

Regulatory Impact Statement: Options for pausing the implementation of the freshwater farm plan system

Coversheet

Purpose of Document	
Decision sought:	<i>Analysis produced for the purpose of informing final Cabinet decisions on pausing the implementation of the freshwater farm plan system</i>
Advising agencies:	<i>Ministry for Primary Industries; Ministry for the Environment</i>
Proposing Ministers:	<i>Hon Todd McClay, Minister of Agriculture Hon Andrew Hoggard, Associate Minister for the Environment</i>
Date finalised:	<i>23 July 2024</i>
Problem Definition	
<p>The Government is making targeted changes to the freshwater farm plan (FW-FP) system. The rollout of FW-FPs has already begun in several regions, and Ministers have directed officials to temporarily pause the rollout while work on the changes is completed.</p> <p>If FW-FP implementation is not paused, some farm operators in Waikato and Southland will be required to submit a FW-FP for certification by 1 February 2025, prior to the changes to the system being finalised. Farm operators in Otago, West Coast and Manawatū-Whanganui will likely already be in the process of preparing their FW-FPs.</p> <p>Farm operators could face higher or additional costs if they are required to submit a FW-FP for certification before the changes to the FW-FP system are finalised. Continuing the rollout while the system is under active review could potentially cause uncertainty and unnecessary effort for farm operators, regional councils as well as the certifier and auditor workforce in these initial roll-out regions.</p>	
Executive Summary	
<ol style="list-style-type: none">1. The scope of this Regulatory Impact Assessment is limited to options for pausing FW-FP requirements while changes to the FW-FP system are being developed, and options which can best meet the policy objectives for the FW-FP pause.2. Although Part 9A of the RMA, which provides the legislative basis for FW-FPs, came into force on 1 July 2020, it does not apply to a region, district or part of New Zealand until activated by an Order-in-Council made under section 217C of the RMA.3. So far, the FW-FP regulations have been applied in Southland and Waikato (from 1 August 2023), Otago and West Coast (from 1 February 2024) and Manawatū-	

Whanganui (from 1 April 2024). This means in parts of Waikato and Southland, farm operators are required to submit a FW-FP for certification by 1 February 2025.

4. In April 2024, Cabinet noted that Ministers would explore potential changes to the FW-FP system to simplify requirements for farm operators and enable more catchment-level solutions [CBC-24-MIN-0014].
5. Continuing FW-FP implementation while regulatory provisions are under active review creates the risk that regulated parties in the initial roll-out regions may not be able to ascertain their regulatory responsibilities. They may also face higher regulatory compliance costs than they might have, had the Government's amendment proposals already been in place.
6. In April 2024, the Minister for Agriculture and the Associate Minister for the Environment informed Cabinet they were exploring ways to pause the FW-FP rollout while changes are made to the system.
7. In order to provide certainty for regulated parties and reduce their compliance costs, the following steps will be required:
 - i. Change s217C under Part 9A of the RMA to enable the Minister for the Environment to disapply an Order in Council made under s217C in areas where the FW-FP rollout has already been commenced via Order in Council; and
 - ii. Disapply the Resource Management (Application of Part 9A—Freshwater Farm Plans) Order 2023, which applies Part 9A to Waikato, Southland, Otago, West Coast and Horizons regions.
8. Doing this will temporarily pause the FW-FP rollout while changes are made.
9. A temporary pause may reduce FW-FP implementation momentum in the short-term, and delay the return on investment timeframes for regional councils who have established new administration and training systems to undertake their FW-FP regulatory responsibilities. Similarly, rural professionals who have been appointed as FW-FP certifiers and auditors will be unable to provide these services to farm operators on a commercial basis while the pause is in place. These factors may cumulatively delay the delivery of improved freshwater outcomes but there is insufficient data to quantify the potential likelihood or severity of this risk.

Limitations and Constraints on Analysis

The analysis in this RIS is limited by:

- *Previous Cabinet decisions and Ministerial direction: and Government commitments:* The Government has committed to exploring potential changes to the FW-FP system. Ministers have directed officials to explore options for pausing the FW-FP system while the changes are developed. This direction has influenced how the policies, problems and options of this RIS have been developed.
- *Pace of reform:* Ministers are proposing to Cabinet that these policy changes be made through an Amendment Paper on the Resource Management (Freshwater and Other Matters) Amendment Bill, which is expected to gain Royal Assent prior to the end of 2024. This is to make the changes prior to 1 February 2025, when some farm operators are currently required to submit a FW-FP for certification. These timeframes limit the ability to meaningfully engage with regional councils,

Treaty partners and stakeholders ahead of policy decisions being taken by Ministers and Cabinet.

- *Limited data on costs and benefits of proposed options:* Officials have limited information on the costs and benefits of the options due to the current rollout being in its early stages. The ability to gain additional insights was further restricted by the limited ability to engage with, and receive feedback from, stakeholders, Treaty Partners and councils.
- *The FW-FP system changes workstream:* While the work on changing the FW-FP system is a separate policy issue, these changes will influence how the pause option compares to the status quo, and the associated costs and benefits. Officials have made assumptions that there will be changes and what the timing of the changes is likely to be. However, due to the current lack of clarity around what the changes will be, there is limited ability to understand how the options will affect stakeholders.

Responsible Managers

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24/07/2024

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24/07/2024

Quality Assurance (completed by QA panel)

Reviewing Agency:

Ministry for Primary Industries, Ministry for the Environment

Panel Assessment & Comment:

“The Ministry for Primary Industries and Ministry for the Environment Regulatory Impact Analysis (RIA) panel has reviewed the “*Options for pausing the implementation of the freshwater farm plan system*” regulatory impact statement and considers that it **partially meets** the RIA requirements. The proposals have not been publicly consulted, and there has been limited ability to undertake quantitative assessments of the impacts of the pause in commencement.”

Section 1: Diagnosing the policy problem

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

Current state

1. The resource management system governs how people interact with natural resources, with the Resource Management Act 1991 (RMA) regulating land use, the use of natural resources, and the provision of infrastructure.
2. Successive governments have identified that an enduring and robust FW-FP system, which councils and communities can rely on, will be an important tool for managing risks to freshwater. FW-FPs are intended to become a central part of the freshwater management system, and over time, are intended to provide a practical alternative to managing agricultural activities through local rules and resource consents.
3. On 1 July 2020, Parliament inserted a new Part 9A into the RMA to provide the legislative basis for the Resource Management (Freshwater Farm Plan) Regulations 2023 ('the FW-FP regulations').¹
4. Part 9A was initially introduced to support a consistent approach to farm planning, leveraging existing industry and regional council planning processes. The purpose of Part 9A is to better control the adverse effects of farming and horticulture on freshwater and freshwater ecosystems using certified FW-FPs. Part 9A establishes FW-FPs as a regulatory tool that supports farm operators to identify, manage, and reduce on-farm risks to freshwater in a way that is tailored to their individual conditions, operating system, and catchment needs.
5. The FW-FP system was developed because traditional RMA instruments (i.e., consents and council rule-making) were not seen to be flexible enough to address individual farm context. Industry has also advocated for more reliance on FW-FPs and less on hard, 'one-size-fits-all' rules in the RMA to manage risks to freshwater.
6. Although Part 9A of the RMA came into force on 1 July 2020, it does not apply to a region, district or part of New Zealand until activated by an Order in Council made under section 217C of the RMA. This allows FW-FP implementation to be phased in regionally, allowing time for the development of the FW-FP certifier and auditor workforce and other supporting implementation measures.
7. The FW-FP regulations, which came into force on 1 August 2023, are being phased in region-by-region. The Resource Management (Application of Part 9A -Freshwater Farm Plans) Order 2023² applies the FW-FP regulations in Southland and Waikato (from 1 August 2023), Otago and West Coast (from 1 February 2024) and Manawatū-Whanganui (Horizons) (from 1 April 2024). Table 2 on page nine provides more detail on the rollout.

¹ . [Resource Management \(Freshwater Farm Plans\) Regulations 2023 \(SL 2023/113\) Contents – New Zealand Legislation](#)

² [Resource Management \(Application of Part 9A—Freshwater Farm Plans\) Order 2023 \(SL 2023/114\) \(as at 01 February 2024\) – New Zealand Legislation](#)

8. When the Order in Council is fully phased in (by the end of 2025), there will be approximately 20,424 farm enterprises operating under the FW-FP regulations. In the regions where rollout has already begun, farm operators will be required to submit a FW-FP for certification within 18 months of the rollout commencing. To date, only one FW-FP has been certified. We do not have information on how many farmers have begun work on developing a FW-FP, or why only one FW-FP has been certified, however we anticipate it is due to the Government's announcement outlined below.
9. The National-Act Coalition agreement signalled the Government's intention to 'improve farm environment plans so they are more cost-effective and pragmatic for farmers'³. The National Party Manifesto also stated that robust standards including certified FW-FPs will continue to apply, and that 'National will consider whether a risk-based approach for FW-FPs is practical and whether the current deadline is achievable.'⁴
10. In April 2024, Cabinet noted that Ministers would explore potential changes to the FW-FP system to simplify requirements for farm operators and enable more catchment-level solutions [CBC-24-MIN-0014]. Changes should be made to the FW-FP system to:
 - a) reduce regulatory burden by creating integration pathways for existing farm environment plan initiatives and industry assurance programmes,
 - b) provide farmers with greater flexibility to find the right freshwater management solutions for their farm and catchment area,
 - c) enable catchment level solutions and empowering local communities to lead freshwater farm planning,
 - d) review FW-FP certification and audit requirements to reduce unnecessary cost,
 - e) reduce duplication for farmers and growers.

Regional considerations

11. Officials have engaged with the five affected regional councils – Southland, Waikato, Otago, the West Coast and Horizons – to get insights on the benefits and risks of potential options to pause the FW-FP rollout. The following insights were identified:
 - The West Coast, Horizons and Otago regional councils have indicated they are comfortable with the Order in Council being disapplied while changes are made to the system. None of these councils have farm plan requirements in their regional plans.
 - Waikato Regional Council identified that changes to the rollout schedule may require consequential changes to its Plan Change One (which is expected to be operative by the end of 2024).
12. The Southland Regional Council (Environment Southland) have indicated that they may require additional support and advice if the rollout is paused in their region, in order to

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https://assets.nationbuilder.com/nationalparty/pages/18466/attachments/original/1700778592/National_ACT_Agreement.pdf?1700778592

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https://assets.nationbuilder.com/nationalparty/pages/18385/attachments/original/1694654258/Primary_Sector_Growth_Plan.pdf?1694654258, and https://assets.nationbuilder.com/nationalparty/pages/18458/attachments/original/1697152275/Blueprint_for_a_Better_Environment.pdf?1697152275

manage the implementation of their regional plan effectively. Officials will continue to work with Environment Southland to provide additional support where required.

13. The Southland Water and Land Plan (the Southland Plan) became operative on 27 May this year. The Southland Plan uses Farm Environment Management Plans (FEMPs) to manage the impacts of farming activities on the environment (including in permitted activity standards).
14. Appendix N of the Southland Plan outlines FEMP requirements and provides that a FEMP may be a FW-FP prepared, implemented and audited in accordance with the FW-FP regulations⁵. This FW-FP pathway option means farm operators would have 18 months from when the FW-FP regime commences in their Freshwater Management Unit to submit their farm plan for certification. This enables a staged rollout of farm plans in Southland to occur, providing time for the certifier workforce to build up.
15. However, if the FW-FP pathway is not available, all farmers and growers in Southland would technically be required to have a certified FEMP within six months⁶ of the regional plan being notified (which occurred 27 May 2024) in order to demonstrate they meet permitted activity standards, or obtain a consent.
16. In light of the Government's intention to make changes to the FW-FP system, there is the ability for Environment Southland to take a discretionary and educational approach to implementing their regional plan, while still encouraging farm operators to prepare their farm plans. Educational initiatives combined with risk-based monitoring activities are key parts of Environment Southland's existing compliance, monitoring and enforcement strategy.⁷ We will continue to engage with Environment Southland so that this situation does not create any unnecessary cost or duplication of effort for farm operators in the region.
17. No specific engagement on pausing the FW-FP rollout has been undertaken with the farming sector, non-governmental environmental organisations (e-NGOs), or Treaty partners. However, in March 2024, Dairy New Zealand, Beef and Lamb New Zealand and Federated Farmers wrote to Ministers, outlining their views on potential changes that could be made to the FW-FP system. All organisations indicated that they would like the FW-FP rollout to be paused while the regulations were updated. We are in the process of engaging with a wide range of stakeholders, including industry, regional councils, Treaty partners and e-NGOs as part of the work to change the system.

What is the policy problem or opportunity?

18. In April 2024, Cabinet noted that Ministers would explore potential changes to the FW-FP system. The FW-FP regulations currently apply to five regions, and farm operators

⁵ [Resource Management \(Freshwater Farm Plans\) Regulations 2023 \(SL 2023/113\) – New Zealand Legislation](#)

⁶ Section 20A of the RMA (*certain existing lawful activities allowed*) means that where activities had previously been permitted and now require a consent, the activity may continue until six months after a new plan rule becomes operative. (This is providing the effects of the activity are the same or similar in character, intensity and scale to the effects that existed before the rule became operative).

⁷ www.es.govt.nz/repository/libraries/id:26gi9ayo517q9stt81sd/hierarchy/about-us/plans-and-strategies/policies/compliance-policies/documents/ES%20Compliance%20Policies.pdf

have 18 months from the commencement date to submit a FW-FP for certification. In parts of Waikato and Southland, farm operators are currently required to submit a FW-FP for certification by 1 February 2025.

19. Continuing the FW-FP rollout while the FW-FP system is being changed risks causing uncertainty for farm operators in areas where rollout has begun, as they may not be sure what the proposed changes will mean for them. This in turn may slow progress on FW-FP development and implementation. There are also concerns that some farm operators early in the FW-FP rollout may face higher costs than they otherwise would have had the FW-FP system changes already been in place.
20. Pausing FW-FP system implementation requires amending or removing the Commencement Order that provides the rollout timeframes. Section 29 of the Legislation Act 2019 states that the power to make an Order in Council bringing legislation into force is capable of being exercised more than once to amend, revoke or replace an Order in Council made in a previous exercise of the power, as long as that happens *before* the commencement takes effect. There is nothing in Part 9A of the Resource Management Act 1991 (RMA) to allow the commencement timeframes contained in the FW-FP Commencement Order to be amended or removed once the relevant commencement date has passed. If this problem is not addressed, Ministers will be unable to pause the FW-FP rollout to manage the risks outlined in paragraph 19.

What objectives are sought in relation to the policy problem?

21. Pausing FW-FP implementation is intended to achieve the following policy objectives:
 - a) reduce regulatory burden in terms of cost, time and resources needed for regulated parties to prepare, certify and implement FW-FPs while changes to FW-FP requirements are made;
 - b) minimise disadvantage to regulated parties who are already subject to FW-FP requirements; and
 - c) provide certainty for regulated parties and regional councils on whether FW-FP should be prepared, certified and implemented while changes are made.

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

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

22. The criteria in Table 1 below were used to assess whether the option will achieve the policy objectives. All criteria are weighted evenly.

Table 1: Evaluation criteria

Criteria	Explanation
Efficient	Does the option reduce regulatory burden in terms of cost, time and resources needed for regulated parties (farm operators), councils and the supporting workforce?
Effective	Does the option provide certainty for regulated parties (farm operators), regional councils, and the supporting workforce on whether a FW-FP should be prepared, certified and implemented while changes are made?

Safeguards environmental and human health	Does the proposal allow for environmental and human health to be protected?
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What scope will options be considered within?

23. The scope of this Regulatory Impact Assessment is limited to options for pausing the FW-FP rollout while changes to the FW-FP system are being developed, and options which can best meet the policy objectives for the FW-FP pause.
24. The Government has committed to changing the FW-FP system. It is intended that the policy refinements will be finalised mid-2025. These changes are not in scope for analysis on the pause option. However, we have made some assumptions on the potential scope and timeframe for delivering those refinements when evaluating options for pausing FW-FP implementation.
25. Removing Part 9A of the Resource Management Act to stop the implementation of FW-FPs was not considered a suitable option. The Government has committed to having the FW-FP system in place and intends that the rollout pause be temporary.
26. Officials did explore whether the current commencement dates could be extended without amending primary legislation. However, this is not legally feasible. Section 29 of the Legislation Act 2019 provides that an Order in Council bringing legislation into force can be amended, revoked or replaced so long as this is done *before* the commencement takes effect. As the existing Order in Council is in effect, it first needs to be disapplied by primary legislation. This is part of Option Two below. If the changes are made as proposed via Option Two, Ministers will have the ability to recommence rollout via a new Order in Council, which could be done immediately if desired.
27. Officials also explored slowing down the FW-FP rollout by extending the current 18-month timeframe that farmers have to submit their FW-FP for certification. Due to the interconnected nature of the FW-FP system, it is not sensible to consider this change in isolation of the wider FW-FP system, and therefore is not included in our analysis. Officials will explore options to extend or modify the 18-month timeframe as part of the wider changes to the FW-FP system.

What options are being considered?

Option One – Status quo – the rollout continues as set out in the Order in Council

28. The FW-FP rollout will continue as set out in the Order in Council and the current dates for rollout will be maintained. Compliance monitoring and enforcement for FW-FP requirements will be left to the discretion of regional councils. The FW-FP system will not be activated in any additional regions. This option will not deliver on Ministers' intentions to pause the rollout of FW-FPs while changes are made to the wider system.
29. This means that in the five regions where the FW-FP rollout has already begun (Waikato, Southland, Otago, West Coast and Horizons) farm operators will be required to submit a FW-FP for certification within 18 months of the rollout beginning in their catchment. Table 2 provides more detail on where the FW-FP requirements currently

apply, including when FW-FPs have to be provided for certification within different parts of each region.

Table 2: Current and upcoming application of RMA Part 9A in line with existing Order in Council

Regulations apply/Order in Council dates	FW FP due to certifier	Waikato region	Southland region	Otago region	West Coast region	Horizons region
1-Aug-23	1-Feb-25	Waipā	Aparima Fiordland & Islands			
1-Jan-24	1-Jul-25	Upper Waikato Middle Waikato West Coast-South				
1-Feb-24	1-Aug-25		Ōreti, Waiau	North Otago	Hokitika	
1-Apr-24	1-Oct-25					Rangitikei/ Turakina
1-Jul-24	1-Jan-26	Lower Waikato	Mataura			
1-Aug-24	1-Feb-26			Lower Clutha		Kai Iwi, Waiopēhu
1-Jan-25	1-Jun-26	Hauraki				
1-Feb-25	1-Jul-26			Clutha/ Mata-au	South Westland	Manawatū
1-Jul-25	1-Jan-27	Lake Taupō Coromandel West Coast – North				
1-Aug-25	1-Feb-27			Taieri, Catlins	Grey, Kawatiri	Whanganui Whangaehu
1-Dec-25	1-Jun-27			Dunedin and Coast		Puketoi ki Tai

30. Changes to the FW-FP system are expected to be finalised mid-2025. This means that under this option, some farm operators in parts of Southland and Waikato will be required to submit a FW-FP for certification prior to the changes to the FW-FP system being made. FW-FP content requirements, certifier and auditor training requirements, and implementation approaches may be amended as part of the FW-FP system change process, potentially resulting in an additional regulatory burden for regulated parties compared to what they may have to do under the new system.
31. Some farm operators in parts of Southland, Waikato, Otago, the West Coast and Horizons will also be required to submit a FW-FP for certification very shortly after the changes are likely to be announced. This could result in a similar additional regulatory burden as outlined above, and could also create confusion for regional councils and farm operators around what is required as part of a FW-FP (as requirements could change partway through the development of the FW-FP).
32. This option is likely to provide certainty in the future existence of the FW-FP system, as it is still active and FW-FPs will still be required in the short-term. Existing timeframes for the rollout of FW-FPs will remain, allowing councils to continue using FW-FPs as a regulatory tool to manage freshwater risks, and deliver on freshwater improvements.

33. In Southland, the alternative FW-FP pathway for their farm planning requirements enabled under the Southland Regional Plan will continue to be an option for farm operators. Maintaining the existing timeframes will also allow Environment Southland to continue making freshwater improvements as planned.
34. Officials will continue discussions with regional councils on the future changes to the FW-FP system to help inform the regional councils' approach to implementation while changes are being made.

Option Two – Pause the rollout of FW-FPs, with the intention to restart the rollout once changes are made to the wider system

35. As the Order in Council has already commenced Part 9A in some areas and regions, legislative change to Part 9A is required to *enable* an Order in Council made under s217C of Part 9A (which only applies to FW-FPs) to be retrospectively disappplied to pause the FW-FP rollout. This would be done via an amendment paper at the Committee of the whole house stage on the Resource Management (Freshwater and Other Matters) Amendment Bill.
36. Pausing the rollout of FW-FPs requires two steps:
 - i. Change s217C under Part 9A of the RMA to enable the Minister for the Environment to disapply an Order in Council made under s217C in areas where the FW-FP rollout has already been commenced via Order in Council; and
 - ii. Disapply the Resource Management (Application of Part 9A—Freshwater Farm Plans) Order 2023, which applies Part 9A to Waikato, Southland, Otago, West Coast and Horizons regions, and therefore 'pausing' the rollout of FW-FPs.
37. Changing s217C of Part 9A will provide the Minister for the Environment with the enduring power to amend or disapply an Order in Council made under this section of the RMA. However, it is only intended for this power to be used where Ministers are satisfied that the change is necessary to achieve the purpose of Part 9A.⁸
38. This option provides a nationally consistent approach to FW-FP rollout, as the same regulations will apply to all regions at all stages of the rollout. This will mean farm operators early in the FW-FP rollout do not face unnecessary costs due to the changes not being in place before their deadlines to submit their FW-FP.
39. This option provides an opportunity for regional councils to realign their implementation approach with updated FW-FP requirements and associated regional priorities prior to the rollout recommencing. Work gone into implementing the system to date will be beneficial, either when the system recommences or in their RMA planning processes.
40. A range of regional councils already use farm plans regulated under their regional plans to manage environmental effects. These will continue to be in place, alongside regional rules, voluntary action such as good practice, and other industry initiatives.

⁸ [Resource Management Act 1991 No 69 \(as at 05 June 2024\), Public Act 217A Purpose – New Zealand Legislation](#)

41. Southland specifically references FW-FPs as an alternative option to the Southland Plan farm plan requirements. If the FW-FP pathway is not available, farm operators would technically be required to have their farm plan certified within 6 months, rather than the 18 months provided under the FW-FP regulations.
42. Officials have engaged with Waikato, West Coast, Horizons and Otago regional councils, who all indicated they are comfortable with this approach, and Environment Southland have indicated they may require additional support (paragraphs 11 – 16 refer). Dairy New Zealand, Beef and Lamb New Zealand and Federated Farmers have all indicated to Ministers that they would like the FW-FP rollout to be paused while the updated regulations are developed. We are not aware of any other views from stakeholders on pausing the FW-FP system.
43. A temporary pause may reduce FW-FP implementation momentum in the short-term, and delay the return on investment timeframes for regional councils who have established new administration and training systems to undertake their FW-FP regulatory responsibilities.
44. Similarly, rural professionals who have completed the required assessment and training to secure appointment as FW-FP certifiers and auditors will be unable to provide these services to farm operators on a commercial basis while the pause is in place. Only four certifiers have been appointed to date, and some regional councils have paused their appointment process and regional training until more clarity is provided on the future system.
45. These factors may cumulatively delay the delivery of improved freshwater outcomes but there is insufficient data to quantify the potential likelihood or severity of this risk.

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

	Option One – Status Quo Proceed with FW-FP rollout as scheduled	Option Two – Pause the rollout of FW-FPs, with the intention to restart the rollout once changes are made to the wider system
<p>Efficient Reduces regulatory burden in terms of cost, time and resources needed</p>	<p>0</p> <p>Regulatory burden in terms of cost, time and resources remain the same. If changes are made to the FW-FP system, additional costs may be incurred by farmers and growers, regional councils and the supporting workforce who are early in the FW-FP rollout.</p>	<p>+</p> <p>This option will reduce the immediate regulatory burden for farm operators and councils, as the rollout will be paused while changes are made. This option will also ensure that farmers/ councils do not incur additional compliance costs as a result of any changes made to the FW-FP system.</p>
<p>Effective Provides certainty on whether a FW-FP is required while changes are made to the system</p>	<p>0</p> <p>The existing Order in Council outlines when FW-FPs are to be required in the regions covered by the FW-FP rollout. However, farmers and growers in those regions still face a lack of clarity as to when FW-FPs will be required in practice, given there is potential for the future system to change the existing rollout approach.</p>	<p>+</p> <p>Provides a nationally consistent approach to FW-FP rollout, as no regions will be required to continue rollout while changes are made. Provides clarity to regulated parties and regional councils as FW-FPs will not be required to be submitted for certification while changes are made to the wider FW-FP system.</p>
<p>Safeguards environmental and human health Allows for environment and human health to be protected</p>	<p>0</p> <p>Existing timeframes remain, allowing councils to continue freshwater improvements as planned, using current FW-FP guidance to encourage farm operators to assess and mitigate risks to freshwater.</p>	<p>-</p> <p>The timeframes for FW-FP rollout will be extended, meaning there will be a delay for when the system is fully implemented. This may delay freshwater improvements, particularly for activities where other regulations are being amended or removed (e.g., intensive winter grazing and stock exclusion). There is a risk to freshwater in the short term compared to the status quo, potentially resulting in negative impacts on the health of waterways and people. We anticipate this risk is manageable as it is intended for the FW-FP system to still be rolled out, just at a later date, and as freshwater regulatory requirements (e.g., resource consents) will still apply.</p>

		<p>In the short-term, risks to freshwater may be mitigated by voluntary action, industry initiatives and market assurance programmes, or regional plan rules (including regional farm plan requirements). However, there is a limited ability to identify the full range of impacts that temporarily pausing FW-FP rollout will have on environmental outcomes, because of site specific conditions (e.g., leaching timeframes).</p>
<p>Overall assessment</p>	<p>0</p>	<p>+</p>

Key for qualitative assessment:

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

Te Tiriti impacts

46. Due to the specific and temporary nature of the policy change no specific Treaty obligations for pausing the rollout of the FW-FP system have been identified. There has been no consultation with Treaty partners undertaken in relation to this proposal. Māori do, however, have broader interests in freshwater policy are being consulted as part of the wider work on changing the FW-FP system, and in the implementation of the FW-FP system.

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

47. Amending Part 9A to enable the FW-FP rollout to be paused better achieves the policy objectives than the status quo. It fully meets the efficient and effective criteria.
48. This option does not meet the safeguarding environmental and human health criterion. In the short-term, there may be a delay in freshwater improvements due to the pause in rollout of the FW-FP system. This is particularly prevalent for activities where other regulations are being removed (intensive winter grazing) or amended (stock exclusion).
49. As this is a temporary pause, it is intended that the system rollout will restart mid-2025 (6-12 months after the rollout is paused). The FW-FP system was designed to build on existing farm planning requirements, and these, alongside existing freshwater regulatory requirements (e.g., resource consents) will still apply. Farm plans are already required for many farms under Environment Canterbury's regional rules; Horizons' One Plan rules; Southland's Land and Water Plan, Bay of Plenty Regional Council's Plan Change 10; in the Tukituki catchment in Hawke's Bay; and in some catchments in the Wellington region. Farm plans are also proposed under Waikato's Plan Change 1. Many of the requirements of these farm plans are intended to have positive freshwater outcomes and align with some of the FW-FP requirements.
50. In the short-term, risks to freshwater may also be mitigated by voluntary action, industry initiatives and market assurance schemes, and regional plan rules (including regional farm plan requirements). There has also been significant investment put into education from the Government and industry on good farming practices, including supporting the voluntary uptake of farm planning. These farm plans often include actions to support improving water quality. Reporting under the Dairy Tomorrow Strategy indicates that as of December 2022, 69 percent of dairy farms are implementing and reporting on a farm environment plan.⁹ Both the Foundation for Arable Research and Beef and Lamb New Zealand have farm planning modules and training available for farm operators to support the uptake of farm plans, including central government funding to expand on and develop these.^{10, 11}
51. As FW-FPs were intended to provide a consistent approach to using farm planning to achieve freshwater outcomes, the environmental impacts resulting from pausing the FW-

⁹ <https://dairytomorrow.co.nz/wp-content/uploads/2023/06/Dairy-Tomorrow-environmental-commitments-tracking-and-progress-May-2023.pdf>

¹⁰ <https://www.far.org.nz/resources/farm-environment-plan-templates>

¹¹ <https://beeflambnz.com/knowledge-hub/farm-planning>

FP rollout could be low. However, there is insufficient evidence to identify the full range of impacts that pausing FW-FP rollout will have on environmental outcomes.

52. Both options will likely result in some uncertainty and loss of confidence in both the short-term and the long-term, due to the changes being made to the broader FW-FP system. There will be no guaranteed timeframe for if and when the rollout will recommence by pausing the rollout. However, if the rollout is left to continue, farmers may be uncertain about what the changes to the system mean for their current regulatory requirements. We expect the short-term risk can be managed through clear communications on expected timeframes for recommencement and making it clear that Part 9A of the RMA and the FW-FP Regulations themselves remain in place; and that the Government sees an on-going important role for FW-FPs.
53. The uncertainty regarding the length of the pause period (coupled with the wider FW-FP system amendment process) may result in prospective certifiers and auditors delaying their appointment applications. This has the potential to cause workforce shortages when FW-FP implementation recommences. This risk will be minor if the recommencement process adopts the existing phased approach to FW-FP implementation. The skills and expertise that the rural professionals have gained through completing the certifier training process will still be useful and transferable to other parts of their farm advisory work in the shorter term and position them well for when the FW-FP rollout recommences.
54. Original FW-FP system design decisions anticipated that the majority of people entering the certifier workforce will be established rural advisors and that providing certification services would complement their existing service offering. The temporary pause will have financial implications for those rural advisors who have already commenced or completed their application for certifier appointment, because they expecting to provide certification services on a commercial basis under existing implementation timeframes. Pausing the rollout of FW-FPs means their projected return on investment timeframes will be extended. There are currently four appointed certifiers and some regional councils have paused their appointment process and regional training until more clarity is provided on the future system. However, there is insufficient data to quantify the likely scale of these financial impacts, noting that only four certifiers have been appointed by regional councils to date.

What are the marginal costs and benefits of the preferred option?

55. The following qualitative costs and benefits have been identified. Due to the current rollout being at an early stage, there is limited data on direct costs and benefits associated with pausing the rollout.
56. Depending on the changes made as part of the wider process to change the system, there is a likelihood that some of the costs and benefits experienced as a result of pausing the system may have less of an impact once the rollout recommences (e.g., implementation costs).

Affected groups <i>(identify)</i>	Comment <i>nature of cost or benefit (eg, ongoing, one-off), evidence and assumption (eg, compliance rates), risks.</i>	Impact <i>\$m present value where appropriate, for monetised impacts; high, medium or low for non-monetised impacts.</i>	Evidence Certainty <i>High, medium, or low, and explain reasoning in comment column.</i>
Additional costs of the preferred option compared to taking no action			
Regulated groups (farm operators)	No direct or indirect costs have been identified.	Low	Low
Regional Councils	Costs associated with pausing the rollout of FW-FPs, including previous and ongoing implementation investment.	Low	Low
Supporting workforce (certifiers and auditors)	Costs associated with rural advisers going through certifier training and appointment process, and not having FW-FPs to certify and audit under a practical assessment due to the timeframe changes resulting from disapplying the Order in Council.	Low	Low
Wider Government	Costs associated with existing contract arrangements, changing the legislation and removing the Order in Council.	Low	High
Total monetised costs	N/A	N/A	N/A
Non-monetised costs	Some costs will likely be experienced by regional councils, the supporting workforce and wider Government as a result of pausing the rollout.	Low	Low
Additional benefits of the preferred option compared to taking no action			
Regulated groups (farm operators)	Will remove requirements for farm operators to submit a FW-FP in the short-term while changes are made, reducing unnecessary or early investment if regulatory requirements change.	Medium	Medium
Regional councils	Will have opportunity to realign implementation with FW-FP change	Low	Medium

Affected groups <i>(identify)</i>	Comment <i>nature of cost or benefit (eg, ongoing, one-off), evidence and assumption (eg, compliance rates), risks.</i>	Impact <i>\$m present value where appropriate, for monetised impacts; high, medium or low for non-monetised impacts.</i>	Evidence Certainty <i>High, medium, or low, and explain reasoning in comment column.</i>
	work, potentially reducing implementation costs		
Supporting workforce (certifiers and auditors)	Potentially reduce unnecessary costs as part of certifier and auditor application and training process if requirements change as part of change work.	Low	Medium
Wider Government	N/A	N/A	N/A
Total monetised benefits	N/A	N/A	N/A
Non-monetised benefits	There will be benefits for farm operators, regional councils and the supporting workforce as the likelihood of unnecessary investment due to changes made to the system will be reduced.	Medium	Medium

Section 3: Delivering an option

How will the new arrangements be implemented?

57. Option Two requires changes to Part 9A of the RMA. These changes will be introduced by amendment paper at the Committee of the whole house stage on the Resource Management (Freshwater and Other Matters) Amendment Bill, which is expected to gain Royal Assent prior to the end of 2024. This is to make the changes prior to 1 February 2025, when some farm operators are currently required to submit a FW-FP for certification.
58. To give effect to Option Two the following changes need to be made:
- i. Changes to 217C under Part 9A of the RMA to enable the Minister for the Environment to disapply an Order in Council made under s217C, in areas where the FW-FP rollout has already been commenced via Order in Council; and
 - ii. Disapply the Resource Management (Application of Part 9A—Freshwater Farm Plans) Order 2023, which applies Part 9A to Waikato, Southland, Otago, West Coast and Horizons.
59. It is currently intended that the changes to the FW-FP system will be finalised mid-2025. However, this will depend on the scope of changes. Once these changes have been made. Ministers will be able to recommence the rollout of the FW-FP system via a new Order in Council. Further impact analysis will be undertaken on this, and

consultation with relevant regional councils on how this rollout should progress will be undertaken.

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

60. The Ministry for the Environment and the Ministry for Primary Industries will continue to monitor FW-FP implementation, including the appointment of certifiers and auditors, stakeholder confidence in the FW-FP system, and whether any certified FW-FPs are being submitted to regional councils while the pause is in place.
61. We will also review the annual survey of rural decision makers to assess whether the policy objective for reducing regulatory burden has been achieved, particularly looking at whether stress resulting from environmental regulations has decreased since 2023.¹²
62. The Ministry for the Environment and the Ministry for Primary Industries will continue work on making changes to the wider FW-FP system. This will include regular engagement with industry, regional councils and Treaty partners. As these changes are finalised and progressed, officials will consult with the relevant regional councils on determining the future rollout of FW-FPs, in line with the objectives and priorities of the new system and priorities for the region.
63. Regional councils have monitoring requirements for freshwater outcomes, including the monitoring and reporting on the state of the environment required under section 35 of the Resource Management Act 1991, reporting under the Environmental Reporting Act 2015, and specific reporting requirements under the National Policy Statement for Freshwater Management 2020. In 2026, reports on the state of New Zealand's freshwater will also be prepared under the Environmental Reporting Act 2015. While this will provide information on freshwater outcomes and quality, it would be difficult to attribute any changes in freshwater outcomes to the pausing of the FW-FP regulations. This is due to the complexities of freshwater management, and the temporary nature of pausing the rollout.

¹² [Key results sheet 1: Rural regulation » Manaaki Whenua \(landcareresearch.co.nz\)](#)