



Ministry for Cities, Environment, Regions & Transport

PROACTIVE RELEASE COVERSHEET

Minister	Minister McClay, Minister Simmonds, Minister Hoggard.	Portfolio	Minister Agriculture, Minister Environment, Assoc. Minister Agriculture, Assoc. Minister Environment.
Name of package	Regulatory Impact Statement - Amendments to the Resource Management (Freshwater Farm Plans) Regulations 2023	Date to be published	23 October 2026

List of documents that have been proactively released

Date	Title	Author
25 July 2025	Regulatory Impact Statement: Amendments to the Resource Management (Freshwater Farm Plans) Regulations 2023	Ministry for the Environment, Ministry for Primary Industries

Information redacted **NO**

Any information redacted in this document is redacted in accordance with the Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Summary of reasons for redaction

NA

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Regulatory Impact Statement: Amendments to the Resource Management (Freshwater Farm Plans) Regulations 2023

Decision sought	This analysis is produced to inform final Cabinet decisions on changes to the Freshwater Farm Plan Regulations.
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	25 July 2025

Briefly describe the Minister's regulatory proposal

1. Ministers have agreed to make changes to Part 9A of the Resource Management Act 1991 (RMA), to reduce cost and complexity of the freshwater farm plan system.
2. To give effect to the changes to Part 9A, and to further reduce cost and complexity in the system, additional changes are proposed to be made to the Resource Management (Freshwater Farm Plans) Regulations 2023 (the Regulations).

Summary: Problem definition and options

What is the policy problem?

3. The Government intends for freshwater farm plans (FW-FP) to be used as a tool to manage farming impacts on freshwater. They also want FW-FP to be able to provide a robust and simpler alternative to resource consents.
4. Stakeholders have raised concerns that the current system is costly and complex, and that it captures too many farms that may present a lower risk to freshwater. Stakeholders have also raised that some requirements within the Regulations are too complex and prescriptive (mapping requirements, identifying inherent vulnerabilities) and do not support farm operators in the development of a FW-FP.
5. In response to this feedback, the Government has committed to exploring potential changes to the FW-FP system.
6. Changes are being made to Part 9A via the Resource Management (Consenting and Other System Matters) Amendment Bill (RM Bill 2). This means that the Regulations need to be updated to align with the amended Part 9A, which is anticipated to be passed by mid-2025.

What is the policy objective?

7. The Cabinet objectives are to [CBC-24-MIN-0014]:

- (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 empower 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.
8. 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 [CBC-24-MIN-0014].
9. In March 2025, Cabinet noted that only farmers undertaking activities identified in the Regulations that pose a risk to freshwater (or located in specified catchments) should be required to have their FW-FP certified [ECO-25-MIN-0029].

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

Activity criteria for requiring certification

10. *Option One – Status Quo.* Changes to Part 9A allow for the listing of activities in Regulations requiring a farm operator to have their farm plan certified, no farm plans will be required to be certified under this section of Part 9A.
11. *Option Two – Activities likely to have an adverse effect on freshwater.* A list of activities will be added to the Regulations which trigger requirements for FW-FPs to be certified. The list includes: commercial vegetable growing, grazing dairy cattle, grazing dairy support cattle, grazing pigs, intensively grazing deer, intensively grazing cattle, intensive winter grazing, irrigation on pastoral or arable land, and stockholding areas. **(Preferred option).**
12. *Option Three – Expanded list of activities:* Same as Option Two, but also includes the following activities: effluent collection and / or disposal, and application of synthetic nitrogen fertiliser.

Certification and audit - timeframes and grades

Audit Grade

13. *Option One – Status Quo.* Current audit grade system (Grades; A, B, C, D).
14. *Option Two – Simplified ABC grade system.* The audit grades are simplified (A, B, C) by reducing the number of action categories and corresponding grades from four to three. Adjust the timeframe for reaudit associated with the lowest grade to 12 months (from 6 months).
15. *Option Three – Descriptive pass/fail with interim grade for missed catchment actions.* A pass (fully meets) / fail (does not meet) grading system is introduced, with an interim 'partially meets' grade where a farm operator may, within 3 months of their audit, provide evidence of completion of any outstanding catchment actions. **(Preferred option).**

Recertification and audit timeframes

16. *Option One – Status quo.* The recertification timeframe remains at 5 years. Minimum of 2 audits per 5-year cycle. Audit grade determines the timeframe to the next audit.
17. *Option Two – Small extension of recertification cycle, one audit per cycle for high performing farms.* One audit per 6-year certification cycle for high performing farms. Audit grade determines the timeframe to the next audit. **(Preferred option)**.
18. *Option Three – Further extensions of recertification timeframes, two audits per cycle.* Two audits per 7-year certification cycle for high performing farms. Audit grade determines the timeframe to the next audit.

Certifier and auditor competencies

19. *Option One – Status quo.* Retain current competencies and training requirements.
20. *Option Two - Remove practical assessment requirements.* The option for regional councils to require a practical assessment of a certifier applicant will be removed to simplify the process for the appointment of certifiers and improve consistency in how the system is applied across the country.
21. *Option Three - Remove practical assessment requirements and regional training.* This option removes the requirement for practical assessment and regional training. Removing regional training means there would not be a step where applicants are trained in the catchment context information provided by regional councils. **(Preferred option)**
22. *Option Four –Streamline competencies and remove practical assessment and regional training requirements.* The competencies will be consolidated into a high-level list, the requirement for a practical assessment of a certifier applicant will be removed, and requirements for regional training of certifiers and auditors will be removed.

Infringements

23. *Option One – Status Quo.* Consequential changes will be made to existing infringement offences to reflect changes to Part 9A. No changes will be made to introduce infringement offences for audit only plans.
24. *Option Two – Update all infringements and introduce infringements for new FW-FP system.* Infringements will be updated to give effect to changes to Part 9A, and new infringements will be introduced to account for audit only plans.
25. *Option Three – Update all infringements, introduce new infringement offences, and increase infringement fees.* Infringement offences will be updated to give effect to changes to Part 9A, and new infringement offences will be introduced to account for audit only plans. All infringement fees will be increased to better match increases to infringement fines in the RMA. **(Preferred option)**

Mapping

26. *Option One – Status quo.* Current mapping requirements.
27. *Option Two – Streamline prescribed mapping requirements.* Streamline ‘features related to inherent vulnerabilities’ to remove duplicative or complex mapping requirements, and replace specified ‘features related to farming’, with a provision that requires farmers to map risks related to activities being undertaken on their farm. **(Preferred option)**
28. *Option Three – Remove listed mapping requirements and instead require risk maps to be done.* This option would replace cl 11(1) ‘features related to inherent vulnerabilities’ and

cl 11(2) ‘features related to farming’ with a high-level provision requiring farmers to map features that support the risk identification and management process.
What consultation has been undertaken? 29. MfE and MPI have been undertaking targeted engagement on changes to the FW-FP system with industry groups, regional council representatives, tangata whenua groups, and eNGOs. Further details on this engagement are outlined in paragraphs 10-18.
Is the preferred option in the Cabinet paper the same as preferred option in the RIS? 30. Ministers have delegated decision making to make changes to the Regulations to give effect to Part 9A changes in RM Bill 2. 31. This RIS has been developed to support Ministers in making delegated decisions, and therefore Ministers do not have a preferred option yet.

Summary: Agency’s preferred 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) • <i>Activity criteria for requiring certification</i> – The activity list requires farm operators who are carrying out activities that pose a risk to freshwater to get their FW-FP certified (meaning they will be subject to costs). Farm operators not captured by this list will have non-certified FW-FPs that may have actions in their FW-FPs that do not appropriately mitigate risks of their activities imposing a cost to freshwater. • <i>Certification and audit: timeframes and grades</i> – Higher costs may be incurred by regional councils due to the risk of more farm operators becoming non-compliant due to less frequent audits. • <i>Certifier and audit competencies</i> – Increased risk of certifiers not having the skills to carry out their role (certifying that a FW-FP meet the regulatory requirements), this could lead to plans being not fit-for- and subsequently increasing monitoring and compliance costs for regional councils. • <i>Infringements</i> – Updating infringements for non-compliant certified plans, adding new infringements for non-compliant audit only plans, and increasing the infringement fine will increase costs for non-compliant farms.
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) • <i>Activity criteria for requiring certification</i> – Farms required to have their FW-FP certified will have assurance that their FW-FPs are fit for purpose and will avoid investing in insufficient actions. High-risk activities require certification, meaning farm operators carrying out these activities are appropriately managing risks to freshwater. • <i>Certification and audit: timeframes and grades</i> – Cost will be significantly lower for high performing farm operators as the number of audits will be reduced by approximately 50% (\$1,000-2,000 for one audit) and recertification will be required less often.

- Having fewer, descriptive grades may lower costs for farm operators as the 6-month re-audit timeframe will be removed, with an interim grade giving farm operators an additional opportunity to meet their action requirements.
- *Mapping* – Likely to reduce costs to farm operators by only requiring mapping of key features for farms undertaking the risk assessment.
- *Certifier and audit competencies* – Costs to certifiers (application fees) will be reduced by removal of the practical assessment, minor cost reduction removing regional training requirement.
- *Infringements* – Update and addition of new infringements will incentivise compliance with the Regulations (via sanctions for non-compliance) and appropriately managing risks to freshwater.

Balance of benefits and costs (Core information)

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

- *Activity criteria for requiring certification* – The cost to farms of certification is outweighed by the benefit that certification provides (that the actions in a FW-FP will mitigate or manage the impacts of these activities on freshwater).
- *Certification and audit – timeframes and grades* – The benefits of less frequent audits and longer timeframes for recertification outweigh the risk of higher costs to regional councils for compliance.
- *Mapping* – The benefits (reduction in costs to farm operators) of reducing the mapping requirements outweighs the risk of failing to map features important to identifying risk.
- *Certifier and audit competencies* – The benefits of removing practical assessment and regional training requirements outweigh the potential costs of certifiers and auditors who don't meet the competencies/ are less able to adequately assess if a FW-FP has identified risks/ assessed action.
- *Infringements* – The update and addition of infringements (and increasing penalties) is expected to be outweighed by the benefits of compliance and the incentive provided to meet regulatory requirements.

Implementation

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

- Changes to the Regulations will be rolled out in the implementation phase following the gazettal of the Order in Council turning the Regulations back on in the regions. This is expected to start in 2026.
- Officials will continue to work with regional councils, industry stakeholders, Treaty partners and Māori authorities, and other stakeholders throughout the rollout of changes.

Limitations and Constraints on Analysis

The analysis in this RIS is limited by:

- *No Ministers' preferred option*: The Minister of Agriculture and the Associate Minister for the Environment have delegated authority to take decisions on the design of the FW-FP Regulations, and issue drafting instructions to PCO [ECO-25-MIN-0029]. This RIS is intended to accompany a briefing seeking Ministerial decisions, and therefore there is no preferred option at the time of writing this RIS.
- *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.

- *Review of the resource management system:* The freshwater and wider resource management system is also currently under review, with Ministers yet to decide on preferred options. There is no clarity about the policy framework for freshwater, which will be an important part of the context in which the FW-FP system will operate.
- *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 are proposing to have the FW-FP system changes finalised by 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.

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) signature:



Jane Chirnside
Director – Resource and
Rural Communities
11 August 2025

Responsible Manager(s) signature:



Ali Mc Hugh
Manager – System Tools
8 August 2025

Quality Assurance Statement

Reviewing Agency: Joint MPI/ MfE

QA rating: Fully meets

Panel Comment: The joint Ministry for Primary Industries and the Ministry for the Environment Regulatory Impact Analysis (RIA) panel has reviewed the '*Amendments to the Resource Management (Freshwater Farm Plans) Regulations 2023*' regulatory impact statement (RIS) and consider that it **fully meets** the RIA requirements. The RIS clearly sets out proposed changes to the regulations and explains how the proposals address concerns of cost and complexity with the freshwater farm plan system.

Section 1: Diagnosing the policy problem

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

Background

1. Increasingly across New Zealand, regional councils, processors and industry organisations are using farm plans to support managing risks to freshwater and the wider environment. Farm plans are seen as a useful way to help farmers and growers improve environmental performance and demonstrate this to communities and markets. However, the uptake of farm plans has been variable depending on the sector or region, and there has been little national consistency in what is required in a farm plan.¹
2. 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 planning rules and resource consents.
3. The FW-FP system² is intended to deliver a nationally consistent framework for freshwater farm planning. It 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.
4. The Resource Management (Freshwater Farm plans) Regulations 2023 (the Regulations), giving effect to Part 9A, were followed by an Order in Council that rolled out the Regulations in several regions.
5. In April 2024, Cabinet noted that Ministers would explore potential changes to the FW-FP system to simplify requirements for farm operators and enable more catchment-level solutions [CBC-24-MIN-0014]. This was based on feedback from stakeholders regarding the potential cost and complexity of the system. The rollout of the FW-FP system was subsequently paused while the review of the FW-FP system is underway.³

Resource Management (Consenting and Other System Changes) Amendment Bill.

6. As part of the Resource Management (Consenting and Other System Changes) Amendment Bill (the Bill), the Government is proposing to better enable industry organisations to deliver certification and audit services to their members. The Environment Select Committee recommended additional changes to the FW-FP system.
7. These changes are updating Part 9A to provide that a FW-FP would be needed where:
 - (a) 50 or more hectares of the farm was in pastoral, arable, or mixed land use
 - (b) 50 or more hectares of the farm was in viticultural or orcharding land use
 - (c) 5 or more hectares of the farm were in horticultural land use other than viticultural or orcharding land use.
 - (d) a farm is undertaking commercial dairy supply.

¹ Essential freshwater via part II detailed analysis ([Link](#))

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

³ 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.

8. Changes are also recommended to certification requirements, so farmers would only be required to submit their FW-FP for certification if they were:
 - (a) undertaking activities that were identified in Regulations as requiring a certified FW-FP
 - (b) operating a farm located in a catchment prescribed in Regulations as needing a certified FW-FP
 - (c) using the FW-FP to meet other regulatory requirements.
9. The impacts of these changes are assessed in separate regulatory impact analysis.⁴ RM Bill 2 is expected to be passed in mid-2025.

Engagement

10. Throughout 2024, MfE and MPI carried out targeted engagement with industry groups, regional council representatives, tangata whenua groups, and environmental non-government organisations (eNGOs). This focussed on the overarching design of the FW-FP system, to support changes being proposed to Part 9A of the RMA.
11. In May 2025, MfE and MPI conducted further engagement with targeted stakeholder groups, involving two sessions for representatives from each group on the proposed areas for change to the FW-FP Regulations. The stakeholder groups are listed in Table 1.

Table 1. Engaged parties in 2025

Sector	Group/ Organisation
Industry sector groups:	Beef & Lamb NZ, Dairy NZ, Deer Industry NZ, Federated Farmers, Foundation for Arable Research, Horticulture NZ, Irrigation NZ, Meat Industry Association, NZ Farm Assurance Inc, NZ Fertiliser Association, NZGAP, NZ Pork, New Zealand Wine.
Regional Sector	Te Uru Kahika and Regional Council reference group.
ENGOS	Environmental Defence Society, Forest and Bird.
Iwi/ Māori groups	Te Tumu Paeroa, Ngāi Tahu.

12. Engagement for the changes to Part 9A was carried out in 2024, several stakeholders who provided feedback in 2024 did not participate in this round of engagement. Their feedback from 2024 is included in this RIS where applicable⁵.

Key engagement themes

13. A summary of feedback from the engagement sessions with the industry sector and the Regional Councils can be found in Table 2 below.

Table 2. Engagement themes

Topic	Engagement feedback
Activity criteria	Most industry organisations supported the proposed activity criteria approach to certification (paragraphs 29 to 49) as they considered the

⁴ RIS Amendments required to Part 9A of the Resource Management Act to provide for Industry Organisation delivery of freshwater farm plan certification ([Link](#)). Regulatory Impact Statement: Freshwater farm plan system design.

⁵ See the RIS for Freshwater farm plan system design for further detail on this engagement.

	activities to be higher intensity and therefore could pose a risk to freshwater. Some groups considered that dairy support grazing should be removed from grazing dairy cattle and included with intensively grazing deer or cattle. NZ Pork considered only pigs under intensive grazing should be included. Beef+Lamb sought to have intensively grazing deer or cattle removed from the list. Most groups considered stockholding areas should be removed from the activity criteria list.
Certification and timeframes	Most industry groups support a six-year recertification timeframe with one audit per cycle, as they consider this to be an appropriate frequency to provide assurance while reducing costs to farm operators. The regional sector noted that reducing the audit frequency could weaken the system. Dairy NZ and the regional sector supported an audit within one to two years of certification/recertification. HortNZ and Beef+Lamb support a more flexible approach to timeframes. NZ Wine noted timeframes should be able to align with IAP timeframes.
Audit Grades	Most groups did not express a preference for either letter or descriptive audit grades. All groups noted the grading system must be clear to understand. Most industry groups agreed in principle to the introduction of an interim grade to complete actions. The regional sector considered that the use of an interim grade would add further cost and complexity to the system.
Mapping	Industry groups supported giving more flexibility to the prescribed map list so farmers can map features that are most relevant to the farming operation. The regional sector considers that a list of features to be mapped is still essential.
Certifier and auditor competencies	All industry groups called for greater emphasis on farm systems knowledge, including sector-specific knowledge, for certifier competency. DairyNZ, Fertiliser NZ and Irrigation NZ would like to see a combined certifier and auditor role. Dairy NZ supports broadening the competencies required for auditors of audit only plans.

14. Feedback from **ENGOS** stressed the need that if FW-FP are to be an effective tool to meet regional freshwater outcomes, there needs to be assurances that the system can appropriately manage contaminants as required under the regional plan.

Tangata whenua engagement

15. In previous rounds of engagement, 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.
16. 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). Treaty partners and whenua Māori authorities raised that it is important that certifiers and auditors have the knowledge and skills to work with Māori landowners (including knowledge of Te Ao Māori). Some noted they would like their members to be involved as certifiers or auditors.

17. There were concerns raised regarding whenua Māori landowners with long-term lease agreements being liable to complete actions included in a FW-FP (by a farm operator) that they have not been consulted on but are required to complete (e.g. capital works).
18. Further detail on specific points raised during engagement is provided in paragraphs 137 to 140.

What is the policy problem or opportunity?

19. The Government intends for FW-FP to be used as a practical tool to manage farming impacts on freshwater. It also wants them to be able to provide a robust and simpler alternative to resource consents and enable catchment level solutions to freshwater outcomes.
20. Stakeholders have raised concerns that the current system is costly and complex, and that it captures too many smaller farms. Some stakeholders indicated 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 under current timeframes. Stakeholders have also raised that some requirements within the Regulations are too complex and prescriptive, and do not provide much value for farmers.
21. In response to this feedback, the Government has committed to exploring potential changes to the freshwater farm plan (FW-FP) system.
22. MFE and MPI note that there are improvements that could be made to the Regulations (ie, clarify mapping requirements), and the Regulations need to be updated to align with the amended Part 9A, which is anticipated to be passed by mid-2025.

What objectives are sought in relation to the policy problem?

23. In April 2024, Cabinet [CBC-24-MIN-0014] noted that officials will be directed to explore what 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.
24. 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.
25. A further objective of Cabinet was that only farmers undertaking activities that pose a risk to freshwater (or located in specified catchments) identified in the Regulations should be required to have their FW-FP certified [ECO-25-MIN-0029].

Section 2: Assessing options to address the policy problem

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

26. The criteria in Table 3 below are used to assess whether the option will achieve the policy objectives. All criteria are weighted evenly.

Table 3: 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, can the proposal be successfully implemented within reasonable timeframes; is it a new approach or tested elsewhere?).

What scope will options be considered within?

27. The options below were selected for alignment with the Cabinet priorities, and their ability to give effect to the changes made to part 9A. The Freshwater farm plan system design Regulatory Impact Statement provides an analysis of the changes to part 9A.
28. Non-regulatory options to address Ministers' objectives are considered out of scope of this RIS, as it has been prepared to inform Ministers decisions on changes to the Freshwater Farm Plan Regulations. We will consider these options as part of the implementation approach for the new system (which will be outlined alongside any changes to the FW-FP Regulations).
29. RM Bill 2 is expected to be passed in mid-2025, allowing for the Regulations to be in force later in 2025.
30. As part of the changes being proposed to Part 9A, Ministers would have the ability to specify high risk catchments in which all farms need to have their FW-FP certified. Further conversations with stakeholders need to occur before decisions on these catchments are made. The assessment and addition of specified catchments will not be addressed in this RIS and will instead be considered alongside the rollout.

What options are being considered?

Activity criteria for requiring certification

31. Changes to Part 9A through RMA Bill 2 will require farmers doing activities or located in catchments listed in the Regulations to submit their FW-FP for certification. This differs

from the previous requirements under Part 9A, which were that all farms meeting the thresholds must submit their FW-FP to be certified.

32. This change is a deviation from Part 9A when the FW-FP Regulations were gazetted in 2023. These changes were assessed as part of the *Regulatory Impact Statement: Freshwater Farm Plan System Design*. Part 9A will also specify that farmers can voluntarily opt to have their FW-FP certified at any time, even if they do not meet the criteria outlined in Regulations.
33. This section will address the list of activities in the Regulations that require FW-FPs to be certified.

Activity Criteria Option One – Status Quo

34. Part 9A will be updated to require farms undertaking activities specified in the Regulations (or located in specified catchments) to certify their FW-FP. No corresponding changes will be made to the Regulations to list these activities.
35. This will result in a significant reduction in the number of FW-FPs that are certified, as it would become a voluntary step for most farms, unless they require certification to meet other regulatory requirements (eg, to meet a permitted activity status).
36. This means that many farms carrying out activities that pose a risk to freshwater will not be required to have their FW-FPs certified. This removes assurance that the FW-FP actions are appropriately managing the risk to freshwater.
37. Targeted engagement indicated that most stakeholders supported higher-risk activities having some form of assurance check to make sure the actions being done on farm were suitable and addressed risks to freshwater appropriately.

Activity criteria Option Two - Activities known to have an adverse effect on freshwater (preferred)

38. This option would include a set of activities outlined in the Regulations that are known to present risk to freshwater, regardless of where the activity is undertaken.
39. If a farmer is undertaking an identified activity their FW-FP is required to be certified. Farmers not carrying out these activities would not be required to have their FW-FP certified (but they could have it voluntarily certified).
40. This option would include the following activities in the Regulations:
 - (a) commercial vegetable growing
 - (b) grazing dairy cattle
 - (c) grazing dairy support cattle
 - (d) grazing pigs
 - (e) intensively grazing deer⁶
 - (f) intensively grazing cattle
 - (g) intensive winter grazing
 - (h) irrigating on pastoral or arable land

⁶ Note, 'intensively grazing' means (a) break feeding, or (b) forage cropping, or (c) grazing on pasture that has been irrigated with water in the previous 12 months.

(i) stockholding areas.

41. Table 4 outlines the risks to freshwater from the activities included in the option. Key risks to freshwater and freshwater ecosystems include nutrient losses (nitrogen and phosphorus) from leaching and runoff, pathogen contamination (*E. coli*) and sediment loss from soil erosion.

Table 4. Analysis of risk to freshwater posed by farming activities.

Activity	Risk to freshwater and freshwater ecosystems
Commercial vegetable production	Commercial vegetable production presents risks to freshwater through leaching and runoff (depending on crop type and crop rotation), and soil erosion and sediment loss to waterways.
Grazing dairy cattle	Dairy and dairy support are often grazed at high intensities, requiring higher rates of fertiliser application and increasing the risk of nitrate leaching and runoff. ⁷ These cattle are heavier than other stock-types which can lead to soil compaction, and generate large volumes of effluent from milking sheds. ⁸
Grazing dairy support cattle	
Grazing pigs	Pig grazing poses several risks due to the nutrients and pathogens present in pig manure.
Intensively grazing deer	Deer grazing poses risk to freshwater through soil erosion and sediment loss to waterways from wallowing. Intensively grazing can pose more risks than extensively grazing.
Intensively grazing cattle	Intensively grazing cattle presents risks to freshwater through soil erosion, sediment loss, and pathogen loading. Intensive grazing can pose more risks than extensively grazing.
Intensive winter grazing	Intensive winter grazing presents serious risks to freshwater, increasing the discharge of nutrients, sediments and microbial pathogens into surface water and groundwater by stripping the land of its vegetative cover. ⁹
Irrigating on pastoral or arable land	In pastoral and arable systems, irrigation increases crop or pasture production. Utilisation of higher fertiliser inputs under irrigation can result in more nutrient leaching or runoff.
Stockholding areas (as defined in NES-F, eg, feed pads, winter pads, standoff pads, and loafing pads)	As stockholding areas are areas where cattle are held at a density that means pasture or other vegetative ground cover cannot be maintained. They can pose significant risks to freshwater including; effluent contamination and nutrient runoff, pathogen spread and increased potential for erosion.

⁷ Carr, e., Stevens, S., Kay, T., & Joy, M. (2024). Too Many Cows? An exploration of relationships between livestock density and river water quality in Aotearoa New Zealand. In *Policy Quarterly*, 20(4), 131-138.

⁸ DoC (2017). Livestock access: 101 Technical guidance ([Link](#))

⁹ Regulatory Impact Statement: Amendments to Stock Exclusion and Intensive Winter Grazing Regulations - 26 March 2024 - Ministry for Primary Industries ([Link](#))

42. Table 5. sets out data where it was available (Stats NZ data, consent monitoring data etc.) and notes where data was not available.¹⁰

Table 5. Analysis of number of farms carrying out specified activities.

Number of farms	Confidence in data	Land area or number of farms at threshold
Commercial vegetable production	High	519
Grazing dairy or dairy support cattle	High	9,435
Grazing pigs	High	59
Intensively grazing deer	Low	Data not available
Intensively grazing cattle	Low	Data not available
Intensive winter grazing	Medium	222,697 ha of intensively grazed forage in 2021, 278 resource consents granted (in 5 key regions) ¹¹ as of July 2023. ¹²
Irrigating on pastoral or arable land	High	Estimated 1,261 of other livestock and arable farms 190,000ha non-dairy livestock, 82,000ha arable land, 7,000ha other land. ¹³
Stockholding (aligns with NES-F)	Medium	Estimated 4,000 stockholding areas. ¹⁴

43. Analysis of indicative costs of FW-FP certification costs was carried out by Pattle Delamore Partners Ltd¹⁵ (see Table 6). The average cost of certification is estimated to be \$3,500. This cost is estimated for FW-FPs which are certified by an independent certifier, as opposed to certification delivered by an industry organisation.¹⁶

Table 6. Summary of cost ranges for FW-FP certification¹⁷

¹⁰ Note that this analysis does not account where a farm may carry out more than one action on the list, this table provides an approximation of how many farms may be captured by an activity (the actual total number of farms captured may be lower than the sum of all farms that carry out an activity). The FW-FP size thresholds provide further difficulty as the activities are not always recorded against farm size.

¹¹ The five key regions that were monitored for consent uptake for IWG in 2023 are Southland, Otago, Canterbury, Horizons and Waikato.

¹² Regulatory Impact Statement: Amendments to Stock Exclusion and Intensive Winter Grazing Regulations - 26 March 2024 - Ministry for Primary Industries ([Link](#))

¹³ Irrigated land: Data to 2022 | Stats NZ ([Link](#))

¹⁴ Essential freshwater RIA part II detailed analysis (pdf) ([Link](#))

¹⁵ Pattle Delamore Partners Ltd (2024) Estimated Costs of Preparing and Certifying Freshwater Farm Plans.

¹⁶ As part of the Resource Management (Consenting and other System Changes) Amendment Bill, there is a proposal to make it easier for industry organisations to deliver certification and audit services to their members. We estimate that this pathway will significantly reduce the number of farm plans required to be certified by an independent certifier. RIS Amendments required to Part 9A of the RMA ([Link](#)).

¹⁷ 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.

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

Activity criteria Option Three - Option Two + activities that could present risks to freshwater in certain circumstances

44. This option would include the activities outlined in option two and additional activities identified by some stakeholders as presenting risks to freshwater.
45. Additional activities included in this option are:
 - (a) effluent collection and / or disposal.
 - (b) application of synthetic fertiliser.
46. Effluent collection and disposal are primarily associated with dairy farms in New Zealand, which, under this option, would already be required to have their FW-FP certified. Similarly, sheep and beef operations which might undertake effluent collection and disposal are typically undertaking activities that pose a risk to freshwater, such as using stockholding areas or finishing cattle via break-feeding will also already be captured by other criteria.
47. The application of synthetic fertiliser has variable risks depending on the amount of fertiliser applied, where and how it is applied, the farming system for which it is applied, and the time of year.¹⁸ Requiring certifications for all farms which apply synthetic fertiliser would likely capture the vast majority of pastoral, arable, and horticultural farms, even though the associated risks to freshwater are variable.
48. In 2019, farms that were predominantly dairy applied 223,000 tonnes of nitrogen, which was 67% of the national total. Sheep and beef farms applied 78,000 tonnes of nitrogen (approximately 23% of the national total). Arable, horticulture and forestry made up the remaining 10%.
49. There are some mitigations in place to manage the risk of high fertiliser application. The cap on synthetic nitrogen fertiliser in the National Environmental Standards for Freshwater 2020 requires pastoral farms which exceed the 190/kg/ha/year limit of synthetic fertiliser application to acquire a consent.
50. Some stakeholders also suggested including intensification as an activity which requires certification. Intensification of agricultural land-use is one factor contributing to water quality degradation and can increase the discharge of nutrients, sediment and microbial pathogens into surface water and groundwater. This can come from increased livestock urine and excrement, increased application of fertiliser, and is exacerbated by the adoption of farming practices such as irrigation and intensive winter grazing. As intensification is not a specific activity (rather an increase in certain activities), and most of these activities are already captured in the list of activities, intensification is not included in this option.

¹⁸ Chapter 15: Reducing excessively high nitrogen leaching (nitrogen cap): Essential freshwater via part II detailed analysis ([Link](#)).

Table 7 Activity Criteria - How do the options compare to the status quo/counterfactual?

	Option One – Status Quo	Option Two – Activities likely to have an adverse effect on freshwater (preferred)	Option Three - Option Two + additional activities
Effectiveness and Efficiency Extent to which the proposal contributes to the attainment of the objectives of the FW-FP system review	Listing no activities will mean that no farms are required to be certified, unless they are in a specified catchment or require certification for another regulatory requirement. This reduces the effectiveness of the system as there is less assurance that FW-FPs are appropriately managing risks to freshwater for higher-risk activities. There is also a bigger risk to freshwater as farms doing high risk activities will not need certification. 0	This list captures activities known to present a risk to freshwater, regardless of the land or catchment they are being done in. These activities are easily identified on-farm. Provides assurance that farms which are undertaking higher-risk activities are appropriately managing risks to freshwater. There is a risk that some farms may be doing activities outside of this list which present a risk to freshwater. ++	The list covers known activities that pose a risk to freshwater and some additional activities which could present risks to freshwater in some circumstances. Does not achieve Cabinet’s objectives to only have farms undertaking high-risk activities (or located in specified catchments) to have their FW-FP certified. As this would likely capture a larger number of farms, farms that could have an impact on freshwater are more likely to be captured. +
Cost The regulatory burden (cost) is proportionate to the anticipated benefits.	If no activities are listed, then most farmers will not be required to have their plan certified. This represents a cost reduction for all farmers that no longer have to pay for certification. Farmers will have less assurance that their farm plans are fit for purpose and are working to reduce the impact of farming on freshwater. Farmers could invest in actions that are not fit for purpose, as they are not required to have their plan certified. 0	Farms carrying out these activities will need to have their farm plan certified. This is anticipated to be more than half the total amount of farms required to have a farm plan. This would increase the costs for these farmers (average \$3,500 for independent certification, less for those receiving it via an industry organisation), but the costs will be proportionate to the risk the activities present to freshwater. Farmers who are required to have their FW-FP certified will have assurance that the actions they are doing will appropriately manage risks to freshwater. 0	This option would likely capture the majority of farms in New Zealand, including lower risk farms (due to application of synthetic fertiliser criteria). The cost of certification would fall on most farms, which would not meet Cabinet’s objectives for the system. lindependent certification would cost \$3,500, less for those receiving it via an industry organisation. --
Flexibility and Consistency Extent to which the proposal enables the FW-FP system to evolve in response to changing circumstances or new information, resulting in a durable and nationally consistent FW-FP system.	It would be inconsistent with Cabinet’s intent to only have higher-risk farms require certification, as there is limited assurance that the FW-FP is controlling the adverse effects of farming on freshwater and freshwater ecosystems. As there would be no national requirement for certification, this step will be catchment or regionally specific resulting in inconsistency across different regions. 0	This list of activities uses existing definitions and is based on high-risk activities that farmers will be aware of. The list would provide certainty and national consistency for farms carrying out these activities. The list provides flexibility as activities can be added to the Regulations later, if they are found to have an impact on freshwater. Does not capture activities where risk varies depending on farm circumstances, providing flexibility for councils and farmers to manage these other risks appropriately. ++	Creates national consistency for farms carrying out activities listed but does not provide flexibility for how lower-risk activities are managed. The list provides flexibility as activities can be added to the Regulations later, if they are found to have an impact on freshwater. 0
Implementation Risk Extent to which the proposal presents implementation risks that are low or within acceptable parameters.	Farms required to have FW-FPs would have little assurance that their plans are fit for purpose and may require additional support for plan development. There would likely be minimal trust in FW-FPs as an appropriate tool to manage risks to freshwater, potentially resulting in them becoming a tick-box exercise that does not improve freshwater outcomes. 0	Using existing definitions should aid in understanding of requirements by farmers and support regional councils in implementing the Regulations. Lists activities that are/ have been regulated previously, existing guidance and familiarity will aid in implementation. ++	Due to the variable risks presented by the additional categories, this option may disincentivise some farmers from engaging with the system. May place additional demands on the certifier workforce, due to the number of FW-FPs required to be certified. -
Overall assessment	Not setting a list of activities removes the requirement for most plans to be certified. This increases the risk that farms plans will not be fit for purpose and may increase costs for farmers who invest in actions that are not suitable to manage or mitigate risks. 0	The list captures known activities that poses a risk to freshwater and existing definitions will aid in implementation. Farmers should be familiar with how these activities have been regulated previously. ++	Does not meet Cabinet’s objectives for the reform as it requires a large number of farms (including lower risk farms) to get certification. -

Certification and audit

Audit grades

51. The key objective of the audit system is to provide assurance that FW-FP actions are being implemented. Audit grades communicate the level to which a farmer is implementing their FW-FP and are used to set the timeframe for when the next audit is required. The current Regulations provide for four grades (A-D), with the grade directly linked to a hierarchy of action categories.
52. Stakeholders have provided feedback that the action categories used to determine audit grades are unclear and difficult to apply consistently. All stakeholders supported moving to a two-category framework that retains regulated actions and places all other actions under a second category.
53. The regional sector considers that the action category framework for determining audit grades is not risk-based. The sector proposed an alternative approach that would require the farm operator and certifier to assign a risk-level to each action in the FW-FP. Grades would be determined based on whether the action was implemented and the risk-level of the action.
54. Analysis of this proposed approach showed that linking grades to the level of risk associated with each action would either require a prescribed risk matrix or a subjective assessment of each action by the certifier/ farm operator.
55. A risk matrix was considered as part of the development of the initial system and found to be unworkable due to the variability of farm systems and landscapes across the country. Requiring the certifier and/ or farm operator to apply their own assessment of risk level was considered too subjective and likely to place unwanted liability on the certifier. Therefore, we have considered that this approach did not merit further progression.

Audit Grade Option One - Status quo

56. Audit grades are determined by two factors:
 - (a) whether each action is complete within the timeframe assigned in the action plan
 - (b) the category assigned to any non-complete actions.
57. The current action categories are laid out in Table 8.

Table 8. Action categories.

Name	Definition
Regulated actions	means actions that— (a) address risks to freshwater and freshwater ecosystems; and (b) relate to a relevant requirement under a specified instrument
Catchment actions	(a) means actions that address risks to freshwater and freshwater ecosystems that directly relate to the catchment context, challenges, and values; but (b) excludes regulated actions
Supplementary actions	(a) means actions that address risks to freshwater and freshwater ecosystems; but (b) excludes catchment actions and regulated actions

58. Audit grades are given as a letter A, B, C, or D (See table 8). Each grade assigns a timeframe within which the farm operator must next arrange an audit. B, C, and D grades are all

technically non-compliant grades, and farmers who receive them could be subject to an infringement, as they mean a farmer has not completed one or more actions.

Table 9. Current audit grades

Audit grade	Description	Time frame for next audit
A	All actions categorised in the action plan as regulated actions, catchment actions, and supplementary actions have been implemented within the time frames required under the action plan	3 years
B	All actions categorised in the action plan as regulated actions and catchment actions have been implemented within the time frames required under the action plan, but one or more actions categorised as supplementary actions have not been implemented within the required time frames	2 years
C	All actions categorised in the action plan as regulated actions have been implemented within the time frames required under the action plan, but one or more actions categorised as catchment actions have not been implemented within the required time frames	1 year
D	One or more actions categorised in the action plan as regulated actions have not been implemented within the time frames required under the action plan	6 months

Audit Grade Option Two - Simplified ABC grade system

59. Audit grades are determined by two factors:

- (a) whether each action is complete within the timeframe assigned in the action plan
- (b) the category assigned to any non-complete actions.

60. The action categories would be condensed into two categories rather than three (Table 10.).

Table 10. Proposed action categories.

Name	Definition
Regulated actions	Actions that address risks to freshwater and freshwater ecosystems and relate to a relevant requirement under a specified instrument
Catchment actions	Actions that address risks to freshwater and freshwater ecosystems that directly relate to the catchment context, challenges, and values, or address risks to freshwater and freshwater ecosystems and are not regulated actions

61. Audit grades are reduced from four grades to three grades and are given as a letter A, B, or C (see Table 11.). Each grade assigns a timeframe within which the farm operator must

next arrange an audit. Both B and C grades are technically non-compliant grades, and farmers who receive them could be subject to an infringement, as they mean a farmer has not completed one or more actions.

Table 11. Proposed A, B, C grades.

Audit grade	Description	Time frame for next audit
A	All actions categorised in the action plan as regulated actions, catchment actions, and supplementary actions have been implemented within the time frames required under the action plan	<i>To be determined by preferred certification and audit timeframe option (see next section)</i>
B	All actions categorised in the action plan as regulated actions have been implemented within the time frames required under the action plan, but 1 or more actions categorised as catchment actions have not been implemented within the required time frames	2 years
C	1 or more actions categorised in the action plan as regulated actions have not been implemented within the time frames required under the action plan	1 year
	The farm is incorrectly assigned as an audit only farm (ie, is doing a high-risk activity).	1 year

Audit Grade Option Three - Descriptive pass/fail with interim grade for missed catchment actions (preferred)

62. Audit grades are determined by two factors:

- (a) whether each action is or is not complete within the timeframe assigned in the action plan
- (b) the category assigned to any non-complete actions.

63. The action categories would be condensed into two categories rather than three (Table 12.).

Table 12 Proposed action categories.

Name	Definition
Regulated actions	Actions that address risks to freshwater and freshwater ecosystems and relate to a relevant requirement under a specified instrument
Catchment actions	Actions that address risks to freshwater and freshwater ecosystems that directly relate to the catchment context, challenges and values, or address risks to freshwater and freshwater ecosystems and are not regulated actions

64. Audit grades are reduced from four grades to two final grades, and one interim grade. The grades are given descriptive terms to indicate the audit result. The two final grades assign a timeframe within which the farm operator must next arrange an audit, the interim grade assigns a timeframe within which a farm operator may progress to either of the two final grades.

Table 13. Proposed pass/ fail grade

Audit grade	Description	Time frame for next audit
Fully meets	All actions categorised in the action plan as regulated actions, catchment actions have been implemented within the time frames required under the action plan	<i>To be determined by preferred certification and audit timeframe option (see next section)</i>
	All catchment actions have been completed within 3 months of receiving a 'partially meets' grade	<i>To be determined by preferred certification and audit timeframe option (see next section)</i>
Partially meets (interim grade)	All actions categorised in the action plan as regulated actions have been implemented within the time frames required under the action plan, but 1 or more actions categorised as catchment actions have not been implemented within the required time frames	The farm operator must within 3 months of their audit, provide evidence to the auditor of the completion of any outstanding catchment actions at which time their grade will progress to 'fully meets'. If the farm operator does not meet the criteria to progress to 'fully meets' they will be assigned 'does not meet' and required to meet the associated timeframe for reaudit.
Does not meet	1 or more actions categorised in the action plan as regulated actions have not been implemented within the time frames required under the action plan	1 year
	The farm received a 'partially meets' at their most recent audit and did not meet the criteria to progress to 'fully meets' within the 3-month timeframe	1 year from the date of the initial audit
	The farm is incorrectly assigned as an 'audit only' farm	1 year

65. Most stakeholders did not have a clear preference for retaining a set letter grade approach or moving to the descriptive grades with the interim grade for missed catchment actions.
66. **Beef + Lamb New Zealand and Federated Farmers** preferred the descriptive grades with the interim grade for missed catchment actions approach as they felt it would incentivise farmers to work towards compliance.

67. NZ Winegrowers noted that the descriptive grades with the interim grade for missed catchment actions would more closely align with the SWNZ programme grading approach which is a pass/ fail system that allows for corrective actions to be assigned for minor non-conformances.

Table 14. Audit Grades - How do the options compare to the status quo/counterfactual?

	Option One – Status Quo	Option Two – Simplified set grades approach	Option Three - Descriptive pass/fail with interim grade for missed catchment actions (preferred)
Effectiveness and Efficiency Extent to which the proposal contributes to the attainment of the objectives of the FW-FP system review	Letter grades are well understood in terms of how they reflect performance and therefore may incentivise farmers to achieve an ‘A’. The definitions of the action categories have generated a lot of confusion among industry and farmers when developing a FW-FP. Stakeholders have noted the existing approach is complex and difficult to understand, the number of action categories (3) and grades (4) create more moving parts for farmers to navigate. The action implementation and action category framework for determining grades does not accurately reflect the risk to freshwater associated with the action and therefore in practice may result in farms receiving a B or C-Grade when they have missed actions associated with significant risks. 0	Letter grades are well understood in terms of how they reflect performance and therefore may incentivise farmers to achieve an ‘A’. Combining the supplementary and catchment categories and reducing the number of possible audit grades may reduce complexity for farmers and regional councils. The action implementation and action category framework for determining grades does not accurately reflect the risk to freshwater associated with the action and may in practice result in farms receiving a B-Grade when they have missed actions associated with significant risks. +	Descriptive grades give the farmer more information about what the grades mean (i.e., without having to read further into grading criteria). Combining the supplementary and catchment categories and reducing the number of possible audit outcomes may reduce complexity for farmers and regional councils. All farms that receive a ‘does not meet’ grade (all farms that do not complete 1 or more regulatory actions and all farms that do not progress to ‘fully meets’ after missing a catchment action) will require a reaudit within 12 months of their original audit, this better manages risk to freshwater in situations where catchment actions pose a significant risk. ++
Cost The regulatory burden (cost) is proportionate to the anticipated benefits.	The grading approach does not have a direct relationship to cost of the system for farmers, although more possible audit grade outcomes could increase cost uncertainty. 0	The costs of this option are likely to be very similar or the same as the status quo. 0	The interim ‘partially meets’ grade may reduce costs for farmers as they will have an opportunity to rectify issues via a desktop check instead of having to complete a full re-audit. +
Flexibility and Consistency Extent to which the proposal enables the FW-FP system to evolve, resulting in a durable and nationally consistent FW-FP system.	Set grades provide for consistency in how the system will be applied. The three action categories have generated confusion and create a risk of inconsistency among industry and farmers when developing a FW-FP. 0	Set grades provide for consistency in how the system will be applied. Combining supplementary and catchment actions into one category will reduce confusion and inconsistency in how the action categories are assigned. +	The interim grade of ‘partially meets’ provides flexibility for farmers that have missed catchment actions to rectify the issue in a timely manner without being penalised. Combining supplementary and catchment actions into one category will reduce confusion and inconsistency in how the action categories are assigned. ++
Implementation Risk Extent to which the proposal presents implementation risks that are low or within acceptable parameters.	The A,B,C,D grade system is a simple and widely understood framework. However, it does not clearly communicate that B and C grades are technically a ‘fail’. The action categories and grading system have created confusion for farmers, creating an implementation risk as farmers may not have a full understanding of how the system works. 0	The A,B,C letter grades may not clearly indicate to farmers what is considered a ‘passing’ grade (as B and C are technically a ‘fail’) noting B and C are generally considered a passing grade in other contexts. 0	The 3-month timeframe associated with the ‘partially meets’ grade may result in farmers taking a less proactive approach to completing all their catchment actions within the timeframes assigned in their action plan and/or to having evidence prepared in time for the initial audit. -
Overall assessment	The A, B, C, D letter grade system is generally understood as a grading framework. Does not clearly communicate that B and C grades are technically a ‘fail’. The current action categories are not fit for purpose as farmers and plan developers have found them hard to apply and they do not add benefit in terms of assurance or environmental outcomes. Using the action category to determine grading is not a risk-based approach. 0	Reducing number of action categories and grades reduces complexity and may remove some cost. Set grades enable consistent application. Approach is not an improvement on status quo in terms of timeframes associated with catchment action when those actions may pose significant risk to freshwater. Using A, B, C letter grades may result in confusion in relation to whether they are considered passing grades or not. +	Reducing number of action categories and grades reduces complexity and may remove some cost. The interim ‘partially meets’ grade allows flexibility for farmers to rectify issues in a timely manner without being penalised. Any farm not completing actions either by the audit (regulated actions) or within 3-months after that (catchment actions) will require a re-audit within 12-months, mitigating the risk associated with a 2-year timeframe for catchment actions that pose a significant risk. Descriptive grades may more clearly communicate whether a farm has ‘passed’ their audit. ++

Certification and audit timeframes

68. Certification and audit - timeframes and grades refers to the:
- (a) timeframe within which the farm operator must have their FW-FP certified.
 - (b) timeframe within which the farm operator must have their FW-FP recertified.
 - (c) timeframes within which the farm operator must arrange to have their farm audited.
 - (d) criteria to determine the provision of an audit grade.
69. The intent of the timeframes is to balance regular assurance checks (certification checks that a FW-FP meets regulatory requirements, and audit checks that the actions in a FW-FP have been implemented), with the cost imposed by these checks on farmers.
70. Under the current system the farm operator must submit their FW-FP for certification within 18 months of the Regulations being applied in their area. It is not proposed to change this timeframe.

Certification and audit timeframes Option One - Status quo

71. **Declaration of audit only farm holding FW-FP:** Under this option, farm operators that are not required to have a certified FW-FP would have no requirement to declare to the regional council that they hold a FW-FP or a timeframe in which they must have developed an FW-FP by.
72. **Recertification:** The farm operator must submit their FW-FP for recertification within 5 years of the most recent certification.
73. **Renewal of audit only plans:** Under this option, farm operators which are not required to have a certified FW-FP would have no requirement to renew their FW-FP.
74. **Audit:** The farm operator must arrange for the farm to be audited:
- (a) within 12 months of the most recent certification.
 - (b) within 3 years of the first audit after certification - if the farm is meeting all their actions (A-grade).
 - (c) within 2 years of the most recent audit – if the farm has not completed 1 or more supplementary actions (B-grade).
 - (d) within 1 years of the most recent audit – if the farm has not completed 1 or more catchment actions (C-grade).
 - (e) within 6 months of the most recent audit – if the farm has not completed 1 or more regulated actions (D-grade).
75. Under this approach a farm operator meeting all their actions would receive 2 audits per 5-year certification cycle, costing them \$2,000-4,000¹⁹.

¹⁹ Audit costs are based on the analysis in the Regulatory Impact Statement – Proposed Regulations for Freshwater Farm Plans ([Link](#)), the estimated costs of audits range from an average of \$1,000 to \$2,000 per farm operator.

Figure 1. Certification and audit timeframes (status quo)

Regulations applied	Plan certified within 18 months					Plan recertified					Plan recertified	
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
All actions completed (A-grade)		Audit			Audit		Audit			Audit		Audit

Certification and audit timeframes Option Two - Extension of recertification cycle, one audit per cycle (preferred)

76. Note decisions made around audit grades are unlikely to make a material difference for certification and audit timeframes (ie, whether it as A grade or “fully meets” the farm operator will still only have one audit per certification cycle).
77. **Declaration of audit only farm holding FW-FP:** If the farm operator has an ‘audit only’ FW-FP (i.e., does not meet the criteria for requiring certification), they must inform the regional council that they have developed a FW-FP within 18 months of the Regulations being applied in their area.
78. **Recertification:** The farm operator must submit their FW-FP for recertification within 6 years of the most recent certification.
79. **Renewal of audit only farms:** The farm operator must within 6 years of first declaring their FW-FP to the council, inform the regional council that they have updated their FW-FP.
80. **Audit:** All farm operators must arrange for their FW-FP to be audited, within the second year of the most recent certification. If a FW-FP receives a pass (ie, A or Fully meets), they do not need to have another audit until the next certification cycle (ie, within second of year of next certification) If a FW-FP does not get a pass grade, shorter audit timeframes will apply (see audit grade section).
81. Under this approach a farm operator who has implemented all their actions would receive one audit per 6-year certification cycle, costing them \$1,000-2,000.

Figure 2. certification and audit timeframe (Timeframe extension, one audit per cycle)

	Regulations applied in the district, region or part.	Plan certified/ developed within 18 months						Plan recertified/ updated				
Grade	Criteria		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Fully meets	All actions completed at audit			Audit						Audit		
Partially meets- Fully meets	All actions complete within 3 months of audit (if 1 or more catchment action not initially complete)			Audit						Audit		
Partially meets- Does not meet	1 or more catchment actions not complete within 3 months of audit			Audit	Audit	Audit (2 nd audit = does not meet)				Audit		
Does not meet	1 or more regulated actions not complete at audit			Audit	Audit	Audit (2 nd audit = does not meet)				Audit		

82. Most industry stakeholder support a six-year recertification timeframe with one audit per cycle for high performing farms. The regional sector noted concerns that reducing the audit frequency may result in more non-compliance.
83. **Dairy NZ** and the regional sector supported an audit within one to two years of certification/recertification. **HortNZ** and **Beef+Lamb** support a more flexible approach to timeframes. **NZ Winegrowers** noted timeframes should be able to align with IAP timeframes.

Certification and audit timeframes Option Three - Further extension of recertification cycle, two audits per cycle

84. The analysis of this option utilises the preferred audit grade option (descriptive grades with the interim grade for missed catchment actions) set out above.
85. **Declaration of audit only farm holding FW-FP:** If the FW-FP is 'audit only' (i.e., does not meet the criteria for requiring certification), the farm operator must inform the regional council that they have developed a FW-FP within 18 months of the Regulations being applied in their area.
86. **Recertification:** The farm operator must submit their FW-FP for recertification within 7 years of the most recent certification.
87. **Audit only farms:** If the FW-FP is 'audit only' (i.e., does not meet the criteria for requiring certification), the farm operator must inform the regional council that they have developed

a FW-FP within 18 months of the Regulations being applied for their area. The farm operator must also within 7 years inform the regional council that they have updated their FW-FP.

88. **Audit:** The farm operator must arrange for the FW-FP to be audited:

- (a) within 2 years of the most recent certification.
- (b) within 1 year before the next certification– for FW-FPs meeting all their actions at audit (Fully meets grade).
- (c) within 1 year of the most recent audit – for FW-FPs not meeting all their actions (Does not meet grade).

89. Under this approach a farm operator who has implemented all their actions would receive 2 audits per 7-year certification cycle, costing them \$2,000-4,000.

Figure 3. Certification and audit timeframes (Further extension of recertification timeframes, two audits per cycle)

	Regulations applied in the district, region or part.	Plan certified/ developed within 18 months							Plan recertified/ updated			
Grade	Criteria		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Fully meets	All actions completed at audit			Audit				Audit			Audit	
Partially meets- Fully meets	All actions complete within 3 months of audit (if 1 or more catchment action not initially complete)			Audit				Audit			Audit	
Partially meets- Does not meet	1 or more catchment actions not complete within 3 months of audit			Audit	Audit	Audit (2 nd audit = does not meet)		Audit			Audit	
Does not meet	1 or more regulated actions not complete at audit			Audit	Audit	Audit (2 nd audit = does not meet)		Audit			Audit	

Table 15. Certification and audit timeframes - How do the options compare to the status quo/counterfactual?

	Option One – Status Quo	Option Two – Extension of recertification cycle, one audit per cycle (preferred)	Option Three - Further extension of recertification cycle, two audits per cycle
Effectiveness and Efficiency Extent to which the proposal contributes to the attainment of the objectives of the FW-FP system review	Industry stakeholders have noted that the cost of the current approach is too high as a result of both the 5-year recertification timeframe and the requirement for all farms to have at least 2 audits within that 5-year timeframe. Requiring two audits per certification cycle for all FW-FPs does not create incentive for farm operators to achieve all their actions at the first audit. Requiring an audit shortly after certification and another one before recertification ensures that farm operators are on the right track early in the certification cycle and that they have remained on track throughout the cycle. This will also mitigate the risk of farm operators gaming the system by delaying actions into the following certification cycle to avoid being audited on them, and therefore the risks to freshwater would be managed. 0	Requiring only one audit per certification cycle for high performing farm (vs. 2 or more for farmers not meeting their actions) will provide greater incentive for farm operators to implement all their actions. Fewer checks may lead to a higher number of farm operators becoming non-compliant resulting in a system that is less effective in managing risks to freshwater. Having only one audit per certification cycle will increase opportunities for farm operators to ‘game’ the system by adjusting action timeframes at each update/ recertification to avoid being audited on them. +	Requiring farm operators to plan actions in 7-year cycles increases the likelihood that the FW-FP would need to be recertified during the cycle as it is difficult to plan that far ahead or may risk the FW-FP becoming out of date (and therefore not appropriately managing risks to freshwater). Minimal cost incentive to farm operators to implement all actions at their first audit as they would still require 2 audits for that cycle. Will provide similar assurance that farm operators are completing all their actions and managing risks to freshwater. Will minimise opportunities for farm operators to ‘game’ the system by delaying/ adjusting action timeframe across certification cycles. -
Cost The regulatory burden (cost) is proportionate to the anticipated benefits.	The cost to high performing farms for two audits is \$2,000-4,000, within one 5-year certification cycle. 0	Cost will be lower for high performing farms as the number of audits will be reduced by approximately 50% (\$1,000-2,000 for one audit) and recertification will occur slightly less often. Higher costs may be incurred by regional councils due to the risk of more farm operators becoming non-compliant as a result of more infrequent audits. ++	Cost may be slightly lower over time for high performing farms (two audits cost between \$2,000-4,000), for a 7-year recertification timeframe. +
Flexibility and Consistency Extent to which the proposal enables the FW-FP system to evolve, resulting in a durable and nationally consistent FW-FP system.	Many industry stakeholders have noted the 5-year recertification cycle is too short and doesn’t neatly integrate or enable integration with existing industry/ regional programmes. 0	The 6-year recertification cycle provides flexibility for some industry organisations as it allows them to more easily integrate their existing programmes with FW-FP requirements. +	The 7-year certification cycle increases the likelihood that the FW-FP would need to be recertified during the cycle as it is difficult to plan that far ahead, reducing flexibility for farm operators. -
Implementation Risk Extent to which the proposal presents implementation risks that are low or within acceptable parameters.	Having two audits per certification cycle provides consistent support for farm operators to keep them engaged with the system and provides more support for them to maintain compliance. 0	Having less frequent checks – particularly for audit only FW-FPs who could be checked as infrequently as once every 6 years - creates greater risk of farm operators becoming disengaged with the system due to lack of understanding or lack of incentive to stay on top of things. This could result in more farm operators becoming non-complaint. -	Having two audits per certification cycle provides more consistent support for farm operators to keep them engaged with the system and provides more support for them to maintain compliance. 0
Overall assessment	The current approach is too costly to farm operators. Does not provide an incentive for farm operators to meet all their actions at their first audit. Provides a robust framework to keep farm operators engaged and minimises opportunities to game the system. 0	Significant cost savings could be achieved for farm operators that are meeting all their actions. Stronger costs incentive for farm operators to meet their actions. Better for alignment with industry programmes. Greater risk of farm operators becoming non-compliant; increasing degradation of the freshwater environment resulting from greater likelihood of non-implementation of actions. +	The 7-year plan cycle is impractical when considering the number of variables a farmer is planning around. Minimal cost saving may be achieved for farm operators over time. Lack of cost incentive to meet all actions (similar to SQ). Worse for alignment with industry programmes. Provides assurance that actions are implemented across the whole certification cycle and minimises opportunities to ‘game’ the system. -

Certifier and auditor competencies

90. Applicants to become certifiers and auditors must demonstrate an understanding of the competencies set out in schedule 2 Part 1 of the Regulations and demonstrate either relevant qualifications or experience.
91. Applicants are also required to complete training in catchment context, and the competencies, if required by regional councils.
92. Certifier applicants may be required by a regional council to undergo a practical assessment to demonstrate their understanding of the competencies.
93. Stakeholders during engagement noted that the competencies were too focused on the Regulations and detailed policy documents, and that they should be simplified to better focus on a summary of the policy and how it applies to developing a FW-FP.
94. Stakeholders also noted that the process for appointing certifiers and auditors was too long and administrative. Feedback from stakeholder engagement in 2024 identified training as being overly long.

Certifier and audit competencies Option One - Status quo

95. Retain current competencies and training requirements. Under the status quo no changes would be made, and applicants would undergo the current appointment process steps.

Certifier and audit competencies Option Two - Remove practical assessment requirements

96. The option for regional councils to require a practical assessment of a certifier applicant²⁰ will be removed to simplify the process for the appointment of certifiers and improve consistency in how the system is applied across the country.
97. Removing the ability for regional councils to require a practical assessment will significantly reduce the application costs for certifiers (estimate by half).
98. Removing practical assessment removes the requirement for regional councils to consult with tangata whenua on the development and delivery of the practical assessment. There would still be a provision for regional councils to engage with tangata whenua on the development and delivery of regional training.
99. On the basis that practical assessment in the initial roll out was not utilised by the regional councils, removing this provision may not have large negative impact on the implementation of the appointment process system.

Certifier and audit competencies Option Three - Remove practical assessment requirements and Regional Training. (preferred)

100. This option removes the requirement for practical assessment and regional training.
101. Removing regional training means there would not be a step where applicants are trained in the catchment context information provided by regional councils. Although the catchment context documents will still be available, removing the training could reduce applicants' understanding of local context.

²⁰ A regional council can require an applicant to undergo a practical assessment to demonstrate their understanding of the competencies for certifiers, in practice this has been an in-person demonstration of their ability to carry out a certification of a farm plan.

102. Removing regional training from the Regulations would remove provisions for regional councils to engage with tangata whenua on the development and delivery of regional training and the practical assessments. While they will have opportunities to be involved in the freshwater planning process, this is the only provision in the Regulations that requires engagement. In engagement, iwi and Treaty partners indicated they would like a stronger role in the FW-FP system. Some stated that regional councils should be required to consult with them on a wider range of matters (eg, catchment context), not just the content of regional training.

Certifier and audit competencies Option Four - Streamline competencies and remove training and practical assessment requirements

103. The competencies for certifiers and auditors are combined into groups to focus on the essential skills required for the roles and removing content that is repetitive or considered unnecessary for the purpose of FW-FPs (managing the adverse effects of farming on freshwater).

104. The competencies would be split into four groups with high level descriptions focusing on the intent of what they are meant to cover, ie, less high-level policy, and more farm systems and how risk and actions are identified in the development of a FW-FP. Under this option, certifiers would be required to have an understanding of:

- (a) National Regulations, and regional planning requirements relevant to the management of freshwater or freshwater ecosystems.
- (b) Te Tiriti o Waitangi and matters of importance to tangata whenua.
- (c) How to interpret and apply catchment context, including identifying sites or species of cultural significance as defined by tangata whenua.
- (d) Impacts of farming and contaminants on freshwater and freshwater ecosystems, and actions to mitigate these impacts.

105. This would support certifiers and auditors having an understanding of how the FW-FP system is applied on farms and have the appropriate knowledge both to identify risk and actions and assess that actions have been carried out.

106. Combining the competencies would result in streamlining the competencies relating to Te Tiriti O Waitangi and Te Ao Māori and would move Te Mana o Te Wai considerations into matters of importance to tangata whenua, the broader context of national and regional rules and policies (as Te Mana o Te Wai is a concept currently outlined in the NPS-FM). There is a risk that this change would be perceived as a reduction in focus on matters relating to tangata whenua. During engagement, tangata whenua raised the importance of certifiers having an understanding of these competencies, with specific reference to Te Mana o Te Wai.

107. Competencies form the basis for the assessment of applicants, and their training, streamlining (combining or removing) competencies risks reducing regional councils, farmers, tangata whenua and other stakeholders' confidence that they can carry out their role to the appropriate standard.

108. The removal of the requirement for regional training, will have the same impacts as outlined in option three.

Table 16. Certifier and Auditor competencies - How do the options compare to the status quo/counterfactual?

	Option One – Status quo	Option Two - Remove practical assessment requirements	Option Three – Remove practical assessment requirements and regional training requirements (Preferred Option)	Option Four - Streamline competencies and remove training and practical assessment requirements
Effectiveness and Efficiency Extent to which the proposal contributes to the attainment of the objectives of the FW-FP system review	The application process will remain unchanged, retaining its competency requirements and administrative steps. Ensuring that certifiers and auditors are qualified to carry out their roles provides assurance that risks to freshwater are being managed. 0	Removal of the practical assessment will make the application process quicker and more efficient but removes some assurance that certifiers can demonstrate their ability to certify a farm plan. This increases the risk that certifiers may not be able to assess if the actions in a FW-FP appropriately manages risk to freshwater. +	Removing regional training will likely lead to gains in application process efficiency. However, it removes the step where applicants are trained in the specific local catchment context information, which may reduce assurance that the applicants have this local knowledge. Removal of the practical assessment will make the application process quicker and more efficient but removes some assurance that certifiers can demonstrate their ability to certify a farm plan. This increases the risk that certifiers may not be able to assess if the actions in a FW-FP appropriately manages risk to freshwater. +	Streamlining competencies may result in minor efficiency gains in the time taken to appoint certifiers and auditors. Streamlining competencies like Te Mana O Te Wai may reduce tangata whenua assurance that certifiers and auditors can carry out their role to an appropriate standard. Removing regional training and practical assessment makes the appointment process more efficient. Removal of both the regional training and the practical assessment removes assurance around applicants' suitability to carry out their roles. This further increases the risk that certifiers may not be able to assess if a FW-FP appropriately manages risk to freshwater. 0
Cost The regulatory burden (cost) is proportionate to the anticipated benefits.	The regional training and practical assessment will remain and represent a significant cost to applicants (fees) and regional councils (training costs). 0	Removing practical assessment represents a significant reduction in time and dollar costs. +	Removing practical assessment represents a significant reduction in time and dollar costs. Reduction in costs from the removal of regional training could be significant in some regions and minor in others. +	Streamlining competencies may result in minor cost and time savings. Removing practical assessment will significantly reduce time and dollar costs. Reduction in costs from the removal of regional training could be significant in some regions and minor in others. ++
Flexibility and Consistency Extent to which the proposal enables the FW-FP system to evolve, resulting in a durable and nationally consistent FW-FP system.	Regional training and practical assessments design and delivery are subject to regional council decisions. National training remains consistent nationwide. 0	Removing practical assessment would improve consistency of the appointment process experience for certifiers. The current system allows for ongoing performance reviews and training under continuing practice requirements, retaining flexibility in how assurance is provided for certifier competency. +	Removing regional for training and practical assessment increases the consistency of the appointment process. The current system allows for ongoing performance reviews and training under continuing practice requirements, retaining flexibility in how assurance is provided for certifier competency. ++	Streamlining competencies allows more flexibility in how applicants are assessed. Removing regional training and practical assessment increases the consistency of the appointment process. The current system allows for ongoing performance reviews and training under continuing practice requirements, retaining flexibility in how assurance is provided for certifier and auditor competency. ++
Implementation Risk Extent to which the proposal presents implementation risks that are low or within acceptable parameters.	Implementation of the regional training and practical assessment imposes risk in the variability of how they are applied by regional councils, and the impacts of these decisions on time and resources. 0	Removing practical assessment allows for the implementation of a simplified appointment process. This will remove a key avenue for tangata whenua groups to engage with regional councils. As the practical assessment is a substantial step (time and resource) in appointing a certifier. +	Removal of the regional training and practical assessment allows for the implementation of a simplified appointment process. However, will remove both requirements for regional councils to engage with tangata whenua. +	Streamlining competencies creates minimal risk of low-quality applicants entering the system or being appointed. Removal of the regional training and practical assessment allows for the implementation of a simplified appointment process. However, will remove a key avenue for tangata whenua groups

				to engage with regional councils on the training of applicants. +
Overall assessment	The status quo retains the variability and costs (time and resources) of regional training, and the practical assessment. 0	Removing the practical assessment represents a significant reduction in time and resource of the appointment process. While this may reduce regional councils' confidence in the ability of certifiers to carry out their role, existing provisions for ongoing reviews and training will retain some assurance +	Removing regional training in addition to the practical assessment further reduces cost in time and resources. This option may reduce assurance that certifiers and auditors can carry out their roles. However, existing provisions for ongoing reviews and training will retain some assurance. ++	Streamlining competencies incurs minor risk (poor applicants) and minor benefits (flexibility in assessing applicants). Removing regional training in addition to the practical assessment further reduces cost in time and resources. This option may reduce assurance that certifiers and auditors can carry out their roles. However, existing provisions for ongoing reviews and training will retain some assurance ++

Infringements

109. Infringement offences are a tool for regional councils to use as part of the overall compliance strategy for the FW-FP system. The current approach to infringements focuses on enabling councils to notify farm operators of infringement offences where farm operators have failed to meet their obligations to develop and implement a fit-for-purpose FW-FP and/ or to complete the corresponding assurance checks (certification and audits) within the prescribed timeframes.
110. Amendments are required to infringement offence provisions to allow for audit only plans to be subject to infringement offences should they fail to comply with Part 9A and the Regulations. These infringement offences are intended to mirror the offences that certified freshwater farm plans are subject to.
111. Audit only plans provide an avenue for low-risk farms to manage their impact on freshwater. Stakeholders have suggested that these plans should not be subject to infringements, as the intent of the system is to manage adverse effects on freshwater, and they are considered low risk.
112. However, low-risk audit only farms will still be required by law to develop and implement a FW-FP and to have the farm audited for compliance with the FW-FP. Therefore, regional councils need to be enabled to act in their statutory role in situations where a farm operator is not meeting regulatory requirements.
113. Farm operators may also see audit only plans as inequitable on the basis that they would not be subject to the same regulatory requirements (eg, certification).

Infringements Option One - Status Quo

114. Existing infringement offences that apply to certified FW-FPs will be updated to ensure that they remain fit for purpose. Failure to make these changes would mean that some of the infringement offences are no longer applicable, as the changes to Part 9A would not match the Regulations.
115. Farm operators carrying out activities or with farms located in catchments that require a certified FW-FPs are considered to be higher risk. This amendment would ensure that infringement offences for certified FW-FPs are enforceable, encouraging compliance for these farm operators.

Infringements Option Two - Update all infringements and introduce infringements for audit only plans

116. Infringement offences for certified plans are proposed to be updated, and infringement offences will be introduced for audit only plans as described in table 16.
117. Audit only plans were enabled through the amendments to Part 9A. They are not required to be certified, which means there is less assurance that they meet regulatory requirements. Introducing infringement offences for audit only plans provides additional incentives to comply, which will help ensure robustness in the FW-FP system.
118. We also proposing drafting changes to infringement offences enabling them to be reapplied in cases of ongoing non-compliance. This change will ensure that there are tools to manage repeat non-compliance.

Infringements Option Three - Update all infringements, introduce new infringements, and increase infringement fines. (Preferred Option)

119. Infringement offences for certified plans will be updated, and infringement offences for audit only plans will be introduced.
120. All infringement fees are currently \$1,500; this would be increased to match increases to infringement fee limits in the RMA (amounts to be confirmed at a later date).
121. This amendment will bring FW-FP infringement fees in line with other RMA infringement fees²¹; higher penalties mean higher potential costs for non-compliers which may incentivise compliance. It will also set infringement fees at a level appropriate to discourage active non-compliance (i.e. an infringement fee less than the cost of obtaining a FW-FP, or taking appropriate actions, may inadvertently encourage non-compliance).

²¹ A maximum of \$2000 for an individual and \$4,000 for a company.

Table 17. Description of proposed infringement offence updates and additional offences (for Option 2. And 3.).

Infringement offence provision	Description of existing offences	Existing infringement fee	Amendment to an existing offence or addition of a new offence
Section 217D of the Act	Failure to have a certified freshwater farm plan ²²	\$1,500	Amendment; Remove ‘certified’ so the infringement applies to both certified and non-certified farm plans.
Regulation 17	Failure to submit, within the time frame specified in regulation 17, a freshwater farm plan to a certifier	\$1,500	Insert an infringement offence for audit only plans; Failure to declare to the regional council, within the timeframe specified by Regulations, that the farm holds an audit only FW-FP.
Regulation 27(1)	Failure to submit, within 5 years after the last certification, a certified freshwater farm plan to a certifier	\$1,500	The 5-year timeframe may be changed to allow for the new recertification approach. Insert an infringement offence for audit only plans; Failure to declare to the regional council, within X years after the last declaration, the renewal of an audit only FW-FP.
Regulation 27(2)	Failure to submit, within 12 months after an event specified in regulation 27(2), a certified freshwater farm plan, or part of a certified freshwater farm plan, to a certifier	\$1,500	Insert an infringement offence for audit only plans; Failure to declare to the regional council, within 12-months after an event specified in regulation 27(2), the renewal of an audit only FW-FP.
Regulation 30	Failure to implement 1 or more actions in the action plan contained in a certified freshwater farm plan within the time frames required under the action plan	\$1,500	Amendment: Remove ‘certified’ so the infringement applies to both certified and non-certified farm plans.
Regulation 32	Failure to arrange, within 12 months after initial certification of a certified freshwater farm plan, for an auditor to audit the farm for compliance with the plan	\$1,500	Amendment may be required: The 12-month timeframe may be changed to allow for the new audit approach. Insert an infringement offence for audit only plans; Failure to arrange, within 12-months of declaration of an audit only FW-FP, for an auditor to audit the farm for compliance with the plan.
Regulation 33(1)	Failure to arrange, within 12 months after recertification of a certified freshwater farm plan, for	\$1,500	The 12-month timeframe may be changed to allow for the new audit approach.

²² Under RM bill 2 section 217D is proposed to be amended to remove ‘certified’.

	an auditor to audit the farm for compliance with the plan		Insert an infringement offence for audit only plans: Failure to arrange, within 12-months of declaration of renewal of an audit only FW-FP, for an auditor to audit the farm for compliance with the plan.
Regulation 34(1)	Failure to arrange, within the time frame specified by the audit grade, for an auditor to audit the farm for compliance with the certified freshwater farm plan.	\$1,500	This section may need further changes dependant on Minister decisions on audit grades. Amendment: This section could require ‘certified’ to be removed, or a similar amendment ensuring that these infringements are applicable to non-certified plans.
Regulation 35(1)	Failure to arrange, within 12 months after taking over a farm and adopting the previous operator’s certified freshwater farm plan, for an auditor to audit the farm for compliance with the plan.	\$1,500	This section may need further changes dependant on Minister decisions on audits. Amendment; Failure to arrange, within 12 months after taking over a farm and adopting the previous operator’s freshwater farm plan, for an auditor to audit the farm for compliance with the plan.

Table 18. Infringements - How do the options compare to the status quo/counterfactual?

	Option One – Status Quo	Option Two - Update all infringements and introduce infringements for audit only plans	Option Three - Update all infringements, introduce new infringements, and increase infringement fines (Preferred Option)
Effectiveness and Efficiency Extent to which the proposal contributes to the attainment of the objectives of the FW-FP system review	Changes to existing infringements to align with Part 9A will ensure they are fit for purpose (effective). For example, infringements will only be linked to certified plans, meaning councils have no ability to issues fees for audit only plans. There will be no incentive for farm operators who do not need certification to comply with the regulations, resulting in risks to freshwater for these farms. 0	Changes to existing infringements to align with Part 9A will support fit for purpose (effective) penalties. New infringements will provide effective coverage of potential offences for audit only plans. Supporting appropriate coverage of infringements incentivises compliance with the Regulations, avoiding potential impacts on freshwater. ++	Existing infringements will be updated, so they are effective. New infringements created for audit only plans, supporting the effectiveness of the system by making audit only plans subject to infringement fees if they are non-complaint. Infringement fees will be increased providing more incentives for compliance, improving effectiveness. Supporting appropriate coverage of infringements incentivises farm compliance with the Regulations, avoiding potential impacts on freshwater. ++
Cost The regulatory burden (cost) is proportionate to the anticipated benefits.	Existing infringements will remain the same, with a fee of \$1,500. Only farmers who have certified FW-FPs and who are non-compliant could experience this cost, which is proportionate to the benefits (as it incentivises compliance). 0	In addition to updating existing infringements, further infringements will be introduced for audit only plans that have been introduced via changes to part 9A. This will result in costs for certified, and audit only plans. All farmers who are non-compliant could experience this cost, which is proportionate to the benefits (as it incentivises compliance). +	Existing Infringements updated, new infringements introduced, and infringement amounts will be increased. This will increase costs for certified, and audit only plans, plus increase the amount of all infringements. All farmers who are non-compliant could experience this cost, which is proportionate to the benefits (as it incentivises compliance). +
Flexibility and Consistency Extent to which the proposal enables the FW-FP system to evolve, resulting in a durable and nationally consistent FW-FP system.	Reduces councils' ability to take a consistent approach to compliance monitoring and enforcement, as infringement fees will only be able to be issued for certified FW-FPs. 0	In addition to updating existing infringements, adding new ones for audit only plans provides consistency for all users of FW-FPs by providing equivalent fines for audit only plans. Councils retain discretion in how they apply infringement notices providing flexibility. +	Changes existing infringements and adds new ones for audit only plans provides consistency through equivalent fines apply for certified and audit only plans. Increases infringement totals to align with other RMA infringements. Councils retain discretion in how they apply infringement notices providing flexibility. ++
Implementation Risk Extent to which the proposal presents implementation risks that are low or within acceptable parameters.	Risk that with no changes to the infringements, there will be no ability for councils to issue infringements for audit-only plans, meaning these plans will become unenforceable. 0	Updating existing infringements and adding new ones for audit-only plans will ensure that there are appropriate infringements for instances of non-compliance during the implementation of the FW-FP system. +	Updating and adding new infringements ensures appropriate coverage of infringements for instances of non-compliance. Increasing infringement fines will boost incentives to comply during the implementation of the system. ++
Overall assessment	Infringement fines not applicable for audit only farm plans increase implementation risks and limits councils' ability to undertake appropriate compliance monitoring and enforcement. 0	Updating existing infringements and adding new ones for audit only farm plans will ensure coverage of both FW-FP types and encourage compliance during implementation of the FW-FP system. +	Updating existing infringements, adding new ones for audit only, plus increasing infringements fines will provide strong incentives for farmers to comply with the FW-FP system. ++

Mapping

122. Section 11 of the FW-FP Regulations prescribes maps that farmers are required to include in their FW-FP.²³ Maps include:

- (a) features related to the inherent vulnerabilities of the farm, with a list of 11 specific features that must be mapped (eg, farm boundaries, critical source areas etc.);
- (b) features related to farming, with a list of 11 specific features that must be mapped (eg, fencing to exclude stock, effluent systems and application areas etc);
- (c) features related to catchment context, challenges, and values; and
- (d) new physical works.

123. Stakeholder feedback has identified that the mapping requirements are too prescriptive and provide unnecessary cost and complexity. Some said it was perceived by some farmers as a checklist, and it was unclear what to do when features in the list were not relevant to the farm.

124. Many stakeholders were supportive of more flexibility in the mapping requirements (through guidance), and for the Regulations to focus on key features related to the identification of risk and the selection of actions.

Mapping Option One - Status quo - Retain current mapping requirements.

125. Under this option, a FW-FP must contain maps that show the listed features in section 11 of the FW-FP Regulations.

126. Guidance material could be developed to support farmers through this process, which may reduce complexity.

Mapping Option Two - Streamline prescribed mapping requirements

127. This option would reduce the mapping requirements to the following features:

128. Requirements to map inherent vulnerabilities would be streamlined to remove duplicative or complex mapping requirements.

129. Streamlining the mapping of landforms so slope isn't specified (as it would be captured naturally under the landform criteria).

130. Remove requirement to map critical source areas not relating to intensive winter grazing (as this is complicated to map, and the main risks from critical source areas are regarding intensive winter grazing).

131. For features related to farming, remove the prescriptive list and instead add a provision that requires farmers to map risks related to activities being undertaken on their farm.

132. This option was supported by many stakeholders and provides direction for farmers while also providing flexibility to farmers to only map relevant farming activities. While this option does create more uncertainty regarding activity mapping, guidance could be developed to support farmers in their risk assessment and activity mapping.

²³ Resource Management (Freshwater Farm Plans) Regulations 2023 (SL 2023/113) 11 Maps to be provided in freshwater farm plan – New Zealand Legislation ([Link](#)).

Mapping Option Three - Remove listed mapping requirements and instead require risk maps to be done.

133. This option would replace features related to inherent vulnerabilities and farming with a high-level provision requiring farmers to map features that support the risk identification and management process.
134. There would be no list of specified features required to be mapped, and instead it would be up to the farmer to determine what features need to be mapped.
135. While this option could reduce costs, as less features would be required to be mapped, it has the potential to increase complexity and variability due to farmers not having clear criteria on what needs to be mapped. Similarly, it could make it more difficult for the certifier to determine whether all appropriate risks have been mapped when reviewing the FW-FP. These risks could be mitigated through guidance.

Table 19. Mapping - How do the options compare to the status quo/counterfactual?

	Option One - Status quo - Retain current mapping requirements.	Option Two - Streamline prescribed mapping requirements (Preferred)	Option Three - Remove listed mapping requirements and instead require risk maps to be done.
Effectiveness and Efficiency Extent to which the proposal contributes to the attainment of the objectives of the FW-FP system review	This would retain mapping requirements aiding the identification of inherent vulnerabilities and features relating to farming. Risk that mapping features that don't support these goals remains. Provides clear direction for features to be mapped which are relevant to the risk assessment and improving freshwater outcomes. 0	Requirements to map inherent vulnerabilities would be streamlined to remove duplicative or complex mapping requirements. Streamlining the mapping of landforms so slope isn't specified (as it would be captured naturally under the landform criteria). For features related to farming, remove the prescriptive list and instead add a provision that requires farmers to map risks related to activities being undertaken on their farm. This option supports the clear mapping of features that are relevant to risk assessment improving freshwater outcomes while providing some flexibility so farmers can identify features that are most appropriate for their risk assessment. +	Removing mapping requirements risks FW-FPs not appropriately mapping features and vulnerabilities essential for the risk assessment and identification of actions. This could lead to FW-FPs not being certified, or for auditors to have difficult assessing if actions had been implemented. Does not provide any direction on what needs to be mapped to support the risk assessment and improve freshwater outcomes, potentially resulting in risks not being appropriately identified. -
Cost The regulatory burden (cost) is proportionate to the anticipated benefits.	Existing mapping requirements remain representing a cost to farm operators relative to the amount of detail required to meet the requirements (dependant on farm size and complexity). 0	Cost reduced to farm operators is reduced as farm plan developers will charge less as mapping requirements are streamlined and risk of overly detailed maps is reduced. +	This option is likely to reduce cost and complexity in the system by only listing features key for the risk assessment process. However, costs could be realised through farm plans inadequately mapping features and vulnerabilities, leading to FW-FPs not meeting certification requirements, or creating costs through failed audits. -
Flexibility and Consistency Extent to which the proposal enables the FW-FP system to evolve, resulting in a durable and nationally consistent FW-FP system.	Further guidance can be provided to ensure that farm operators understand what they are required to map. Mapping supporting farm plans may differ relative to farm plan developer understanding of mapping requirements. 0	This option will help ensure that farmers only map relevant farming activities, creating consistency in the delivery and content of FW-FP maps. +	Removing listed requirements entirely will create inconsistency as farm plan developers will interpret the requirements differently. -
Implementation Risk Extent to which the proposal presents implementation risks that are low or within acceptable parameters.	Risk of getting maps that provide too much detail or are not fit for purpose. 0	Streamlined mapping requirements will provide farm operators and farm plan developers more clarity on what they are required to map. +	Risk that maps developed for FW-FPs lack appropriate detail, risk that auditors and certifiers have difficulty assessing actions and their delivery. -
Overall assessment	Risk of FW-FP maps that contain details/ features that do not support the assessment of risks and the identification of actions. Overly detailed maps may result in cost to farm operators engaging consultants to develop their FW-FPs. 0	This option is likely to reduce cost and complexity in the system by only listing features key for the risk assessment process and adding flexibility, so only relevant features are mapped. As farmers will still be required to undertake a risk assessment and map features relevant to this, work towards improving water quality would be similar to the status quo. +	This option is likely to add inconsistency to how maps are developed, this could increase costs for farm operators if their maps are not fit for purpose. -

Treaty Implications

136. Treaty analysis was carried out in the Regulatory Impact Statement for the changes to the freshwater farm plan system through Part 9A of the RMA.²⁴ Officials have not identified any direct or potential Treaty settlement commitment breaches.

Engagement feedback

137. Officials have engaged with the following groups as part of targeted engagement on FW-FPs since the review of the FW-FP system was announced in April 2024:

- (a) Ngāi Tahu;
- (b) Waikato Tainui
- (c) Freshwater iwi advisors group
- (d) Te Tai Kaha
- (e) Kaitakawaenga²⁵
- (f) Te Tumu Paeroa
- (g) Federation of Māori Authorities

138. Ngāi Tahu stated that any framework for certification and audit needs to appropriately acknowledge Te Tiriti o Waitangi, te ao Māori, Te Mana o Te Wai and mātauranga Māori. Ngāi Tahu noted they wanted to see whānau members to participate in the certification and audit process.

139. During 2025 engagement, Te Tumu Paeroa emphasised the importance of the inclusion of Te Mana o Te Wai and Te Tiriti in the competencies, as they are key for ensuring certifiers and auditors are able to carry out their roles. They also raised that it is important that regional councils make sure that certifiers are able to understand all of catchment context to make sure it is applied appropriately.

140. Kaitakawaenga²⁶ noted that the certification cost may be prohibitive for some smaller Māori landowners, when the priority should be support for plan development and implementation.

141. The Federation of Māori Authorities (FOMA) noted it is important that all appointees are skilled and knowledgeable in working with Māori landowners, and that the system ensures that there is equitable participation by Māori as Certifiers and Auditors.

Impacts

142. Under the status quo, regional training covers both catchment context and competencies (sites or species of cultural significance, Te Tiriti o Waitangi, Te Mana o Te Wai, and te ao Māori) and supports certifiers and auditors to understand these areas. There is a risk that in removing the regional training and practical assessment, knowledge and competence in areas important to tangata whenua are reduced.

²⁴ Regulatory Impact Statement: Freshwater Farm Plan System Design.

²⁵ Kaitakawaenga are an advisory group contracted by the Ministry for the Environment, who advise on the rollout and operation of the FW-FP certifier and auditor appointment process.

²⁶ Kaitakawaenga are an advisory group contracted by the Ministry for the Environment, who advise on the rollout and operation of the FW-FP certifier and auditor appointment process.

143. Removing provisions for certifiers and auditors to undergo regional training and a practical assessment would remove requirements for regional councils to engage with tangata whenua in the preparation and delivery of this training and assessment.
144. These are the only provisions in the Regulations that directly requires regional council engagement with tangata whenua. Removing the requirement for regional training and practical assessment may therefore also reduce opportunities for Māori participation in the FW-FP system (particularly in the appointment of certifier and auditors).
145. There are certain certifier and auditor competencies of importance to tangata whenua (ie, Te Mana o Te Wai, te ao Māori, and Te Tiriti o Waitangi). Tangata whenua and Māori organisations consider it important that certifiers and auditors have a strong understanding of these competencies. If changes are made to these competencies (for example if explicit reference to Te Mana o Te Wai were removed) there is a risk that focus would be pulled away from these areas.
146. Freshwater is considered a taonga by tangata whenua, with the Crown having obligations to safeguard Māori rights and interests in this taonga. The FW-FP system is still likely to result in similar or better benefits to freshwater outcomes compared to the status quo.
147. Māori-owned farms main industries are beef cattle and sheep farming, dairy farming and kiwifruit growing, with just over half of these farms located in the North Island.²⁷ These changes mean many of these farms (up to 67% of Māori owned farms) may no longer require certification. This would significantly reduce the costs for these farms. Māori landowners would also benefit from the reduced frequency of audits, and other reductions in cost resulting from changes to farm plan development.

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

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

Activity criteria

149. Option Two - Activities likely to have an adverse effect on freshwater is preferred, for the following reasons:
- (a) These activities pose a risk to freshwater, requiring farms that carry them out to be certified ensures that the actions selected to mitigate their impacts are fit for purpose.
 - (b) These activities have clear definitions in existing legislation; this will provide clarity for farmers when developing their FW-FPs.
 - (c) These activities are/ have been regulated previously, existing guidance and familiarity will aid in implementation.

Recertification and audit timeframes

150. Option Two – Small extension of recertification timeframe and one audit per-cycle for high performing farms is preferred, as it will remove the most cost and complexity from the system and target auditing resources towards farmers that are not meeting all their actions.

²⁷ Tatauranga umanga Māori – Statistics on Māori businesses: 2022 (English) | Stats NZ ([Link](#)).

151. It will allow for integration for industry organisation who are looking to deliver certification and audit services for FW-FPs.

Audit grades

152. Option Three – Descriptive pass/fail with interim grade for missed catchment actions is preferred, as it will remove some cost and complexity from the system by having fewer and more easily understood action categories and subsequently audit grades.

153. Providing for an interim timeframe for farmers to correct uncompleted catchment actions will add flexibility into the system and create further incentive for farmers to work towards meeting all their actions.

Certifier and audit competencies

Option Three - Remove practical assessment requirements and regional training requirements performs marginally better than the other options and met the evaluation criteria.

154. This option will improve the FW-FP system for the following reasons:

- (a) Removing the practical assessment represents a significant reduction in time and resource cost of the appointment process.
- (b) Removing regional training further reduces cost in time and resources but also reduces assurance that certifiers and auditors can carry out their roles.

155. This option outscores option four as it does not streamline the competencies which risks the perception that matters important to tangata whenua are being reduced or weakened.

Infringements

156. Option Three - Update all infringements, introduce new infringements, and increase infringement fines, is preferred as it will improve compliance with the FW-FP system by:

- (a) Updating existing infringements for certified plans ensures that they match the language in Part 9A and are therefore usable.
- (b) Adding new infringements for audit only plans ensures they have incentives to comply with the Regulations. Which is important as audit only plans have fewer assurance provisions (ie, certification).
- (c) Increasing infringement fines brings FW-FP infringements in line with similar infringements in the RMA.

157. Setting infringement fees at a level appropriate to discourage active non-compliance (i.e. an infringement fee less than the cost of obtaining a FW-FP, or taking appropriate actions, may inadvertently encourage non-compliance).

Mapping

158. Option Two - Streamlining the mapping requirements is the preferred option.

159. This option is likely to reduce cost and complexity in the system by only listing features key for most farms undertaking the risk assessment process and adding flexibility so farmers can map only those farming activity features that are relevant to their farm and risk assessment. As farmers will still be required to undertake a risk assessment and map relevant features, work towards improving water quality would be similar to the status quo.

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

160. The Minister of Agriculture and the Associate Minister for the Environment have delegated authority to take decisions on the design of the FW-FP Regulations, and issue drafting instructions to PCO [ECO-25-MIN-0029]. This RIS is intended to accompany a briefing seeking Ministerial decisions, and therefore there is no Minister's preferred option at the time of writing this RIS.

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

161. 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.

Table 20. Agencies' preferred option

Affected groups	Comment	Impact	Evidence Certainty
Additional costs of the preferred option compared to taking no action			
Farm operators & industry organisations	Increased costs of farms captured by the activity list (that are required to be certified). Risk that farms not captured by activity list will have FW-FPs with actions that do not appropriately mitigate risks to freshwater.	~\$12m-\$39.5m ²⁸ certification costs	Medium
Regional Councils	Higher costs may be incurred by regional councils due to the risk of more farmers becoming non-compliant due to less frequent audits and recertification.	Low	Low
Treaty partners	Changes to certifier and auditor appointment may reduce tangata whenua input into the system or reduce focus on matters significant to them.	Medium	Low
Central government	Costs of changing existing FW-FP system and rolling out new system.	Low	Low
Total monetised costs	Costs resulting from requiring more farm operators to have a certified FW-FP.	~\$12m-\$39.5m	Medium
Non-monetised costs	Risks that farms not captured by activity list will have FW-FPs with actions that do not appropriately mitigate risks to freshwater, alongside implementation costs.	Low	Low
Additional benefits of the preferred option compared to taking no action			

²⁸ Total costs will vary depending on how many farms have their certification delivered via an industry organisation. Cost savings are per 6-year cycle. All cost estimates are based on the 2022 Stats NZ Agricultural Census and on current membership information from NZGAP, Global GAP, DairyNZ, NZFAP+ and similar programmes.

Farm operators & industry organisations	Cost will be lower for high performing farmers as the number of audits will be reduced. ²⁹	~\$34m - ~\$53m	Medium
Regional Councils	Update and addition of new infringements will incentivise compliance, reducing monitoring and compliance costs.	Low	Low
Treaty partners	No direct or indirect costs identified.	Low	Low
Central government	The cost of delivery of national training may be reduced by simplifying competencies.	Low	Low
Total monetised benefits	Cost savings for high-performing farms, per six-year certification cycle, due to increases in certification and audit timeframes.	~\$39.7m- ~\$61.9m	Medium
Non-monetised benefits	Reduced complexity in the system for regional councils and central government, resulting in reduced cost.	Low	Low

Section 3: Delivering an option

How will the proposal be implemented?

162. The preferred options require changes to the freshwater farm plan Regulations to align with the amended Part 9A, which is anticipated to be passed by mid-2025. These changes are intended to be made via delegated authority to make in principle decisions on amending the freshwater farm plan Regulations.
163. Officials will continue to engage with regional councils, industry stakeholders, treaty partners and Māori authorities, and other stakeholders on options for rollout and implementation. This will include the development of guidance to support regional councils, farm operators, industry and certifiers and auditors in understanding the system and their role in it.
164. Regional councils are the regulator for the FW-FP system and are responsible for the operation and enforcement of the system. Officials will continue to support councils in implementing the FW-FP system.
165. Southland is operating the FW-FP system in its region. Officials will continue to engage with Southland to support it to implement changes once the updated FW-FP system goes live.
166. Implementation decisions on the timeframes for turning on the FW-FP Regulations, and the transition for Southland to the updated Regulations will be decided by Ministers in late 2025.

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

167. The Ministry for the Environment and the Ministry for Primary Industries will continue to engage with stakeholders and monitor implementation, including stakeholder confidence in the FW-FP system.

²⁹ Total costs will vary depending on how many farms have their audits delivered via an industry organisation. Cost savings are per 6-year cycle. All cost estimates are based on the 2022 Stats NZ Agricultural Census and on current membership information from NZGAP, Global GAP, DairyNZ, NZFAP+ and similar programmes.

168. We will also review the annual survey of rural decision makers to assess whether the policy objective to reduce regulatory burden has been achieved.
169. Regional councils have monitoring requirements for freshwater outcomes. In 2026, reports on the state of New Zealand's freshwater will also be prepared under the Environmental Reporting Act 2015.
170. This monitoring and reporting will provide information on freshwater outcomes and quality, allowing the changes to the FW-FP Regulations to be evaluated alongside the wider context of changes to freshwater management occurring.