



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	Improving the Freshwater Farm Plan system	Date to be published	25/09/2025

List of documents that have been proactively released

Date	Title	Author
26 March 2025	Cabinet paper: Improving the Freshwater Farm Plan system	Ministry for the Environment Ministry for Primary Industries
26 March 2025	ECO-25-MIN-0029: Cabinet Economic Policy Committee Minute of Decision	Cabinet Office
17 March 2025	Regulatory Impact Statement: Freshwater farm plan system design	Ministry for the Environment Ministry for Primary Industries

Information redacted **NO**

Policy and Privacy

In-Confidence

Office of the Minister for Agriculture
Office of the Minister for the Environment
Office of the Associate Minister for the Environment

ECO - Cabinet Economic Policy Committee

Improving the Freshwater Farm Plan system

Proposal

- 1 We are making improvements to freshwater farm plans (FW-FPs) through Phase Two of Resource Management reform (RM reform). To provide farmers with certainty about the future system, we seek approval to announce these improvements.
- 2 To progress these changes at the speed stakeholders are seeking, we seek delegated authority for the Minister of Agriculture and the Associate Minister for the Environment to instruct PCO on amending the FW-FP Regulations (the Regulations) to give effect to these improvements.
- 3 The changes we are making to FW-FPs will align with broader changes to the freshwater management system, and Phase 3 of RM reform.

Relation to government priorities

- 4 The National-Act Coalition Agreement signalled the Government's intention to improve FW-FPs 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'.
- 5 This paper also supports the Government's Action Plan for Quarter One 2025 to take Cabinet decisions on improving the FW-FP system.

Background

- 6 Part 9A of the Resource Management Act 1991 (RMA) established FW-FPs as a regulatory tool that supports farmers and growers to identify, manage, and reduce on-farm risks to freshwater.
- 7 We see FW-FPs as a key tool in managing freshwater risks. However, we have heard from industry that the current system is too costly and overly complex. We also want the FW-FP system to be more risk-based and better recognise existing industry farm plans.

Reviewing the current FW-FP system

- 8 In April 2024, Cabinet noted that we would explore improvements to the FW-FP system and, to avoid farmers from having to comply with a changing FW-FP system, agreed to pause the rollout of the system while these changes were made [ECO-24-MIN-0140].¹ Our review of the FW-FP system prioritised [CBC-24-MIN-0014]:
- 8.1 reducing regulatory burden by creating integration pathways for existing farm environment plan initiatives and industry assurance programmes,
 - 8.2 providing farmers with greater flexibility to find the right freshwater management solutions for their farm and catchment area,
 - 8.3 enabling catchment level solutions and empowering local communities to lead freshwater farm planning,
 - 8.4 reviewing FW-FP certification and audit requirements to reduce unnecessary cost,
 - 8.5 reducing duplication for farmers and growers.

Implementing changes to how the RMA approaches FW-FPs

- 9 Cabinet previously delegated the Minister Responsible for RMA Reform, Minister of Agriculture and the Associate Minister for the Environment authority to change the RMA through the Resource Management (Consenting and Other System Changes Bill (RM Bill 2) to make FW-FPs more cost effective and practical [ECO-24-MIN-0113].
- 10 After considering stakeholder feedback on the FW-FP system we consider that further policy changes are needed to Part 9A through the RM Bill 2 process. We consider these changes to be in scope of the decision making previously delegated to Ministers by Cabinet [ECO-24-MIN-0113].
- 11 Therefore we (alongside the Minister for RMA Reform) are seeking to make changes to Part 9A of the RMA regarding:
- 11.1 the thresholds for who needs a FW-FP,
 - 11.2 changes to simplify and cut costs from how FW-FP are certified and audited,
 - 11.3 changes to better support industry programmes to deliver FW-FPs.
- 12 We consider that these changes align with ongoing work on the broader freshwater management system. We anticipate that the improved FW-FP system will also align with Phase 3 of the reform of the Resource Management system.

Communicating these improvements to farmers and key stakeholders

- 13 Councils, industry and farmers have expressed support for using FW-FPs to manage risks to freshwater. To develop effective amendments to the Regulations, we need to provide clarity and certainty to stakeholders by signalling our planned changes to the FW-FP system.

¹ The system remains on in Southland, as if paused in that region Southland farmers would have less time to comply with regional farm planning requirements.

- 14 We therefore seek approval for the Minister of Agriculture, the Minister for the Environment, and the Associate Minister for the Environment to make public announcements outlining our planned improvements to the FW-FP system.
- 15 Following announcements in April, we will undertake targeted engagement throughout 2025 with key stakeholders on options to amend the Regulations.

Analysis

Improving the thresholds for who needs a FW-FP

- 16 The RMA sets out size thresholds (which vary for different land uses) to identify who needs to develop a FW-FP under the system. Industry (and some Māori groups) have indicated that the current thresholds² capture too many small and potentially lower risk farms.³
- 17 We consider that there is a need to raise the threshold criteria for pastoral, orcharding and viticulture land-uses to acknowledge that these are often lower-risk. However, we want to continue to require dairy and commercial vegetable growing (which are often higher risk) to have FW-FPs.
- 18 We have therefore agreed to seek changes to the current thresholds in Part 9A of the RMA so that a farm operation only needs to have FW-FP if:
 - 18.1 50 or more ha of the farm is in pastoral, arable, or mixed land use (currently 20ha), or
 - 18.2 50 or more ha of the farm is in viticultural or orcharding land use (currently 5ha), or
 - 18.3 5 or more ha of the farm is in horticultural land use other than viticultural or orcharding land use, or
 - 18.4 the farm holds a Dairy Supply Number (ie, is a commercial dairy operation).
- 19 These changes will remove approximately 8,530 farms from the FW-FP system, reducing costs for those farms to zero.

Improving FW-FP Certification

- 20 Currently Part 9A of the RMA requires all farmers who meet the thresholds to have their plan certified. This step checks that actions in the FW-FP appropriately manage the impacts to freshwater based on the farming activity and the needs of the catchment in which the farm sits.
- 21 Retaining this certification step gives FW-FPs a quality assurance process that supports local freshwater outcomes and New Zealand's reputation as a sustainable farming leader. It also allows for certified FW-FPs to deliver as an effective alternative to rules and consents.
- 22 However, we are also looking to reduce unnecessary cost and regulatory burden from the certification process, and make it more risk based. This will be done by

² Current thresholds are 20ha for pastoral, arable or mixed land use, and 5ha for all horticultural land uses.

³ Feedback from the dairy sector noted that it is reasonable for all commercial dairy farms (regardless of size) to be required to have a FW-FP.

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amending the RMA so that only those farmers undertaking activities (or located in specified catchments⁴) identified in the Regulations are required to have their FW-FP certified.⁵

- 23 The activities that require certification will focus on typically higher intensity activities (such as commercial vegetable growing or intensive winter grazing) or where a farmer intends to use a FW-FP to meet permitted activity conditions (or similar rules or requirements).
- 24 These changes will allow FW-FP certification to become more risk based and result in lower costs for those farmers who do not need a certified FW-FP.

Improving the auditing of FW-FPs

- 25 Auditing a FW-FP confirms that a farmer has been completing their FW-FP actions. Audits at set intervals completed by a third-party auditor or approved industry organisation provide assurance to councils and communities that identified activities are being appropriately managed through FW-FPs.
- 26 We have heard from stakeholders that the current intervals between audits are too short (in some cases a farmer may need to have their farm re-audited in six months).
- 27 We want to engage with stakeholders on options to extend the amount time between audits. For example, the timeframe between audits could be extended out to 3-5 years.
- 28 As part of this work, we will consider whether further improvements are necessary to make sure councils do not impose unnecessary costs to farmers during the implementation of the improved FW-FP system, including in relation to compliance monitoring and enforcement. Should we consider further changes are needed, we will return to Cabinet to seek agreement on our proposed approach.

Changes to better recognise industry in the delivery of FW-FPs

- 29 We are seeking changes to the RMA (through RM Bill 2) to better support industry organisations to deliver FW-FP assurance (certification and audit) services.
- 30 These changes would allow the Minister for the Environment (rather than regional councils) to approve industry organisations to deliver FW-FP assurance services, if satisfied the organisation meets eligibility requirements set out in Regulations.
- 31 This would reduce duplication and regulatory burden for farmers and reduce costs and duplication from the system. We have already received support from most industry stakeholders on these changes.
- 32 Delivering these changes requires amending the Regulations to outline eligibility requirements and process steps for industry organisations to deliver FW-FP services.

Developing changes to the FW-FP Regulations

⁴ This would allow us to require FW-FPs in certain highly sensitive catchments to be certified, even if the activities the farm is undertaking would not ordinarily require that.

⁵ We also want to allow for those farmers (not otherwise required to have their plan certified) to voluntarily seek to have their plan certified (ie, some may wish to do so for market access reasons).

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- 33 We need to amend the Regulations to align with the key changes Ministers are seeking to make to the FW-FP system.
- 34 We have also heard that stakeholders are seeking changes to how FW-FPs take into account the local catchment context, as well as improvements to mapping and reporting requirements.
- 35 We want to approve amended FW-FP Regulations at pace to give farmers certainty and clarity about the future of FW-FPs as soon as possible (and ahead of broader changes to the Resource Management system).
- 36 This paper therefore seeks approval to delegate authority to the Minister of Agriculture and the Associate Minister for the Environment to:
- 36.1 make detailed policy decisions on amendments to the Regulations to give effect to changes regarding the certification and audit of FW-FPs,
 - 36.2 make detailed policy decisions on amendments to the Regulations to outline eligibility requirements and process steps for industry organisations to deliver FW-FP certification and audit services to their members,
 - 36.3 make detailed decisions on changes to simplify catchment context, mapping and reporting requirements,
 - 36.4 issue drafting instructions to PCO on the above amendments to the Regulations.
- 37 We will consult with the Minister for RMA Reform and Minister for Rural Communities (and any other relevant Ministers) on these amendments.
- 38 We intend to report back to LEG later in 2025 to seek approval for these amended Regulations.

Financial Implications

- 39 There are no financial implications of this proposal.

Impact Analysis

Regulatory Impact Statement

- 40 The Ministry for Primary Industries and Ministry for the Environment joint panel has reviewed the Regulatory Impact Statement (RIS) “Freshwater farm plan system design” on 17 March 2025. The panel considers that that the information and analysis summarised in the RIS meets the Quality Assurance criteria.

Climate Implications of Policy Assessment

- 41 The Climate Implications of Policy Assessment (CIPA) team has been consulted and confirms that the CIPA requirements do not apply to this paper.

Use of external resources

- 42 No external resources were used in the preparation of this work.

Consultation

- 43 The Treasury, Department of Conservation, Land Information New Zealand, Te Arawhiti, and the Department of Prime Minister and Cabinet were consulted on this paper.

Proactive Release

- 44 We intend to align the release of this paper with the publication timeframes associated with RM Bill 2.

Recommendations

We recommend that the Committee:

- 1 **note** that improvements to the current freshwater farm plan (FW-FP) system are needed to address feedback raised by stakeholders;
- 2 **note** that Cabinet previously delegated the Minister Responsible for RMA Reform, Minister of Agriculture and the Associate Minister for the Environment authority to change RMA through the Resource Management (Consenting and Other System Changes Bill (RM Bill 2) to make FW-FPs more cost effective and practical;
- 3 **note** through RM Bill 2, the Minister responsible for RMA Reform, Minister of Agriculture and the Associate Minister for the Environment are seeking:
 - 3.1 changes to the current thresholds in Part 9A of the RMA so a farm operation only needs to have FW-FP if:
 - 3.1.1 50 or more ha of the farm is in pastoral, arable, or mixed land use (currently 20ha), or
 - 3.1.2 50 or more ha of the farm is in viticultural or orcharding land use (currently 5ha), or
 - 3.1.3 5 or more ha of the farm is in horticultural land use other than viticultural or orcharding land use, or
 - 3.1.4 the farm holds a Dairy Supply Number (ie, it is a commercial dairy operation);
 - 3.2 changes to Part 9A of the RMA so that only those farmers undertaking higher risk activities (or located in specified catchments) identified in the Freshwater Farm Plan Regulations (the Regulations) are required to have their FW-FP certified;

Engaging on improving FW-FPs

- 4 **agree** that responsible Ministers make public announcements regarding the improvements we are making to the FW-FP system;
- 5 **note** that officials will engage with stakeholders on options to amend the Regulations throughout 2025, including options to extend the amount of time between FW-FP audits;

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Developing amended Regulations

- 6 **note** that we need to amend the Regulations to give effect to the improvements we are making to Part 9A of the RMA;
- 7 **delegate** the Minister of Agriculture and the Associate Minister for the Environment authority to take detailed policy decisions on amending the Regulations to give effect to changes regarding the certification and audit of FW-FPs;
- 8 **delegate** the Minister of Agriculture and the Associate Minister for the Environment authority to take detailed policy decisions on amending the Regulations to prescribe the appointment process, eligibility and process requirements for industry organisations delivering FW-FP assurance services;
- 9 **delegate** the Minister of Agriculture and the Associate Minister for the Environment authority to take detailed policy decisions on amending the Regulations to give effect to detailed decisions on changes to simplify catchment context, and mapping and reporting requirements;
- 10 **authorise** the Minister of Agriculture and the Associate Minister for the Environment to issue drafting instructions to the Parliamentary Council Office (PCO) to make targeted changes to the Regulations to:
 - 10.1 give effect to the proposed policy intent for the FW-FP system, and
 - 10.2 make minor, technical, or consequential changes that arise during drafting to ensure workability;
- 11 **note** that prior to issuing drafting instructions we will consult with the Minister responsible for RMA Reform and the Minister for Rural Communities (and any other relevant Ministers) regarding the proposed amendments to the Regulations;
- 12 **note** we may return to Cabinet should we consider further changes are necessary to make sure councils do not impose unnecessary costs to farmers during the implementation of the improved FW-FP system, including in relation to compliance monitoring and enforcement;
- 13 **note** that we intend to report back to LEG in later in 2025 seeking approval of amended Regulations.

Authorised for lodgement

Hon. Todd McClay
Minister of Agriculture

Hon. Penny Simmonds
Minister for the Environment

Hon. Andrew Hoggard
Assoc. Minister for the Environment

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Appendix 1: Regulatory Impact Statement: Freshwater farm plan system design



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.

Improving the Freshwater Farm Plan System

Portfolios **Agriculture / Environment**

On 26 March 2025, the Cabinet Economic Policy Committee (ECO):

- 1 **noted** that improvements to the current freshwater farm plan (FW-FP) system are needed to address feedback raised by stakeholders;
- 2 **noted** that in June 2024, ECO authorised the Minister Responsible for RMA Reform, the Minister of Agriculture and the Associate Minister for the Environment to change the Resource Management Act 1991 (RMA) through the Resource Management (Consenting and Other System Changes Bill (RM Bill 2) to make FW-FPs more cost effective and practical [ECO-24-MIN-0113];
- 3 **noted** that through RM Bill 2, the Minister Responsible for RMA Reform, the Minister of Agriculture, and the Associate Minister for the Environment are seeking:
 - 3.1 changes to the current thresholds in Part 9A of the RMA so a farm operation only needs to have FW-FP if:
 - 3.1.1 50 or more ha of the farm is in pastoral, arable, or mixed land use (currently 20ha); or
 - 3.1.2 50 or more ha of the farm is in viticultural or orcharding land use (currently 5ha); or
 - 3.1.3 5 or more ha of the farm is in horticultural land use other than viticultural or orcharding land use; or
 - 3.1.4 the farm holds a Dairy Supply Number (ie, it is a commercial dairy operation);
 - 3.2 changes to Part 9A of the RMA so that only those farmers undertaking higher risk activities (or located in specified catchments) identified in the Freshwater Farm Plan Regulations (the Regulations) are required to have their FW-FP certified;

Engaging on improving FW-FPs

- 4 **agreed** that the Minister of Agriculture, the Minister for the Environment, and the Associate Minister for the Environment (Responsible Ministers) make public announcements regarding the improvements they are making to the FW-FP system;

5 **noted** that officials will engage with stakeholders on options to amend the Regulations throughout 2025, including options to extend the amount of time between FW-FP audits;

Developing amended Regulations

6 **noted** that the Regulations require amending to give effect to the improvements being made to Part 9A of the RMA;

7 **authorised** the Minister of Agriculture and the Associate Minister for the Environment (Joint Ministers) to take detailed policy decisions on amending the Regulations to give effect to changes regarding the certification and audit of FW-FPs;

8 **authorised** Joint Ministers to take detailed policy decisions on amending the Regulations to prescribe the appointment process, eligibility and process requirements for industry organisations delivering FW-FP assurance services;

9 **authorised** Joint Ministers to take detailed policy decisions on amending the Regulations to give effect to detailed decisions on changes to simplify catchment context, and mapping and reporting requirements;

10 **authorised** Joint Ministers to issue drafting instructions to the Parliamentary Council Office (PCO) to make targeted changes to the Regulations to:

10.1 give effect to the proposed policy intent for the FW-FP system;

10.2 make minor, technical, or consequential changes that arise during drafting to ensure workability;

11 **noted** that, prior to issuing drafting instructions, Joint Ministers will consult with the Minister Responsible for RMA Reform and the Minister for Rural Communities (and any other relevant Ministers) regarding the proposed amendments to the Regulations;

12 **noted** that Responsible Ministers may report back to ECO if they consider further changes are necessary to make sure councils do not impose unnecessary costs on farmers during the implementation of the improved FW-FP system, including in relation to compliance monitoring and enforcement;

13 **noted** that Responsible Ministers intend to report back to the Cabinet Legislation Committee in later in 2025 seeking approval of amended Regulations.

Rachel Clarke
Committee Secretary

Present:

Rt Hon Winston Peters
Hon David Seymour
Hon Nicola Willis (Chair)
Hon Brooke van Velden
Hon Shane Jones
Hon Louise Upston
Hon Todd McClay
Hon Tama Potaka
Hon Penny Simmonds
Hon Andrew Hoggard
Hon Mark Patterson
Hon Scott Simpson
Simon Court MP

Officials present from:

Office of the Prime Minister
Officials Committee for ECO

Regulatory Impact Statement: Freshwater farm plan system design

Decision sought	Analysis produced for the purpose of informing: Cabinet decisions for the Freshwater Farm Plan system design changes.
Agency responsible	Ministry for the Environment, Ministry for Primary Industries
Proposing Ministers	Minister McClay (Minister Agriculture), Minister Simmonds (Minister Environment), Minister Hoggard (Assoc. Minister Agriculture, Assoc. Minister Environment).
Date finalised	17 March 2025

Briefly describe the Minister's regulatory proposal

1. Ministers have directed officials to identify changes to reduce cost and complexity of the freshwater farm plan (FW-FP) system.
2. The Ministers' proposal will achieve its objectives by changing the following areas:
 - (a) Thresholds – Reduce the number of farms required to have a FW-FP.
 - (b) Certification – Adopt an activity-based approach reducing the number of farm operators required to submit their FW-FP for certification.
 - (c) Audits – Retain methodology as it is set out in Part 9A of the RMA.

Summary: Problem definition and options

What is the policy problem?

3. The Government intends for FW-FP to be used as a tool to manage the impacts of farming on freshwater. Stakeholders have raised concerns that the current system is costly and complex, and that it captures too many farms that present a low risk to freshwater.
4. The Government has committed to exploring potential changes to the freshwater farm plan (FW-FP) system, having received this feedback from stakeholders around the potential cost and complexity of the system.



What is the policy objective?

5. In April 2024, Cabinet [CBC-24-MIN-0014] noted that improvements 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 freshwater farm planning,
 - (d) review FW-FP certification and audit requirements to reduce unnecessary cost,
 - (e) reduce duplication for farmers and growers.
6. Cabinet noted that a nationally consistent FW-FP system is important for managing risks to freshwater, and that it is important that councils and communities retain confidence in the robustness of FW-FPs.

What policy options have been considered, including any alternatives to regulation?

7. To deliver on the Ministers' direction targeted engagement was carried out and the following options were developed.

Threshold Options

8. *Threshold Option one.* Retain status quo, the thresholds for requiring a FW-FP would remain unchanged.
9. *Threshold Option two.* Reduce the number of farms in the system by creating new land use categories (orcharding and viticulture) with higher hectare thresholds. Create a category for all farms with a dairy supply number.¹
10. *Threshold Option three.* Reduce number of farms in the system by raising existing thresholds for arable, pastoral, and mixed land use to 50ha and create new land use categories (orcharding and viticulture) with 50ha thresholds. Create a category for all farms with a dairy supply number (Minister and RIS preferred option).

Certification Options

11. *Certification Option one.* Status Quo, all farms requiring an FW-FP would be required to complete the certification process; engaging an independent certifier within the set timeframes to assess that their FW-FP meets regulatory requirements.
12. *Certification Option two.* Activity-based approach, if a farm is undertaking activities identified in the regulations their FW-FP is required to be certified. These activities would be listed in regulations made under s217M of the Resource Management Act 1991 (RMA). Farms not carrying out these activities would not be required to have their FW-FP certified. (Ministers' preferred option)

¹ A Dairy Supply Number is a unique identifier required for farms that have Risk Management Plans under the Animal Products Act 1999.



13. This option would also enable a farmer to voluntarily have their FW-FP certified at any time and provide a pathway to enable certification to be required from farms in specified catchments.
14. *Certification Option three.* Catchment approach, a nationally consistent system where a farm is required to have their FW-FP certified only if they are in a degraded or degrading catchment.
15. *Certification Option four.* Shift assurance roles into a single FW-FP adviser role. The FW-FP adviser would be trained and appointed to deliver a two-part assessment that includes both the certification and audit steps. (RIS preferred option).

Audit Options

16. *Audit Option one.* Status Quo, retain methodology as it is set out in Part 9A (Minister and RIS preferred option)
17. *Audit Option two.* Auditable only, audits would have no set timeframes and instead rely solely on council-initiated audits (to check a farm is meeting their regulatory obligations).
18. *Audit Option three.* Auditable for high performing farms, retain audit timeframes and methodology as they are set out in Part 9A of the RMA and the regulations, and enable farms to shift to a 'auditable' system after a period of high performance.
19. *Audit Option four.* Set audit timeframes plus ability for regional councils to request audits. This option would retain audit methodology as it is set out in Part 9A, however regional councils would be enabled to request a farmer arranges additional audits outside of the set timeframes (RIS preferred option).

What consultation has been undertaken?

20. MfE and MPI carried out a two-stage targeted engagement process with industry groups, regional council representatives, tangata whenua groups, and eNGOs. Further details on stakeholder views are set out in paras 35 to 47.

Is the preferred option in the Cabinet paper the same as the preferred option in the RIS?

21. **Thresholds** – The same as the Ministers preferred option (Threshold Option three).
22. **Certification** – The RIS preferred option differs to the Ministers preferred option. The RIS prefers certification option four, to shift assurance roles into a single FW-FP adviser role. The Ministers prefer certification option two, the activity-based approach, which requires a farm undertaking activities identified in the regulations to have their FW-FP certified. Ministers consider this option will deliver the most cost-effective approach to certification (as only requires farms undertaking identified activities to be certified). They consider it will most effectively reduce regulatory burden for farms which are not carrying out identified activities.
23. **Auditing** - The RIS found Audit Option one (status quo with set audit timeframes) and Audit Option four (set audit timeframes plus ability for councils to request audits) are most likely to deliver the policy objectives and deliver the best net benefits. Ministers have chosen to progress Option one.



Summary: Minister’s preferred option in the Cabinet paper

Costs (Core information)

Outline the key monetised and non-monetised costs, where those costs fall (e.g. what people or organisations, or environments), and the nature of those impacts (e.g. direct or indirect)

- **Thresholds** – Captures fewer small farms compared to the counterfactual, however, the cumulative effect of many small farms in a catchment falling outside the FW-FP system risks degradation to freshwater.
- **Certification** – This approach does not account for catchment risk and biophysical risk when determining certification requirements, meaning the risk of potential costs to freshwater increases. This is partially mitigated by enabling for a pathway to require farms in specified catchments to have their FW-FP certified.
- **Audits** – Farmers will be required to pay for audits at set timeframes, with those who are not implementing their FW-FP being likely to have more frequent audits.

There will be a cost for regional councils who have already begun developing guidance for the FW-FP system, as this will need updating.

Benefits (Core information)

Outline the key monetised and non-monetised benefits, where those benefits fall (e.g. what people or organisations, or environments), and the nature of those impacts (e.g. direct or indirect)

- **Thresholds** - This option captures fewer small farms and will reduce risk of certifier and auditor workforce shortages.
- **Certification** – Will reduce costs for farms who won't be required to get certification.
- **Audits** – Set audit timeframes maintains the robustness of the system.

Balance of benefits and costs (Core information)

Does the RIS indicate that the benefits of the Ministers’ preferred option are likely to outweigh the costs?

- **Thresholds** – The benefits of raising these thresholds (ie, a reduction in costs to farms no longer requiring a FW-FP) is likely to outweigh the cost of rolling out new thresholds and the risks presented to freshwater by having higher thresholds.
- **Certification** – The option may be less effective in managing risks to freshwater, which has the potential to reduce the cost benefit of some farmers not requiring certification.
- **Audits** – The benefits of a robust audit system where all FW FPs are audited outweighs the cost of these audits

Implementation

How will the proposal be implemented, who will implement it, and what are the risks?

- The preferred options require changes to Part 9A of the RMA and are intended to be introduced in the Resource Management Act reform process.



- Changes to the regulations will also be needed to give effect to the changes outlined in this RIS, and to further give effect to Cabinet’s objectives for the FW-FP review. Officials will continue to work on these changes, and will engage with regional councils, industry stakeholders, Treaty partners and Māori authorities, and other stakeholders through this work.

Limitations and Constraints on Analysis

- The analysis in this RIS is limited by:
 - *Limited data on the costs and benefits of proposed options:* Officials have limited information on the costs and benefits of the options (compared to the status quo). The rollout of FW-FPs was only in its early stages (only one FW-FP had been certified) before it was paused in October 2024, meaning officials were not able to assess how the system was working.
 - *Previous Cabinet decisions and coalition commitments:* The Government has committed to exploring potential changes to the FW-FP system, so they are more cost-effective and pragmatic for farmers. This direction has influenced how the policies, problems and options of the RIS have been developed.
 - *Pace of reform:* Ministers propose making these policy changes through a second Resource Management Act Amendment Bill, which is expected to be passed before the end of 2025. This meant we were only able to undertake targeted engagement with stakeholders and were unable to do public consultation. It also limited the ability to test final options with stakeholders.
 - *Activity based approach:* For the proposed option of an activity-based approach to certification, we do not have a confirmed list of actions that would be used to determine if a FW FP required certification. Subsequently, analysis of the impacts of this policy on numbers of farms requiring certification is limited.

Summary: Recommended Option

Costs (Core information)

Outline the key monetised and non-monetised costs, where those costs fall (e.g. what people or organisations, or environments), and the nature of those impacts (e.g. direct or indirect)

- The only difference between the recommended option in the RIS and the Ministers preferred option is in regard to certification. Potential costs arise for regional councils to update their implementation guidance.

Benefits (Core information)

Outline the key monetised and non-monetised benefits, where those benefits fall (e.g. what people or organisations, or environments), and the nature of those impacts (e.g. direct or indirect)

- The only difference between the recommended option in the RIS and the Ministers preferred option is in regard to certification. The recommended option will allow for a more efficient delivery of certification services.

Balance of benefits and costs (Core information)



Does the RIS indicate that the benefits of the Minister’s preferred option are likely to outweigh the costs?

- This option for certification creates benefit through a more streamlined system. Potential costs arise for regional councils to update their implementation guidance.

Implementation

How will the proposal be implemented, who will implement it, and what are the risks?

- The proposal implementation for the recommended options will be the same as the Ministers’ preferred option (see analysis above).

Limitations and Constraints on Analysis

- Limitations and constraints for the recommended options are the same as those detailed for the Ministers’ preferred option (see analysis above).

I have read the Regulatory Impact Statement, and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the preferred option.

Responsible Manager(s)

Claire McClintock

Manager - Water and Adaptive Farming Policy

17/03/2025

Althea Francis

Acting Manager – System Tools

17/03/2025

Quality Assurance Statement

Reviewing Agency: MPI, MFE

QA rating: Meets

Panel Comment: The Ministry for Primary Industries Manatū Ahu Matua and Ministry for the Environment Manatū Mō Te Taiao joint panel has reviewed the Regulatory Impact Statement (RIS) “Freshwater farm plan system design” on 17 March 2025. The panel considers that that the information and analysis summarised in the RIS meets the Quality Assurance criteria. The information in the RIS is clear, concise, complete and convincing (within the constraints and limitations noted).

Section 1: Diagnosing the policy problem

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

1. Successive governments have identified that an enduring and robust FW-FP system, that councils and communities can rely on, will be an important tool for managing risks to freshwater. Over time, FW-FPs are intended to provide a practical alternative to managing agricultural activities through local rules and resource consents.
2. The FW-FP system² delivers a nationally consistent freshwater farm planning framework that specifies required plan content and determines the roles and responsibilities of central and regional government, farm operators, and FW-FP certifiers and auditors. These requirements will enable progress towards achieving improved freshwater outcomes in a systematic and evidence-based way.
3. To deliver the FW-FP system Parliament inserted a new Part 9A, into the Resource Management Act 1991 (RMA). Subsequently, the Resource Management (Freshwater Farm plans) Regulations 2023 (the regulations), giving effect to Part 9A, were passed in 2023, followed by an Order in Council commencing the rollout of the regulations in several regions.
4. 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](#)]. This was based on feedback from stakeholders regarding the potential cost and complexity of the system.
5. As the rollout of FW-FPs had begun in several regions, Cabinet agreed to pause the rollout of FW-FPs while changes were made to the wider FW-FP system.
6. In December 2024, the FW-FP regulations were turned back on in the Southland region to avoid farmers in Southland being disadvantaged due to the Southland Land and Water Regional Plan requirements.

Engagement

7. To deliver on the improvements, MfE and MPI carried out a two-stage targeted engagement process with industry groups, regional council representatives, tangata whenua groups, and eNGOs.
8. Representatives from each of these groups were invited to be part of targeted engagement aimed at developing options for improving the FW-FP system. The stakeholder groups are listed in Table 1.

Table 1. Engaged parties.

Sector	Group/ Organisation
Industry sector groups:	Dairy NZ, Beef & Lamb, Meat Industry Association, Deer Industry NZ, NZFAI, Federated Farmers, Horticulture NZ, NZ Wine, Irrigation NZ

² [Regulatory Impact Statement: Proposed Regulations for Freshwater Farm Plans.](#)



Regional Sector	Te Uru Kahika and Regional Council reference group
Environmental NGOs	Greenpeace, Environmental Defence Society, Forest and Bird, River Research, Choose Clean Water
Tangata Whenua	Waikato-Tainui (WT), Ngāi Tahu, Te Tumu Paeroa (Office of the Māori Trustee), Federation of Māori Authorities Inc (FOMA) and Te Arawa Arataua / Te Arawa Primary Sector Inc (Kaitakawaenga)
Catchment Groups (stage 2 only)	King Country River Care (Waikato), Rangitikei River Catchment Collective – Included catchment group leaders from within the collective (Horizons), Otago Catchment Community Inc – included catchment group leaders across Otago (Otago), Thriving Southland (Southland), Wai Kōkopu (Bay of Plenty)

Key engagement themes

9. From 20 May to 14 June 2024, MfE and MPI conducted the first round of engagement. A second round of engagement was held from 29 July to 19 August 2024.
10. Most industry organisations support increasing the size thresholds that determine if a farm requires a FW-FP. The regional sector reference group believed that the current thresholds are appropriate.
11. Most industry groups and the regional sector reference group saw value in retaining a fit-for-purpose check (ie, certification) in the assurance process. Some groups noted this step was important for integrating FW-FP requirements with their existing industry assurance programmes or farm environment plans.
12. Most groups, including the regional councils, supported or could support a change to a single assurance role (ie, a combined certifier/ auditor).
13. Federated Farmers, the Meat Industry Association, and Irrigation NZ supported a catchment/ activity assessment approach to determine if certification of a FW-FP was required. DairyNZ supported this in principle, but noted concerns about how this approach might add complexity into the system.
14. Making FW-FPs auditable (ie, enabling the regional council to request an audit) was supported by the regional councils, Fertiliser NZ, Beef + Lamb NZ and the Meat Industry Association. However, there were differing views across these groups about whether an auditable only or a set timeframes plus auditable approach was best.

Catchment groups, and eNGOs

15. Officials met with catchment groups to gather their views on how catchment led approaches could be incorporated into the FW-FP system. All catchment groups stated that they do not wish to have a set regulatory role or be a regulator in the FW-FP system.
16. Catchment groups noted that they are best set up to support implementation or act in an enabling role. Examples included supporting the development of catchment context information and supporting farmers with plan development.
17. Environmental non-government organisations feedback centred around the importance of FW-FPs as a tool to support achievement of freshwater outcomes such as catchment

limits and targets. They generally support only smaller changes to the system and did not support larger changes.

Treaty partners and whenua Māori authorities

18. There was general support from treaty partners and whenua Māori authorities for a FW-FP system that supports freshwater improvements and encourages improved on-farm practices.
19. Several Treaty partners and whenua Māori authorities expressed that they would like a stronger role in the FW-FP system. Some stated that there should be requirements for the regional council to consult with them on specific matters (eg, development of catchment context). Some also expressed an interest in being involved in the implementation of the system, such as enabling Māori to participate in the certification and audit process (eg, be appointed as certifiers and auditors).
20. There were concerns raised regarding whenua Māori landowners with small land blocks being captured in the system due to long-term lease agreements. There were concerns about Māori landowners being liable to complete actions included in a FW-FP (by a farm operator) that they have not been consulted on but are required under their lease agreement to complete (e.g., capital works).
21. There was support from some whenua Māori authorities for increasing the thresholds for requiring a FW-FP and enabling this to be done for a wider range of land uses (it was noted that catchment risk should be considered when doing this). Ngāi Tahu did not support an increase to the thresholds.

What is the policy problem or opportunity?

22. The Government intends for FW-FP to be used as a tool to manage farming impacts on freshwater. They also want them to be able to provide a robust and simpler alternative to resource consents.
23. Stakeholders have raised concerns that the current system is costly and complex, and that it captures too many farms that present a low risk to freshwater. Some stakeholders have indicated there is a risk that for lower-risk farms, the environmental benefits of having a FW-FP do not match the cost of developing a FW-FP and getting it certified and audited.
24. The Government has committed to exploring potential changes to the freshwater farm plan (FW-FP) system, having received this feedback from stakeholders around the potential cost and complexity of the system.

What objectives are sought in relation to the policy problem?

25. In April 2024, Cabinet [CBC-24-MIN-0014] noted that officials explore what improvements should be made to the FW-FP system:
 - (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 freshwater farm planning,



- (d) review FW-FP certification and audit requirements to reduce unnecessary cost,
- (e) reduce duplication for farmers and growers.

26. The Committee noted that a nationally consistent FW-FP system is important for managing risks to freshwater, and that it is important that councils and communities retain confidence in the robustness of FW-FPs.

Section 2: Assessing options to address the policy problem

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

27. The criteria in Table 2 below are used in assessing whether the option will achieve the policy objectives. All criteria are weighted evenly.

Table 2: Evaluation criteria

Criteria	Explanation
Effectiveness and Efficiency	Extent to which the proposal contributes to the attainment of the objectives of the FW-FP system review, including working towards improving freshwater quality.
Cost	The regulatory burden (cost) is proportionate to the anticipated benefits.
Flexibility and Consistency	Extent to which the proposal enables the FW-FP system to evolve in response to changing circumstances or new information on the regulatory system’s performance, resulting in a durable and nationally consistent FW-FP system.
Implementation Risk	Extent to which the proposal presents implementation risks that are low or within acceptable parameters (eg is the proposal able to be successfully implemented within reasonable timeframes; is it a new approach or tested elsewhere?).

What scope will options be considered within?

- 28. The options below were selected for alignment with the Cabinet priorities, and the scope of changes that can be made to the FW-FP system within the timeframes set by the second RM bill.
- 29. While changes to the whole FW-FP system have been discussed as part of targeted engagement, the scope of this RIS is limited to high-level system changes that require legislative change to Part 9A of the RMA and does not include detailed changes to the FW-FP regulations. Once changes to Part 9A have been confirmed, officials will work to develop options for updating FW-FP regulations to align with the confirmed system.
- 30. Non-regulatory options to address stakeholders’ concerns are considered out of scope of this RIS, as we have been directed by Ministers to make changes to the FW-FP regulatory system. We will consider non-regulatory options as part of the implementation approach for the new system (which will be outlined alongside any changes to the FW-FP regulations).

What options are being considered?

31. To deliver on Ministers' direction, targeted engagement was carried out and the following options were developed.
32. Enabling industry organisations to deliver FW-FP certification and audit services was considered separately, with proposed changes currently outlined in the Resource Management (Consenting and Other System Changes) Amendment Bill³.

Threshold options

33. Thresholds determine if a farm is required to have a FW-FP, under the status quo (s217D of the RMA) this is determined by size (ha) and type (arable, horticultural, pastoral, or combination land use).
34. Stakeholder feedback noted that under the status quo there is a risk that farms with low impacts to freshwater (eg, permanent horticulture and viticulture) may be captured through the thresholds and be required to have a FW-FP. Feedback from stakeholder engagements indicated broad agreement across industry groups, and some Māori groups, that the current thresholds capture too many small and lower risk farms⁴. There were a variety of views on how to remove those farms from the system although many groups noted the need for simplicity and national consistency.
35. Permanent horticultural land uses such as viticulture and orcharding are typically lower risk than other horticultural land uses and often have a lower impact on freshwater quality than pastoral land use.⁵ Table 3. below shows the number of vineyards, orchards, and other horticulture farm types in the system under different thresholds.

Table 3. Vineyard, orchard, and other horticulture farm type thresholds⁶

Category	AgStats category	≥5ha	≥20ha	≥50ha
Vineyards	Grape	945	696	261
Orchards	Kiwifruit	1,260	741	164
	Apple and Pear	345	279	93
	Stonefruit	174	108	35
	Citrus	117	75	18
	Olive	96	48	12
	Other Fruit and Tree Nut	525	273	69
Other Hort	Nursery outdoor	174	111	35
	Floriculture outdoor	9	3	0
	Berryfruit	141	90	29
	Turf growing	6	3	0
Vegetable	Vegetable outdoor	519	387	212
Total		4,311	2,814	928

³ [Resource Management \(Consenting and Other System Changes\) Amendment Bill](#)

⁴ Note Ngāi Tahu did not support any increase in thresholds

⁵ [Further references: Low Risk farming activities – risk to freshwater.](#)

⁶ [Further References: Permanent and rotational horticulture definitions.](#)

36. Pastoral land uses such as sheep, beef and deer grazing also typically present lower risk to freshwater compared to other pastoral land uses (eg, dairy).⁷ Feedback from the dairy sector noted agreement across processors that it is reasonable (based on risk) for commercial dairy farms to be required to have a FW-FP. Table 4 below show the number of pastoral, arable, and mixed farm types in the system under different thresholds.

Table 4. Pastoral, arable, and mixed farm type thresholds

Category	AgStats category	≥20ha	≥50ha
Pastoral	Sheep farming (specialised)	3,741	3,224
	Beef cattle farming (specialised)	7,386	4,859
	Sheep-Beef Cattle Farming	4,071	3,639
	Deer farming	576	446
	Pig farming	87	59
	Horse farming	246	146
	Other livestock farming	99	59
Arable	Other Grain Growing	480	419
	Other Crop Growing	1,314	915
Mixed	Grain-Sheep or Grain-Beef Cattle Farming	450	420
Total pastoral, arable and mixed		18,450	14,186

Threshold Option One. Status Quo

37. Under this option, the thresholds for requiring a FW-FP would remain unchanged, remaining at:

- (a) 20 or more hectares of the farm is arable land use; or
- (b) 5 or more hectares of the farm is horticultural land use; or
- (c) 20 or more hectares of the farm is pastoral land use; or
- (d) a prescribed area of the farm is other agricultural land use prescribed in regulations made under section 217M(1)(b) of the RMA⁸; or
- (e) 20 or more hectares of the farm is a combination of any 2 or more of the land uses described above.

Table 5: Number of farms requiring a FW-FP under Status Quo

Option 1 (Status Quo):	≥20ha	≥5ha	Total
Arable	2,634		2,634
Horticulture		6,831	6,831
Pastoral	27,291		27,291
TOTAL	29,925	4,308	34,233

38. This would mean that an estimated 34,233 farms are required to develop a FW-FP (Table 5). There is a likelihood that some of these farms are lower risk, and the cost of developing and

⁷ Further references: [Low Risk farming activities – risk to freshwater](#).

⁸ This provides the Minister an avenue to prescribe areas of agricultural land use as meeting the threshold for requiring a FW-FP. This is intended to be used where a land use not covered under the current thresholds is required to be managed under the FW-FP system.

implementing the FW-FP is disproportional to the environmental benefits gained from having a FW-FP.

Threshold Option Two. Expand land use definitions and align size thresholds

39. Under this option for the thresholds would remain the same for pastoral, arable and mixed land use. Changes would be made to:

- (a) Create land use types for viticulture and orcharding with a threshold of 20 hectares or more.
- (b) Create a land use type for other horticulture (replacing horticulture land use) with a threshold of 5 hectares or more.
- (c) Create a category requiring that all farms with a dairy supply number would require a FW-FP.
- (d) 20 or more hectares of the farm is a combination of any 2 or more of the land uses described above.

Table 6: Number of farms requiring a FW-FP under Option Two.

Option 2:	≥20ha	≥5ha	Dairy Supply Number	Total
Pastoral, arable and mixed use	17,436			17,436
Viticulture and orcharding	1,266			1,266
Other horticulture		849		849
Dairy			10,110	10,110
TOTAL	18,702	849	10,110	29,661

40. This would mean that an estimated 29,661 farms are required to develop and implement a FW-FP (Table 6). Viticulture and orcharding (ie, permanent horticulture) are typically less intensive compared to other types of horticulture (eg, commercial vegetable growing, rotational cropping)⁹. Creating separate thresholds for these activities, and aligning them with the thresholds for pastoral activities, reflects the risks these activities present to freshwater.

Threshold Option Three. Expand land use definitions and increase size thresholds

41. The proposed thresholds for requiring a farm plan would:

- (a) Increase thresholds to 50 or more ha for pastoral, arable, or mixed land use.
- (b) Create a land use types for viticulture, and orcharding with a threshold of 50 or more ha.
- (c) Create a land use type for other horticulture (replacing horticulture land use) with a threshold of 5ha or more.
- (d) Create a land use type requiring that all farms with a dairy supply number would require a FW-FP.
- (e) a prescribed area of the farm is other agricultural land use prescribed in regulations made under section 217M(1)(b) of the RMA; or

⁹ Technical Assessment and Gap Analysis of the Sustainable Winegrowing New Zealand Programmes (Phase 1) Potential Alignment with Proposed Freshwater Farm Plan Reporting Requirements, Jon Manhire (November 2023).



- (f) 50 or more hectares of the farm is a combination of any 2 or more of the land uses described above.

Table 7: Number of farms requiring a FW-FP under Option Three.

Option 3:	≥50ha	≥5ha	Dairy Supply Number	Total
Pastoral, arable and mixed	14,099			14,099
Viticulture and orcharding	645			645
Other horticulture		849		849
Dairy			10,110	10,110
TOTAL	14,744	849	10,110	25,703

42. This would mean that an estimated 25,703 farms are required to develop and implement a FW-FP (Table 7).

How do the options compare to the status quo?

Table 7 - Threshold options

	Threshold Option One. – Status Quo	Threshold Option Two. Expand land use definitions and align size thresholds	Threshold Option Three. Expand land use definitions and increase size thresholds
Effectiveness and efficiency	0 Thresholds are set lower nationally. Approximately 81% of farms nationally will be required to prepare a FW-FP. These thresholds may capture smaller farms that pose a low risk to freshwater.	0 Thresholds are altered to account for the lower risk posed by orcharding and viticultural land use. Approximately 76% of farms nationally would require an FW-FP. This option removes smaller (5-19ha) viticulture and orcharding blocks from the system by creating new categories. Will add a small number of dairy farms to the system (which is a typically higher risk activity).	+ Thresholds are set higher nationally. Approximately 61% of farms nationally would be required to prepare a FW-FP. Smaller farms in the sheep and beef, viticulture and orcharding sectors (which are on average lower risk compared to other activities) are excluded. May risk improvements to freshwater in catchments with a large number of small, high-intensity farms, doing high-risk activity that are not captured by the Dairy Supply number requirement (e.g., dairy support/intensive winter grazing).
Proportional cost	0 Farmers who meet threshold requirements must have a FW-FP. This will include smaller pastoral farms, orchards and vineyards where the cost of meeting FW-FP requirements may be disproportionate compared to the environmental benefit.	+ This option reduces costs by removing 1,938 farms from the system, therefore removing the cost of preparing a FW-FP for these farms. Some of these operations may be non-commercial businesses. Removing the cost for these operations would have greatest impact.	++ This option removes approximately 8,530 farms from the system, therefore removing the cost of preparing a FW-FP for these farms. Some of these operations may be non-commercial businesses. Removing the cost for these operations would have greatest impact.
Flexibility and consistency	0 Thresholds are set low, requiring most farms to have a FW-FP. Thresholds are set in legislation, so are durable and support a nationally consistent FW-FP system.	+ Thresholds are set low, requiring most farms to have a FW-FP but have a more tailored consideration of the risk of some horticultural farms than the status quo. Thresholds are set in legislation, so are durable and support a nationally consistent FW-FP system.	+ Thresholds are set higher and with a more tailored consideration of the risk to freshwater posed by specific land uses. Thresholds are set in legislation, so are durable and support a nationally consistent FW-FP system. This option balances the consideration of risk posed by specific operations with the need for consistency.
Implementation Risk	0 Will require 33,600 farmers to have a FW-FP. This number of farms could require longer timeframes for rollout, due to the number of farms who require a plan. Timeframes could be extended due to the capacity of the rural professional workforce (to support the development of plans) and the ability for the regional councils to implement the system effectively (including collating required information, monitoring compliance).	0 This option will require 33,246 to have an FW-FP. Implementation risks are likely to be very similar to the status quo for this option.	+ This option will require 25,703 farms to have a FW-FP. Fewer farms in the system would likely mean higher supporting workforce availability (eg, farm advisers to support development of the FW-FPs, certifiers and auditors). Will enable regional councils to focus resource on rolling out the system focussing on larger farms. Fewer farms in the system may disincentivise some industry organisations from engaging with the system due to a lower percentage of farmers requiring their support.
Overall assessment	0 This option captures some low-risk farms and may require a longer roll out period due to workforce availability.	+ This option will face similar issues to the similar to the status quo but will capture fewer low risk farms (horticulture and viticulture).	++ This option captures significantly fewer low risk farms and will face fewer workforce issues.

Certification Options

43. Certification is a the fit-for-purpose check to provide assurance that the FW-FP meets regulatory requirements and identifies on-farm risks to the catchment and actions to manage those risks.
44. This provides farmers confidence that the actions they are implementing are appropriate and avoids the risk of farmers implementing actions (at cost) that are later found to be inappropriate.
45. Financial costs to farmers of having their FW FP certified will vary depending on the complexity of the farm system; whether a farmer already has a farm environment plan; and on the level of support provided to the farmer from government, industry, and/or regional council in developing the FW-FP.
46. Analysis of indicative costs of FW-FP certification costs was carried out by Pattle Delamore Partners Ltd¹⁰ (see Table 9).

Table 9. Summary of cost ranges for FW-FP certification¹¹

Farm Complexity	Certification (FW-FP developed by certifier)	Certification (FW-FP developed by person other than certifier)
Low	\$1,100 - \$2,300	\$2,200 - \$4,100
Medium	\$2,300 - \$3,900	\$3,000 - \$5,600
High	\$2,800 - \$4,500	\$4,100 - \$7,000

47. During engagement, most stakeholders stated that they saw the benefit in having certification in the system but felt the current approach could be simplified.
48. Beef and Lamb NZ do not support a regulated certification process, although they note the auditor role could be expanded to include assessing whether actions are fit-for-purpose. Federated Farmers NZ initially supported a criteria-based approach to certification but have since noted that it would add complexity and legal risk for farmers and have subsequently withdrawn support for a regulated certification process.

Certification Option one. Status Quo

49. All farms requiring an FW-FP would be required to complete the certification process; engaging an independent certifier within the set timeframes to assess that their FW-FP meets regulatory requirements.

Certification Option two. Activity-based criteria approach

50. If a farm is undertaking an identified activity their FW-FP is required to be certified. These activities would be listed in the regulations made under s217M of the RMA. Farms not carrying out these activities would not be required to have their FW-FP certified.

¹⁰ Estimated Costs of Preparing and Certifying Freshwater Farm Plans - Pattle Delamore Partners Ltd (2024)

¹¹ Costs indicated in this table are non-inclusive of the cost of developing a FW-FP and reflect the estimated cost of the initial certification. It is expected that the cost of subsequent certifications (recertification) would be lower.

51. In addition, it will:

- Enable a farmer to voluntarily have their FW-FP certified at any stage (eg, for assurance or for market access).
- Provide a pathway to enable certification to be required from farms in specified catchments (eg, highly degraded or sensitive catchments).

52. This is Ministers' preferred option.

53. As the list of activities has not yet been developed, analysis of its impact on the number of farms requiring certification is difficult. Identified activities could focus on typically higher intensity activities (such as commercial vegetable growing or intensive winter grazing) or where a farmer intends to use a FW-FP to meet permitted activity conditions (or similar rules or requirements). This analysis will be done as part of amending the regulations.

54. Previous use of farm plans to manage farming impacts on the environment have indicated that a fit-for-purpose check (ie, certification) is critical.¹² When this step is not undertaken, there is a risk that inappropriate actions (that do not take into account biophysical or catchment characteristics) are implemented and do not result in improvements to freshwater quality as intended.

Certification Option three. Catchment status approach

55. A farm is required to have their FW-FP certified only if they are in a degraded or degrading catchment. Farms not located in degraded or degrading catchments would not be required to have their FW-FP certified.

56. Catchment risk categories could be determined using a nationally consistent process (eg, National Bottom Lines, with a focus on the four key contaminants - E.coli, nitrogen, phosphorous, sediment).

57. It is challenging to provide an estimate of the proportion of low and high-risk catchments at a national level due to inconsistencies across individual councils reporting and available information. Research by Our Land and Water indicates that 70% of New Zealand is occupied by catchments that have at least one contaminant (out of the main four) that requires a load reduction of greater than 30%.¹³

Certification Option four. Shift assurance roles into a single FW-FP adviser role

58. Combine the separate certifier and auditor roles with a single FW-FP adviser role. The FW-FP adviser would be trained and appointed to deliver a two-part assessment including:

- (a) Certification check to provide assurance that the FW-FP meet regulatory requirements (ie, is fit-for-purpose).
- (b) Audit of the farm for compliance with the certified action plan.

59. This would enable farmers to engage a single FW-FP adviser to complete both parts of the assurance steps at the same time (or separately if it suited them).

60. During targeted engagement, some primary sector stakeholders noted that enabling a combined role assessor to undertake both certification and audit would reduce duplication and cost for farmers, as they would only have to pay for one farm visit to do both functions. This would decrease costs to farmers over time and also enables alternative actions (or

¹² [Ōtūwharekai/Ashburton Lakes lessons-learnt report, MfE, \(2023\).](#)

¹³ [Comparison of current state to national bottom lines, Our land and Water, \(2023\) \(pg 92-93\).](#)



updates to their FW-FP) to be done without additional assurance costs, creating a more adaptive approach to farm planning.

How do the options compare to the status quo?

Table 10 - Certification options

	Certification Option One. – Status Quo	Certification Option two. Activity-based criteria approach	Certification Option three. Catchment status approach	Certification Option four. Shift assurance roles into a single FW-FP adviser role
Effectiveness and efficiency	<p>0</p> <p>All farms who meet thresholds will be required to get their FW-FP certified. Will not reduce any potential duplication¹⁴ and cost for these farms and may disincentivise some farmers from engaging with the system.</p> <p>Will maintain robustness and confidence in FW-FP system, as certification will be required for all farms, meaning the FW-FPs developed have been checked to make sure they are supporting improving freshwater quality.</p>	<p>-</p> <p>Only farms who are doing specified activities (outlined in the regulations¹⁵) will be required to get their FW-FP certified within timeframes specified in the regulations. Will require farmers to identify whether certification is required upfront.</p> <p>Will reduce certification requirements and associated costs for some farms (those not doing high intensity activities).</p> <p>May not be as effective in managing risks to freshwater quality in some areas, as it does not consider other factors which can affect freshwater quality (ie, catchment health, biophysical characteristics of the farm). Not all FW-FPs will be checked to make sure they are appropriately identifying and managing risks, potentially reducing confidence in the robustness of the system.</p>	<p>-</p> <p>Only farms located in specified catchments will be required to get their FW-FP certified. Will require farmers to identify whether certification is required in their area.</p> <p>Will reduce certification requirements and associated costs for farms not in specified catchments. Targets farms in areas where freshwater quality is already poor.</p> <p>May not be as effective in managing risks to freshwater quality in some areas, as it does not consider other factors which can affect freshwater quality (ie, activity risk, biophysical characteristics of the farm). Not all FW-FPs will be checked to make sure they are appropriately identifying and managing risks, potentially reducing confidence in the robustness of the system.</p> <p>May risk industry organisation pathway for programmes who operate at a national level (as requirements will differ strongly depending on location).</p>	<p>+</p> <p>All farms who meet thresholds will be required to get their FW-FP certified. Future recertification will be able to be done alongside audit, by the same person, reducing costs and duplication by streamlining the number of farm visits.</p> <p>Regular combined checks would retain robustness and confidence in the regulatory system.</p> <p>May risk industry organisation pathway for programmes who do not wish to offer audit. This risk can be mitigated by enabling one person to do both functions but not requiring them to be done by the same person at the same time.</p>
Proportional cost	<p>0</p> <p>It is anticipated that the cost of certification will be proportionate to the risk of the farm (ie, higher risk farms will likely face higher certification costs due to the complexity of their farm plan and risk profile, while lower risk farms will have lower certification costs due to having a simpler farm plan).</p> <p>All farms who meet thresholds will be required to get their FW-FP certified and recertified at set intervals, independent of the audit process.</p>	<p>++</p> <p>Will reduce costs for farms who won't be required to get certification, as they are not carrying out a specified activity).</p> <p>Depending on the methodology, and final list of activities, we anticipate that over half of farms required to have a FW-FP will require certification.¹⁶</p> <p>Increase risk to farmers if they incorrectly categorise themselves as not carrying out a listed activity.</p>	<p>+</p> <p>Will reduce costs for farms who won't be required to get certification, as they are not located in a degraded or degrading catchment.</p> <p>Depending on the methodology used to determine catchment health, only a small number of farms could benefit from this change, as a significant number of catchments have at least one contaminant in excess of national bottom lines.</p>	<p>+</p> <p>The anticipated cost of certification is similar to the status quo, as it will be proportionate to the risk of the farm.</p> <p>Costs will be reduced by providing farmers with the ability to have their recertification and audit done at the same time, by the same person.</p>
Flexibility and consistency	<p>0</p> <p>Is a nationally consistent FW-FP system.</p> <p>May disincentivise some farmers from engaging with the system, due to the potential duplication and cost resulting from certification requirements.</p>	<p>-</p> <p>Will be a nationally consistent FW-FP system as the activity list will be set at a national level, which can be updated based on new information on the systems performance (as activities will be specified in regulations).</p> <p>As not all FW-FPs will be checked as appropriately identifying and managing risks, could potentially risk its</p>	<p>-</p> <p>Will not be a nationally consistent FW-FP system as requirements will change depending on the catchment.</p> <p>Will likely be able to evolve as catchment status changes (either removing or adding catchments from requiring certification), this may disincentivise or create uncertainty for farmers, risking its durability.</p>	<p>+</p> <p>Is a nationally consistent FW-FP system, as certification will be required for all farms who meet thresholds.</p> <p>Enabling certification and audit to be done at the same time provides flexibility for farmers regarding</p>

¹⁴ Duplication refers to how the FW-FP system aligns with other Farm Environmental Plan systems (ie Industry Assurance Programs), poor alignment can result in duplication of certification requirements, ie a farmer is subject assurance requirements through both the FW-FP certification process, and an Industry Assurance Program assurance process (for example a Sustainable Wine NZ plan verification process).

¹⁵ Potential activities under this approach could include high risk activities like; commercial vegetable growing or intensive winter grazing.

¹⁶ Note this is based on preliminary analysis and will be highly dependent on the final list of activities outlined in regulation.

	Provides assurance in the robustness of FW-FPs, supporting a durable system that appropriately manages risks to freshwater.	durability as a system that appropriately manages risks to freshwater.	As not all FW-FPs will be checked as appropriately identifying and managing risks, could potentially risk its durability as a system that appropriately manages risks to freshwater.	assurance, depending on what works best for their situation. Provides assurance in the robustness of FW-FPs, supporting a durable system that appropriately manages risks to freshwater.
Implementation Risk	0 Will require two roles (certification and audit) to be appointed into the system. The status quo has been constrained by the roll out of workforce training in some regions, reducing the number of certifiers available to certify FW-FPs. Regional training of certifiers has varied, with content differing in terms of detail and size.	- Adds some complexity into the system by adding a process step for farmers. Increases complexity of compliance monitoring and enforcement (eg, regional councils will need to monitor if farmers are applying criteria accurately and if they are meeting all requirements related to that criteria). Councils and some industry bodies have submitted they do not favour this approach, meaning it may reduce confidence in the robustness of the FW-FP system.	-- A national approach to determining regulatory requirements based on local catchment risk has not been done before. Initially, may be relatively simple to communicate to farmers, although the implementation risk increases if catchment status changes. There are limited levels of data in many regions to support accurately identify catchment status, potentially risking or delaying the implementation of the system. Is not supported by some stakeholders or regional councils.	0 Combining the certifier and auditor role requires retraining of the FW-FP workforce, this will cause minor delays in roll out. The combined roles enable one person to do both certification and audit. This may reduce workforce capacity (as a greater number of skills are required). Will need to be clearly communicated to farmers to avoid confusion.
Overall assessment	0 Does not address relevant objectives of the review. Maintains robustness and confidence in FW-FP system, may disengage farmers in the system due to administratively complex and costly assurance requirements.	- Addresses some objectives of the review and reduces costs for farmers but is not supported by regional councils and several stakeholders. Is nationally consistent approach but may risk improvements to freshwater quality and reduce confidence in the robustness of the FW-FP system	-- This option is not supported by regional councils and several stakeholders and is not nationally consistent. It may not deliver on improvements to freshwater quality as it does not address high risk activities, risking confidence in the robustness of the FW-FP system.	+ This option simplifies the assurance process and reduces cost and duplication (as a farmer will be able to have one person check both certification and audit requirements). Is a nationally consistent approach that maintains robustness and confidence in the FW-FP system.

Audit Options

61. Auditing is where an auditor checks if the actions in the FW-FP are being implemented.
62. Audits provide farmers with credentials to demonstrate their record of environmental management (and could also provide a basis for farmers to meet broader environmental and regulatory requirements in the future eg, biodiversity credits, EU deforestation).
63. Audits are a key assurance tool for regional councils that illustrates that the farms in their regions are managing their impacts to freshwater.
64. Making FW-FPs auditable (ie, enabling the regional council to request an audit) was supported by the regional councils, Fertiliser NZ, Beef + Lamb NZ and the Meat Industry Association. However, there were differing views across these groups about whether an auditable only or a set timeframes plus auditable approach was best.
65. DairyNZ, Federated Farmers, Deer Industry NZ, and the regional councils support a reduced, but set, audit frequency (or assurance check). Horticulture NZ supports retaining the existing three-year audit frequency, providing it aligns with industry programme audits.

Audit Option one. Status Quo

66. Retain methodology as it is set out in Part 9A. This would mean all farmers who require a FW-FP would be required to arrange audits at set timeframes outlined in the regulations.

Audit Option two. Auditable only

67. Audits would have no set timeframes and instead rely solely on council-initiated audits (to check a farm is meeting their regulatory obligations).
68. Beef and Lamb NZ and Federated Farmers NZ were supportive of an auditable approach.
69. NZ Wine, Irrigation NZ, and the regional sector reference group did not support an auditable only approach and raised concerns including the increased risk to freshwater health due to increased likelihood of non-implementation of actions.
70. This will increase regional variability for how frequently audits occur, and risk regional councils passing on the cost of audits through rates and levies to farmers.

Audit Option three. Auditable after good performance

71. Retain audit timeframes and methodology as they are set out in Part 9A and the regulations, however a farm would shift to a 'auditable' system after demonstrated good performance in their audits.
72. This would better align frequency of audits with performance of farmers (and risk to freshwater), with poor performing farms still subject to regular audits and high performing farms being subject to more infrequent audits.

Audit Option four. Set audit timeframes plus ability for councils to request audits

73. This option would retain audit timeframes and methodology as they are set out in Part 9A and the regulations, however regional councils would be enabled to request a farmer arranges additional audits outside of the set timeframes. This may be at the farmer's cost.
74. Officials have not undertaken targeted engagement on this hybrid option and are uncertain as to how often regional councils will use this function. As it will likely be at the farmer's cost, it could also create uncertainty around when farmers would be required to have and pay for audits.

How do the options compare to the status quo?

Table 11 - Audit Options

	Audit Option One. – Status Quo	Audit Option two. Auditable only	Audit Option three. Auditable after good performance	Audit Option four. Set audit timeframes plus ability for councils to request audits
Effectiveness and efficiency	<p>0</p> <p>All farms will be required to have an audit at set timeframes outlined in regulations</p> <p>Provides clarity and certainty for farmers, regional councils, and the community, and provides confidence that actions in FW-FPs are being implemented.</p> <p>Enables industry organisations to deliver these services as part of their industry programme.</p>	<p>--</p> <p>A farm operator is not required to have their FW-FP audited at set timeframes. FW-FPs are ‘auditable’ by the regional council at the council’s cost.</p> <p>Audit frequency could be tailored to target specific areas (eg, freshwater health, or risk of non-compliance). However, not knowing when an audit will be required will add complexity and uncertainty to the system for farmers.</p> <p>Increases risk of non-implementation of actions and therefore reduces confidence in FW-FPs as a tool to improve freshwater quality.</p> <p>Would not support enabling industry organisations to deliver audit services, resulting in potential duplication (i.e. farms could be required to have industry audits and FW-FP audits).</p>	<p>-</p> <p>A farm would shift to a ‘auditable’ system after a period of high performance in their audits. Once auditable, the cost of audits would be removed for high-performing farms.</p> <p>The longer a system is fully auditable the higher the risk of non-implementation of actions, potentially reducing confidence of FW-FPs as a tool to improve freshwater quality.</p> <p>May disincentivise industry organisation pathway, resulting in potential duplication and cost for farmers (prior to them shifting to an auditable approach).</p>	<p>0</p> <p>All farms will be required to have an audit at set timeframes outlined in regulations, with regional councils able to request additional audits.</p> <p>Provides clarity and certainty for farmers, regional councils, and the community regarding set audits, and provides extra confidence that actions in FW-FPs are being implemented. The frequency, number, and timing of council initiated audits may cause some uncertainty for farmers.</p> <p>Enables industry organisations to deliver these services as part of their industry programme.</p>
Proportional cost	<p>0</p> <p>Audit requirements will be linked to whether a farmer is completing actions as required, meaning audits (and associated costs) will be more frequent for farmers who are non-compliant.</p> <p>The costs are proportionate to the benefits (as the largest costs will fall on farms who are not implementing their actions as required).</p>	<p>--</p> <p>Requirement to have an audit will be at discretion of regional council, removing the cost of the audit for all farms.</p> <p>Having a fully auditable system will likely reduce confidence in FW-FPs as a tool to manage freshwater, meaning their usefulness as a regulatory tool decrease. The benefits of reducing the cost do not out way the risks it poses to for FW-FP being used as a robust tool to manage freshwater.</p>	<p>+</p> <p>Will eventually lower the cost of audits for high performing farms. Costs are not reduced for poor performing farms.</p> <p>May reduce the usefulness of FW-FPs as a regulatory tool in the long-term (as more farms move to an auditable system), risking FW-FP being used as a robust tool to manage freshwater.</p>	<p>-</p> <p>Cost benefits the same as status quo.</p> <p>Will result in higher costs for farmers if the regional council requests additional audits.</p> <p>It is uncertain whether the costs will be proportionate to the benefits, as it will depend on how regional councils implement this.</p>
Flexibility and consistency	<p>0</p> <p>Audit grade approach is nationally consistent, with all farms requiring audits at set timeframes.</p> <p>Audit frequency can be updated via the regulations, enabling it to be adjusted depending on the regulatory system’s performance.</p>	<p>--</p> <p>Will not be a nationally consistent approach, as audits will vary depending on regional council capability and capacity.</p> <p>Increased risk of regionally inconsistent approaches to frequency and proportion of audits and inconsistent application and lack of oversight of auditing practices. This can lead to regionally variable outcomes for improvements to freshwater.</p>	<p>-</p> <p>Does reward high performing farmers while retaining consistency of checks for lower performing farms. However, this flexibility will be reduced overtime as FW-FPs may become seen as a less robust tool as less audits are required.</p> <p>Risk of regional inconsistency for how councils choose to apply the auditable system (frequency and proportion) and will likely vary nationally depending on regional council capability and capacity.</p>	<p>+</p> <p>Similar to status quo.</p> <p>Added benefit of having ability for regional councils to do targeted auditing, which can be used to respond to changing circumstances (eg, catchment health) or where there is suspected non-compliance.</p>
Implementation Risk	<p>0</p> <p>May require phased roll out of the FW-FP system due to the larger audit workforce required, and the requirement to train and appoint auditors.</p>	<p>--</p> <p>Lack of data about implementation over time will make it harder for councils and central government to assess the effectiveness of the system or to make targeted improvements.</p> <p>Increases the risk of non-implementation of actions.</p>	<p>-</p> <p>Provides strong incentive for farmers to achieve ‘A’ or passing grades at their initial audit/s.</p> <p>Implementation risks once a farm has shifted to an auditable approach are the same as option 2, which</p>	<p>0</p> <p>Same as status quo.</p>

	Sets a framework to build in other regulatory/market access requirements over time.	Could create legal and financial risks for farms that are not audited for long periods of time, if they are audited and are found to have been non-compliant, they are likely to face costs to rectify actions and undergo repeat audits.	outweighs the early implementation benefits outlined above.	
Overall assessment	0 Nationally consistent approach that maintains robustness and confidence in FW-FP system to manage risks to freshwater resulting from farming activities.	-- Reduces cost by removing regular mandatory audits, but the benefits of reducing the cost do not outweigh the risks it poses to for FW-FP being used as a robust tool to manage freshwater. Uncertainty about when an audit will be required will add complexity and uncertainty to the system for farmers.	- Lowers costs for high performing farmers while retaining regular checks for low performers. May reduce the usefulness of FW-FPs as a regulatory tool in the long-term (as more farms move to an auditable system), risking FW-FP being used as a robust tool to manage freshwater.	0 Maintains robustness and confidence in FW-FP system to manage risks to freshwater resulting from farming activities. Has added flexibility to target suspected noncompliance, however this is offset by the uncertainty and additional cost that farmers could be subject to if regional councils choose to do additional audits.

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

75. The following options are considered to best meet the policy objectives and address the policy problem.

Thresholds

76. Threshold Option Three. Expand land use definitions and increase size thresholds. This option aligns best with the assessment criteria as it:

- (a) Removes approximately 8,530 farms from the system, reducing costs associated with the FW-FP system for those farms to zero, requiring 61% of farms to have an FW-FPs compared to 81% under the status quo.
- (b) Reflects the comparative lower risk presented by land use types (eg, sheep and beef, viticulture and orcharding).
- (c) Retains flexibility to change these thresholds over time should the system require it.

Certification

77. Certification Option Four. Shift assurance roles into a single FW-FP adviser role. This option aligns best with the assessment criteria as it:

- (a) Adds flexibility for farmers by enabling, but not requiring, all assurance requirements to be met at one time and delivered by the same person.
- (b) Reduces on farms assurance checks while retaining robustness in the system providing farmers and regional councils confidence that the FW-FPs meet the regulatory requirements and that the actions in the FW-FPs are being carried out.
- (c) Provides the most efficiencies for farmers not in an industry organisation; while still enabling farmers to use their industry assurance programs (the industry program could provide certifications services audit services or both, retaining flexibility for how they integrate with the FW-FP system) to meet their regulatory requirements reducing duplication.

Audits

78. Audit Option One (status quo with set audit timeframes) and Audit Option Four (set audit timeframes plus ability for councils to request audits) are most likely to deliver the policy objectives and deliver the same net benefits. This option aligns best with the assessment criteria as they:

- a) Retain robustness and consistency in the system by having regular set assessment steps.
- b) Continues to provide assurance to farmers, regional councils, and communities that the actions set out in FW-FPs are being implemented.
- c) Provides regional councils flexibility to target suspected non-compliance (Audit option four only).

79. There are trade-offs between the options. Option one scored better in terms of proportional cost, as there will only be audits at set intervals, with the largest costs will falling on farms who are not implementing their actions as required. However, with option four, the ability for councils to request additional audits presents additional costs, and the impacts of this is uncertain. Option four scores better than the status quo in terms of flexibility, as regional

councils will be provided with the ability to request additional audits if they deem it necessary.

80. Ministers have agreed to progress option one (status quo), and this is what will be assessed as the agency’s preferred option in the following sections.

Is the Minister’s preferred option in the Cabinet paper the same as the agency’s preferred option in the RIS?

81. The Ministers preferred options match the agency’s preferred options for Thresholds and Auditing, but not for Certification.
82. The Minister’s preferred option for certification is Certification Option two. Activity-based criteria approach.

What are the marginal costs and benefits of the preferred option in the Cabinet paper?

83. As noted in the summary, there is limited information on the costs and benefits of the options (compared to the status quo). The rollout of FW-FPs was only in its early stages before it was paused in October 2024, meaning officials were not able to assess how the system was working.

Agency’s preferred options

Affected groups	Comment	Impact	Evidence Certainty
Additional costs of the preferred option compared to taking no action			
Farm operators & industry organisations	No direct or indirect costs identified.	Low	Low
Regional Councils	Costs for regional council who have already begun developing guidance for the FW-FP system, changing and updating their guidance and informing their communities.	Low	Medium
Treaty partners	No direct or indirect costs identified	Low	Low
Central Government	Costs of changing existing FW-FP system and rolling out new system.	Low	Medium
Total monetised costs	<i>Not available</i>	NA	NA
Non-monetised costs	<i>Not available</i>	NA	NA
Additional benefits of the preferred option compared to taking no action			
Farm operators & industry organisations	Farms not required to have a FW-FP under the new thresholds will no longer be subject to any costs relating to the FW-FP system. Ongoing reduced costs to farmers through reduced certification and audit visits.	Low	Medium
Regional Councils	No direct or indirect costs identified	Low	Medium
Treaty partners	Small Māori land holdings not required to have a FW-FP under the new thresholds will no longer be subject to any costs relating to the FW-FP system.	Low	Medium

Central government	No direct or indirect costs identified	Low	Medium
Total monetised benefits	Not available	NA	NA
Non-monetised benefits	Not available	NA	NA

Ministers' Preferred options

Affected groups (identify)	Comment	Impact	Evidence Certainty
Additional costs of the preferred option compared to taking no action			
Farm operators & industry organisations	Increased risk of investment in a non-compliant plan, and inappropriate actions.	Medium	Low
Regional Councils	Costs for regional council who have already begun developing guidance for the FW-FP system, changing and updating their guidance and informing their communities.	Medium	Medium
Treaty partners	No direct or indirect costs identified	Low	Medium
Central government	Minor cost associated with identifying activities.	Low	Medium
Total monetised costs	Not available	NA	NA
Non-monetised costs	Risk of potential costs to freshwater increases due to reduced certification requirements.	Medium	Medium
Additional benefits of the preferred option compared to taking no action			
Farm operators & industry organisations	Farms not required to have a FW-FP under the new thresholds will no longer be subject to any costs relating to the FW-FP system. Reduced costs for farms not required to have their plans certified.	Low	Low
Regional Councils	No direct or indirect benefits identified	Low	Medium
Treaty partners	Small Māori land holdings not required to have a FW-FP under the new thresholds will no longer be subject to any costs relating to the FW FP system.	Low	Medium
Central government	No direct or indirect benefits identified	Low	Medium
Total monetised benefits	Not available	NA	NA
Non-monetised benefits	Not available	NA	NA

Treaty Implications

Treaty settlements

84. Due to the time constraints, this analysis has focussed on settlements that have clear policy commitments related to freshwater.¹⁷ Officials have not identified any direct or potential Treaty settlement commitment breaches.

Treaty principles

85. The RMA requires decision makers to ‘take into account’ the principles of the Treaty of Waitangi when exercising powers and functions under the Act.¹⁸
86. The proposals in this paper largely affect Māori freshwater rights and interests.¹⁹ For these policy proposals, the likely relevant Treaty principles are partnership and good faith,²⁰ and the Crown’s duty of active protection to Māori in respect of freshwater, as a taonga.²¹

Engagement

87. MfE and MPI have undertaken targeted engagement via Māori organisations and representatives. A summary of this engagement can be found in paragraphs 47-50. MfE has also informed PSGEs of the Government’s intention to make changes to the FW-FP system as part of broader work on RMA reform.
88. Targeted engagement was focussed on the high-level system design of FW-FPs. Some participants noted the difficulty in providing comprehensive input into the proposals, due to the lack of detail available, and requested more detail on the potential regulatory changes.
89. Officials will continue to engage with stakeholders, including treaty partners and whenua Māori authorities, on changes to the FW-FP regulations, and the implementation of the system.

Overall

90. Overall, the proposed options (in isolation of broader freshwater policy) are likely to have a low level of impact on Māori. Given Māori interest in freshwater management, consideration should be given when developing and implementing regulations for how to enable Māori to participate in the FW-FP system.

¹⁷ There were four settlements which were considered relevant: The Waikato-Tainui Raupatu Claims (Waikato River Settlement Act 2010), The Whanganui River (Te awa Tupua and Te Tōarahoe o Paerangi), and Te Rūnanga o Ngāti Manawa (Rangitāiki River redress - also refer to Te Ara Whānui O Rangitāiki, River Document).

¹⁸ Resource Management Act [1991], s8.

¹⁹ Engagement with Māori between 2014-2018 resulted in freshwater rights and interests being groups under broad categories, including water quality, recognition of relationships with water bodies, governance and decision-making, and access and use for economic development.

²⁰ These principles were articulated by the Court of Appeal in the Lands case in 1987, *New Zealand Māori Council v Attorney-General* [1987] 1 NZLR 641.

²¹ The Te Tau Ihu Waitangi Tribunal stated that the Crown’s duty of active protection is ‘not merely passive and extends to active protection of Māori people in their use of their lands and waters to the fullest extent practicable’. It notes that this requires honourable conduct by, and fair processes from, the Crown, and full consultation with those whose interests are to be protected (Waitangi Tribunal, Te Tau Ihu Report, Vol 1, page 4).

Section 3: Delivering an option

How will the proposal be implemented?

91. The preferred options require changes to Part 9A of the RMA and are intended to be done via the RM Reform process, and in place by the end of 2025.
92. Changes to the regulations will also be needed to give effect to the changes outlined in this RIS, and to further give effect to Cabinet's objectives for the FW-FP review. Officials will continue to work on these changes, and will engage with regional councils, industry stakeholders, treaty partners and Māori authorities, and other stakeholders through this work.
93. Part 9A (including any regulations developed under Part 9A) do not apply to region, district or area until specified in an Order in Council developed under section 217C of the RMA. Before recommending Part 9A be switched on in an area, the Minister for the Environment must be satisfied that regulations are necessary to achieve the purpose of this Part and consult with the Minister of Agriculture.
94. Officials will continue to engage with regional councils, industry stakeholders, treaty partners and Māori authorities, and other stakeholders on options for rollout and implementation.
95. Southland is currently operating the status quo FW-FP system in its region. Once the regulatory changes have been finalised officials will engage with Southland to support them to implement the changes once the improved FW-FP system goes live.
96. Regional councils are the regulator for the FW-FP system and are responsible for the operation and enforcement of the FW-FP system. Officials will continue to work with each council to support them through developing targeted guidance and other tools.

How will the proposal be monitored, evaluated, and reviewed?

97. The Ministry for the Environment and the Ministry for Primary Industries will continue to engage with stakeholders on FW-FPs and monitor FW-FP implementation, including stakeholder confidence in the FW-FP system.
98. We will also review the annual survey of rural decision makers to assess whether the policy objective for reducing regulatory burden has been achieved, particularly looking at whether stress resulting from environmental regulations has decreased since 2023.²²
99. 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.
100. 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 wider context for freshwater management in which these changes are occurring.

²² [Key results sheet 1: Rural regulation » Manaaki Whenua](#)