

PROACTIVE RELEASE COVERSHEET

Minister	Hon Todd McClay Hon Penny Simmonds Hon Andrew Hoggard	Portfolio	Minister of Agriculture Minister for the Environment Associate Environment
Name of package	Supporting Southland with Freshwater Farm Planning	Date to be published	12/05//2025

List of documents that have been proactively released		
Date	Title	Author
11 November 2024	Cabinet paper: Supporting Southland with freshwater farm planning	Ministry for the Environment Ministry for Primary Industries
14 November 2024	Cabinet Paper: Resource Management Act 1991: Application of Part 9A – Freshwater Farm Plans	Ministry for the Environment Ministry for Primary Industries
6 November 2024	ECO-24-MIN-0247 - Cabinet Economic Policy Committee Minute of Decision	Cabinet Office
14 November 2024	LEG-24-MIN-0230 – Cabinet Legislation Committee Minute of Decision	Cabinet Office
11 November 2024	Regulatory Impact Statement: Addendum: Application of the Resource Management (Freshwater Farm Plan) Regulations 2023	Ministry for the Environment Ministry for Primary Industries

Information redacted NO

© Crown Copyright, Creative Commons Attribution 4.0 International (CC BY 4.0)

In Confidence

Office of the Minister of Agriculture

Office of the Minister for the Environment

Office of the Associate Minister for the Environment

Economic Policy Committee

Supporting Southland with freshwater farm planning

Proposal

- To avoid farmers in Southland being disadvantaged due to the Southland Land and Water Regional Plan requirements, we propose that national freshwater farm plan regulations (FW-FPs) roll out in (only) Southland before the end of 2024.
- 2 Doing so will give farmers in the region more time (until mid-2026) to meet these regional requirements.
- This paper seeks Cabinet agreement to authorise the Minister for the Environment (with support from the Minister of Agriculture and the Associate Minister for the Environment) to instruct Parliamentary Council Office to commence drafting an Order in Council to apply Part 9A of the Resource Management Act 1991 (RMA) to the Southland region.

Relation to government priorities

- The National-Act Coalition Agreement signalled the Government's intention to "improve farm environment plans so they are more cost-effective and pragmatic for farmers." The National Party Manifesto also stated that "National will consider whether a risk-based approach for FW-FPs is practical and whether the current deadline is achievable."
- In April 2024, Cabinet agreed to review the FW-FP system to make it more practical and cost effective [CBC-24-MIN-0014].

Background

- Part 9A of the RMA established FW-FPs as a regulatory tool that supports farmers and growers to manage on-farm risks to freshwater, in a way that is tailored to their individual conditions and catchment needs.
- 7 The FW-FP regulations came into force on 1 August 2023 and were applied to parts of Waikato and Southland (from 1 August 2023), Otago, and West Coast (from 1 February 2024) and the Manawatū-Horizons (from 1 April 2024).
- In August 2024, Cabinet agreed to pause the rollout of FW-FPs while work is underway to improve the FW-FP system [ECO-24-MIN-0140]. This pause has now occurred through the Resource Management (Freshwater and Other Matters)

- Amendment Act. These amendments removed the timeframes in which farmers in Southland are required to submit a FW-FP for certification by revoking the Order in Council that started the initial rollout.
- 9 Cabinet noted in August that we may seek to return to Cabinet should we need to provide more support to Southland farmers while the rollout of the FW-FP system is paused.

Analysis

The Southland Water and Land Plan

- The Southland Water and Land Plan (the Regional Plan), which became operative on 27 May 2024, has regional farm planning requirements to manage the impacts of farming activities on the environment.
- To meet these regional requirements, farmers can prepare either a regional farm plan or follow the national FW-FP system. If national FW-FPs do not apply in the region, then the Regional Plan creates a situation where a farmer needs to meet the regional farm planning requirements as soon as possible or become non-compliant.
- Because the rollout of national FW-FPs is now paused, Environment Southland have advised that farmers will need to have a compliant regional farm plan prepared before the end of this year.
- We estimate that 2,500 farmers in the region will be unable to meet this timeframe requirements and will become technically non-compliant.
- This situation leaves farmers with unreasonable timeframes to comply with the regional rules. Environment Southland has also not had sufficient time to put in place the implementation support required to enable farmers to meet this short timeframe.
- The Chair and Chief Executive of Environment Southland indicated they consider additional support is needed given this situation.

Rolling out FW-FPs in Southland

- To avoid unnecessary cost or duplication of effort for Southland farmers, we see it necessary to restart the rollout of national FW-FPs in Southland. This will give farmers an additional 18 months to meet their farm planning requirements.
- Part 9A of the RMA (and the associated Resource Management (Freshwater Farm Plans) Regulations 2023) does not apply to a region, district or part of New Zealand unless specified in Order in Council made under section 217C of the RMA.
- Section 217C of Part 9A allows for FW-FP requirements to be applied to a region, district or part of a region from a date specified in an Order in Council. Before doing this the Minister for the Environment must:
 - 18.1 be satisfied that regulations are necessary to achieve the purpose of Part 9A in the specified district, region, or part of New Zealand; and

- 18.2 consult with the Minister of Agriculture.
- We are satisfied that restarting the rollout in Southland is necessary to achieve the purpose of Part 9A, as it will provide more time for farmers to develop farm plans that are practical and fit-for-purpose.
- We propose that the FW-FP will apply to the whole of the Southland region restarted on or around the 5th of December 2024.
- Restarting the rollout across all of Southland will give farmers in the region until mid-2026 to submit a FW-FP to a certifier (18 months from the date of the Order in Council). This will reduce duplication for farmers in Southland and will provide more time for them to meet the farm planning requirements.
- This will also mean Southland farmers are not disadvantaged by any changes made to the wider FW-FP system, which are intended to be finalised by mid-2025. As they will not be required to meet their FW-FP requirements until mid-2026, many of them will likely be able to develop one farm plan which meets both requirements.
- We also intend to transition any certified Southland FW-FPs into the new national system as part of the wider work to improve the FW-FP system.

Implementation

- We have been working with Environment Southland to finalise a proposed implementation approach.
- Officials will continue to engage with Environment Southland and support them with the rollout of the national FW-FP system. This will include working with them to support the effective implementation of the regulations.
- We intend to return to Cabinet soon to seek agreement on improving the wider FW-FP system, with the intent to finalise and restart the implementation of the new system by mid-2025.

Cost-of-living Implications

There are no cost-of-living implications of the proposal.

Financial Implications

There are no financial implications of the proposal.

Legislative Implications

The proposals in this paper will require an Order in Council to be drafted and submitted to the Executive Council.

Impact Analysis

Regulatory Impact Statement

- A Regulatory Impact Statement has been completed and is attached at Appendix 1.
- The Regulatory Impact Analysis (RIA) panel (Ministry for Primary Industries) has reviewed the Regulatory Impact Statement "Addendum: Application of the Resource Management (Freshwater Farm Plan) Regulations 2023" and considers that it **meets** the RIA requirements.

Climate Implications of Policy Assessment

The Climate Implications of Policy Assessment (CIPA) team has been consulted and confirms that the CIPA requirements do not apply to this proposal as the threshold for significance is not met.

Population Implications

There are no anticipated population implications as part of this proposal.

Consultation

- Officials have been working with Environment Southland on how to address the timing challenges with their Regional Plan, and on the proposed solution. They have indicated they support the proposed approach.
- We will continue to work with Environment Southland, and other regional councils, on the implementation of this proposal, so that farmers are adequately supported and receive clear messaging on what the changes mean for them.

Agency Consultation

This paper was prepared jointly by MfE and MPI. The Treasury and the Department of the Prime Minister and Cabinet were informed about this paper.

Communications

- The Minister of Agriculture and the Associate Minister for the Environment are jointly responsible for publicly communicating the Government's views on FW-FPs [CBC-24-MIN-0014 refers].
- We intend to put out a press release as soon as possible outlining our intention to restart the rollout in Southland. This will provide clarity to farmers on what they are required to do under the Regional Plan and the FW-FP system.

Proactive Release

We will release this paper proactively, subject to redactions as appropriate under the Official Information Act 1982.

Recommendations

The Minister of Agriculture, the Minister for the Environment and the Associate Minister for the Environment recommends that the Committee:

- Note that in August 2024, Cabinet agreed to pause the rollout of FW-FPs while work is underway to improve the FW-FP system [ECO-24-MIN-0140];
- Note this pause has now occurred through the Resource Management (Freshwater and Other Matters) Amendment Act, which revoked the Order in Council that rolled out FW-FPs;
- Note that in August Cabinet noted we may return to Cabinet should more support for Southland farmers be needed while the rollout of the FW-FP system is paused;
- 4 **Note** that the Southland Land and Water Plan has farm planning requirements which are intended to manage the impacts of farming activities on the environment;
- Note if national FW-FPs do not apply in the region, then the Southland Regional Plan creates a situation where a farmer needs to meet the regional farm planning requirements as soon as possible or become non-compliant;
- Agree to restart the rollout of FW-FPs in Southland by recommending an Order in Council be made which applies Part 9A of the RMA to the whole Southland region;
- Note we are satisfied that restarting the rollout in Southland is necessary to achieve the purpose of Part 9A, as it will provide more time for farmers to develop farm plans that are practical and fit-for-purpose;
- 8 **Agree** that the FW-FP rollout for all of Southland be restarted on or around the 5th of December 2024;
- Authorise the Minister for the Environment to issue drafting instructions to Parliamentary Council Office to develop an Order in Council to recommence the rollout of the FW-FP system in Southland;
- Authorise the Minister for the Environment to make other minor and technical changes required by the Parliamentary Council Office for drafting purposes;
- Note Ministers intend to put out a press release as soon as possible outlining our intention to restart the rollout in Southland.

Authorised for lodgement

Hon Todd McClay

Minister of Agriculture

[IN-CONFIDENCE]

IN CONFIDENCE

Hon Penny Simmonds

Minister for the Environment

Hon Andrew Hoggard

Associate Minister for the Environment

[IN-CONFIDENCE]

IN CONFIDENCE

Appendix 1: Regulatory Impact Statement

Office of the Minister of Agriculture
Office of the Minister for the Environment
Office of the Associate Minister for the Environment
Cabinet Legislation Committee

Resource Management Act 1991: Application of Part 9A – Freshwater Farm Plans

Proposal

- On 11 November, Cabinet agreed to restart the rollout of FW-FPs in Southland through an Order in Council, which would apply Part 9A of the RMA to the whole Southland region [ECO-24-MIN-0247]. We recommend this occur as soon as possible, and that a new Order in Council commence from 27th November.
- This paper seeks authority to submit the Resource Management (Application of Part 9A Freshwater Farm Plans) Order 2024 under Part 9A of the Resource Management Act 1991 (RMA) to the Executive Council.
- This will restart the rollout of freshwater farm plans (FW-FPs) in Southland and will provide farmers in the region an additional 18 months to meet their farm planning requirements under the Southland Water and Land Plan.

Background

- FW-FP regulations came into force on 1 August 2023 and were applied to parts of Waikato and Southland (from 1 August 2023), Otago, and West Coast (from 1 February 2024) and the Manawatū-Horizons (from 1 April 2024).
- In August 2024, Cabinet agreed to pause the rollout of FW-FPs while work is underway to improve the FW-FP system [ECO-24-MIN-0140]. This pause has now occurred through the Resource Management (Freshwater and Other Matters) Amendment Act. These amendments removed the timeframes in which farmers in Southland are required to submit a FW-FP for certification by revoking the Order in Council that started the initial rollout.
- 6 Cabinet also noted in August that we may seek to return to Cabinet should we need to provide more support to Southland farmers while the rollout of the FW-FP system is paused.

Restarting the rollout of FW-FPs in Southland

The Southland Land and Water Plan (the Regional Plan) has farm planning requirements which are intended to manage the environmental impacts of farming activities. To meet the Southland regional requirements, farmers can prepare either a regional farm plan or follow the national FW-FP system. If national FW-FPs do not apply in the region, then the Regional Plan creates a situation where a farmer needs to

- meet the regional farm planning requirements as soon as possible or become non-compliant.
- 8 Because the rollout of national FW-FPs is now paused, Environment Southland has advised that farmers will need to have a compliant regional farm plan prepared before the end of this year.
- To avoid unnecessary cost or duplication of effort for Southland farmers, Cabinet agreed to restart the rollout of FW-FPs in Southland [ECO-24-MIN-0247]. This will give farmers an additional 18 months (until mid-2026) to meet their farm planning requirements.

Rolling out Part 9A in Southland

- Part 9A of the RMA does not apply to a region, district or part of New Zealand unless activated by an Order in Council made under section 217C of the RMA.
- Section 217C of Part 9A allows the Minister for the Environment, in consultation with the Minister of Agriculture, to apply Part 9A, including regulations made under section 217M, to a region, district or part of a region from a date specified in an OIC.
- Subsection (3) of section 217C requires that before making a recommendation under subsection (2) the Minister for the Environment must:
 - a. be satisfied that regulations are necessary to achieve the purpose of Part 9A in the specified district, region, or part of New Zealand; and
 - b. consult with the Minister of Agriculture.
- Part 9A of the RMA and the FW-FP regulations will apply to all of Southland from 27 November 2024. This will give farmers until mid-2026 to meet applicable requirements under the FW-FP regulations.
- No regions other than Southland will be included in this Order in Council.
- We are satisfied that restarting the rollout in Southland is necessary to achieve the purpose of Part 9A, as it will provide more time for farmers to develop farm plans that are practical and fit-for-purpose.
- We intend to return to Cabinet by early next year to seek agreement on the new FW-FP system design, with the intent to finalise and restart the implementation of the new system by mid-2025.

Impact analysis

The Regulatory Impact Analysis (RIA) panel (Ministry for Primary Industries) has reviewed the Regulatory Impact Statement "Addendum: Application of the Resource Management (Freshwater Farm Plan) Regulations 2023" and considers that it meets the RIA requirements.

Compliance

- Due to the regionally specific nature of the policy change no specific Treaty obligations have been identified regarding the restarting rollout of Part 9A in Southland.
- 19 The Amendment Paper complies with:
 - c. the rights and freedoms contained in the New Zealand Bill of Rights Act 1990 (NZ BORA) and the Human Rights Act 1993
 - d. the principles and guidelines set out in the Privacy Act 2020;
 - e. the Legislation Guidelines (2021 edition), which are maintained by the Legislation Design and Advisory Committee.
- No international standards and obligations relevant to restarting of the FW-FP rollout in Southland have been identified.

Consultation

- Officials have been working with Environment Southland on how to address the timing challenges with their Regional Plan, and on the proposed solution. They have indicated they support the proposed approach.
- Environment Southland have consulted with Te Ao Mārama Inc (the Iwi liaison entity representing Southland rūnanga) who are supportive of the approach to switch the FW-FP system back on.
- We will continue to work with Environment Southland, and other regional councils, on the implementation of this proposal, so that farmers are adequately supported and receive clear messaging on what the changes mean for them.

Agency Consultation

This paper was prepared jointly by MfE and MPI. The Treasury, and Department of Prime Minister and Cabinet (DPMC) have been informed of this paper.

Timing and 28-day rule

- Subject to Cabinet and Executive Council, the Resource Management (Application of part 9A Freshwater Farm Plans) Order 2024 will come into force on 27 November 2024.
- We seek Cabinet's agreement to a waiver of the 28-day rule, so that the Order in Council comes into force as soon as possible.
- The Southland Regional Plan came into force on 27 May 2024, meaning farmers will need to have a regional farm plan by 27 November 2024, or become technically non-compliant. Waiving this rule will prevent farmers in Southland being non-compliant with their regional plan requirements.

Regulations Review Committee

We do not consider there are any grounds for the Regulations Review Committee to draw the Order in Council to the attention of the House of Representatives as a Standing Order requirement.

Certification by Parliamentary Counsel

The proposed Order in Council has been certified by the Parliamentary Counsel Office as being in order for submission to Cabinet.

Publicity

Environment Southland will be informed of the Cabinet decision so they can begin preparing for the rollout of FW-FPs in the region. We will also put out a press release, so farmers are aware of their obligations.

Proactive Release

We intend to proactively release this Cabinet paper on the Ministry for the Environment and the Ministry for Primary Industries website following the gazettal of the Order in Council

Recommendations

We recommend that the Committee:

- Note Cabinet agreed to restart the rollout of FW-FPs in Southland [ECO-24-MIN-0247];
- Note we see it necessary to restart the rollout of FW-FPs as soon as possible in Southland to avoid unnecessary cost or duplication of effort for Southland farmers;
- Note that pausing the rollout is time-critical to avoid farmers in Southland and Waikato needing to submit a FW-FP for certification by 1 February 2025;
- Note we are satisfied that restarting the rollout in Southland is necessary to achieve the purpose of Part 9A, as it will provide more time for farmers to develop farm plans that are practical and fit-for-purpose;
- Note that Part 9A of the RMA and the FW-FP regulations would apply to all of Southland from 27 November 2024;
- Note that no regions other than Southland will be included in the FW-FP system until a further Order in Council is made;
- 7 **Authorise** the submission to the Executive Council of the Resource Management (Application of Part 9A Freshwater Farm Plans) Order 2024;
- 8 **Note** that a waiver of the 28-day rule is sought so that the Order in Council can come into force as soon as possible to prevent farmers in Southland being non-compliant with their regional plan requirements for an extended period of time;

- 9 **Agree** to waive the 28-day rule so that the regulations can come into force on 27 November 2024;
- Agree that the Parliamentary Counsel Office can make minor, technical, or consequential changes to the Order in Council to reflect the proposals in this paper and support its workability

Authorised for lodgement

Hon Todd McClay

Minister of Agriculture

Hon Penny Simmonds

Minister for the Environment

Hon Andrew Hoggard

Associate Minister for the Environment

Appendix 1: Resource Management (Application of Part 9A—Freshwater Farm Plans: Southland) Order 2024



Cabinet Economic Policy Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Supporting Southland with Freshwater Farm Planning

Portfolio Agriculture / Environment / Associate Environment

On 6 November 2024, the Cabinet Economic Policy Committee (ECO):

- noted that in August 2024, ECO agreed to pause the rollout of the national freshwater farm plan regulations (FW-FPs) while work is underway to improve the FW-FP system [ECO-24-MIN-0140];
- 2 **noted** that the pause has now occurred through the Resource Management (Freshwater and Other Matters) Amendment Act 2024, which revoked the Order in Council that rolled out FW-FPs;
- noted that in August 2024, ECO noted that the Minister of Agriculture and Minister for the Environment (joint Ministers) may return to Cabinet should more support for Southland farmers be needed while the rollout of the FW-FP system is paused [ECO-24-MIN-0140];
- 4 **noted** that the Southland Land and Water Plan has farm planning requirements which are intended to manage the impacts of farming activities on the environment;
- noted that, if national FW-FPs do not apply in the region, then the Southland Regional Plan creates a situation where a farmer needs to meet the regional farm planning requirements as soon as possible or become non-compliant;
- **agreed** to restart the rollout of FW-FPs in Southland by recommending an Order in Council be made which applies Part 9A of the Resource Management Act 1991 to the whole Southland region;
- noted that joint Ministers are satisfied that restarting the rollout in Southland is necessary to achieve the purpose of Part 9A, as it will provide more time for farmers to develop farm plans that are practical and fit-for-purpose;
- **agreed** that the FW-FP rollout for all of Southland be restarted on or around 5 December 2024;
- 9 **invited** the Minister for the Environment to issue drafting instructions to the Parliamentary Counsel Office to develop an Order in Council to recommence the rollout of the FW-FP system in Southland;

- authorised the Minister for the Environment to make other minor and technical changes as required for drafting purposes;
- 11 **noted** that joint Ministers intend to issue a press release as soon as possible outlining their intention to restart the rollout in Southland.

Rachel Clarke Committee Secretary

Present:

Hon David Seymour

Hon Nicola Willis (Chair)

Hon Shane Jones

Hon Brooke van Velden

Hon Simeon Brown

Hon Erics Stanford

Hon Paul Goldsmith

Hon Louise Upston

Hon Judith Collins KC

Hon Tama Potaka

Hon Matt Doocey

Hon Simon Watts

Hon Melissa Lee

Hon Penny Simmonds

Hon Chris Penk

Hon Nicola Grigg

Hon Andrew Hoggard

Hon Mark Patterson

Simon Court MP

Jenny Marcroft MP

Officials present from:

Office of the Prime Minister Office of Hon Todd McClay Office of Hon Simon Watts Officials Committee for ECO



Cabinet Legislation Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Resource Management (Application of Part 9A—Freshwater Farm Plans: Southland) Order 2024

Portfolio Agriculture / Environment

On 14 November 2024, the Cabinet Legislation Committee:

- **noted** that in November 2024, the Cabinet Economic Policy Committee agreed to restart the rollout of freshwater farm plans (FW-FPs) in Southland [ECO-24-MIN-0247];
- 2 noted that the Minister of Agriculture, Minster for the Environment and Associate Minister for the Environment (the Ministers) consider it necessary to restart the rollout of FW-FPs as soon as possible in Southland to avoid unnecessary cost or duplication of effort for Southland farmers:
- **noted** that pausing the rollout was time-critical to avoid farmers in Southland and Waikato needing to submit a FW-FP for certification by 1 February 2025;
- 4 **noted** that the Ministers are satisfied that restarting the rollout in Southland is necessary to achieve the purpose of Part 9A of the Resource Management Act 1991 (RMA), as it will provide more time for farmers to develop farm plans that are practical and fit-for-purpose;
- 5 **noted** that Part 9A of the RMA and the FW-FP regulations would apply to all of Southland from 27 November 2024;
- **noted** that no regions other than Southland will be included in the FW-FP system until a further Order in Council is made;
- authorised the submission to the Executive Council of the Resource Management (Application of Part 9A—Freshwater Farm Plans: Southland) Order 2024 [PCO 26843/5.0] (the Order);
- 8 **noted** that a waiver of the 28-day rule is sought so that the Order can come into force as soon as possible to prevent farmers in Southland being non-compliant with their regional plan requirements for an extended period of time;
- **agreed** to waive the 28-day rule so that the Order can come into force on 27 November 2024;

authorised the Parliamentary Counsel Office to make minor, technical, or consequential changes to the Order to reflect the proposals in the paper under LEG-24-SUB-0230 and support its workability.

Tom Kelly Committee Secretary

Present:

Hon Dr Shane Reti Hon Simeon Brown (Chair) Hon Brooke van Velden Hon Paul Goldsmith Hon Casey Costello Hon Nicole McKee Hon Karen Chhour Hon Scott Simpson, MP Todd Stephenson, MP

Officials present from:

Officials Committee for LEG Leader of the House's Office

Regulatory Impact Statement: Addendum: **Application of the Resource Management** (Freshwater Farm Plan) Regulations 2023

Purpose of Documen	nt	
Decision sought:	Agreement to recommence the rollout of freshwater farm plans in the Southland region by Order in Council under section 217C of the Resource Management Act 1991 (RMA).	
Advising agencies:	Ministry for the Environment, Ministry for Primary Industries	
Proposing Ministers:	Minister for the Environment, Minister of Agriculture, Associate Minister for the Environment	
Date finalised:	30/10/2024	

Problem Definition

The Southland Water and Land Plan (the Regional Plan) has farm planning requirements which became operative in May 2024 and provides two pathways for farmers to meet these requirements: a farm environment plan under the regional plan or a Freshwater Farm Plan (FW-FP) under the national regulations.

With the recently enacted pause of the national roll out of the FW-FP system, farmers are required to meet the Regional Plan requirements for a farm environment plan. Southland farmers now have an unrealistic timeframe (less than six months) under section 20A of the Resource Management Act to meet these requirements. This situation disadvantages Southland farmers and creates unnecessary cost and duplication.

Executive Summary

- Part 9A of the Resource Management Act 1991 (RMA) established FW-FPs as a regulatory tool that supports farmers and growers to manage on-farm risks to freshwater, in a way that is tailored to their individual conditions and catchment needs. The initial rollout of FW-FPs began in August 2023 with the intention that farmers would be able to manage both national and regional freshwater management obligations through FW-FPs in an integrated, effective and practical way.
- 2. In April 2024, Cabinet noted that Ministers would explore potential changes to the FW-FP system to simplify requirements for farm operators and enable more catchment-level solutions [CBC-24-MIN-0014].
- 3. In August 2024, Cabinet agreed to pause the rollout of FW-FPs while work is underway to improve the FW-FP system [ECO-24-MIN-0140]. This pause was recently put in place through the Resource Management (Freshwater and Other Matters) Amendment Act.
- 4. With the FW-FP roll out paused, Southland farmers are still required to prepare a farm environment plan under the Southland Regional Plan. Farmers are required to

- prepare a farm environment plan within six months of the plan being operative, meaning farm environment plans will be required by 27 November 2024.
- 5. This deadline will be difficult for farmers in the region to meet, as there are not the resources available to farmers, either within the council or private sector to enable all farmers to become compliant in that timeframe. It could also result in unnecessary costs for farmers and regional councils, as they would have to meet the requirements of the current FW-FP system, rather than waiting until the changes to the wider FW-FP system have been finalised.
- 6. This Addendum RIS considers options for supporting Environment Southland in implementing their Regional Plan farm environment plan requirements. The recommended option is to restart the rollout of FW-FPs in Southland, providing farmers 18 months to prepare a FW-FP in accordance with the FW-FP regulations (rather than the six-month timeframe under the regional plan). Doing so will reduce duplication for farmers in Southland and provide more time for the regional council and farmers to meet the regional plan requirements. This also aligns with the overall intent for FW-FPs and the objectives of the FW-FP review.
- 7. This Addendum should be read in conjunction with the substantive Regulatory Impact Statement - Proposed Regulations for Freshwater Farm Plans finalised on 10 May 2023 and available at https://environment.govt.nz/what-government-isdoing/cabinet-papers-and-regulatory-impact-statements/annex-1-proposedregulations-for-freshwater-farm-plans/

Limitations and Constraints on Analysis

The analysis in this RIS is limited by:

- Previous Cabinet decisions and Ministerial direction: The Government has committed to exploring potential changes to the FW-FP system. Cabinet has also agreed to pause the rollout of FW-FPs while this review is in progress. This has influenced how the policies, problems and options of this RIS have been developed.
- Pace of reform: These changes need to be made urgently (before the end of 2024) to provide clarity to Southland farmers and the Regional Council. This timeframe limits the ability to meaningfully engage with regional councils, Treaty partners and stakeholders ahead of policy decisions being taken by Ministers and Cabinet. This also limits the scope of changes able to be undertaken, meaning only options able to be implemented in a short time were considered.
- Limited data on costs and benefits of proposed options: Officials have limited information on the costs and benefits of the options, as the FW-FP system is currently under review. Costs of implementing the system are outlined in Regulatory Impact Statement – Proposed Regulations for Freshwater Farm Plans 2023. However, it is likely these costs will differ depending on the changes made to the wider system, given the Government's objectives to reduce costs in the assurance process. The ability to gain additional insights was further restricted by the limited ability to engage with, and receive feedback from, stakeholders and Treaty partners.

Responsible Managers

Jane Chirnside

Director, Resources and Rural Communities

Ministry for Primary Industries

Himms &

Alison McHugh

Manager

Ministry for the Environment

31/10/2024

30/10/2024

Quality Assurance (completed by QA panel)

Reviewing Agency: Ministry for Primary Industries

Panel Assessment & Comment:

The Regulatory Impact Analysis (RIA) panel (Ministry for Primary Industries) has reviewed the Regulatory Impact Statement "Addendum: Application of the Resource Management (Freshwater Farm Plan) Regulations 2023" and considers that it meets the RIA requirements. The information in the RIA is clear, concise, complete and convincing (within the constraints and limitations noted). The RIS acknowledges the limited information on the costs and benefits of the proposed options (in part due to limited ability to consult), but describes these impacts qualitatively.

Section 1: Diagnosing the policy problem

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

Current state

National freshwater farm plan requirements

- 1. Part 9A of the RMA established FW-FPs as a regulatory tool that supports farmers and growers to manage on-farm risks to freshwater, in a way that is tailored to their individual conditions and catchment needs.
- 2. The initial rollout of FW-FPs began in August 2023 with the intention that farmers would be able to integrate regional freshwater management obligations into their FW-FPs. This approach enables farm operators to manage national and regional freshwater management obligations in an integrated, effective and practical way.
- 3. The FW-FP regulations came into force on 1 August 2023 and were applied to parts of Waikato and Southland (from 1 August 2023), Otago, and West Coast (from 1 February 2024) and the Manawatū-Horizons (from 1 April 2024). In Southland, the rollout of the FW-FP regulations was phased, with some areas in the region being switched on earlier than others. The last area of Southland was switched on 1 July 2024.
- 4. Once the FW-FP system applies in a particular region (or sub-region), farm operators have 18 months to submit a FW-FP for certification.
- 5. In April 2024, Cabinet noted that Ministers would explore potential changes to the FW-FP system to simplify requirements for farm operators and enable more catchment-level solutions [CBC-24-MIN-0014].

- 6. In August 2024, Cabinet agreed to pause the rollout of FW-FPs while work is underway to make changes to the FW-FP system [ECO-24-MIN-0140]. This pause was recently put in place through the Resource Management (Freshwater and Other Matters) Amendment Act. These amendments revoked the Order in Council that initiated the FW-FP system rollout and removed the timeframes for Southland farmers to submit a FW-FP for certification.
- 7. Leaving the rollout on would have meant some farmers in Southland (approximately 670 in the first rollout catchment) would have been required to meet both FW-FP and regional farm environment plan requirements by 1 February 2025.

Southland regional farm environment plan requirements

- 8. The Southland Regional Plan became operative on 27 May 2024, following a lengthy Environment Court process, and a series of Court decisions since 2018. Through this process, several rules have been added or strengthened. A September 2023 Court decision created substantive farm environment plan requirements.
- 9. These requirements are more prescriptive than the existing national FW-FP regulations (e.g., have specific requirements for nutrient budgets and wintering plans) and apply to the whole Southland region.
- 10. There are two pathways for farmers in Southland to meet their regional plan requirements. A farm plan prepared to comply with the Southland regional plan must be either:
 - a) a FW-FP prepared, implemented and audited in accordance with regulations prepared under Part 9A RMA and which apply within the Southland region, plus any additional information or components required under the Southland Regional Plan; or
 - b) if FW-FPs, under Part 9A RMA, are not yet required in the Southland region, a Farm Environmental Management Plan will be prepared and implemented in accordance with the Southland Regional Plan.
- 11. If the FW-FP requirements apply to Southland, farmers have 18 months to prepare and implement a FW-FP in accordance with the regulations (and therefore in accordance with the Southland Regional Plan). If the FW-FP requirements do not apply to Southland, farmers have six months from the date the plan was notified to prepare and implement a farm environment plan in accordance with the Southland Regional Plan requirements.
- 12. Because the rollout of FW-FPs is being stopped in Southland, the Southland Regional Plan requirements now apply to the region. Environment Southland have indicated that they will now need to start implementing the Southland Regional Plan immediately. We estimate this will affect 2,500 farmers across Southland. A summary of timeframes is provided in Table 1 below.

Table 1: Summary of timeframes

Farm plan requirement	Start date	Compliance date
FW-FP initial rollout (no longer applies)	From 1 August 2023	From 1 February 2025 (18 months from start date)
Southland Land and Water plan farm planning requirements	27 May 2024	27 November 2024 (6 months from start date, if FW-FP system not switched back on)
FW-FP rollout pause	October 2024	N/A
Restarting the rollout of FW- FPs in Southland (recommended option outlined below)	December 2024	May 2026 (18 months from start date)

Southland consultation

- 13. The Associate Minister for the Environment met with the Chair and Chief Executive of Environment Southland earlier this year. The Chair and Chief Executive of Environment Southland indicated they may require further government support and advice when the rollout of FW-FPs in Southland was paused.
- 14. Environment Southland have asked for Ministers to explore a solution that will provide additional time for farmers to comply with the Regional Plan rules until the improved FW-FP regulations are available to them, expected later in 2025.
- 15. Officials and Environment Southland have discussed options for the region once the FW-FP regulations are paused. Environment Southland have indicated that they are comfortable with the proposed approach below of switching the FW-FP system back on for Southland.
- 16. Environment Southland have consulted with Te Ao Mārama Inc (the Iwi liaison entity representing Southland four runanga) who are supportive of the approach to switch the FW-FP system back on.

What is the policy problem or opportunity?

- 17. The Southland Regional Plan has more prescriptive farm environment plan requirements than the existing national FW-FP regulations. Due to the short timeframes in which compliance with the farm environment plan requirements is required (less than 6 months), we estimate that 2,500 farmers in the region will be unable to meet the Regional Plan requirements and therefore will become non-compliant.
- 18. There are not the resources available to farmers, either within the council or private sector to enable all farmers to become compliant in that timeframe. There is significant risk to farmers of continuing to carry out farming activities while being non-compliant, such as impacting supplier agreements and regulated infringements and fines.
- 19. Even if there was the support available to them, this situation will also likely result in duplication and extra cost for farmers and the regional council. Farmers will be required to go through the assurance process outlined in the regional plan and then, once the FW-FP system rollout restarts, will be required to go through the assurance process outlined in the FW-FP regulations.

20. Regional councils will also have to implement an assurance process to meet their regional plan requirements, and then implement another process to meet the national FW-FP requirements once the system changes are finalised.

What objectives are sought in relation to the policy problem?

- 21. The overarching objectives of the FW-FP system¹ are to:
 - a. stop further degradation and reverse past damage by better controlling the adverse effects of farming on freshwater and freshwater ecosystems;
 - b. provide confidence that consistent freshwater outcomes are achieved; and
 - c. provide enough flexibility to reflect individual farm circumstances.
- 22. In April 2024, Cabinet noted that Ministers would explore potential changes to the FW-FP system to simplify requirements for farm operators and enable more catchment-level solutions [CBC-24-MIN-0014]. Changes should be made to the FW-FP system to:
 - a. reduce regulatory burden by creating integration pathways for existing farm environment plan initiatives and industry assurance programmes,
 - b. provide farmers with greater flexibility to find the right freshwater management solutions for their farm and catchment area.
 - c. enable catchment level solutions and empowering local communities to lead FW-FP,
 - d. review FW-FP certification and audit requirements to reduce unnecessary cost,
 - e. reduce duplication for farmers and growers.
- 23. The objective of this proposal is to enable Southland farmers to benefit from any future improvements to the FW-FP system, and to provide sufficient time to develop practical and effective farm plans that meet both the Southland Regional Plan farm environment plan requirements and the FW-FP system requirements.

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

What criteria will be used to compare options to the status quo?

24. The criteria in Table 2 below were used to assess whether the option will achieve the policy objectives, consistent with the original RIS. The explanations for these criteria have been updated to reflect the objectives sought above, and the scale of change that will be required to address this localised problem.

Table 2: Evaluation criteria

Criteria **Explanation Effective** Does the option avoid most Southland farmers being unable to comply with the regional farm environment plan requirements?

¹ 2023 Regulatory Impact Statement – Proposed Regulations for Freshwater Farm Plans

Criteria	Explanation
Practical	Does the option reduce regulatory burden in terms of cost, time and resources needed for regulated parties, councils and the supporting workforce?
Credible	Does the option deliver confidence in the future of the FW-FP system for regulated parties, regional councils, and the supporting workforce and support improved freshwater outcomes through the delivery of FW-FPs?
Integrated	Does the option integrate with and support the proposed changes to the broader FW-FP system?
Equitable	Does the option give affected parties an appropriate amount of time to modify practices and transition to the new system?

What scope will options be considered within?

- 25. The scope of options in this Regulatory Impact Assessment is limited to options that can be delivered before the end of the year and within the current scope of Part 9A of the RMA.
- 26. Leaving the initial rollout on in Southland is not an option as the Resource Management (Application of Part 9A—Freshwater Farm Plans) Order 2023 has already been revoked. Leaving the initial roll out in place would not have addressed the issue anyway, as the initial rollout schedule switched on areas of Southland on 1 August 2023. This means that some farmers (approximately 670) would have only had until 1 February 2025 to meet both regional farm environment plan requirements and the FW-FP requirements, despite the FW-FP system being under review.
- 27. Officials did consider using an RMA Amendment Bill to provide a time-limited exemption to the need to have a regional farm environment plan within the six months of the Regional Plan being operative. However, this option was not pursued as it would not be able to be delivered in time and there were significant risks with this for the wider resource management system. Environment Southland also did not want to pursue this option.
- 28. Environment Southland proposed that they be given the authority to require farmers to comply with the FW-FP regulations earlier than the 18-month timeframe currently set out in the regulations. This would provide Environment Southland the ability to stage the FW-FP requirements within the 18-month timeframe, and would enable the rollout to be targeted towards higher-risk activities and catchments. Currently the scope of Part 9A and the FW-FP Regulations do not allow for this approach to be taken, however we will consider whether we could enable this approach in the future as part of the wider review of the system.

What options are being considered

Option One – Counterfactual

- 29. Under this option, the pause of the FW-FP regulations will mean all regions including Southland, will not be required to meet FW-FP requirements while improvements to the wider system are made.
- 30. Considering the Government's intention to make changes to the FW-FP system, there is the ability for Environment Southland to take a discretionary and educational approach to implementing their regional plan, while still encouraging farm operators to prepare their farm plans. Educational initiatives combined with risk-based monitoring activities are key parts of Environment Southland's existing compliance, monitoring and

- enforcement strategy.² However, in recent engagement with Environment Southland, they have indicated that while they will continue to take an educative approach and support farmers in developing farm plans, they will still need to start implementing their regional plan requirements immediately.
- 31. This means farmers in Southland will need to meet the more prescriptive farm environment plan requirements as soon as possible. Due to the short timeframes (less than six months), we estimate that 2,500 Southland farmers will be unable to meet the plan timeframes requirements and therefore will become non-compliant from 27 November 2024.
- 32. Once the changes to the FW-FP system have been finalised in mid-2025, the rollout of FW-FPs will likely recommence. Farmers will be required to meet any national FW-FP requirements, in addition to the farm environment plan requirements.

Option Two – Recommence the rollout of FW-FPs for Southland

- 33. Part 9A of the RMA authorises the Minister for the Environment, in consultation with the Minister of Agriculture, to decide how the FW-FP Regulations are implemented, including the order in which they apply to individual regions and how they are phased within each region (e.g., by geographical area).
- 34. Under this option the FW-FP rollout for Southland would be switched on by Order in Council as soon as possible to prevent non-compliance with farm environment plan requirements. This will give farmers in the region 18 months from the commencement date to meet both the FW-FP and farm environment plan requirements.
- 35. This option will reduce duplication for farmers in Southland, as they will not be required to meet the farm environment plan requirements while changes are being made to the FW-FP system. The FW-FP changes are intended to be finalised by mid-2025.
- 36. As farmers will not be required to meet their FW-FP requirements until mid-2026, the majority of farmers will be able to develop one farm plan which meets both requirements. We will also explore options for transitioning any certified FW-FPs into the new national system as part of the wider regulatory changes.

² www.es.govt.nz/repository/libraries/id:26gi9ayo517q9stt81sd/hierarchy/about-us/plans-andstrategies/policies/compliance-policies/documents/ES%20Compliance%20Policies.pdf

How do the options compare to the status quo/counterfactual?

	Option One - Status Quo	Option Two – Recommence the rollout of FW-FPs for Southland
Effective	Environment Southland will be required to begin enforcing the Regional Plan requirements six months from the date the Southland Regional Plan was notified (27 May 2024). Due to pause of the FW-FP rollout, and the short timeframes in which compliance will be required, Environment Southland will not have time to set up effective implementation support. It is likely that a large majority of farmers will be unable to meet their regional farm environment plan requirements in this time, meaning they will become non-compliant.	Provides 18 months from the commencement date in the Order in Council for farmers to meet both regional plan and FW-FP requirements. This provides time for Environment Southland to develop implementation support and stand up appropriate workforce required. Provides appropriate timeframe for farmers to develop farm plans which comply with both the regional farm environment plan, and FW-FP requirements.
Practical	Environment Southland will begin enforcing their regional plan requirements, meaning farmers will need to have a farm environment plan which meets these requirements in the near future. This will come at a cost to Environment Southland, who will be required to implement their regional plan at pace and without adequate time to prepare (due to the six-month timeframe from notification), and then separately be required to implement the FW-FP system once rollout restarts. Farmers will also be required to meet regional plan requirements, and then go through a potentially separate process to meet FW-FP requirements.	Streamlines implementation costs for Environment Southland, as they can implement their regional farm environment plan requirements in parallel to the FW-FP system, reducing costs and resources. Reduces costs for farmers as they will be able to develop one farm plan and go through one assurance pathway which meets both the regional and FW-FP requirements.
Credible	The unrealistic timeframes risk delivering substandard farm environment plans which do not support freshwater improvement and may disenfranchise farmers from farm planning and the FW-FP system. If these plans are not delivered, farmers will face non-compliance, further reducing confidence in the system. The council has insufficient time to put in place the necessary implementation support to enable all Southland farmers to meet the short timeframe, including the approval of suitably qualified people to deliver assurance processes. This is likely to undermine confidence in the farm planning process. There may also be uncertainty for the supporting workforce, as they will not know what assurance processes are required under the regional plan compared to the (future) FW-FP system (and whether it is worth the investment to get appointed into only one system in one region).	Does delay when farm plans will be required, which could risk freshwater quality in the short-term, particularly for specific activities in the Regional Plan that use farm environment plans to manage the impacts. However, the farm plans developed are likely to be more suitable and effective, and support improvements in freshwater quality in the medium-term. Provides sufficient time for Environment Southland to develop effective implementation support, encouraging by-in into the farm planning system. Enables changes to the FW-FP system to be incorporated into the delivery of farm planning in the region, as farmers won't be required to meet assurance requirements until after the changes are finalised. This builds confidence in the FW-FP system and supports the development of effective FW-FPs that supports improved freshwater outcomes, as everyone knows what is required, when it is required, and how best to implement both farm planning systems.
Integrated	Farmers will need to have a farm environment plan which meets the Regional Plan requirements when required by Environment Southland (likely less than six months). This means that farmers will need to go through a separate process to meet the FW-FP requirements once the system changes are finalised mid-2025. This could result in some duplication and additional costs for farmers who will need to go through two assurance processes to meet both requirements, not integrating well with the objectives of the broader system.	Regional planning requirements will be streamlined through the delivery of FW-FPs. Farmers will be able to go through one assurance process to meet both regional farm environment plan, and national FW-FP requirements, reducing cost and duplication. Regional councils will also not be required to set up a separate assurance process for regional farm environment plans, reducing cost and duplication for councils.
Equitable	Farmers will have until 27 November to meet the regional farm environment plan requirements. This does not provide farmers with enough time to develop a farm environment plan, or to meet the assurance processes required. Environment Southland has also not had sufficient time to put in place the implementation support required to enable farmers to meet this short timeframe.	Provides 18 months from the commencement date in the Order in Council for farmers to meet both regional plan and FW-FP requirements. Also provides Environment Southland to develop implementation support. Even with changes to the wider system being finalised mid-2025, this will still provide a year for farmers and councils to transition into the new FW-FP system.
Overall assessment	Option is unlikely to support farmers in meeting their regional plan requirements or be able to be implemented effectively due to the short timeframes in which compliance will be required. Does not deliver confidence or support potential changes to the wider FW-FP system.	+ This option is likely to meet all of the criteria, and provides better outcomes for Environment Southland, farmers and the supporting workforce.

59a9e1gcaw 2025-01-28 09:55:34 Regulatory Impact Statement | 9

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

- 37. Recommencing the roll-out of FW-FP regulations in Southland aligns best with the assessment criteria outlined in this addendum because it:
 - a) provides an additional 18 months for farmers to meet their regional farm environment plan and FW-FP assurance requirements;
 - b) provides more time for Environment Southland to develop implementation support, and stand-up appropriate workforce required to implement the farm environment plan requirements;
 - c) supports a nationally consistent approach to farm planning, as farmers will only be required to go through one nationally consistent assurance pathway, as opposed to the regional plan assurance process, shortly followed by FW-FP process;
 - d) streamlines implementation of the farm planning systems in Southland by enabling regional plan requirements to be met through FW-FP pathway;
 - e) supports the delivery of suitable and effective FW-FPs which enable improvements to freshwater quality.
 - f) enables changes to the FW-FP system to be incorporated into the delivery of farm environment plans in the region, as farmers won't be required to meet assurance requirements until after the changes are finalised.
 - 38. Recommencing the rollout in Southland also supports the Government's objectives for the system. It provides more time for farmers to develop farm plans which are fitfor-purpose and practical, resulting in improvements to freshwater quality in the longrun.
 - 39. It will also reduce duplication and cost as farmers will only be required to go through one process to meet both the national FW-FP, and regional farm environment plan requirements.

What are the marginal costs and benefits of the option?

- 40. There is limited data on direct costs and benefits as FW-FP requirements have yet to be implemented. The costs and benefits of the FW-FP regulations, including the assurance process, are summarised in the Regulatory Impact Statement – Proposed Regulations for Freshwater Farm Plans. As the FW-FP system is under review, these costs are likely to not be a direct reflection of actual costs experienced by regional councils or farmers.
- 41. The following qualitative costs and benefits of recommencing the rollout of FW-FPs in Southland have been identified.

Affected groups	Comment	Imp act	Evide nce Certai nty
Additional costs of the preferred option compared to taking no action			
Government	Minor costs associated with having two stages of rollout	Low	High
Tangata whenua	No direct or indirect costs identified	Low	High
Regional Councils	No direct or indirect costs identified	Low	High

Regulated groups (farm operators)	No direct or indirect costs identified		
Industry bodies	Minor costs associated with supporting farmers with system implementation at a regional level, rather than national	Low	Mediu m
Rural professionals	No direct or indirect costs identified	Low	High
Total monetised costs	N/A	N/A	N/A
Non-monetised costs	As FW-FPs are to be rolled out in Southland at some point, no costs identified outside of minor costs faced by Government and industry bodies	Low	Mediu m
Additional	benefits of the preferred option compared to taking no	action	
Government	No direct or indirect benefits identified	Low	High
Tangata whenua	No direct or indirect benefits identified	Low	High
Regional Councils	Benefits associated with ability to streamline implementation costs as regional plan farm planning requirements can be implemented in parallel to the FW-FP system.	Medi um	High
Regulated groups (farm operators)	Benefits associated with being able to go through one assurance pathway which meets both the regional and FW-FP requirements, reducing costs experienced by farmers.	Medi um	High
Industry bodies	No direct or indirect benefits identified		
Rural professionals	Benefits of being able to be appointed into one assurance system and cost savings resulting from this process	Medi um	High
Total monetised benefits	N/A	N/A	N/A
Non-monetised benefits	Benefits associated with ability to streamline delivery of farm planning through one system, rather than two.	Medi um	High

Section 3: Delivering an option

How will the new arrangements be implemented?

- 42. An Order in Council to apply Part 9A of the RMA to the Southland region will be gazetted before the end of 2024. This will recommence the rollout of FW-FPs in Southland only.
- 43. Once gazetted, farmers will have 18 months from the start of the FW-FP rollout to meet all applicable farm planning requirements.
- 44. Officials will continue to work with Environment Southland so that the restarting of the rollout is communicated as soon as possible. This will include making sure farmers are supported through the changes, and receive clear messaging on what the changes mean for them.
- 45. Officials will also work with Environment Southland to assist them in developing sufficient regional capability and capacity to implement the regulations. We will also continue to engage with councils on the wider work to improve the FW-FP system.
- 46. As the FW-FP system changes are expected to be finalised by mid-2025, there will be time for these changes to be incorporated into the rollout of the system in Southland. We will continue to work with Environment Southland, so they have adequate support in delivering the FW-FP system. This will include as much clarity as possible over proposed changes, to support the effective implementation of the system.

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

- 47. Environment Southland will be responsible for monitoring and evaluation of FW-FPs in its region. Part 9A sets out data and reporting requirements for certifiers, auditors, and regional councils (e.g., the certifier must notify the regional council when a FW-FP has been certified).
- 48. We anticipate the monitoring, evaluation, and review of the system will reflect the proposals outlined in the initial RIS.³ Any changes to the monitoring of the system will be assessed as part of the wider review of FW-FPs.

 $^{3}\,\underline{\text{https://environment.govt.nz/assets/publications/WATERMARKED-Annex-1-Regulatory-Impact-Statement-I$ Proposed-Regulations-for-Freshwater-Farm-Plans.pdf

Regulatory Impact Statement | 12