



# Freshwater Farm Plan Regulations

DairyNZ Submission

30 September 2021

DairyNZ 

# Council Planning process and FW-FPs

## Question – regional council planning processes

### 1. What other information should we consider about how the freshwater farm plan system fits with regional council planning processes, and why?

See answers on phasing and staging questions 44-46.

Other relevant questions are 5-7 and 47-49 (catchment context)

In general, DairyNZ recommends government considers the following information when fitting NZ-wide regulations into regional council planning processes:

- A. Certifiers will have the responsibility for judgement calls on farm-level mitigations that are similar to what would be made in a resource consent process. This is a high level of discretion which should be supported with clear boundaries to ensure fairness across the FW-FP system. Therefore the FW-FP approval process and the professional role of the certifier must be subject to checks and balances and DairyNZ makes a number of suggestions for ensuring farm by farm decisions are as comparable as possible and there are processes for dispute resolution.
- B. Regional Council resources should not be diverted from implementing the NPS-FM 2020 for Freshwater Farm Plans.

Councils are busy assessing technical information as part of their regional plan review under the NPS-FM 2020. As information is collated and interpreted by councils, it should be written up and communicated in ways that are relevant to farmers and certifiers and catchment groups in the second phase of FW-FP.

- C. FW-FPs should give effect to regional rules that are existing or in development. And will be a useful tool for Regional Councils to implement any regional rule and ensure compliance with consents. FW-FPs should not be used to determine the extent of contaminant loss reduction required (beyond that achieved by adopting GMP) or if land use change is required. That must remain the role of the regional plan and/or resource consent.

FW-FPs should be considered as a mechanism to address the risks of diffuse discharges (nutrients sediment and pathogens) from farms and thereby contribute to the achievement of freshwater outcomes. This is to be achieved by:

- (a) Poor management practices are identified and discontinued; and
- (b) Good management practices are adopted; and
- (c) As part of adopting GMP, ensuring appropriate on-farm infrastructure is installed and maintained.

Overall, it is not clear to us that the relationship between the FW-FP system and the regional plan and resource consenting system has been adequately conceptualised or explained. Coercive powers to require resource users to go beyond taking the sorts of actions described in **(a)** to **(c)** above need to be exercised within an appropriate legal framework that provides safeguards against the abuse of powers. Principles such as transparency, participation, analytical rigor, equity of treatment and rights of appeal are central to any such framework. This is currently assured by the various processes in the Resource Management Act including Schedule One, the requirement for section 32 evaluation, and the requirement for consent applications to be considered against a clear and transparent framework with appropriate objection and appeal rights.

It remains unclear to us whether the proposals set out in the Discussion Document are consistent with that idea. The proposals do seem to invite a two-tier regulatory regime where some controls on farming will result from participatory and rigorous public planning processes, while others will arise from the coercive effect of certification with the certifier exercising broad authority to go beyond what a regional plan or resource consent might otherwise require. That is, there are public rules and controls developed according to strict process and private rules and controls which are not subject to the same rigor or safeguards.

To an extent, the concept of a FW-FP means that a degree of “private rule-making” is inevitable and we agree is appropriate. In our view, there needs to be much tighter boundaries about what may be imposed by way of FW-FPs over and above the controls that apply through ‘public’ rules.

We think that FW-FPs should fit within the broader freshwater planning process as the primary tool to move all farms to GMP. DairyNZ appreciates that, in many catchments, that will be a first step only in making the change required. Ultimately, FW-FPs may have a broader role, but we strongly recommend giving effect to Part 9A of the Act in a careful and measured way ensuring the level of trust and goodwill towards farm planning is not undermined by evolving FW-FPs to be regulatory codes.

## **2. What information should we consider regarding the role of tangata whenua in the freshwater farm plan system?**

### **Role to determine catchment outcomes**

In a catchment, mana whenua are integral to determine outcomes and what the health of the environment means in the widest sense of Te Taiao. In addition to the text in Section 2.5, MfE and MPI should consider and resource involvement of mana whenua.

Resourcing involvement of mana whenua is part of the formally acknowledged role in the NPS-FM process where the council must involve tangata whenua as Treaty partners.

For informal local processes such as catchment group initiatives, resourcing is also needed so that all local people have the opportunity to contribute. Trustees of Maori economic authorities who own and manage land and whanau who connect to a local marae, are important starting points for local initiatives where FW-FP's will eventually be a tool used to achieve outcomes. Mana whenua have a kaitiaki role and may take on new local land and water group initiatives and government funding should be available to assist. For instance, a locally known and trusted co-ordinator could be funded so that local people develop relationships early in their group process.

### **Role to determine mitigation choice on-farm**

There will be an initial period where landowners will be required to complete FW-FP in the absence of knowing or being involved in determining catchment value and context. In this first period, tangata whenua do not have a role to decide what mitigations should be done on farm, unless they are also the landowner.



# Industry assurance and FW-FPs

Questions – industry assurance programmes and other farm plan initiatives

## 1. What other information should we consider regarding the proposed role for industry assurance programmes and other farm plan initiatives in the freshwater farm plan system?

*See question 45 'should it be possible for farmers and growers to opt into the FW-FP system?'*

There are a number of industry assurance programmes (IAPs) that are delivering Farm Environment Plans (FEPs). These IAPs deliver FEPs of different quality and all will need some changes to fully implement Part 9A and the regulations that will eventually sit beneath them, but they will be crucial to the uptake and delivery of freshwater farm plans. It will be vital to build on the trust and processes that IAPs already have in place with their farmers.

DairyNZ believe that the biggest opportunity to deliver FW-FPs smoothly is an efficient process to get IAP staff accredited as certifiers and appointed by regional councils. This would include:

- A national body to process accreditation
- Clear criteria for accreditation including expertise, qualifications and competencies
- Clear criteria for appointment by regional councils
- Interim accreditation of IAP staff if needed
- Accessible upskilling pathways if needed

If IAP staff are accredited and appointed as certifiers, then all plans delivered by the IAP will meet the FW-FP standard. This should provide a smooth transition to FW-FPs for IAP farmers and utilise existing resources effectively.

Once the regulations are drafted IAPs will likely need to review their planning framework to deliver the new outcomes, risk assessment, actions and audit cycles required. Government should provide implementation support to help ensure IAPs are delivering on these requirements. This could include clear guidance on how the outcomes, risk assessment and audit cycle could be implemented by IAPs. Or establishing a panel that assesses whether the IAP planning framework is likely to deliver FEPs that meet the requirements of FW-FP certification and recommendations on how to do so.

We believe that this process should form part of the implementation process for FW-FPs and therefore be a non-regulatory process. DairyNZ will commit to working with government, regional councils and IAPs to ensure that IAPs can be used as a way to implement FW-FPs and provide a streamlined transition for farmers.

We also believe that farms with current FEPs delivered through IAPs should not be prioritised in the roll out of FW-FPs as updating a current plan will provide only marginal environmental outcomes. Instead FW-FP should be prioritised on farms (or in catchments) with no existing farm plan.

## Current dairy sector Farm Environment Plans

Through Dairy Tomorrow the dairy sector has committed that “By 2025, achieve all farms implementing and reporting under certified farm sustainability plans”. At the end of August 2021 48% of the ~11,000 dairy farms have a farm environment plan, and the sector is well on track to all farms having a plan by 2025.

Many of the existing ~5000 plans will go much of the way to delivering on the policy intent and the dairy sector has committed that all freshwater farm plans will:

- Provide a consistent framework for assessment and reporting of farm performance
- Include Good Farming Practice (GFP) standards, along with tailored commitments to actions and practices that shift farms to GFP.
- Go beyond GFP and national standards where that is necessary to achieve catchment objectives
- Include the identification of farm-specific risks to water quality and timebound and auditable actions to address those risks
- Be prepared in a manner that demonstrates integrity in delivering on GFP objectives rather than personal or commercial interest
- Be approved by suitably qualified and experienced persons.

In addition, through Dairy Tomorrow the dairy sector has committed to further refinement and ongoing development of farm plans and the actions that underpin them. There is alignment between the dairy sector approach and the wider objectives sought by government. Commitments in the Dairy Tomorrow Strategy are:

- By 2025, the dairy sector has achieved all farms implementing and reporting under certified freshwater farm plans (Dairy Tomorrow Commitment 1.4)
- By 2025, all dairy farms report farm environmental performance through a Good Farming Practice Status Report that addresses farm-specific risks to water quality and biodiversity, and outlines timebound and auditable actions to address those risks.
- By 2025, all dairy farmers are managing Nitrogen (N) and Phosphorus (P) use and loss from dairy farming systems, including the need to manage within nutrient loss limits, and pursue continuous improvement in nutrient use efficiency
- By 2021 and annually thereafter, analyse water quality state and trends across key contaminants (nitrogen, phosphorus, sediment, bacteria) and ecosystem health metrics for dairy-dominant catchments to test that water quality has improved as a result of actions taken by dairy farmers.

In addition, the dairy sector has committed to design and promote frameworks and tools to enable farmers to prioritise efforts towards good farming practice, support identification of priority GFP principles to apply to each catchment and region, in collaboration with regional councils and central government. The dairy sector will aggregate dairy-sector information and analyse progress towards the commitments and prepare and maintain an Annual Report and dashboard to demonstrate progress to the sector, New Zealand public and external stakeholders.

## 2. What are the likely impacts and cost implications of the proposed approach?

See general answer in question 7 below.

See answer to question 43 related to 'specified timeframes' for timeframes for certified and audited plans.

The cost implications for the proposed approach are likely to depend on the extent of re-working requirements (i.e., how much change is required), the timeframes for updating/auditing, and requirements for certification input. As of August 2021, approximately 48% of dairy farms already have a freshwater farm plan. 18% have a GHG farm plan. Most of these plans have been developed with input from a suitably qualified and experienced person and are based on a risk assessment process.

Significant cost and disruption will be observed if existing plans are required to be re-worked ahead of the agreed dairy commitment to delivering farm plans (by 2025).

DairyNZ suggests that impact and cost implications can be kept to a minimum if:

- Other than to add relevant NES modules (e.g., IWG), existing plans do not require re-working until the roll out of FW-FPs to all farmers have been completed (2025). Noting that new plans developed once regulations are formalised will meet requirements
- An "equivalence and recognition" programme is developed assess existing FW-FPs. These plans are 'approved' retrospectively where criteria are met
- Existing plans developed by a certifier approved under the new system, and meet regulatory requirements, are retrospectively approved

## Regulated Outcomes in FW-FP and transition

Questions – transition to the new system

3. Do you agree with our proposed approach for transitioning to a fully implemented system? If not, why not?

4. Do you agree with the preferred option for how regulated outcomes could be described in regulations? If not, what is your preference?

5. What are the likely impacts and cost implications of the preferred approach?

See general answer on 'fit with regional planning process' in question 1

See specific answers on phasing and staging questions 44-46.

See answer to question 44 related to 'specified timeframes' for timeframes for certified and audited plans.

## Farm Practice as a regulated Outcome

DairyNZ agrees with the proposal that ‘farm practice’ must be part of the RMA Part 9A regulated outcomes. Measurable and time-bound actions should be based on an on-farm risk assessment.

Through the Dairy Tomorrow Strategy, the sector has committed to all dairy farmers having what the dairy sector calls a ‘Farm Environment Plan’ by 2025. More than 3,400 dairy farmers currently have one, including most dairy farmers in Canterbury. DairyNZ agrees that as part of freshwater reform all farms will need to have a Freshwater Farm Plan.

For a consistent NZ-wide on-farm risk assessment that is applied equitably, the following aspects must be in place:

- Clear and consistent methodology for the on-farm risk assessment
- Outcome expectations for the farm at a principle level
- Expectations about priority for time-bound mitigation actions to improve equity across catchments, regions and sectors.

### Clear and consistent methodology for the on-farm risk assessment.

Resulting mitigations should be tailored to the farm context, but the method of assessing current practice and risk of contaminants leaving farm boundaries, should be consistent across catchments, regions and sectors.

Outcome expectations for the farm at a principle level to guide the degree of change required on a farm. The outcomes are qualitatively described such as those contained in the Dairy Tomorrow Strategy and Industry agreed Good Farming Principles, not a set of minimum standards e.g. setback distances from waterways. Some farms may already be operating at this level, and DairyNZ is aware of dairy farms with a Farm Environment Plan who have chosen to do more practices that go beyond the principles.

Expectations about priority for time-bound mitigation actions to improve equity across catchments, regions and sectors. The proposed ‘reasonableness’ test leaves too much discretion to the certifier. DairyNZ proposes that in addition to consistent risk assessment methodology and principles to be achieved, moderation processes will be important. This was a key recommendation of the Waikato Farm Environment Plan case studies undertaken by AgFirst consultancy in 2017, when Waikato Plan Change 1 had been proposed with farm plans as the key tool for approximately 5000 landowners.

## Catchment and Ecosystem Values as Regulated Outcomes

The regulated outcome for “ecosystem health” should focus on what can be achieved on farm as part of adopting Good management Practice and therefore improving the instream habitat for freshwater species.

Examples of practices that will result from the regulated outcome are:

- Stock exclusion and to increase bank stability and prevent sediment from smothering aquatic habitat
- Riparian and critical source area management to exclude areas from grazing and/or cultivation, and planting dense swards of plants to slow down and intercept any overland flow
- Riparian planting of species for stream shading temperature regulation
- Stock exclusion and riparian vegetation management to protect identified inanga spawning areas
- Culvert design and maintenance that adequate fish passage

## Summary of comments on regulated outcome proposals

While DairyNZ agrees that clear outcomes for FW-FPs are important and the catchment context will be relevant, we think that the discussion document overstates its importance and the ability of FW-FPs to respond to catchment context and to the stated outcomes more generally. Instead, community and technical assessments as part of Freshwater Regional Plans under development or subsequent catchment plans, may be able to determine detailed, river reach-specific outcomes.

For FW-FP, the catchment context can only be broadly relevant. It could be used to focus on managing contaminants of particular concern at the local level. It may also be specifically relevant if there are particular sites or values within the boundaries of the farm identified by regional plans as requiring a particular management response.

The Discussion Document, however, implies that the catchment context (and other regulated outcomes) will be much more determinative of the content of an FW-FP. We are not sure that will be the case in practice partly because:

- A.** We suspect that the relevant catchment context will not be able to be expressed with sufficient resolution to be directly relevant to the farm (beyond the obvious high-level considerations). We acknowledge that there is an assumption that next generation regional plans will provide such local context, but we consider that overly optimistic.
- B.** There are important but limited actions that can be taken on an individual farm to protect and enhance ecosystem health. These relate to (largely) minimising disturbance to beds of rivers, and diffuse and point source discharges, and protecting and enhancing riparian margins.
- C.** Statements to the effect that FW-FPs need to reflect any relevant ecosystem health objectives of regional councils fail to appreciate the practical challenges of taking into account the often very large number of potentially relevant objectives in regional plans and the difficulty in associating action on a single farm with the attainment of those objectives (particularly when those objectives contain numeric or narrative outcomes for particular water quality attributes relevant to ecosystem health).
- D.** As already discussed, the discretion applied in the preparation and certification of FW-FP needs to operate with clear boundaries.

At page 41, the Discussion Document anticipates that 'catchment context' will be incorporated into FW-FPs. As previously stated, the benefits of including this information in the FW-FP this is not clear. Nor it is clear what information the 'catchment context' would include or what those preparing FW-FP's are expected to do with it. For example, what is expected to be included in a FW-FP based on information that a sub-catchment has a 'current state' worse than a particular target attribute state? A farm's share of the responsibility for rectifying that, will be a complex matter that cannot be appropriately resolved by an individual preparing or certifying a FW-FP.

As noted earlier, it seems to us that the level of granularity of information about values and water quality will severely limit the ability of FW-FPs to make practical use of such data (other than at a very high level).

We certainly agree that responsibility for gathering information on the catchment context should rest with regional councils rather than individual farmers, but we also question the value of expending significant resources on this exercise. Regional council will be better to devote available resources into meeting the NPS-FM 2020 implementation timeframes.

What is reasonable to expect of a farmer will depend whether the FW-FP is seeking to simply manage risk on that farm alone, or whether the FW-FP is a tool to achieve outcomes for the whole catchment.

This will probably depend on targets for water quality. In some catchments a FW-FP alone will not be enough to reach national bottom lines in a catchment. There needs to be reasonable expectations for what a FW-FP can and should achieve.



If FW-FP are addressing risk farm by farm (not farm in the catchment), then what is reasonable will include:

- A. The current practices on farm and what mitigations (infrastructure and management) are in place
- B. Degree of risk for any of the four contaminants leaving the farm and entering ground or surface water
- C. Cost and effectiveness of the mitigation choices
- D. How that mitigation fits with existing skills, management, infrastructure, capital expenditure

If FW-FP are intended to reflect the catchment and ecosystem values and outcomes (farm practices that are chosen to achieve catchment community goals, then in addition to **A. - D.** above:

- E. Key contaminant(s) of most concern in that catchment (the gap between measured current water quality and desired future is the largest)
- F. Estimate of contaminant load
- G. Relative contribution of the farm to the load e.g. for instance, whether the farm is a 'hot spot' for sediment loss

The considerations above demonstrate the importance of collated catchment information in a useable format and well understood by certifiers.

## Base Information

*Questions – regulated 'base information'*

### **6. Does the material in Appendix 1 cover all the base information that should be mandatory for inclusion in freshwater farm plans? If not, what else should be considered and why?**

DairyNZ considers that Appendix 1 covers a large extent of base information required in order to then develop a tailored, fit-for-purpose plan.

The regional council has a pivotal role to collect and disseminate information. Catchment maps, information about catchment values such as mahinga kai and areas of biodiversity should be determined at catchment level and not require farmers to individually engage with mana whenua.

Three areas are identified to ensure pragmatic implementation:

1. Amendments to base information criteria
2. Guidelines/templates
3. Roles and responsibilities delineated

### **Amendments to base information criteria**

The following adjustments to base information are recommended under Farm information and maps:

1. Under drainage systems add: tiles (as known)
2. Add a requirement to map sub-catchment boundaries
3. Built environment: add residences and established premises (including businesses and maraes) on farm and within 50m of the farm boundary
4. Built environment: add edge of field environmental infrastructure (including constructed wetlands, bioreactors, constructed treatment beds)
5. Addition of an effluent risk map (for dairy enterprises)

## Guidelines/templates

1. Nature of farming activities undertaken – allow for multi-enterprise farms to be able to separate out their respective enterprises, allowing for both recognition of the farm operation and accurate reporting at a catchment level
2. Add upfront a templated description which describes the purpose of the plan, ensuring the user (being the person creating the plan) undertakes the necessary work with the knowledge it is a regulatory activity focused on ensuring an environmental outcome while maintaining the productive capacity of the land.
3. Mahinga kai identification – to ensure timely implementation the first tranche plans should be provided appropriate guidance for “self-identification” of mahinga kai areas, which can be used in circumstances when an appropriate tangata whenua is not available
4. For ease of auditing, include a requirement for a checklist where the plan author can select “not applicable to this farm”
5. Ensure the plan guidance explicitly states that for each aspect contained there requires an appropriate description of the structure, including management practices, and location identified on the relevant map
6. Appropriate guidance on the use of GIS is necessary. This guidance needs to include the compatibility requirements of GIS software to ensure efficient data sharing electronically
7. Appropriate guidance on the requirements of the natural environment data, including acceptance criteria for soil mapping (reflecting that S-mapping coverage is not yet nationwide); use of LRI and LUC classifications; where to find the necessary information including soil journals and technical soil conservation handbooks; and guidance on the level of accuracy required i.e. definitions of farm and paddock scale mapping and when each is fit-for-purpose.
8. Any use of LUC needs to be correctly applied to assist application of appropriate farm enterprise use and appropriate identification of advantages/disadvantages and associated considerations

## Identifying any regional or national rules that apply

Appendix 1 of the Discussion Document sets out the proposals for the regulated content (base information) of FW-FPs. It is unclear what is intended in regard to identifying any regional or national rules that apply. DairyNZ agree that some regional or national rules will be important to identify as they will strongly influence what actions are taken on farm. However it is not clear if all possible rules and provisions will need to be listed in the farm plan.

Requiring FW-FPs to contain every rule applicable to a farm (let alone all objectives and policies) could be both impractical and counter-productive. Relevant regional council rules potentially extend to rules relating to (for example), farm dumps, offal holes, earthworks, vegetation clearance, cultivation, stock exclusion, break-feeding, application of biosolids, storage and application of fertiliser, effluent storage and discharge, silage storage and discharge, stormwater discharges, discharges from water races and pumped drainage schemes, domestic wastewater systems, works in the beds of rivers, activities in wetlands and water takes and well as rules that might apply to specific high value areas. In some regions this list could run into dozens of rules and many pages of applicable regional regulation even if only the permitted activity rules and associated conditions were included (bearing in mind the applicable rules include the full rule suite from permitted through to non-complying or prohibited activity rules for each regulated activity).

Including all such rules in FW-FPs would make them unwieldy and unbalanced, effectively turning them into farm-specific regulatory codes it is likely that such FW-FPs would not be welcomed by the farming sector and the benefits to be gained from individualised engagement would be undermined.

We would add that the absence of applicable regional plan rules in the FW-FP would not mean that a certifier could not consider compliance with rules when undertaking the risk assessment and preparing a list of required actions. We agree that a rule compliance check should be part of a certifiers role.

## Roles and responsibilities delineated

DairyNZ recommend the plan guidance material specifies which actions are a farmer's responsibility and which are council, or central body expectations. The base information for each individual farm requires unique farm information and information which correlates to a broader catchment account. For example mahinga kai and areas of biodiversity should be determined at catchment level and not require farmers to individually engage with mana whenua.

### 7. What are likely impacts and cost implications of the proposed requirements in Appendix 1?

In its current state if a farmer, or their advisor, is starting from scratch to produce the certified plan, the completion of base information is likely to be cost prohibitive, with the resources, expertise, and systems required not yet available in a ready to use bundle.

Where farms have an existing industry plan, the process becomes far more achievable, provided the industry assurance programmes are given clear guidance on any amendments required to meet the requirements of certified plans, and are given appropriate timeframes to make the necessary adjustments.

Resources: To achieve consistency across all land use applications there is a need for transparent, easily accessed resources. These resources need to be bundled and available to allow completion of the plan from start to end. An example is appropriate guidance on definitions of waterways, lakes, and wetlands.

Systems: current investments in GIS systems is related to commercial need – e.g. fertiliser companies. While “off the shelf” GIS software is becoming more readily available it is not sufficiently user-friendly for an individual to be able to complete all mapping requirements to the required standard and necessary compatibility to satisfy requirements. There is justification for a single set of mapping tools to be available through LINZ for example.

## Risk assessment and mitigation actions

### Questions – risk/impact assessment

#### 8. Do you agree with our preferred option? If not, what is your preference?

DairyNZ agree Option One provides the best balance of outcomes and allows for risk assessment methods to be tailored to catchments, or group schemes for example. Flexibility must be allowed so that farmers and certifiers only must deal with issues that present themselves. There should be no need to complete extensive templates to record evidence of why risks are not present.

A flexible approach based on guidance also allows for farmers, certifiers and regulators to learn and adapt guidance over time to reflect best practice based on the biophysical and farm system. Fixing requirements in regulation would pose an unnecessary barrier to this. DairyNZ agrees that consistency in risk assessment is critical to maintain confidence in the system. Approaches can be flexible but need to deliver consistent outcomes. Government and Council will need to rapidly develop guidance to enable consistent interpretation within the catchment context and common understanding by certifiers, farmers and their advisors.

#### 9. What information should be included in guidance to inform the risk/impact assessment, and why?

*Guidance should include sufficient information to allow:*

- The potential impact of a farm's identified risks to be rated for impact in the catchment context and thus support prioritisation and action planning. An underlying principle of prioritising risk should be that action is only required where it will make a real difference to the catchment.
- Multiple certifiers to come to much the same conclusion about the risk profile of any given farm.

The range of guidance required to meet this standard is not well understood at this point and would benefit from a number of catchment case studies to clarify requirements, and input from primary sector representatives with risk assessment expertise.

DairyNZ believe the regulations for the risk/impact tool should make a direct link to the risk index tool for nitrogen loss proposed in the Government Response to the Findings of the Overseer peer review report (August 2021). DairyNZ is engaged with government and others in discussing the recommendations from this report and expect that FW-FPs being required from 2022 will be require prompt decisions to be made on a tool. This would reduce duplication of effort for farmers as well as potential costs and bring certainty and consistency. In light of this the development of the risk index tool should be done in a way that integrates with freshwater farm plans. We consider that the risk index tool:

- should play a part in a farm-scale risk assessment (with the scope of that part to be determined once the risk index tool is available). Much of this assessment may be able to be completed as a desk-top exercise; but
- it would need to be complemented by assessment of farm-specific risks as can only be identified by a physical inspection of individual farms.

#### **10. What are the likely cost implications of a risk/impact assessment? Is a flexible approach more cost effective?**

It is likely a flexible approach will be more expensive in the short term:

- Guidance material will need to be developed, likely at a catchment level where there are significant differences between catchments.
- A knowledge of key water quality impacts will need to be developed for each catchment nationally
- Flexible approaches are likely to require additional training of certifiers.
- In the medium to long term a flexible approach will have less cost than having fixed regulations as it will allow for catchments to be managed in line with their context, which is likely to result in greater understanding of the need for change and acceptance of the planning process which in turn will lead to less conflict and cost during implementation.

#### **Questions – identifying actions**

##### **11. Do you agree with our preferred option? If not, what is your preference?**

DairyNZ agrees that actions should be tailored to the farm system and prioritised with respect to catchment context. This will require professional judgement from certifiers, as per option 1.

Dairy company staff report that some farmers have farm goals that go above and beyond what is required of them currently. Actions to be audited must be clearly labelled in any documentation.

Voluntary aspects of farm planning are a space for on-farm creativity, innovation and aspiration change and this could link to value-add premiums over time. However, this judgement must be moderated over time for consistency through both quality assurance systems applied to certifiers and development of guidance.

##### ***Guidance material for the first phase of farm plans is required to:***

- appropriate mitigations for the identified risk and their performance.
- Develop a consistent framework for the assessment and reporting of farm performance, including where necessary updating the definition of minimum standards for GFPs, updating GFP guidance, and linking farmers to expertise and resources that helps direct and prioritise on-farm action
- Record keeping requirements for audit
- define the level of action appropriate for inclusion in a plan before it is certified. For example is it sufficient to plan to have an effluent system tested, or do the results of the test need to be in the plan with actions to address?

*Guidance material for the second phase is:*

- quantify the level of risk at catchment level.
- the resulting impact on load contribution to the catchment after mitigation has been applied so that all parties can be confident in actions selected

DairyNZ considers that the most appropriate approach is to rely on the expert judgement of certifiers within process standards. One example of a process standard is the 2021/22 Intensive Winter Grazing Module.

Prescribed practice standards should not be ruled out, but will, in our opinion, prove to be difficult to develop given the variability in farm systems and their biophysical context. Examples of a numeric practice standards can be found in some regional plans as lists of minimum standards that every farm must comply with in order to remain a permitted activity, such as 'no cattle heavier than 400kg liveweight must be grazed on slopes greater than 15 degrees in the months of June-August inclusive.' This sort of standard will prevent adverse effects on waterbodies in some cases, but will be overly restrictive in others, where management and biophysical erosion risk would make the condition overly restrictive or not achieve the desired environmental outcome.

The system should be designed with the idea that discretion rests with certifiers operating with limits framed as a series of principles and process standards. Prescribed standards could be added as, and when, they prove useful and feasible to develop especially for high-risk activities, but the system should not be reliant on them.

Again, as we have already alluded to, this approach inevitably raises issues not least that a certifier might require unreasonable actions to be undertaken (being actions or limits beyond what a regional plan requires, and which are out of proportion to the contribution the farm makes to catchment issue or which are otherwise well beyond recognised good management practice and compromise the efficient operation of the farm). Accordingly, DairyNZ considers that the test of "reasonableness" applies to both the nature and timing of the required actions.

**14. What are the likely impacts and cost implications of the preferred options?**

We were not able to identify specific costs, but will do so when the regulations are drafted.

Full implications are also unknown until the appropriate guidance material is released. We suggest that Government picks up the Integrated Farm Planning work from 2019 that aimed to update and further define the Good Farming Practice Action Plan for Water quality principles.

*Questions – implementation timeframes*

**15. Do you agree with our preferred approach? If not, what is your preference?**

*See response to question 5, and Dairy Tomorrow implementation timeframes in question 3.*



## Test of reasonableness

DairyNZ does not agree that a general test of 'reasonableness' should be left to certifiers' professional judgement. This is too open-ended. For that reason we agree that guidance is important to provide boundaries for that judgement, but until we have been involved in determining that guidance we cannot comment except in the general terms:

- Catchment context will have a bearing on implementation timelines.
- High risks across the catchment should be dealt with as priorities for all farmers that have that risk with timeframes imposed for addressing the risk. For example effluent storage risks should be dealt with by all farmers as a matter of course within 2 years of farm plan implementation in the catchment.
- Farm practice changes should be addressed quickly.
- Farm system changes are often more complex and extended timelines should be allowed for implementation, especially where the actions are costly.
- Capital works should be able to be staged over time.

## Certifiers – system design

*Questions – certifier accreditation and appointment*

*[Note: the following questions were covered by Geoff Taylor DairyNZ as member of a group designing a national certification scheme for environmental farm plans]*

### **16. Do you agree with our preferred option? If not, what is your preference?**

DairyNZ agrees that accreditation of certifiers should be implemented at national level so that certifiers are more likely to be able to work freely/apply their skills across the country without the need to meet differing requirements between councils, which impose significant cost on the certifier.

While regional councils are required to appoint certifiers in the legislation, and will argue regional differences, we would encourage regional councils to develop similar approaches to similar problems to facilitate efficient delivery of farm planning services.

DairyNZ also recognises the need to transition into an accreditation framework so that the certifier workforce is sufficient to meet needs.

DairyNZ also notes the need for the accreditation body to be established with an eye to the future and the ability to incorporate certification of future planning requirements, for example GHG and biodiversity plans.

We agree with the proposal that plans need to be signed off by a certifier, who may also be the person that drafts the plan for farmers who choose not to write it up themselves.

For farmers who have a FEP already, there should be a transition period before a plan under the new regulation is required to be certified.

### **17. What are the likely impacts and cost implications of the preferred approach?**

The preferred approach will require significant investment in an accreditation body to get it up and running. It will be preferable to manage this as one body rather than having multiple bodies setting up accreditation systems. Because this is a limited market it is unlikely that the certifier pool will be able to financially support more than one body and maintain reasonable pricing.

This body should also be established with an eye on GHG plans and other requirements so that the same workforce can apply their skills there.

### *Questions – role of certifier*

#### **18. Do you agree with the following assumptions? If not, why not? a. In most circumstances certifiers will need to 'walk the farm'. b. Certifiers can call on expert advice for matters outside their areas of expertise.**

Yes, DairyNZ agrees with both assumptions.

DairyNZ's assumption is that the proposal endeavours to ensure that plans are robust in the first instance and not rely on the technical abilities of auditors to judge the merits of a plan. Based on this assumption we believe it will be mandatory for the certifier or their delegate to walk the farm. Many of the more practical and immediate risks can only be detected by physically looking at the characteristics of the land and the farm set up and associated infrastructure.

The concept of a delegate is introduced here to allow for a business to provide planning services that are signed off by a supervising certifier. It will be their responsibility to ensure any plan signed off by a delegate is of sufficient quality to pass quality assurance. Failure to meet standards will mean the certifier is treated as if they themselves have not met quality and will be subject to appropriate remedial procedures.

DairyNZ agrees that certifiers should call on expert advice as needed. However, it must also be recognised that in a planning phase farmers will employ experts to develop action plans, for example, with respect to effluent system design. The Certifier should be able to recognise where expertise has been applied to the plan and not be required to call in experts to re-examine that work simply because it is not their area of expertise.

#### **19. Do you agree with our preferred option? If not, what is your preference?**

DairyNZ agrees that a certifier should also be able to help prepare a plan that they certify.

#### **20. Should there be a limit to the number of times a certifier can re-certify a freshwater farm plan for the same farm operator?**

DairyNZ believes a certifier should be able to continue to certify a plan for an enterprise on an ongoing basis, as:

- Auditors will pick up deficiencies
- Guidance developed within the catchment will help the certifier to set appropriate expectations.
- Quality assurance of certifiers should identify where they are not meeting expectations.
- Disciplinary procedures available to the council and a national certification body should allow for the certifier to have their endorsement revoked if they are found to be acting improperly.

#### **21. What are the likely impacts and cost implications of the preferred approach?**

The cost of certification will be highly variable. Where the farm is known to the certifier and they have been involved in planning the certification it should be lower cost. And conversely where they have not been involved it will be more expensive.

Having certifiers involved in planning will mean a larger pool of certifiers is required, and thus investment in training them will be higher.

### *Questions – engaging and paying for a certifier*

#### **22. Do you agree with our preferred approach? If not, what is your preference?**

DairyNZ agrees the client should engage and pay for the certifier. We see no difference between that arrangement and the way our professional services are engaged in other contexts (accountants, auditors etc). The same mechanisms as identified in Question 20 should mitigate the risk of client capture and poor plan quality.

However, this approach does create the risk that if farmers cannot get their preferred certifier that backlogs are created as they wait for this person. In this situation the council may need to consider how they get a view across the supply of certifiers and assess the availability of others, potentially directing farmers to these people.

### **23. What are the likely impacts and cost implications of the preferred approach?**

Unclear what these might be in advance.

## *Re-certifying plans and dispute resolution*

*Questions – review and re-certification.*

### **24. Do you agree with our preferred option? If not, what is your preference?**

DairyNZ considers the catchment context should be the driving factor behind recertification. DairyNZ consider that option 2 (5 years) would be a more practical re-certification cycle to allow more time and resources to be dedicated to implementing the plan/mitigations instead of administration and compliance costs.

Catchment size will also influence recertification. A large catchment will take much longer for farm plans to be completed compared to a small catchment.

DairyNZ believes that there should be some time allowed for between when the majority of farms are certified within a catchment to when certification starts again. This will allow the issues and likely progress within the catchment to be calibrated and expectations adjusted so that adaptive management can be achieved under a farm planning regime.

Guidance should set ambition for how actively risks are required to be managed and combined with auditing means that it is unlikely the plan becomes forgotten.

### **25. What are the likely impacts and cost implications of the preferred approach?**

Variable timing of recertification will mean less cost to the system as a whole.

*Questions – new plans, addendums and amendments*

### **26. Do you agree with the proposed categories and triggers for new freshwater farm plans, addendums, and amendments? If not, what is your preference?**

DairyNZ agree with the proposed triggers.

Farm enterprises commonly incorporate lease land into (or out of) their system. In these circumstances the lease land could either have their own farm plan or be incorporated into the farm plan of the lessor. Appropriate guidance is necessary to ensure clarity of requirements for this (common) situation.

Appropriate guidance is necessary based on the scale of change of any new land, or system changes, to provide clarity if a new farm plan requirement or an addendum is required. The guidance will need to advise what base information, risk/impact assessment, and identified actions would need to be updated to reflect the change.

Dairy NZ agrees that a new FW-FP should be required where there is a major change to the farm system, a change in land use or a change in ownership or farm operator where the new owner or operator does not take over the previous FW-FP. However, there would seem to be scope for uncertainty over what constitutes a “major system change” and even a “land use change”. Similarly, it is not clear whether short term lease of part of a farm to another person (say a paddock for cultivation) means that a new FW-FP is required for that paddock. Further clarity is required on these practical issues.

As a start for discussion, DairyNZ proposes the following wording;

- Farm system change: a significant change in the way the current farm is managed i.e. from non-irrigated land to irrigated, 25% increase in stocking rate. If the change is to a less intensive land use/production type a new plan is not required if the risks are adequately mitigated by the existing plan.
- Land use change: conversion from one farming system to another i.e. Sheep and Beef to Dairy, Dairy to forestry, arable to horticulture. These major changes would require a new FW-FP as little of the information would still be accurate.

We also suggest that the Government consider the appropriateness of those who prepare a FW-FP effectively retaining the right to deny the owner of a FW-FP the ability to pass that FW-FP onto a new owner. The retention of copyright and/or intellectual property by the professional service provider is not uncommon in the other professional services (e.g. architects whose standard contracts retain copyright over all plans and drawings). Where this occurs the service provider personalises the right to use the 'product' of the service to the client who commissioned the work. If applied in this context would potentially add significant cost to the rural sector and a new FW-FP could be required, every time there is a change of owner or lessee.

### **27. What are the likely impacts and cost implications of the preferred approach?**

Land area changes within NZ farming enterprises are very common. Within a 5-year period of implementing farm plans there will be considerable change to farm enterprises requiring plan amendments to be completed. The same pool of appropriately trained people who complete initial farm plans will need to stretch their capacity to also complete amendments, likely creating a further capacity bottle neck.

#### *Questions – dispute resolution*

### **28. Do you agree with our preferred approach? If not, what is your preference?**

Disputes are most likely to be about the identification, scale and impact, and degree of mitigation required for a given risk. DairyNZ is concerned that the disputes process is being framed between certifier and farmer when they are essentially giving effect to the councils requirements.

DairyNZ agrees that a disputes resolution process is required. We would expect that the nature of the disputes will centre on whether the withholding of certification is reasonable. This will in turn involve examination of whether the FW-FP contains all necessary and accurate information/material and commits to actions that are appropriate given the risks identified (and any regulatory controls that apply).

Whether the actions are appropriate is a matter of professional judgement and can only be determined by people with appropriate experience and expertise. It is not clear to us that that such questions can be resolved by mediation and arbitration. These are processes that involve encouraging compromise by parties in dispute, not the rectifying of poor judgement calls. We think it much more likely that disputes would be more effectively resolved by a 'appeal' to a panel of senior certifiers retained for this task by the national certification body.

### **29. What are the likely impacts and cost implications of the preferred approach?**

Regulators will need to budget for a disputes process, which is likely to be more active during implementation stages as guidance is developed.

### **30. Do you agree with our preferred approach? If not, what is your preference?**

DairyNZ agree the certification body should deal with complaints and remedial requirements of the certifier.

### **31. What are the likely impacts and cost implications of the preferred approach?**

We were not able to identify specific costs, but will do so when the regulations are drafted and we are also able to see the governments regulatory impact statement.

### **32. Do you agree with our preferred approach? If not, what is your preference?**

DairyNZ agrees with the preferred approach.

### **33. What are the likely impacts and cost implications of the preferred approach?**

We were not able to identify specific costs, but will do so when the regulations are drafted.

# Auditing FW-FPs

*Questions – accreditation and appointment of auditors.*

**34. Do you agree with our preferred option? If not, what is your preference and why?**

**35. What are the likely impacts and cost implications of the preferred approach?**

The preferred option is for regional councils to appoint accredited auditors who have been already accredited by existing accreditation schemes (e.g. JAS-ANZ). DairyNZ agrees with this approach. It avoids re-inventing the wheel by creating a new National accreditation scheme for Fresh water farm plans.

A new system on the contrary, would require more resources. We were not able to identify specific costs, but will do so when the regulations are drafted.

*Questions – audit frequency*

**36. Do you agree with our proposed approach for determining audit frequency? If not, what is your preference and why?**

**37. What are the likely impacts and cost implications of the preferred approach?**

The risk-based approach is very similar to what is currently happening in Canterbury which is positive since experience from Canterbury could be used. The timeframes look reasonable and DairyNZ agree to this in principle. However, the description is very vague or non-existing. Currently in Canterbury grades (A, B, C or D) with clear definitions are linked to the need for a re-audit. In the proposal a grade system is not mentioned, and the proposal is not specific which makes it difficult to comment on.

We don't agree with the proposal that regional councils could increase audit frequency in some circumstances. The frequency should be decided in regulations and be the same regardless of targets to reach in the catchments. Catchments with poor water quality or with high risk of environmental degradation could be further protected with an increased number of mitigations/on-farm actions instead of a changed audit frequency. It is also likely that regional plans will set further rules in order to reach targets in highly degraded catchments.

We were not able to identify specific costs, but will do so when the regulations are drafted.

*Questions – engaging and paying for an auditor*

**38. Do you agree with our proposed approach? If not, what is your preference and why?**

DairyNZ agrees with the preferred option for the farmer to choose and pay for the auditor. There needs to be some exceptions in line with how the system operates in Canterbury where irrigation schemes or the Synlait lead with pride selects and pay for the auditors.

The accreditation of the auditors (and professional ethics) should be enough guarantee to make this approach robust and avoid any gaming.

There should be some guidance and streamlining for costs across the country to further avoid the risk of client capture.

**39. What are the likely impacts and cost implications of the preferred approach?**

We were not able to identify specific costs but will do so when the regulations are drafted.

*Questions – quality assurance*

**40. Do you think quality assurance should be undertaken by a national body, with checks undertaken regionally?**

DairyNZ agrees with the national approach to QA but is concerned that a national view may not be operable due to different catchment contexts, and in particular expectations of tangata whenua.

A national approach is desirable to help drive consistency to ensure that similar issues in similar contexts are dealt with in similar ways. This will enable certifiers to operate widely and reduce the number required and cost of the scheme and it will help build farmer confidence.



DairyNZ notes the need for the proposed national QA body to be decided early, in advance of certifiers, so that guidance materials can be developed to support certifier interpretation.

For the Quality Assurance system to be successful and add value it will need to develop much clearer measures of what 'success' looks like. It is difficult to understand how randomly selecting FW-FPs to "quality check" will work since the appropriateness of an individual FW-FP will depend on a host of factors that will not be apparent unless the farm is 'walked' and the farm system/business is understood.

#### **41. What should the triggers be for quality assurance checks?**

Triggers for Quality Assurance:

- New certifiers to demonstrate they hit a standard carried out by certification body
- Existing certifiers to demonstrate they continue to meet standards carried out by certification body.
- Moderation across catchments on a periodic basis to ensure consistency in interpretation.

#### **42. What are the likely impacts and cost implications of the proposed approach?**

We were not able to identify specific costs but will do so when the regulations are drafted.

## **Enforcement**

*Questions – enforcement mechanisms*

#### **43. Are the proposed offences and infringement fees appropriate? If not, what would be appropriate?**

The fee range in Table 2 is reasonable, but there is insufficient information about the threshold that triggers the offence and therefore the fee. Clear drafting will be needed to ensure that offences are drafted in a way that gives regional councils the mandate to address laggards but does not create distrust in the system for all farmers.

There are currently not enough certifiers or auditors. Farmers should not be penalised for not meeting deadlines, due to capacity and capability bottlenecks in the system.

#### **Alternative proposal**

FW-FPs need a central national body and process to roll it out. And a consistent national data sharing system / portal

There is a need for government to develop national and regional implementation guidance and rules

Front load the process by looking at end point; what would success look like and how will it be measured.

Government develops template and guidance document for all stages of the process (plan prep + template using what is already out there and phased approach to standardised minimum requirements in a plan; audit process; compliance, what happens for non-compliance (ranging from education to the stick approach in relation to the severity and frequency of non-compliance).

Auditors need skills (needs to be diverse) – be relatable to farmers and also farm systems understanding

Non-numeric compliance is hard to enforce, and it is not our understanding that this should be included regarding enforcement of FW-FPs by regional councils. Rather, what is included is what is outlined in table 2.

Road maps of what will first generation FW-FPs look like

FW-FPs offer great potential to instigate sector wide behaviour change so government needs to take time to judiciously develop the systems and process to make this work both top-down and bottom-up.

# Staged rollout to implement FW-FPs

## Questions – Implementation

### 44. Do you agree with our preferred option? If not, what is your preference and why?

DairyNZ agrees the roll out of Freshwater Farm Plans should be phased and prefers the option of a catchment-by-catchment rollout, compared with the alternative approach of by farm type (e.g., all dairy farms, then all dry stock farms).

Some situations may suit a more risk-based start point, such as intensive winter grazing where current National Environmental Standard regulation allows the option of a tailored approach in a Freshwater Farm Plan as an alternative to following the more detailed conditions in order to be a permitted activity. This also applies to stockholding areas. Since it will take time for every farm to have a FW-FP, this pathway might not be available for some farmers for some years. DairyNZ considers using a FW-FP in order for activities to be permitted, an important alternative to a consent. Making this available for farmers as soon as possible should be taken into consideration when the roll out is designed.

DairyNZ recommends that:

- FW-FP catchment by catchment rollout should start with identifying catchments where the majority of the landowners intensively graze winter crops.

The FW-FP should include an intensive winter grazing module.

- FW-FP should be required from all landowners in the catchment [OR all landowners who are defined in the NES as intensive winter cropping]. These catchments are in Otago, Southland, Canterbury and Horizons regional Council boundaries.
- An alternative could also be to roll out the plans catchment by catchment and also making them available on a voluntary basis for all farmers who would like to use the NES-F alternative approach.

DairyNZ believes that it is critical to allow time to get the system up and running before specific deadlines are imposed. There are some key elements that could support in implementing the FW-FP system:

- A. A NZ-wide tool that can be used to determine sediment, E. coli, nitrogen and phosphorus risks on farm, and guide which mitigations are the most effective.
- B. Ample qualified and accredited certifiers and auditors. Farmers should not be penalised for not meeting deadlines, due to capacity and capability bottlenecks in the system.
- C. A database for regional councils to collate information, and
- D. Time for Councils to develop inf that farmers can use to tailor their plan to the catchment context or the waterbody ecosystem health (e.g. farmers and certifiers do not yet have robust information about whether sediment mitigation actions should be prioritised over E. coli or stream shading in the catchment). This information is needed to implement a risk-based approach to Freshwater Farm Planning.

#### **45. Should we explore whether it should be possible for farmers and growers to opt into the freshwater farm plan system?**

DairyNZ are submitting on the changes to the intensive winter grazing regulations separately but support that they are more practical and implementable than the previous regulations and that the amendments should be progressed.

DairyNZ support that freshwater farm plans should be available as an alternative pathway to a resource consent for intensive winter grazing and that freshwater farms plans should be rolled out using a catchment approach.

Freshwater farm plans should be available to all farmers as an alternative pathway to intensive winter grazing resource consents when the regulations come into force in November 2022. Farmers doing IWG should be able to use FW-FP as an optional way of meeting PA default conditions and not having to apply for a resource consent.

We understand that there are some challenges with a voluntarily option have come up in discussion with MfE officials and primary sector partners. We think these challenges can be overcome.

As a second option, freshwater farm plans should be rolled out to catchments with high uptake of intensive winter grazing practice i.e. in the lower South Island.

#### **46. What are the likely impacts and cost implications of the preferred approach?**

We were not able to identify specific costs but will do so when the regulations are drafted.

## **Implementation**

*Question – understanding catchment values and context*

#### **47. Should we consider any other ways to support farmers, growers and certifiers to understand and incorporate catchment values and context?**

DairyNZ agrees with the text in Section 6.2.

##### Catchment groups

Other ways to support understanding of catchment values and context is through government funding for locally known and trusted co-ordinators as part of catchment group initiatives, so that local people develop relationships early in their group process and have opportunities to make sense of available information. As one farmer involved in a local catchment group said (Karapiro FW-FP workshop 17 August 2021) “we need useable information”, “the Council thought they had good information for us [about water quality] but it was just pages of numbers that meant nothing.”

Regional Councils should connect farmers/growers/certifiers with catchment groups (if established) to make collective progress towards meeting established/agreed catchment values (outcomes), and also state of the environment monitoring data to help inform catchment context. This will help to inform ‘catchment collective action’ on-farm via plans.

Catchment groups could play a role in monitoring in their own catchment. This requires support and funding to ensure robust data quality capture from citizen scientists.

Catchment values and citizen science generated data are more ‘aspirational’ how can they be translated into something auditable and enforceable in a FW-FP. Catchment groups need a designated ‘science-led’ to help them make sense of the data.

##### Notes on developing catchment context

DairyNZ recent experience in three intensive catchment projects is that working at a catchment context must be at a scale relevant to local people.

Sub-catchments of up to 100 farms (excluding rural residential), could be used for the catchment context, to maximise ownership for water quality improvements and connection between an on-farm risk assessment and water quality state in the catchment. For regional council planning processes, “catchment” is not defined in the NPS-FM, but regulated outcomes of catchment values context are proposed for FW-FP. In the NPS-FM 2020, a Freshwater Management Unit (FMU) can be a very large catchment with many different land uses and sources of contaminants to waterways which makes it difficult to connect the regulated outcomes to a farm context.

As Waikato Regional Council discovered in implementing the priority sub-catchment approach for the 74 sub catchments of the Waikato River Catchment, it is a related but additional job that requires technical, stakeholder and communication skills to work with catchment communities to translate the information for use in a FW-FP. As one farmer put it at the FW-FP consultation workshop on 23 August 2021 “[our catchment group] asked the councils for data on water quality to help us work out best bang for buck on our farm plans, but they just gave us lists of numbers, it was no use to us at all”.

### **Questions – data collection**

#### **48. What are your thoughts on the proposed indicator areas for evaluating the difference the freshwater farm planning system is making to water quality and ecosystem health?**

There are a multiplicity of confounding variables that contribute to in-stream ecosystem health.

Improvements/response in ecosystem health will take time.

Catchments also need to consider the impact of non-agricultural pressures

Common/standardised reporting measurement metrics/indicators need to be created to facilitate consistent reporting of action on farm to report and benchmark actions both within and between sectors

Standard definitions of actions and common measurement indicators are required so that the collection of data from FW-FPs is consistent to facilitate evaluation of success. Also note the lag times between land management actions and water quality response takes time.

A recent paper by McDowell et al., (2021) reported that “The median lag time for nitrate–N across the 34 catchments was 4.5 years, meaning that nearly half of these catchments wouldn’t exhibit decreases in nitrate–N because of practice change within the five years outlined in policy”.

#### **49. What other information should we consider, and why?**

Develop an online national portal (data repository) to compile and record action progress (annually?) in relation to actions complete, in progress, planned.

MfE should start to develop digital platforms now to support farm plan roll out and data capture to facilitate smooth transition to a digital format in time. DairyNZ supports the initiative for a national data platform already under development by regional councils.

Government should collaborate with milk supply companies to assess existing data capture processes in an effort to streamline integration/adaptation into new proposed regulation.

Collaborate with stakeholders to develop common (and robust) indicators of success that are practical on farm and are performed based

Data from multiple farms needs to be centrally compiled, and progress compared across sectors.

If the goal is to have FW-FPs in a digital format, then MfE should start to think about this now. Develop a portal + processes now. Auditors/RPs/Farmers can log in an upload progress data (see metrics comment). Access catchment information.

Consider what the end point success would look like and work backwards

[What is a catchment? Here's how to help your catchment thrive \(ourlandandwater.nz\)](https://ourlandandwater.nz) – see potential indicators

#### **50. What are the likely impacts and cost implications of this approach?**

Building upon existing Farm Environmental Planning in NZ should help to reduce cost by not duplicating effort.

Developing an online national portal/platform (data repository) to compile and record action data may be costly. Digital mapping of farm to mark, measure and report on area planted, fenced, retired. Data systems are integrated to avoid duplicate data inputs e.g., overseer, S-maps, other GIS layers.

Standardised templates / processes / metrics needs to be developed in collaboration with stakeholders to ensure alignment and facilitate effective planning, recording, and auditing across sectors. Need to ensure good quality data capture.

Rural broadband coverage needs to be improved

Reporting and Privacy Issues

Questions – reporting publicly

#### **51. Do you agree with our preferred approach? If not, what is your preference and why?**

Under Dairy Tomorrow commitments we have agreed to report the following:

- Number (or fraction) of farms with plans by farm plan status<sup>1</sup> at sector and catchment level (minimum reporting area to be determined).
- Number (or fraction) of farms at GFP for each Good Farming Practice Action Plan for Water Quality Principle at sector and catchment level.
- Number of farms reporting Purchased N Surplus at sector and catchment level.
- Average Purchased N Surplus (and trend) at sector and catchment level.
- Number of farms reporting Phosphorous status at sector and catchment level.
- Average Phosphorus status (and trend) at sector and catchment level.

#### **52. Is there any information in a freshwater farm plan that you would not want to be shared publicly? For what reason?**

DairyNZ agrees that only aggregated data that relates to groups of farms should be used. The definition of a catchment and details of data collected is to be determined via the Dairy Tomorrow “Data Aggregation” working group. This will provide clarity on flow of data.

It is not relevant to the success of the FW-FP system, or desirable to farmers that any individual farm information should be released even through request under the Local Government Official Information Act.

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<sup>1</sup>**No:** I don't have a farm plan.

**Yes:** I have a farm plan that has been prepared and implemented. The farm plan is active, and actions are being undertaken. Recognises that farm FW-FPs need to remain a “living document”.

**Yes - Updated in last 3 years:** where the FW-FP has been reviewed and updated (e.g., by a suitable qualified person i.e. Dairy company representative) to capture new risks and ensure alignment with regulatory requirements. Assumes a farm walk. **Yes – audited** (audit score/grade): where performance has been verified (e.g., through a regulatory framework/Regional Council), reporting of audit score or grade.



# *Supporting material: Initial regulatory impact analysis of the proposed options*

- 1. Do you agree with our impact and benefit assumptions? If not, what is incorrect?**
- 2. What other information should we consider, and why?**

DairyNZ consider that there is not enough specificity yet to accurately determine the costs and benefits of the proposals. Once there is more granularity of what will be required of the farm plan system DairyNZ will be in a better position to estimate the costs and benefits using the data we have available. This information should be considered when preparing the final regulatory impact statement.

*DairyNZ* 

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