim RIS is deliberately narrow, to deliver on the Government commitment in 2025 as part of the package of national direction under the RMA.

54. The Government committed to "cut red tape and replace one-size-fits-all rules with local decision making" to support growing the primary sector. On this basis, the options in scope for Part A of this interim RIS are those that involve simplifying the stock exclusion regulations (i.e., removing unnecessary costs, complexity and rigidity) and providing more flexibility for local decision-making.

55. Amendments to the regulations in October 2024 to repeal the map of low slope land and associated requirements have likely addressed the majority of concerns regarding the regulations, including issues identified in manifesto commitments.[23,24] The scope of this RIS will be focused on residual concerns with the stock exclusion regulations that officials are aware of (i.e., regulation 17), but will not be looking at the following areas of the stock exclusion regulations:

- the requirement to exclude stock from lakes or wide rivers (regulations 8-13)
- regulation 16 (regarding the exclusion of stock from natural wetlands identified in regional or district plan).

56. We did consider the option of developing an exception to regulation 17 based on a stocking rate threshold (e.g., for extensive farming systems). However, consultation feedback in 2023 on using stocking rates highlighted difficulties in defining a stocking rate that reflects an acceptable level of intensity (because the distribution of stocking rates varies widely across the country and any stocking rate threshold would be arbitrary), inability to account for situations where stock exclusion is needed to provide for values (e.g., sensitive waterbodies; cultural sites) and it would be difficult to monitor and enforce for regional councils.[25]

57. We also considered the option of creating an exception on the basis of a farm having a certified FWFP. However, previous analysis identified that the regulation-making powers under section 360(1)(hn) of the RMA regarding stock exclusion are limited and are unable to delegate authority to a third party (e.g., for regional plans or FWFPs certifiers to determine whether or not the regulations should apply to a lower intensity farm).[26] This limits changes that can be made to the Stock Exclusion Regulations to address the identified issues, as the legislation would not allow for an exception based on a farm having a certified FWFP that meets the same or better outcomes.

58. We did not consider using a wetland size threshold. Even in large, established natural inland wetlands, the water level changes frequently. This can make it difficult to robustly identify where the 'edge' is, leaving landowners and councils open to legal risk. Further, threatened species can occur in wetlands of any size.

59. For these reasons, these options were not retained for the purposes of this analysis.

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[23] Changes progressed through the Resource Management (Freshwater and Other Matters) Amendment Act 2024

[24] The New Zealand National Party Getting Back to Farming manifesto document includes commitments to:

- "Uniform setback rules can carve off unnecessarily large areas around small water bodies or threaten farm viability - Tie stock exclusion rules to local conditions to limit unintended consequences", and
- "Make stock exclusion rules more practical to protect critical source areas while avoiding unintended consequences like unnecessarily large exclusion zones for small water bodies".

[25] ris-options-to-amend-stock-exclusion-regulations-to-enable-more-flexibility-for-lower-intensity-farms.pdf (environment.govt.nz)

[26] ris-options-to-amend-stock-exclusion-regulations-to-enable-more-flexibility-for-lower-intensity-farms.pdf

What options are being considered?

60. This section sets out options to address unintended outcomes of excluding stock from natural wetlands supporting a population of threatened species (i.e., regulation 17) in extensive farming systems (e.g., in high country pastoral leases).

Option One – Regulation 17 remains unchanged (status quo)

61. Under Option One, regulation 17 would remain unchanged. Farmers would still be required to exclude stock from wetlands which contain a threatened species by 1 July 2025 for existing pastoral systems.

62. This could mean that stock will be required to be excluded from wetlands even if the cost of doing so is disproportionate to the benefits, or where there are potentially advantages of lightly grazing the wetland. The exact impacts of this are unknown, but we have heard through previous submissions and targeted engagement that this could affect farmers in certain areas (e.g., the West Coast or the South Island High Country).

63. In wetlands where stock exclusion is beneficial, the regulations will continue to support this, therefore safeguarding the environment. In wetlands where light grazing may be beneficial, these benefits would be removed. The number of wetlands falling into either category is unknown.

64. The Survey of Rural Decision-makers (2021) reports that dairy farmers are fencing many wetlands on their properties, especially in Taranaki, Southland, and Northland (where 95% or more of the extent of wetlands on farms is now fenced) and stock are excluded from most of the extent of wetlands on commercial sheep and beef properties.[27] For these farms, the cost impact of the status quo is likely to be low.

65. It is unclear to what extent natural wetlands are stock excluded on other farm types (e.g., extensive sheep and beef farms). Regulation 17 will come into effect in July 2025 for existing farming systems and it is unclear to what extent it is currently driving investments (e.g., fencing).

Option Two – Repealing regulation 17

66. Under this option, regulation 17 would be repealed. This means that there would no longer be a national rule requiring stock to be excluded from natural wetlands supporting a population of threatened species. Instead, this would be managed by individual farmers (good practice and voluntary actions), regional plan rules (where they exist), and FWFPs (once rolled out in a region).

67. This would provide more flexibility, as the management of these wetlands will be left to local rules (e.g., regional plans) or other mechanisms (industry initiatives, freshwater farm plans).

68. The timeframes for rolling out the FWFP system and updating regional plan rules (where they do not already exist) could mean effective stock exclusion measures will be in place later than July 2025 (when regulation 17 is due to come into effect for existing pastoral systems). Further degradation of freshwater due to stock entering natural wetlands could continue until FWFPs or updated regional plans are implemented.

69. This option is broader in scope than addressing the issue presented for excluding stock from natural wetlands in extensive farming systems as it would repeal requirements that apply to *all stock* (e.g., dairy cattle and intensively grazed beef). This option would also result in the least protection for wetlands, and would not meet the objective to safeguard the environment and human health (as the benefits of excluding intensively grazed stock are widely supported).[28]

[27] Information sheet: Restricting stock from waterways » Manaaki Whenua (landcareresearch.co.nz) – Note: no information is included on what constitutes a wetland in this survey, meaning officials have not been able to determine whether it matches the definition of natural wetland in the Stock Exclusion Regulations.
[28] McKergow, L.A., Tanner, C.C., Monaghan, R.M., & Anderson, G. (2007). Stocktake of diffuse pollution attenuation tools for New Zealand pastoral farming systems. NIWA Client Report: HAM2007-161.

Option Three – Only applying regulation 17 to dairy cattle, dairy support cattle, pigs, and intensively grazed beef cattle and deer (preferred option)

70. Under this option, regulation 17 would be refined to only apply to dairy, dairy support cattle, pigs, and intensively grazed beef cattle and deer. This means that non-intensively grazed beef cattle and deer would not be required to be excluded from wetlands containing a threatened species.[29]

71. This option aligns with changes to the regulations progressed by the Government in October 2024 to address concerns relating to these stock types specifically, in relation to lakes and rivers.[30] The management of these wetlands will be left to local rules (e.g., regional plans) or other mechanisms (industry initiatives, freshwater farm plans). This addresses stakeholder concerns with the regulations and means that for lower intensity farms where, in some cases, it is not cost effective to exclude stock, or in cases where light grazing may support wetland health, stock will be allowed to graze in these wetlands.

72. It is difficult to estimate the area of farmland that would be covered by this exception, but it is anticipated to be very large. For example, there is approximately 2.7 million hectares of land used for beef and deer. [31] About 127,000 hectares of land is irrigated for non-dairy livestock.[32] The proportion of the non-irrigated area used for break feeding or forage crops is likely to be minor. This suggests over 2.5 million hectares of land used for grazing cattle or deer may be exempt from the natural wetland requirements.

73. However, the exact number of wetlands covered by regulation 17 on this land is unknown, and the impacts of this would depend on nuances around whether land is used for multiple stock types, what stock use the irrigated land areas, and how much land is used for break feeding and forage crops.

74. As this option would remove large areas of land from the regulations, we estimate this option would provide less safeguards for the environment compared to the status quo.

Option Four - developing an exception from regulation 17 for DOC- and LINZ-administered leased land

75. Under this option, an exception from regulation 17 would be provided to farms on land administered and leased by the Department of Conservation (DOC) or Land Information New Zealand (LINZ).

76. This option was considered in 2023. [33]This was on the basis that stocking rates are actively managed as part of these licences or leases, to manage the impacts grazing has on the environment.

77. This option was not recommended at the time due to a lack of evidence that lower intensity grazing for weed control would not impact freshwater quality.

78. Based on feedback received in 2023 and targeted engagement from November 2024, we note that such an exception would likely benefit specific regions or areas. For

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https://niwa.co.nz/sites/default/files/import/attachments/stocktake-v10.pdf

[29] Regulation 4 of the Resource Management (Stock Exclusion) Regulations 2020 defines 'intensively grazing' as:

(a) break feeding; or

(b) (b) grazing on annual forage crops; or

(c) (c) grazing on pasture that has been irrigated with water in the previous 12 months.

[30] The Government amended the stock exclusion regulations through the Resource Management (Freshwater and Other Matters) Amendment Act, to address concerns that the map of low slope land and associated requirements would have imposed significant costs on lower intensity beef and deer farms for limited environmental benefits [ECO-24-MIN-0051 refers].

[31] Agricultural and horticultural land use | Stats NZ

[32] Irrigated land – published April 2021 | Stats NZ

[33] ris-options-to-amend-stock-exclusion-regulations-to-enable-more-flexibility-for-lower-intensity-farms.pdf (environment.govt.nz)

instance:

- **West Coast region**: stakeholders raised that most lease arrangements for DOC-administered land are located on the West Coast region (43 in 2023), which have stocking rate limits in place to manage environmental outcomes.[34]
- **Pastoral lease land in the high country**: the submission from the High Country Accord indicated that there were approximately 160 remaining pastoral or special leases of pastoral land covering about 1.3 million hectares. However, this is only half of the South Island High Country, meaning there are likely still to be areas where the regulations still present an issue.

79. As this option does remove some areas of land from the regulations, we anticipate that this option provides less safeguards for the environment compared to the status quo. However, these risks are limited, and mitigated due to existing licencing or lease arrangements.

Option Five – Extending compliance timeframes

80. Under this option, regulation 17 would remain in place, however, its commencement date for existing pastoral systems would be extended (currently 1 July 2025). [35] This would provide more time to farmers to invest in stock exclusion measures, and spread costs (e.g., the cost of fencing) over time.

81. However, it is unclear if farmers will continue to invest over time or will instead choose to pause investments (e.g., because re-prioritising investments or due to uncertainty related to potential further changes to the Stock Exclusion Regulations – noting that the regulations have already been amended three times since their enactment in 2020). This option would not change the total cost of complying with the regulations (e.g., the total cost of fencing waterbodies on a property).

82. In any case, alternatives to fencing may be developed such as collar technologies (i.e., virtual fencing). However, these can be relatively expensive as collar technologies range from about $40 to $197/cow/year, depending on the benefits available and whether technologies are leased or owned (and often require investment capital up front).[36] It is possible that they are made more accessible over time. This means that extending compliance timeframes may provide an opportunity to adopt alternative approaches to excluding stock.[37] However, this does risk the potential for stock to not be excluded from these wetlands in the interim, potentially resulting in declining wetland quality in some cases.

[34] We also heard that the West Coast region is predominantly rural and public conservation land. The Conservation Estate comprises 84.17 percent of the West Coast land area, with an additional 1.55 percent administered by LINZ. This leaves 14.28 percent of land in private ownership.

[35] Regulation 17 started to apply from 3 September 2020 (ie, the commencement date of the Stock Exclusion Regulations) in relation to new pastoral systems.

[36] Evaluation of Cow Collar Technology - Research report for Our Land and Water National Science Challenge, Rural Professionals Fund (January 2024)

[37] Nothing in the regulations requires a barrier to be erected around or along an entire lake, river, or natural wetland.

How do the options compare to the status quo?

	Option One Status quo (regulation 17 remains unchanged)	Option Two Repeal regulation 17	Option Three (preferred option) Only applying regulation 17 to dairy cattle, dairy support cattle, pigs, and intensively grazed beef cattle and deer	Option Four Exception from regulation 17 for DOC- and LINZ-administered land	Option Five Extending compliance timeframe of regulation 17
Effectiveness • Does the option achieve the objectives? • Does it provide a solution to the identified problem?	**Objective 1**: removing unnecessary costs, complexity and rigidity. **0** Costs: regulation 17 may impose some costs disproportionate to benefits in extensive farming systems (i.e., they apply irrespective of farming intensity). Complexity: wetland delineation is a complex process. In addition, officials understand that threatened species identification can be a complex process too, with some parties hiring the services of an ecologist. Rigidity: regulation 17 is rigid/inflexible.	This option means that farmers, FWFPs, and regional plan rules will manage stock exclusion from natural wetlands specified in regulation 17. **Objective 1**: removing unnecessary costs, complexity and rigidity. **++** Costs: There will be no national requirement for stock to be excluded from these wetlands, therefore potentially removing the cost for these farmers. Other mechanisms may be used for managing stock access to wetlands (e.g., regional plans/ FWFPs). These will be able to take local circumstances and risks into consideration (including situations where excluding stock from a particular wetland is not required). Overall, it is anticipated that this option would incur less costs compared to the status quo. Complexity: this option would remove complexity compared to the status quo (i.e., wetland delineation is very complex) and would rely on regional rules (which can be locally tailored) to manage the impacts. Rigidity: this option removes rigidity compared to the status quo.	**Objective 1**: removing unnecessary costs, complexity and rigidity. **++** Costs: most natural wetlands within non- intensive beef cattle and deer systems will no longer be required to have stock excluded (under national regulations). Overall, this option will remove costs compared to the status quo for farms that can benefit from the exception. Complexity: in terms of complexity, this option is considered better than the status quo (it removes complexity for farms that can benefit from the exception). Rigidity: this option removes rigidity compared to the status quo, by providing an exception for some farming systems.	**Objective 1**: removing unnecessary costs, complexity and rigidity. **+** Costs: most natural wetlands on DOC- and LINZ-administered land will no longer be required to have stock excluded (under national regulations). Overall, this option will remove costs compared to the status quo for farms that can benefit from the exception. Complexity: in terms of complexity, this option is considered better than the status quo (it removes complexity for farms that can benefit from the exception). Rigidity: this option removes rigidity compared to the status quo, by providing an exception for some farming systems. Note that this option means not all extensive farming systems can benefit from an exception from regulation 17 (i.e., only those on DOC- and LINZ-administered land can).	**Objective 1**: removing unnecessary costs, complexity and rigidity. **0** Costs: this option extends timeframes and allows farmers to spread stock exclusion costs over time (or adopt alternative approaches as they become more available – e.g., smart collars), however it does not remove the total cost of complying with regulation 17. Complexity: in terms of complexity, this option is considered equivalent to the status quo. Rigidity: in terms of rigidity, this option is considered equivalent to the status quo.
	Objective 2: providing more flexibility for local decision-making. **0** Regulation 17 does not provide flexibility for local decision-making.	**Objective 2**: providing more flexibility for local decision-making. **++** This option provides more flexibility for local decision-making (e.g., voluntary actions, FWFPs, or regional plan rules).	**Objective 2**: providing more flexibility for local decision-making. **+** Compared to the status quo, this option provides more flexibility for local decision- making for farms that can benefit from the exception (they may decide to exclude stock or not).	**Objective 2**: providing more flexibility for local decision-making. **+** Compared to the status quo, this option provides more flexibility for local decision-making for farms that can benefit from the exception (they may decide to exclude stock or not).	**Objective 2**: providing more flexibility for local decision- making. **0** This option is the same as the status quo.
	Objective 3: safeguarding the environment. **0** Regulation 17 provides environmental benefits in some areas (e.g., where particularly sensitive wetlands are present or where stock are grazing at higher intensity).	**Objective 3**: safeguarding the environment. **- -** . This option is broad in scope. It would repeal a regulation that apply to *all stock* (e.g., dairy cattle and intensively grazed beef cattle). Compared to the status quo, this option poses greater risks to natural wetlands. The timing of other mechanisms (e.g., FW-FPs, notification of regional plans) are likely to occur later in 2025, meaning any investment in stock exclusion could be delayed.	**Objective 3**: safeguarding the environment. **-** An exception may be inappropriate in some circumstances (e.g., where particularly sensitive wetlands are present). Compared to the status quo, this option poses more risks to natural wetlands.	**Objective 3**: safeguarding the environment. **-** An exception may be inappropriate in some circumstances (e.g., where particularly sensitive wetlands are present). However, stocking rates are actively managed as part of DOC/LINZ licences or leases, to manage the impacts grazing has on the environment. Compared to the status quo, this option may pose more, but limited, risks to natural wetlands.	**Objective 3**: safeguarding the environment. **-** This option is worse than the status quo. That is, providing more time to farmers to exclude stock from natural wetlands could delay environmental improvements.

Efficiency • Is it providing enough flexibility to allow local circumstances to be adequately taken into account/addressed at the local level? • Is it cost-effective?	**0** Regulation 17 does not provide flexibility to allow local circumstances to be taken into account. That is, it does not vary in response to different farming intensities or local circumstances (e.g., where allowing stock to access a wetland may be justified from an environmental cost/benefit standpoint).	**++** This option removes a nationally applicable requirement and therefore provides more flexibility for local decision-making than the status quo. This option is more cost-effective than the status quo and will rely on other mechanisms to exclude stock from these wetlands.	**++** This option removes a nationally applicable requirement for non-intensive beef and deer farms and therefore provides more flexibility for local decision-making for these farms. This option is more cost-effective than the status quo and will rely on other mechanisms to exclude stock from these wetlands.	**0/+** This option removes a nationally applicable requirement for farms located on DOC- and LINZ-administered land. This option is more cost-effective than the status quo. That is, FWFPs, plan rules or farmers will decide where to exclude stock from natural wetlands on these farms, based on risks. However, not all extensive farming systems are on DOC- or LINZ- administered land, meaning flexibility will not be provided to all areas where it may be needed.	**0** The efficiency of this option is about the same as the status quo. We note, however, that alternative stock exclusion measures may become more affordable over time (e.g., smart collar technology).
Alignment • Does the option integrate well with other proposals and the wider statutory framework?	**0** The status quo does not align with changes progressed to other requirements in the regulations to better enable local decision-making.[38]	**+** This option aligns with previous changes to the stock exclusion regulations to replace one-size- fits-all regulations and better enable local decision-making. [39]	**+** This option aligns with previous changes to the Stock Exclusion Regulations to remove requirements applying to non-intensively grazed beef cattle and deer in relation to lakes, wide rivers and some specified natural wetlands.	**0/+** This option aligns with previous changes to the Stock Exclusion Regulations to replace one-size- fits-all regulations and better enable local decision-making. However, it does this partially because not all extensive farming systems are on DOC- or LINZ-administered land.	**0** This option is about the same as the status quo in terms of alignment with other proposals.
Implementation • Is the option clear about what is required for implementation by local government/others and easily implemented?	**0** Regulation 17 is challenging to implement. Wetland delineation is a complex process. In addition, officials understand that threatened species identification can be a complex process too.	**+** This option makes it clear to regional councils that they are responsible for managing stock access to wetlands.	**+** This option is more easily implemented than the status quo for non-intensive beef and deer farms. It makes it clear that regional councils are responsible for managing stock access to wetlands for non-intensively grazed beef and deer farms.	**0/+** This option is slightly better than the status quo. Instead of regulation 17, it would rely on existing DOC/LINZ lease arrangements (which contain restrictions, including on the number of stock that can graze the land) to address the risks of stock accessing natural wetlands containing threatened species. It reduces duplication in requirements for these farms.	**0** This option is about the same as the status quo.
Treaty of Waitangi	**0**	Refer to Treaty Impact Analysis (Appendix B)	Refer to Treaty Impact Analysis (Appendix B)	Refer to Treaty Impact Analysis (Appendix B)	Refer to Treaty Impact Analysis (Appendix B}
Overall assessment	**0**	**+**	**+**	**0/+**	**0**

Key for qualitative judgements				
++ much better than doing nothing / the status quo / counterfactual	**+** better than doing nothing / the status quo / counterfactual	**0** about the same as doing nothing / the status quo / counterfactual	**-** worse than doing nothing / the status quo / counterfactual	**- -** much worse than doing nothing / the status quo / counterfactual

[38] Changes progressed through the Resource Management (Freshwater and Other Matters) Amendment Act in October 2024 to repeal the map of low slope land and associated requirements to exclude non-intensively grazed beef cattle from lakes and wide rivers, and all stock in relation to natural wetlands greater than 500 square metres.
[39] Changes progressed through the Resource Management (Freshwater and Other Matters) Amendment Act.

What option is likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?

83. Only applying regulation 17 to dairy cattle, dairy support cattle, pigs, and intensively grazed beef cattle and deer (Option Three) overall scores better than the status quo. While this option may be inappropriate in some circumstances (e.g., where particularly sensitive wetlands are present), we note that FWFPs (once rolled out), regional plan rules (where relevant), and farmers' voluntary actions can provide stock exclusion. This option also balances the risk of reduced weed management or that farmers may choose to operate more intensively on smaller areas of land, if the status quo is retained. For these reasons, Option Three is favoured.

Analysis of other options:

84. The points raised above along with Government direction suggests that Option One is not favoured.

85. Repealing regulation 17 (Option Two) provides for costs savings and more flexibility for local decision-making, meaning it is more efficient than the status quo. However, this option is broader in scope (i.e., it would remove requirements to exclude any stock, irrespective of stocking rates), and poses greater risks to natural wetlands.

86. Developing an exception from regulation 17 for DOC- and LINZ-administered land (Option Four) overall scores slightly better than the status quo. However, regulation 17 will continue to apply to extensive farms that are not on DOC- or LINZ-administered land and therefore partially addresses the issue.

87. We consider that extending the compliance timeframes (Option Five) would be about the same as the status quo in relation to the total cost of excluding stock and inability to provide more flexibility for local decision-making. It would likely continue to be economically inefficient for extensive farming systems.

What are the marginal costs and benefits of the preferred option? (Option 3)

Affected groups	Comment	Impact	Evidence Certainty
Additional <u>costs</u> of the preferred option compared to taking no action			
Regulated groups	No additional costs to regulated groups above the status quo.	Low	Medium
Regulators	No additional costs have been identified for regulators above the status quo.	Low	Low
Others (e.g., wider govt, consumers, etc.)	N/A	N/A	N/A
Iwi/Māori	Refer to the Treaty impact analysis.		
Total monetised costs	N/A	N/A	N/A

Non-monetised costs	The preferred option may be inappropriate in some circumstances (e.g., where particularly sensitive wetlands are present), meaning environmental impacts could arise due to potential increases in contaminants in these wetlands. Compared to the status quo, this option poses more risks to natural wetlands.	Low	Low
Additional <u>benefits</u> of the preferred option compared to taking no action			
Regulated groups	Cost saving to farmers who would have had to make the necessary investments (financial and time) to comply with regulation 17 by 1 July 2025.	High	Low
Regulators	Lower cost to Regional Councils regarding compliance monitoring and enforcement.	Low	Low
Others (e.g., wider govt, consumers, etc.)	Many natural wetlands captured by regulation 17 are located on DOC or LINZ pastoral lease land, which is often associated with lower intensity farming. Those pastoral leases already have restrictions in place (including on the number of stock that can graze the land) to address the risks of stock accessing natural wetlands. The preferred option reduces duplication in requirements.	Low	High
Iwi/Māori	Refer to the Treaty impact analysis.		
Total monetised benefits	Not available	N/A	N/A
Non-monetised benefits	Alleviate immediate cost pressures for non-intensive farms.	Medium	Low

Part B: Options to amend standards for farming activities in the National Environmental Standards for Freshwater Management

Section 1: Diagnosing the policy problem

What is the context behind the policy problem and how is the status quo expected to develop?

88. The NES-F sets out requirements for carrying out certain activities that pose risks to freshwater and freshwater ecosystems. Part 2 sets out standards for the following farming activities:

- Subpart 1 – Feedlots and other stockholding areas
- Subpart 2 – Agricultural intensification (revoked on 1 January 2025)[40]
- Subpart 3 – Intensive winter grazing
- Subpart 4 – Application of synthetic nitrogen fertiliser to pastoral land.

89. In relation to pastoral systems, Part 2 applies only to farms on which 20 hectares or more is in pastoral land use.

90. Individual farmers must comply with these regulations, with responsibility for compliance monitoring and enforcement resting with regional councils.

91. This interim RIS focuses on potential changes to Subpart 4 (Application of synthetic nitrogen fertiliser to pastoral land) of the NES-F to meet the Government's priorities.[41]

92. In relation to Subpart 1 (Feedlots and other stockholding areas), we sought feedback on potential issues and improvements relating to these regulations during targeted engagement (November 2024 – January 2025). We note that this did not generate broad support for making changes at this stage.

93. In relation to Subpart 2 (Agricultural intensification), the agricultural intensification regulations were automatically revoked on 1 January 2025.

94. In relation to Subpart 3 (Intensive winter grazing), the Resource Management (Freshwater and Other Matters) Amendment Bill, introduced in May 2024 as part of "phase two" and passed into law on 25 October 2024,[42] already addresses the Government's priorities in relation to intensive winter grazing.[43] Therefore, these regulations are considered out of scope for the purpose of this RIS.

Application of synthetic nitrogen fertiliser to pastoral land

Context

95. Nitrogen is an essential nutrient for plant growth. However, high nitrogen levels are associated with adverse effects on both the toxicity and ecological health of waterways and were among the key issues that the *Essential Freshwater* package aimed to address. Excessive nitrogen can impact all freshwater ecosystems such as rivers, wetlands, lakes, and estuaries.

[40] As per regulation 25 of the NES-F.

[41] This includes replacing the NES-F to better reflect the interests of all water users (*New Zealand National Party & New Zealand First Coalition Agreement*)

[42] Resource Management (Freshwater and Other Matters) Amendment Act 2024

[43] The Act repealed the permitted and restricted discretionary activity regulations and associated conditions for intensive winter grazing in the NES-F, and replaced these with standalone regulations on riparian setback and critical source areas.

96. In agricultural systems, more nitrogen is commonly added to soils as fertiliser or as urine or dung from livestock. Not all the additional nitrogen can be used by plants and microorganisms, so some nitrate-nitrogen may leach from the soil into water bodies (e.g., groundwater and waterways). Livestock urine is the dominant source of nitrate-nitrogen leached from soil.[44]

97. Estimates of nitrogen applied to land in fertiliser increased from 62,000 to 452,000 tonnes (629 percent) between 1991 and 2019.[45] However, between 2020 and 2023 there was a 23% drop in nitrogen use.[46]

98. The dairy industry is the main user of synthetic nitrogen fertilisers. In 2019, it accounted for 67% of the New Zealand total (223,000 tonnes). This is followed by farms that are predominantly sheep and beef and grain growing (42% and 4% of New Zealand total, respectively).[47]

99. For the period 2016-2020, 69% of New Zealand's river length had modelled nitrogen concentrations indicating risk of environmental impairment based on comparison with reference conditions.[48]

Nitrogen cap and compliance pathways for the discharge of synthetic nitrogen fertiliser

100. The NES-F sets out requirements for the application of synthetic nitrogen fertiliser (Subpart 4). Regulations 33 – 35 include compliance pathways for the discharge of synthetic nitrogen fertiliser.

101. The **compliance pathways** for the discharge of synthetic nitrogen fertiliser are:

- **Pathway 1**: As a permitted activity, comply with the default condition that the application of nitrogen, as a component of synthetic nitrogen fertiliser, must not exceed 190 kg/ha/year (nitrogen cap)[44]

- **Pathway 2**: Apply for a resource consent (non-complying) if unable to meet the default condition set out in Pathway 1.

102. The NES-F enables regional councils to set rules in their regional plans based on their local circumstances and level of risk, and these may be more stringent than the NES-F regulations.[49] Many regional councils address the discharge of fertiliser in their plans, for instance as a permitted activity condition or farming standards. [50]

103. The National Policy Statement for Freshwater Management 2020 (NPS-FM) also includes provisions for monitoring and managing nitrogen.

104. In addition to regulatory instruments, industry guidance tools exist such as the Code of Practice for Fertiliser Nutrient Management issued by the Fertiliser Association of New Zealand, and likely play a role in mitigating risks relating to the application of synthetic nitrogen fertiliser to pastoral land.[51] Some regional councils refer to the code of practice in their plan rules for the discharge of fertiliser (e.g., as permitted activity condition).[52]

Reporting requirements for dairy farmers

105. In addition to the compliance pathways for the discharge of synthetic nitrogen fertiliser,

[44] Nitrate leaching from livestock | Stats NZ
[45] Fertilisers – nitrogen and phosphorus | Stats NZ
[46] Fertiliser use in NZ
[47] Fertilisers – nitrogen and phosphorus | Stats NZ
[48] River water quality: nitrogen | Stats NZ
[49] Refer Regulation 6 NES-F
[50] For example: Freshwater Plan for Taranaki 2001 / Taranaki Regional Council (Taranaki Regional Council), proposed-regional-plan-february-2024.pdf (Northland Regional Council), Volume-2-Proposed-Waikato-
[51] proposed-regional-plan-february-2024.pdf (Northland Regional Council), Volume-2-Proposed-Waikato- Regional-Plan-Change-1-Decisions-version.pdf (Waikato Regional Council), RP – LF – Land and freshwater (Horizons Regional Councils).
[52] For example: Northland Regional Council Proposed Regional Plan – proposed-regional-plan-february-2024.pdf (see rule C.6.9.3), and Horizons Regional Council Land and Freshwater Plan – RP – LF – Land and freshwater (see rule LF-LW-R9).

the NES-F sets out reporting requirements for dairy farms.[53]

106. Regulation 36 requires dairy farmers to provide a report to their regional council detailing their use of synthetic nitrogen fertiliser in the past year. The reporting year runs from 1 July to 30 June and farmers must provide the report to the relevant regional council by 31 July.

107. There are three platforms for reporting: an online self-report tool, and automated reporting tools owned by the two main fertiliser companies (Ballance and Ravensdown).

108. Currently, the information requested under regulation 36 relates to:

- the area of dairy farmland
- receipts of synthetic nitrogen fertiliser purchased
- the types of synthetic nitrogen fertiliser applied
- application rates
- applications dates.

What is the policy problem or opportunity?

Application of synthetic nitrogen fertiliser to pastoral land

Nitrogen cap and compliance pathways for the discharge of synthetic nitrogen fertiliser

109. Officials are not aware of specific issues or opportunities relating to the 190kg/ N ha/ year limit at this stage.

110. Targeted engagement from November 2024 indicated that the nitrogen cap has resulted in reduced application of synthetic nitrogen in some areas. Stakeholders noted that in most cases, applying more than 190kg/ha/year was not economically efficient, and did not necessarily result in increased pasture growth. A recent study estimated that in Canterbury nitrogen fertiliser application had decreased by 31%, and even with an increase in clover fixation and supplementary feed, total nitrogen within the system reduced by 9%, and nitrogen leached reduced by 15%.'[54]The results were similar in Southland (although with a smaller sample size), with a 32% reduction in nitrogen leached.

Reporting requirements for dairy farmers

111. The requirement for dairy farmers to provide a report to their regional council detailing their use of synthetic nitrogen fertiliser (in the past year) started from July 2022.

112. The reporting rate to date has been relatively low. In 2023 it was estimated that between 50 - 60 percent of dairy farms had submitted a report, compared to 40 - 45 percent or less in the 2021-2022 year.

113. While we expect the reporting rate and quality of data reported will continue to increase (given educative efforts made by councils to date), the following factors were identified (via council reporting on compliance) that contributed to the low reporting rate:

- **regulatory** – non-alignment between the NES-F reporting date and other dairy reporting, and some information requirements that are challenging to provide while adding little of value to the regulator (e.g., the provision of purchase receipts)
- **behavioural** – most farmers were inadequately prepared to comply with the new requirements in 2021-22 and, in 2022-23, many still had limited understanding of

[53] Fertiliser Association: Code of Practice
[54] Journeaux, P., Glass, C & Beatson, C (2024). Nitrogen management – implications of the 190kg n/ha limit. In The Journal, 28(1), 30-36.

what is required and how to provide it despite outreach efforts by councils, the fertiliser companies, and industry bodies

- **technical** – the main issues in 2022-23 were: (1) the limited use of online tools by up to 40 per cent of farmers, (2) the lack of a reliable spatially-based farm identification system, and (3) the lack of a reliable dairy farm denominator on which to base response rate and compliance statistics.

114. Feedback from the primary sector during targeted engagement in November – December 2024 confirmed that there are issues with the NES-F reporting period (1 July – 30 June), which does not align with other dairy reporting (i.e., farm taxation and financial reporting). This dairy reporting typically covers the period 1 June – 31 May. This causes issues as:

- Sharemilkers[55] farm sales and farm leases typically move on 31 May, meaning aligning the NES-F and dairy reporting dates would make it easier to collect and provide the data required under the NES-F
- it requires double handling of data, as farmers are required to provide information across 2 different periods.

115. We also heard that the requirement to provide fertiliser purchase receipts[56] is onerous for farmers who are not part of large fertiliser companies and that it is not useful in supporting councils with compliance monitoring and enforcement because purchase receipts are not an accurate representation of the fertiliser applied on farm for any specific 12-month period.

[55] Sharemilkers do not own the land but are responsible for operating the farm on behalf of the farm owner in return for a share of income (Sharemilking - DairyNZ | DairyNZ)

[56] Regulation 36(c).

Section 2: Deciding upon an option to address the policy problem

What scope will options be considered within?

116. The scope of this interim RIS is deliberately narrow, to deliver on the Government commitment in 2025 as part of the package of national direction.

117. The Government committed to replace the NES-F. On this basis, the options in scope for Part B of this interim RIS are those that involve replacing the standards for farming activities in the NES-F. This does not include regulations for which changes have already been progressed (i.e., intensive winter grazing regulations).

118. Targeted engagement did not generate broad support for making changes to the feedlots and stock holding area regulations, or the 190kg/ha/year cap on nitrogen application.

119. However, Ministers have requested that, in line with Government objectives to reduce regulatory burden, an option be considered during public consultation to remove the NES-F requirements around nitrogen application (i.e., Subpart four) entirely.

What options are being considered?

120. This section sets out options to address issues relating to the reporting requirements for dairy farms (i.e., regulation 36).

Option One – Regulation 36 remains unchanged (status quo)

121. Under Option One, regulation 36 would remain in place, meaning:

- the reporting period does not align with other dairy reporting
- the requirement to provide fertiliser purchase receipts generates disproportionate burden relative to benefits, and does not support councils with compliance monitoring.

Option Two – Repealing regulation 36

122. Under this option, regulation 36 would be repealed. This means that there would no longer be national requirements for dairy farmers to provide a report to their regional council detailing their use of synthetic nitrogen fertiliser in the past year.

123. This would remove regulatory burden for these farmers.

124. Feedback from targeted engagement indicated that councils rely on the reporting requirements (i.e., regulation 36) for compliance monitoring and enforcement relating to the application of synthetic nitrogen fertilisers for dairy farms. Removing regulation 36 would likely affect council's ability to do that. Because farmers are not required to report on their compliance with the nitrogen cap (and regional councils will not receive this information), this option also increases the risk of non-compliance, therefore presenting greater risk to the environment.

Option Three – Amending regulation 36 (preferred option)

125. Under this option, regulation 36 would be amended to:

- align the reporting date in the NES-F with other dairy reporting (i.e., 1 June – 31 May)
- repeal the requirement to provide fertiliser purchase receipts (i.e., regulation 36(c)).

126. These amendments would address the issues identified during targeted engagement, while still providing councils with compliance monitoring (and therefore continued safeguarding of the environment). For these reasons Option Three is the preferred option.

Option four – Removing Subpart 4 – Application of synthetic nitrogen fertiliser to pastoral land from the NES-F

127. Under this option, the N-Cap and associated regulations (i.e., Subpart Four) within the NES-F would be repealed. There would be no national level regulations regarding how much synthetic nitrogen fertiliser can be applied, and the management of this would rely on regional rules in plans.

128. Compliance monitoring and enforcement required by regional councils would also be reduced, as they would only be required to monitor the application of nitrogen in line with their regional plans.

129. This would reduce the regulatory burden for farmers, and would remove the need for farmers to apply for a consent if they wish to apply higher rates of fertiliser, unless required to under their regional plan.

130. This risks environmental outcomes, as increased amounts of synthetic nitrogen could be applied. Data indicates that applying rates above the cap are not able to be justified economically, as the pasture response curve flattens out beyond 200 kg, however there is still a risk that nitrogen application would increase.[57]

131. Targeted engagement indicated minimal support for making changes to the 190kg/ha/year cap on nitrogen application, and indicated that the nitrogen cap has resulted in reduced application of synthetic nitrogen in some areas.

[57] Pinxterhuis, 2019. Tactical use of nitrogen fertiliser Online: https://www.dairynz.co.nz/media/5792474/tactical- use-of-nitrogen-fertiliserpinxterhuis-2019-tech-series

How do the options compare to the status quo?

	Option One Status quo (regulations remains unchanged)	**Option Two** Repealing regulation 36	**Option Three** Amending regulation 36	**Option Four** Repeal all regulations for application of synthetic nitrogen
Effectiveness • Does the option achieve the objectives? • Does it provide a solution to the identified problem?	**Objective 1**: removing unnecessary costs, complexity and rigidity. **0** Costs: targeted engagement highlighted that the reporting requirements (e.g., the requirement to provide fertiliser purchase receipts) can incur costs disproportionate to benefits. Farmers who want to apply more than the cap will require a resource consent. Complexity: targeted engagement highlighted that some reporting requirements are burdensome when balanced against the benefits they provide. In addition, misalignment between the NES-F and other dairy farm reporting periods generates complexity. Rigidity: The reporting requirements for dairy farms are rigid/inflexible (all the information requested needs to be provided to relevant regional council by 31 July each year).	**Objective 1**: removing unnecessary costs, complexity and rigidity. **+** Costs: in terms of costs, this option is better than the status quo for farmers as they will no longer be required to report. Could increase costs for councils as they will need a different way to do compliance monitoring. Complexity: This option would remove regulatory burden/complexity for dairy farmers. However, it may make it more complex for regional councils to undertake compliance monitoring and enforcement. Rigidity: This option would remove regulatory burden/rigidity for dairy farmers.	**Objective 1**: removing unnecessary costs, complexity and rigidity. **++** Costs: in terms of costs, this option is better than the status quo, as it would reduce the time and associated costs for farmers as reporting will be streamlined. It would not result in cost changes for councils. Complexity: This option would remove regulatory burden/complexity for dairy farmers, while still supporting councils with their compliance monitoring Rigidity: This option would remove regulatory burden/rigidity for dairy farmers.	**Objective 1**: removing unnecessary costs, complexity and rigidity. **+** Costs: repealing the regulations means some farmers will no longer need to apply for a resource consent (if applying at rates above the N-cap), which will result in cost savings for these farmers. However, we anticipate this to be limited. Farmers would also no longer need to report on nitrogen application. Compliance monitoring and enforcement costs will also be reduced for councils, as they will only be required to monitor nitrogen application if there are regional rules in place. Complexity: This option would remove complexity for farmers who need a resource consent under the status quo, and complexities around reporting. Rigidity: This option would remove rigidity for farmers, for both those that need a consent or are required to report.
	Objective 2: providing more flexibility for local decision-making. **0** This objective is not considered relevant for this option.	**Objective 2**: providing more flexibility for local decision-making. **0** This objective is not considered relevant for this option.	**Objective 2**: providing more flexibility for local decision-making. **0** This objective is not considered relevant for this option.	**Objective 2:** providing more flexibility for local decision-making. **+** Compared to the status quo, this option provides more flexibility for local decision-making (i.e., farmers and regional plan rules if relevant) in relation to how much N fertiliser is applied. However, this is expected to be limited given that farmers can already apply at rates up to 190 kg N/ha/year without needing a resource consent.
	Objective 3: safeguarding the environment. **0** Supports councils with compliance monitoring, reducing the risk of non-compliance and supports safeguarding the environment.	**Objective 3**: safeguarding the environment. **-** Increases the risk of non-compliance (as regional councils will no longer receive reporting), potentially risking environmental outcomes.	**Objective 3**: safeguarding the environment. **0** Supports councils with compliance monitoring, reducing the risk of non-compliance and supports safeguarding the environment.	**Objective 3: safeguarding the environment.** **- -** Compared to the status quo, this option could result in poorer environmental outcomes if farmers choose to apply fertilisers at rates above 190 kg N/ha/year.
Efficiency • Is it providing enough flexibility to allow local circumstances to be adequately taken into account/addressed at the local level? • Is it cost-effective?	**0** The status quo is not effective – i.e., aspects of regulation 36 generate disproportionate burden and costs when balanced against the additional information they provide, which has limited value for compliance purposes.	**0** This option is better than the status quo as it is cost effective, as farmers are no longer required to report to regional councils. Will likely make it harder for regional councils to monitor compliance with the regulations, therefore mitigating the cost savings resulting from removing the requirements.	**++** This option is better than the status quo as it aligns reporting requirements with other farming reporting, while still enabling regional councils to monitor compliance.	**0** Relies on local level rules to manage the application of synthetic fertiliser. As the nitrogen cap is set at quite a high level (190 kg N/ha/year), and regional councils already have the ability to set stricter rules, it provides limited additional flexibility. In areas where there are not rules, more flexibility is provided as more nitrogen can be applied. Is not cost effective as significant investment has been put into enabling reporting. It is also not cost effective to apply more than 200kg N/ha/year.
Alignment Does the option integrate well with other proposals and the wider statutory framework?	**0** The status quo does not align with other freshwater changes progressed under Phase 2 of the resource management reform.	**+** This option is better than the status quo, it removes complexity and regulatory burden in line with other freshwater changes progressed under Phase 2 of the resource management reform.	**+** This option is better than the status quo, it removes complexity and regulatory burden in line with other freshwater changes progressed under Phase 2 of the resource management reform.	**+** This option is better than the status quo, it removes complexity and regulatory burden in line with other freshwater changes progressed under Phase 2 of the resource management reform.
Implementation Is the option clear about what is required for implementation by local government/others and easily implemented?	**0** Officials understand that the reporting requirements for dairy farms are challenging to provide while adding little value to regional councils.	**+** This option is likely to remove regulatory burden for dairy farmers as they will no longer be required to report. However, it may make it less clear for regional councils how they are supposed to monitor compliance with the N- Cap requirements.	**++** This option is likely to remove regulatory burden for dairy farmers as the reporting requirements may align better with their existing dairy calendar. May support increased levels of reporting (as it is easier to do) and still enables regional councils to receive data to support compliance monitoring.	**+** Removing the regulations will be clear to communicate to farmers and regulators. Repealing the N-cap and associated activity regulations may prompt some councils to update their plan to address any 'gap' (i.e., where a particular regional plan does not include provisions for the application of synthetic nitrogen fertilisers).
Treaty of Waitangi	**0**	Refer to Treaty Impact Analysis (Appendix B)	Refer to Treaty Impact Analysis (Appendix B)	Refer to Treaty Impact Analysis (Appendix B)
Overall Assessment	**0**	**+**	**++**	**+**

Key for qualitative judgements

++ much better than doing nothing / the status quo / counterfactual	**+** better than doing nothing / the status quo / counterfactual	**0** about the same as doing nothing / the status quo / counterfactual	**-** worse than doing nothing / the status quo / counterfactual	**- -** much worse than doing nothing / the status quo / counterfactual

What option is likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?

132. Repealing or amending the reporting requirement for dairy farms (Option Two and Option Three) or removing the N-Cap entirely overall score better than the status quo. These options are likely to remove regulatory burden and costs for dairy farmers. Amending the reporting requirements scores the highest, as it is more effective and efficient compared to the status quo, while also supporting safeguarding the environment. Aligning the date with existing reporting makes it easier for farmers to meet the reporting requirements (reducing regulatory burden) while also supporting councils with compliance monitoring.

133. Option Two (repealing the regulations) scores higher than the status quo, however it is likely to make it more complex for regional councils to undertake compliance monitoring, potentially risking environmental outcomes. Similarly, Option Four removes the N-Cap entirely, reducing cost and complexity for farmers, however, does not support safeguarding the environment (as more nitrogen can be applied). There is also evidence to suggest that rates above 200kg ha/ year are not able to be justified economically, as the pasture response curve flattens out beyond 200 kg.[58]

134. For these reasons, Option three is favoured.

What are the marginal costs and benefits of the preferred option (Option three)

Affected groups	Comment	Impact	Evidence Certainty
Additional <u>costs</u> of the preferred option compared to taking no action			
Regulated groups	No additional costs to regulated groups above the status quo.	Low	Medium
Regulators	No additional costs have been identified for regulators above the status quo.	Low	Low
Others (e.g., wider govt, consumers, etc.)	N/A	N/A	N/A
Iwi/Māori	Refer to the Treaty impact analysis.		
Total monetised costs	N/A	N/A	N/A
Non-monetised costs	No non-monetised costs have been identified for the preferred option.	N/A	N/A
Additional <u>benefits</u> of the preferred option compared to taking no action			
Regulated groups	Benefit of having reporting requirements align with other dairy reporting, reducing duplications and cost.	Medium	Medium
Regulators	Could potentially support increased rates of reporting (as it is easier to do).	Medium	Low

[58] Pinxterhuis, 2019. Tactical use of nitrogen fertiliser Online: https://www.dairynz.co.nz/media/5792474/tactical-use-of-nitrogen-fertiliserpinxterhuis-2019-tech-series.pd

Others (e.g., wider govt, consumers, etc.)	No additional benefits have been identified for the preferred option.	Low	Low
Iwi/Māori	Refer to the Treaty impact analysis.		
Total monetised benefits	Reduced duplication and cost of reporting for regulated parties compared to status quo.	Medium	Medium
Non-monetised benefits	Supports increased levels of reporting	Medium	Low

Section 3: Delivering the options

How will the new arrangements be implemented?

135. The new arrangements under Part A and Part B will be progressed as part of the National Direction Reform package and will undergo public consultation before a preferred option is progressed.

Ongoing operation and enforcement

136. Local authorities with resource management responsibilities under section 30 of the RMA (e.g., regional councils and unitary authorities) will have the principal role for managing and enforcing any amendments made to the stock exclusion and NES-F regulations.

137. When introduced, the Ministry for the Environment will support regional councils (including any unitary authority) and the industry sectors to implement the new regulations through the publication of updated guidance documents and advisory notes.

How will the new arrangements be monitored, evaluated, and reviewed?

138. Regional councils have monitoring requirements for freshwater outcomes, including the monitoring and reporting on the state of the environment required under section 35 of the Resource Management Act 1991, reporting under the Environmental Reporting Act 2015, and specific reporting requirements under the National Policy Statement for Freshwater Management 2020. In 2026, reports on the state of New Zealand's freshwater will also be prepared under the Environmental Reporting Act 2015.

139. The Government has committed to reviewing and replacing the RMA, with the intention to narrow the scope of the resource management system to focus on managing actual effects on the environment. The changes made to the RMA could influence the monitoring and evaluation of the changes proposed. Officials will, where possible, work to align the proposals with the new resource management system.

140. While this will provide information on freshwater outcomes and quality, it would be difficult to attribute any changes in freshwater outcomes to the changes outlined in this RIS. This is due to the complexities of freshwater management, and the winder context for freshwater management in which these changes are occurring.

Appendix A: Overview of the exclusion regulations (excluding requirements for new farm systems)

Note: Highlighting indicates a regulation repealed by the Resource Management (Freshwater and Other Matters) Amendment Act 2024.		
	Applies from 1 July 2023	**Applies from 1 July 2025**
Requirements to exclude stock from lakes and wide rivers*	Dairy cattle on any terrain (regulation 9)	
	Pigs on any terrain (regulation 10)	
		Dairy support cattle on any terrain (regulation 11)
	Beef cattle intensively grazing on any terrain (regulation 12)	
	Deer intensively grazing on any terrain (regulation 13)	
		Beef cattle on low slope land (regulation 14)
		Deer on low slope land (regulation 15)
Requirements to exclude stock from natural wetlands	Exclusion of all stock from natural wetlands identified in regional or district plan operative on commencement date (regulation 16)	
		Exclusion of all stock from natural wetlands that support threatened species described in National Policy Statement for Freshwater Management 2020 (regulation 17)
		Exclusion of all stock from natural wetlands more than 500 m2 on low slope land (regulation 18)

* The 3-metre setback rule (i.e., regulation 8) and stock crossing requirements (i.e., regulations 9(b), 10(b), 11(b) and 12(b)) apply.

Note

Until 25 October 2024, a map of low slope land was incorporated by reference in the regulations. It showed areas of low slope where beef cattle and deer had to be excluded from lakes and rivers over one metre wide, and where all stock had to be excluded from natural wetlands with an area more than 500 square metres.

The Resource Management (Freshwater and Other Matters) Amendment Bill, introduced as part of "phase two", repealed the map of low slope land and associated requirements to exclude stock.[59] It addressed the Government's concern that these requirements would have imposed significant costs on lower intensity beef and deer farms for limited environmental benefits [ECO-24-MIN-0051 refers].

[59] This Bill was passed into law on 25 October 2024.

Appendix B: Replacement of National Policy Statement for Freshwater Management 2020: Interim Treaty Impact Analysis

The Interim Treaty Impact Analysis for the freshwater package can be accessed here.