

# Freshwater farm plan regulations

Initial regulatory impact analysis of the proposed options



Ministry for the  
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Manatū Ahu Matua



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# Initial regulatory impact analysis of the proposed options

## Analysis against the criteria

The proposed options set out in the discussion document on freshwater farm plan regulations were assessed against the criteria outlined below.

### 1. Effective

- avoids, remedies, or mitigates the effects of farming and/or horticultural land use on freshwater
- supports the requirements of the RMA, the Freshwater NES and the Freshwater NPS
- supports regional council requirements and objectives
- supports catchment objectives
- supports enhanced freshwater health, including ecosystem health
- is fair and treats regulated parties equally.

### 2. Practical

- flexible – takes a risk-based approach and tailors mitigations to the farm scale
- continuously improves to account for innovation and new information
- enabling – engages and empowers farmers to achieve freshwater outcomes
- accessible – interacts well with other relevant systems
- trusted by all stakeholders
- achieves maximum benefits with minimum wasted effort or expense
- considers positive and negative impacts on the wellbeing of people (individuals and communities) and freshwater

### 3. Gives effect to Te Mana o te Wai

- places the wellbeing of the water first, and promotes values-based, holistic management to sustain the wellbeing of the people
- acknowledges mātauranga Māori
- gives practical expression to the principles of Te Mana o te Wai.

### 4. Takes into account the Treaty of Waitangi (Te Tiriti o Waitangi)

- takes into account for the principles of the Treaty of Waitangi (Te Tiriti o Waitangi)
- promotes partnership and protects Māori rights/interests and relationships with their taonga
- acknowledges opportunities that may arise for Māori to exercise rangatiratanga and kaitiakitanga.

- well-aligned – builds on existing systems that generate farm plans and underpinning architecture, including industry assurance programmes, regional council plans and policies, farm data standards, and primary sector training initiatives.

These criteria form the structure of our regulatory impact analysis, as set out in the tables below. This shows how we view the initial impacts of the proposed options against the current state.

In these tables each option is assigned a ranking where:

- ++ indicates a significant improvement for that criteria relative to current arrangements
- + indicates an improvement for that criteria relative to current arrangements
- 0 indicates neither an improvement nor a deterioration for that criteria relative to current arrangements
- - indicates a deterioration for that criteria relative to current arrangements
- -- indicates a significant deterioration for that criteria relative to current arrangements.

## Limitations of analysis

As these are the first regulations for mandatory and enforceable freshwater farm plans, there is limited information that we can base the impact analysis on. Information from existing farm environment planning processes such as regional council or industry schemes has been used to extrapolate impacts for a national scale approach.

This impact analysis has been developed quickly to ensure the regulations can continue to be developed. One of the purposes of the associated discussion document is to collect information on the impacts of these proposals. We will analyse any information received through submissions, as well as some internal and external impact analysis to consider for the final drafting of the regulations.

## Current state

The current state is that there are no regulations for freshwater farm plans, only the legislative requirements set out in Part 9A of the Resource Management Amendment Act 2020 (RMA). This means in the current state, freshwater farm plans are unable to be implemented. Regulations are needed to specify the content required in a freshwater farm plan (regulated outcomes, farm planning elements, risk assessment, mitigations), and to determine the certifier and auditor roles, as well as to confirm the role of regional councils.

Some current industry and regional council farm planning programmes exist but none of them can be considered compliant with Part 9A of the RMA until there are regulations to formally determine what requirements need to be met. The freshwater farm plan system will create a consistent standard of farm planning across New Zealand.

The options that have been proposed in the consultation have been analysed against the status quo of no regulations being in place, ie, that there is no freshwater farm plan system. For simplicity we have not copied the current state into the tables as it is the same for all sections of the analysis.

# Impact analysis of options

**Table 1: Regulated outcomes**

	Option 1: Outcomes in regulations with additional guidance	Option 2: Outcomes in regulations with the details specified in regulations
Effective	<p>++</p> <p>This option explicitly requires freshwater farm plans to avoid, manage or mitigate the adverse impacts of high-risk farming activities (identified and prioritised during the risk assessment).</p> <p>Requiring freshwater farm plans to consider outcomes relating to regional councils' priorities allows freshwater farm plans to tie more tightly into the RMA, Freshwater NES and Freshwater NPS. It also requires freshwater farm plans to consider catchment context.</p> <p>This option explicitly addresses key aspects of freshwater health – via the outcomes related to ecosystem health, and farm practice.</p> <p>Requiring freshwater farm plans to explicitly consider the catchment context supports the goals of the Freshwater NPS. Responding to the catchment's risks will produce best results for freshwater health.</p>	<p>+</p> <p>This increased level of prescription in this option may actually serve to reduce how effective it is – and it may limit farmers' actions to just following the targets mentioned within the freshwater farm plan outcomes.</p> <p>The increased detail about farm practice may not improve the freshwater farm plan. Although it provides more clarity about what aspects of farm practice to focus on, these aspects may not apply in all areas of New Zealand. Requiring freshwater farm plans to address all these issues does not allow farmers to effectively direct their efforts to the mitigations they need to prioritise.</p> <p>The narrower descriptions of catchment context and ecosystem health make this option less compatible with regional councils' objectives set under the Freshwater NPS – and will make this option less feasible, and more confusing within the broader freshwater regulatory system.</p> <p>This option requires regulation change if the good management practice information develops.</p> <p>Increased prescription may provide for greater consistency across the country – as it places less weight on certifiers' assessment of each farm plan.</p>
Practical	<p>++</p> <p>This approach embeds a collaborative approach to freshwater farm plan system design, and enables outcomes to be seamlessly updated to reflect emerging evidence, data and experience.</p> <p>This approach gives both farmers and regional councils more flexibility to set appropriate freshwater plans.</p>	<p>--</p> <p>This approach is less flexible and less practical, delivering an outcomes framework that is relatively static and with a potentially short life span.</p> <p>It is less empowering for farmers – particularly around deciding which risks to manage.</p>

	Option 1: Outcomes in regulations with additional guidance	Option 2: Outcomes in regulations with the details specified in regulations
	<p>By requiring all farmers to focus on the risk assessment, it is more enabling than Option 2, allowing farmers to direct their efforts towards the most important mitigations within their catchments, relevant to their farm system's impacts.</p> <p>It will interact more effectively with regional councils' freshwater RMA policies and objectives.</p> <p>The approach aligns with existing farm environment plan programmes – for example in Waikato, Hawke's Bay and Canterbury.</p> <p>The full actual costs of these outcomes are not yet fully calculated. However, Option 1's less prescriptive statements will allow users more discretion to shape the freshwater farm plan to maximise benefits while minimising wasted effort.</p>	<p>Although the boundaries of the regulations are clearer, the more prescriptive freshwater farm plan regulations will interact less well with other regional council policies and objectives. This in turn may reduce confidence and trust in the system.</p> <p>Under this approach the process of updating and/or including new outcomes may require some form of legislative change, increasing cost and complexity.</p>
Gives effect to Te Mana o te Wai	<p>++</p> <p>This option allows the understanding of Te Mana o te Wai to be placed in the regional and local context. Regulated outcomes for ecosystem health, reflecting catchment context and farm practices that respond to catchment needs - when combined with a general requirement that freshwater farm plans must reflect the settings of regional plans (which will be developed with close involvement of tangata whenua and include mandatory values for mahinga kai for example) - will also support Te Mana o te Wai.</p>	<p>++</p> <p>Specific details in regulations will ensure consistency of approach for meeting outcomes. However, this option is considered broadly equivalent to option 1 in terms of giving effect to Te Mana o te Wai.</p>
Takes into account the Treaty of Waitangi (Te Tiriti o Waitangi)	<p>+</p> <p>The commitment towards ecosystem health promotes the protection of Māori interests in, and access to, freshwater.</p> <p>The requirement to reflect catchment context – which will be developed working with tangata whenua – requires farmers to incorporate Māori values into the decisions they make regarding freshwater. This supports the exercise of rangatiratanga.</p>	<p>+</p> <p>Option 2 could be designed so that it explicitly required freshwater farm plans to articulate tangata whenua perspectives and values. However, it does not actually support rangatiratanga any more strongly – as in practice it is unlikely to place any stronger emphasis on freshwater farm plans incorporating Māori values into decision-making.</p>
	7	2
<b>Overall assessment</b>	Option 1 is the preferred option. The increased detail provided by Option 2 appears to reduce its practicality and make it harder for freshwater farm plans to mesh with other regional council freshwater policies and objectives.	



**Table 2: Risk/impact assessment**

	Option 1: Specify the minimum general requirements for a risk/impact assessment	Option 2: Prescribe the methodology for risk/impact assessment
Effective	<p>+</p> <p>Risk assessment is tailored to the farm system so only relevant farm risks are assessed. Some inconsistency in approaches to risk assessment may occur, leading to variances in requirements across freshwater farm plans.</p>	<p>++</p> <p>The same risks are assessed across all farm systems. All farms must use consistent approach and have the same requirements.</p>
Practical	<p>++</p> <p>Allows for flexibility, which means the risk assessment is focused on farm system and catchment context. Can utilise approaches already in place and used on-farm. Focuses effort on most relevant risks.</p> <p>Flexibility allows time and efforts to be focussed on the most relevant risk and the approach can be adapted to the farm system. This can save on advice needed and information that needs to be gathered.</p>	<p>--</p> <p>All freshwater farm plans must use same approach and meet the same standard. Does not allow for flexibility and may be a tick box exercise in some cases where risks are not relevant.</p> <p>Is clear what needs to be done.</p> <p>The same process and information needs to be gathered including where not relevant, which can be costly (due to services, advice and data required).</p>
Gives effect to Te Mana o te Wai	<p>+</p> <p>Allows for flexibility in assessing risks relevant to Te Mana o te Wai.</p>	<p>-</p> <p>Inclusion of relevant risks to Te Mana o te Wai in regulated risk assessment. Some risks relevant to Te Mana o te Wai on-farm may not be picked up by a regulated risk assessment approach.</p>
Takes into account the Treaty of Waitangi (Te Tiriti o Waitangi)	<p>++</p> <p>Allows for the recognition of tikanga Māori as credible risk assessment (eg, rāhui, iwi/Māori environmental management)</p> <p>Addresses both Māori and European values – allows Māori to practice rangatiratanga within their rohe. It is important to recognise the holistic worldview of Māori and explicitly include freshwater ecosystems and cultural uses (mahinga kai standards).</p> <p>Catered risk assessment would address the unique challenges faced by Māori, as well as differences in the way Māori manage land and farms – Māori land management pertaining to agriculture is very different to non-Māori (the broader agriculture sector is dominated by owner-operator family farms, whereas Māori agricultural production is largely carried out by corporate farmers due to Māori land management structures and restrictions).</p>	<p>0</p> <p>Limits flexibility and less likely to take Māori protocol, values, and unique challenges into consideration where appropriate.</p> <p>A template-based approach may also cause issues in interpretation and understanding for Māori.</p> <p>“One size fits all” does not take into account inequities faced by Māori, or the differences in land management structures.</p>
	6	-1

	Option 1: Specify the minimum general requirements for a risk/impact assessment	Option 2: Prescribe the methodology for risk/impact assessment
Overall assessment	At this stage in the process, Option 1 is preferred because it allows for the most flexibility in the approach to risk assessment – meaning the approach can be targeted to the most relevant risks, and time and efforts focused on gaining a greater understanding of key risks. Comprehensive guidance will accompany the regulations to demonstrate what should be considered when undertaking a risk assessment. This option is more suitable for incorporation into existing industry assurance programmes to leverage the good work already occurring in the farm environment planning area and to create a smoother transition.	

**Table 3: Identifying actions to avoid, remedy or mitigate risks/impacts**

	Option 1: Mitigations are determined as appropriate through certifiers' discretion and professional judgement	Option 2: Detailed approach through prescribed practice standards	Option 3: A hybrid between Option 1 and Option 2
Effective	<p>++</p> <p>Allows for targeted application of mitigations to address highest risks. Options for mitigations are flexible and unlimited.</p> <p>This approach allows for flexibility in determining mitigations, so they are tailored to the risks and needs of the farm system and can achieve more co-benefits.</p>	<p>-</p> <p>Narrowing the approach means that all farms will be addressed the same, reducing uncertainty and ensuring the same outcomes will be met.</p> <p>This approach will not allow for innovation.</p> <p>This approach will mean all farms are addressed the same with less discretion from the certifier.</p> <p>However, this approach may produce an uneven 'performance playing field', with some farmers being required to invest in mitigations that are not specifically tailored to their catchment and farm system requirements.</p>	<p>++</p> <p>Allows for targeted application of mitigations to address highest risks. Options for mitigations are flexible and mostly unlimited, apart from activities that might have a more prescriptive methodology.</p> <p>This approach allows for flexibility in determining mitigations for most activities, so they are tailored to the risks and needs of the farm system and can achieve more co-benefits.</p> <p>This approach will allow for targeted application of actions to address known highest risks.</p>
Practical	<p>++</p> <p>This approach is flexible and tailored to the farm system. It allows for a wide range of mitigations to be introduced on-farm as appropriate. Efforts can be focused on reducing the highest risks.</p> <p>Due to the flexibility provided by the certifiers' discretion, mitigations can be tailored to the risks</p>	<p>0</p> <p>Narrowing the approach means that all farms will be addressed the same, reducing uncertainty about what is required.</p> <p>As noted above, this approach may result in some farmers investing in mitigations that are not specifically tailored to their catchment and farm system requirements. Consequently, these</p>	<p>++</p> <p>This approach is flexible and tailored to the farm system. It allows for a wide range of mitigations to be introduced on-farm as appropriate and targeted efforts can be focused on reducing the highest risks.</p> <p>Due to the mix of flexibility provided by the certifiers' discretion and the targeted approach for high risks,</p>

	<b>Option 1: Mitigations are determined as appropriate through certifiers' discretion and professional judgement</b>	<b>Option 2: Detailed approach through prescribed practice standards</b>	<b>Option 3: A hybrid between Option 1 and Option 2</b>
	and needs of the farm system and can achieve more co-benefits. This approach also allows for innovative mitigations to be used as they become available if there is an evidence base to ensure they will be effective.	investments may not deliver substantive environmental benefits relative to their cost. This approach could displace investment in more innovative activities that have the potential to deliver an improved range of social, economic, and environmental outcomes.	mitigations can be tailored to the risks and needs of the farm system and can achieve more co-benefits. This approach also allows for innovative mitigations to be used as they become available if there is an evidence base to ensure they will be effective.
Gives effect to Te Mana o te Wai	++ Allows mitigations to be targeted to best address Te Mana o te Wai. Can account for local interests and values relating to the land and the landscape.	+ Some mitigations to address Te Mana o te Wai will be included in the approach, but not all and it is unlikely to account for any regional variation or local values.	++ Allows most mitigations to be targeted to best address Te Mana o te Wai. Can account for most local interests and values relating to the land and the landscape (except where some activities might have a more prescribed methodology to identify actions).
Takes into account the Treaty of Waitangi (Te Tiriti o Waitangi)	+ Recognises mātauranga Māori as evidence source. This flexible approach may incentivise ambition and urgency among Māori. More likely to incentivise ambition due to openness to cultural values and therefore may draw more buy-in.	- Does not recognise inconsistencies between Māori farms and the broader agriculture sector. May cause inequities, ie, due to Māori land management systems, difference in values, difference in farm activity, existing farm plans.	+ Recognises mātauranga Māori as evidence source. This flexible approach may incentivise ambition and urgency among Māori. More likely to incentivise ambition due to openness to cultural values and therefore may draw more buy-in.
	7	-1	7
Overall assessment	At this stage Option 3 is preferred as it allows for a flexible approach that is tailored to the risks and needs of the farm system and allows for innovation. It allows for targeted application of mitigations to address highest risks. Due to the flexibility provided by the certifiers' discretion, mitigations can be tailored to the risks and needs of the farm system and can achieve more co-benefits. This approach also allows for innovative mitigations to be used as they become available if there is an evidence base to ensure they will be effective. It also provides a higher degree of confidence that required mitigations will deliver positive environmental impacts. If Option 3 is not possible, then we prefer Option 1.		

**Table 4: Process for accrediting and appointing certifiers in the freshwater farm plan system**

	Option 1: National accreditation of certifiers followed by regional council appointment	Option 2: Regional accreditation and appointment of certifiers (no nationally set standards)
Effective	<p>+</p> <p>The credibility associated with a national certification body strengthens the regulatory importance and value of the freshwater farm plan certification process.</p> <p>A national approach is more likely to promote public trust and confidence in the freshwater farm planning system, with the accreditation body administering clear, consistent, and transparent certification, continuing professional development, complaints and disciplinary processes.</p> <p>A national certification body is likely to be in a stronger position to influence the tertiary, vocational and industry training systems, ensuring the supply of suitably qualified certification professionals.</p> <p>A national approach increases accountability and ensures professional standards will be upheld.</p>	<p>-</p> <p>This option can be designed to incorporate the specific goals of the regional council and communities within the rohe.</p> <p>This option could produce some regional disparities regarding the competency and continuing professional development requirements certifiers are expected to meet. This could create additional administrative barriers for prospective freshwater farm plan certifiers.</p> <p>This option is likely to worsen regional resourcing inequities (certifiers cannot easily move from region to region where there is a resourcing gap).</p>
Practical	<p>++</p> <p>A national certification body will maintain a publicly searchable register enabling farmers to quickly ascertain the certification status of farm planners and any relevant conditions of practice.</p> <p>A national certification system is likely to offer enhanced levels of portability, enabling certifiers to maintain certification as they move between regions.</p> <p>It is more likely to be managed to be well-aligned with and accessible from other systems.</p> <p>A national approach minimises the risk that systems and processes will be duplicated and has stronger potential to deliver economies of scale.</p> <p>For increased efficiency, the national certification body could also manage the regional assessment process, as long as regional councils provided the relevant content.</p>	<p>-</p> <p>This option is less practical because certifiers who want to operate in more than one region, will have to achieve accreditation in each of those regions.</p> <p>This option is less likely to be well aligned with and accessible from other systems.</p> <p>Regional councils would potentially need to establish independent accreditation systems, although there could be opportunities for some councils to pool resources depending on geographical proximity and/or geophysical similarities.</p> <p>Environment management professionals wishing to become certified farm planners may need to submit certification applications (and associated fees) depending on the scope and location of their business. This could affect workforce mobility.</p>

	Option 1: National accreditation of certifiers followed by regional council appointment	Option 2: Regional accreditation and appointment of certifiers (no nationally set standards)
Gives effect to Te Mana o te Wai	<p>+</p> <p>The principles of care and respect, and stewardship, will be more consistently and more widely encouraged within the broader agricultural sector through this approach.</p> <p>National accreditation may encourage Māori to take on these roles within their respective rohe, which aligns with mana whakahaere and kaitiakitanga aspirations.</p>	<p>+</p> <p>This option allows for flexibility in exercising manaakitanga and governance, particularly in areas where iwi corporations are less established or recognised on a national level. There may be more opportunity to consider hapū and whānau within these roles.</p>
Takes into account the Treaty of Waitangi (Te Tiriti o Waitangi)	<p>++</p> <p>Under Article One of Treaty of Waitangi (Te Tiriti o Waitangi), this option enables the Crown to establish a nationally recognised and statutory accreditation for freshwater farm plan certification.</p> <p>Under Article Two, Māori rights and interests over resources and taonga are retained through the requirement to consider mātauranga Māori within accreditation. Certifiers will be required to acknowledge and understand the significance of freshwater for Māori and recognise mātauranga-Māori-based mitigations and evidence.</p> <p>Under Article Three, national accreditation may encourage Māori to take on these certification roles and bring their unique knowledge and experiences to freshwater farm plans.</p>	<p>+</p> <p>Regional accreditation is less likely to align with Article One due to being managed by councils rather than central government.</p> <p>However, Articles Two and Three will be addressed in the same way as the option of national accreditation, but with varying levels of incentive.</p>
	6	-1
Overall assessment	Option 1 is our preferred option. A national accreditation system is more likely to ensure consistency in freshwater outcomes across New Zealand, while still allowing regional councils to appoint certifiers in line with relevant competencies and knowledge about their region. This option is also likely to make it easier for certifiers to be appointed across multiple regions since most of their necessary competencies have been assessed nationally.	

**Table 5: More detail around the role of the certifier**

	Option 1: A certifier can certify the freshwater farm plan and be involved in its development	Option 2: A certifier can only certify the freshwater farm plan and cannot be involved in its development
Effective	<p>++</p> <p>Reduced efficacy for freshwater outcomes may be a perceived or actual impact of not having an additional level of review of the freshwater farm plan. This may create a conflict of interest as the certifier is able to provide advice to the farm operator (their client) on the freshwater farm plan and also certify that plan. However, certifiers will be held to account through quality assurance checks within the regime.</p> <p>Increased ability for the certifier to work alongside the farm operator to understand their goals, farm system risks and preferred mitigation pathways.</p> <p>Furthermore, this option supports equitable freshwater outcomes in areas where fewer farm professionals are available, if one person can both develop and certify a freshwater farm plan.</p>	<p>0</p> <p>Having an additional level of oversight could have perceived or actual positive freshwater impacts and therefore lead to a more trusted freshwater farm plan system overall.</p> <p>This option does not give the certifier the ability to work as closely with the farmer to understand the farm system and its risks and options for mitigations, or the farm operator’s goals.</p>
Practical	<p>+</p> <p>This option relieves professional capacity issues to some extent, although if farm advisors do not want to gain certifier accreditation, they may no longer be a player in the system. Further, certifier-advisors will need to spend longer on the farm developing and certifying a plan and therefore capacity issues may not be alleviated.</p> <p>If the certifier can also advise the farmer on freshwater farm plan content (or be the author of the plan) this provides a more cost-effective option for farmers, as only one party needs to be contracted to complete the plan.</p>	<p>-</p> <p>This option exacerbates farm professional shortages at least in the short term while capacity issues are being addressed in the sector.</p> <p>If a farmer is not the main author of their freshwater farm plan (ie, they use a farm advisor) then the farmer must pay for two parties – the farm advisor and then the certifier to complete a freshwater farm plan.</p>

	Option 1: A certifier can certify the freshwater farm plan and be involved in its development	Option 2: A certifier can only certify the freshwater farm plan and cannot be involved in its development
Gives effect to Te Mana o te Wai	<p>+</p> <p>The certifier will be required to give effect to Te Mana o te Wai within the development of the freshwater farm plan otherwise the criteria for certification will not be met.</p> <p>However, this option may not meet the needs of differing iwi, hapū, and whānau due to knowledge gaps. By giving these responsibilities to a single certifier, mana whakahaere is less likely to be exercised by tangata whenua.</p>	<p>++</p> <p>This option gives effect to Te Mana o te Wai by encouraging more than one professional to work on a freshwater farm plan (as many of the principles outlined in Te Mana o te Wai are attributed to Māori).</p> <p>Māori insight in terms of manaakitanga, kaitiakitanga, and mana whakahaere is more likely to be integrated.</p>
Takes into account the Treaty of Waitangi (Te Tiriti o Waitangi)	<p>0</p> <p>This option may also require significant capacity building in mātauranga Māori as the increased scope of the role will likely not ease capacity issues.</p>	<p>+</p> <p>Allows advice from wider Māori sub-groups and existing ventures pertaining to resource and taonga (for example kaitiaki, iwi management systems).</p> <p>Allows for Māori to be involved in advisory and guidance roles which empowers their exercise of rights and interests in freshwater management.</p> <p>However, to integrate mātauranga Māori into the freshwater farm plan development and certification process is likely to require significant capacity building in the sector.</p>
	4	2
Overall assessment	<p>Option 1 is preferred because it enables the certifier to understand the farmer’s objectives and goals for the farm, how they assess risk, and how they mitigate the adverse effects. It also allows the certifier to recognise potential limitations in the workability of freshwater farm plans across different farms. Certifiers could also be conduits for encouraging innovation in improving waterways. As noted above, Option 1 would require robust ethical safeguards and independent quality assurance processes.</p>	

**Table 6: Regular review and recertification**

	Option 1: Freshwater farm plans are re-certified every three years	Option 2: Freshwater farm plans are re-certified every five years
Effective	<p>++</p> <p>This option is likely to be effective for achieving resource management, regional council and catchment management goals, but a shorter timeframe may mean actions identified are not implemented before review.</p> <p>The plan becomes more of a living document, incorporating changing circumstances and advances in knowledge.</p>	<p>+</p> <p>This option supports the overall effectiveness of the freshwater farm plan system as a whole system as it ensures the farm operator has time to implement actions from the last certification process. Most action plans/work programmes have a five-year focus, so this option best aligns with that timeframe.</p> <p>This option presents a risk of farm plans being forgotten about or becoming outdated due to longer period between certifications.</p>
Practical	<p>-</p> <p>It would be costly for farmers to re-certify plans every three-years.</p> <p>However, this option is able to continuously account for innovation and new information.</p> <p>This option could increase pressure on certifier capacity.</p>	<p>0</p> <p>It would be somewhat costly for farmers.</p> <p>This option is likely to empower farm operators to achieve freshwater outcomes as it balances frequency of re-certification with the ability to continuously improve mitigations (ie, adopt more cost-effective options as they become approved for the system).</p> <p>This option may exacerbate capacity constraints.</p>
Gives effect to Te Mana o te Wai	<p>++</p> <p>This option will support more of a 'living document' way of farm planning, so that plans can be updated more regularly, supporting continual enhanced freshwater outcomes.</p>	<p>+</p> <p>Allows for semi-regular update of risk assessment and mitigations of the farm system to ensure that Te Mana o te Wai is continually being given effect to over time.</p>
Takes into account the Treaty of Waitangi (Te Tiriti o Waitangi)	<p>0</p> <p>This option gives effect to the Treaty of Waitangi (Te Tiriti o Waitangi) no more or less than the current system.</p>	<p>0</p> <p>This option gives effect to the Treaty of Waitangi (Te Tiriti o Waitangi) no more or less than the current system.</p>
	3	2
Overall assessment	<p>Option 1 is our preferred approach because it ensures freshwater farm plans are updated regularly reflecting changes to the farming operation and innovations in avoiding, remedying, or mitigating farm risks. This approach will support the overall effectiveness of the freshwater farm plan system.</p>	



**Table 7: Process for accreditation and appointment of auditors**

	Option 1: Regional councils appoint auditors who are accredited by an existing accreditation body	Option 2: National accreditation system for auditors with council appointment
Effective	<p>++</p> <p>Aligns well with goals of regional councils and catchments for regionally specific enhanced freshwater health.</p> <p>This option could produce some regional disparities regarding the competency and continuing professional development requirements for auditors. This could create additional administrative barriers for prospective audit professionals and may impact on the diversity of freshwater farm plan audit professionals.</p> <p>Regional councils may require support to ensure that auditors they appoint for their region have the required expertise for freshwater farm plan audit processes.</p>	<p>+</p> <p>Establishing a national oversight body for freshwater farm plan audit processes would mitigate the risk of auditors not having the required expertise.</p> <p>This approach preserves the ability of regional councils to impose additional audit competency requirements, which means additional monitoring will be required to ensure the audit workforce is diverse and represents all sections of the community.</p>
Practical	<p>+</p> <p>This option leverages the considerable infrastructure that already exists to oversee and accredit professional auditors.</p> <p>It will be able to be operative in a shorter timeframe due to the infrastructure already being in place.</p> <p>It allows for a tailored approach for each region.</p> <p>A region-by-region approach is unlikely to be cost effective as 16 processes will need to be developed and maintained by regional councils.</p> <p>Audit professionals may need to undergo multiple approval processes depending on the scope and location of their business. This could affect workforce mobility.</p>	<p>+</p> <p>This option continues to enable a tailored approach if required by regions. It can be designed to interact well with other systems at a national level.</p> <p>A national approach minimises the risk that systems and processes will be duplicated and has potential to deliver economies of scale.</p> <p>It would require time to set up.</p>
Gives effect to Te Mana o te Wai	<p>+</p> <p>This option allows for flexibility in exercising manaakitanga and governance, particularly in areas where iwi corporations are less established or recognised on a national level. There may be more opportunity to consider hapū and whānau within these roles.</p>	<p>+</p> <p>The principles of care and respect, and stewardship, will be more consistently and widely encouraged within the wider agricultural sector.</p>
Takes into account the Treaty of	<p>+</p>	<p>+</p>

	Option 1: Regional councils appoint auditors who are accredited by an existing accreditation body	Option 2: National accreditation system for auditors with council appointment
Waitangi (Te Tiriti o Waitangi)	Auditors will be required to understand mātauranga Māori and the significance of freshwater for Māori and recognise mātauranga Māori-based mitigations and evidence.	Māori rights and interests over resources and taonga are retained through the requirement of mātauranga Māori within accreditation. Auditors will be required to acknowledge and understand the significance of freshwater for Māori and recognise mātauranga-Māori-based mitigations and evidence.  National accreditation will incentivise Māori to take on these auditor roles and bring their unique knowledge and experiences to freshwater farm plans.
	5	4
Overall assessment	Option 1 is the preferred approach as it leverages existing professional standards and entities, reducing administration and set-up costs and increasing the pool of auditors available to undertake the work. Under Option 1, any specific knowledge or competencies needed for a freshwater farm plan audit can be provided for through the council appointment process (probably based on nationally set guidance).	

**Table 8: Phasing and staging**

	Option 1: Catchment-by-catchment prioritisation	Option 2: Prioritisation by farm characteristics and risks
Effective	<p>++</p> <p>Freshwater farm plans would be embedded in the catchment context. This encourages coordination and collaboration within catchments.</p> <p>This option can target information to reach farmers in a local area.</p> <p>It enables communities to explore their broader environmental values and objectives in an integrated way, enabling co-benefits to be maximised.</p> <p>All farms in catchment treated the same, meaning both low-risk and high-risk farms in catchments require freshwater farm plans at same time.</p>	<p>+</p> <p>Freshwater farm plans are required by individual farms, which aligns with the point of obligation being on the farm operator.</p> <p>Maybe confusing to know when, where and by whom freshwater farm plans are required.</p> <p>Freshwater farm plans would be based on individual farm characteristics.</p>
Practical	<p>++</p> <p>Implementation efforts can be targeted easily, including information, outreach, upskilling. Can help ease the stress on capability and capacity.</p> <p>This option would be more cost effective due to streamlining efforts to build capacity of advisors and certifiers, developing needed information such as catchment context and regional council processes, and targeting engagement and guidance to farm operators.</p> <p>It enables focused intervention in over-allocated or at-risk catchments, reducing the long-term costs associated with restoring ecosystem health and resilience.</p> <p>Harnesses the collective knowledge of local stakeholders who have a deep understanding of catchment pressures and the efficacy of proposed farm management response options.</p> <p>Embeds participative management approaches and builds stakeholder trust and confidence, creating the conditions that support effective/efficient policy implementation.</p>	<p>0</p> <p>Implementation efforts would rely heavily on central services and industry bodies. Some farms may not have a clear point of contact for starting a freshwater farm plan.</p> <p>Less opportunity for collectivising costs and more costs will fall to individual farms.</p> <p>Increases administrative coordination and implementation costs for central and local government.</p> <p>Increases risk of fragmentation, and reduces the potential to maximise environmental co-benefits at the catchment scale.</p>
Gives effect to Te Mana o te Wai	<p>++</p> <p>A catchment approach embeds the water as the focal point for actions and efforts during implementation of freshwater farm plans. This gives effect to Te Mana o te Wai by enabling the cumulative risks and impacts on a receiving environment to be</p>	<p>0</p> <p>An approach of prioritisation by farm characteristics can only address the risks at an individual farm scale (albeit influenced by the catchment context), therefore</p>

	Option 1: Catchment-by-catchment prioritisation	Option 2: Prioritisation by farm characteristics and risks
	quantified, and the development of efforts and mitigations to be combined to prioritise Te Mana o te Wai.	this approach has a weaker connection to the water and is less effective at giving effect to Te Mana o te Wai.
Takes into account the Treaty of Waitangi (Te Tiriti o Waitangi)	<p>+</p> <p>The focus is on the whenua, which allows Māori to bring their unique connections and expertise of the land to inform freshwater farm plan implementation.</p> <p>This means that iwi partners and representatives will be more likely to participate in implementation because of the larger areas / waterways that are included, in comparison to a farm-by-farm basis.</p> <p>A catchment approach allows collaborative implementation, eg, involving clubs, iwi participation and guidance, Māori extension.</p> <p>This option allows for more whakawhanaungatanga among Māori farmers, agribusinesses, landowners.</p> <p>It also takes into consideration that much of Māori land is under shared ownership.</p>	<p>-</p> <p>More of an individualistic approach – perhaps not aligning with Māori interest in a communal setting, less focus on the whenua.</p> <p>There is less opportunity to link in with other Māori farmers, agribusinesses, and landowners.</p> <p>There is less opportunity to draw from Māori expertise (whenua and wai history, whakapapa, natural resource management).</p> <p>Basing implementation on farm characteristics may mean that Māori farms are at higher risk of incurring costs and challenges in developing a freshwater farm plan – would maybe require attention to costs and prioritisation in the system to offset present inequities faced by Māori.</p>
	10	2
Overall assessment	Option 1 is the preferred option as it embeds a catchment context focus into the implementation of freshwater farm plans, and it allows for greater coordination of resources (information, guidance, catchment information, upskilling of farmers, advisors, certifiers, and auditors). It is also easier to define clearly when regulations apply. This option also allows for greater collaboration between regional councils, communities and tangata whenua.	

# Summary of the Treaty of Waitangi (Te Tiriti o Waitangi) implications

The freshwater farm plan system will ensure the Crown's Treaty of Waitangi (Te Tiriti o Waitangi) obligations are upheld by providing Māori with adequate guidance and flexibility to set up freshwater farm plans that are catered to their on-farm activity and cultural interests.

## Partnership

- We have undertaken a multi-levelled approach to engagement with Māori to ensure that a wide variety of Māori groups and individuals have been consulted in our policy processes. This approach addresses the diversity of Māori social and cultural structures which are often and otherwise seen as homogenous. From the outset of the freshwater farm plan project, we have worked and will continue to work with Kāhui Wai Māori (the Māori advisory board for freshwater) as a baseline for ensuring Māori rights and interests are considered within the freshwater farm plan system. We are also clear that Kāhui Wai Māori are not a substitute for formal engagement with iwi. On 16 April 2021, we held a pre-consultation hui in Wellington with a number of iwi environmental managers and Māori technicians. At this hui, we received further feedback that we have incorporated. Further engagement is needed to address sub groups, particularly hapū and whānau who will be affected by freshwater farm plan on the ground.
- We will be providing mechanisms within the system to empower Māori so that they can effectively set up their own freshwater farm plans.

## Participation

- Mātauranga Māori is recognised within freshwater farm planning as a credible source of information and evidence. This means that Māori can effectively participate in the implementation of farm plans through familiar means.
- We have included options that align with Māori interests and address the challenges that Māori may face because of freshwater farm plan implementation. Many of these options also allow flexibility around existing iwi management plans and Māori land management structures. Māori will have the ability to set up farm plans that are tailored to them.

## Protection

- Freshwater farm plans aim to protect and nurture the hauora of freshwater and freshwater ecosystems by mitigating the impacts of agriculture. Many of these water bodies are sacred to Māori as ancestral figures and sources of food.
- Māori will be provided employment and educational opportunities due to the need for expertise in mātauranga Māori. There is particular interest for this development to occur in the certification and auditing space, as well as guidance and cultural advice.
- We have recognised many of the socio-economic inequities faced by Māori and have attempted to address those by providing a variety of options in each area of the system, ensuring that Te Mana o te Wai is addressed, and providing opportunities for Māori to lead and implement change in this space.

# Summary of how freshwater farm plans will give effect to Te Mana o te Wai

## Mana whakahaere

- Mana whakahaere refers to the rights and obligations of Māori to exercise their tino rangatiratanga, mana motuhake and authority, to implement values and realise aspirations with respect to freshwater, noting that the fundamental premise for Māori is that the mauri of freshwater is paramount.
- By engaging with Māori through a multi-levelled approach, we are able to consult with different groups and address the diversity of Māori social and cultural structures. This is still an ongoing process to include further Māori sub-groups in this decision-making process.

## Kaitiakitanga

- Kaitiakitanga is the obligation of tangata whenua to preserve, restore, enhance, and sustainably use freshwater for the benefit of present and future generations.
- Freshwater farm plans support kaitiakitanga by considering Māori in roles of leadership such as guidance, certification, auditing, and cultural advice. By providing these opportunities, the freshwater farm plan system will empower Māori to be involved in preserving and restoring freshwater bodies.

## Manaakitanga

- Manaakitanga refers to the process by which tangata whenua show respect, generosity, and care for freshwater and for others.
- Manaakitanga is upheld by empowering Māori farmers, agri-businesses and landowners to understand the impacts that their on-farm activities have on freshwater. Freshwater farm plans will also give Māori the tools and guidance to ensure that they are able to mitigate the impacts of agriculture through means that are appropriate for them.

## Governance

- Governance is the responsibility of those with authority for making decisions about freshwater to do so in a way that prioritises the health and well-being of freshwater now and into the future.
- Freshwater farm plans will incorporate material from Māori consultation. This means that the Māori values and views will be included in the decision-making and implementation of freshwater farm plans, particularly te ao Māori perspectives on the hauora of freshwater.

## Stewardship

- Stewardship is the obligation of all New Zealanders to manage freshwater in a way that ensures it sustains present and future generations.
- Because freshwater farm plans aim to mitigate the adverse impacts of agriculture on freshwater, this aligns with Māori interests in protecting freshwater bodies for future generations. During engagement with iwi environmental experts, a key theme was the importance to preserve and sustain freshwater for the future so that rivers, lakes, and other bodies of water are clean enough for mokopuna to enjoy.

**Care and respect**

- This refers to the responsibility of all New Zealanders to care for freshwater in providing for the health of the nation.
- Freshwater farm plans aim to restore the health and wellbeing of freshwater and freshwater ecosystems. Outcomes include clean water for drinking, mahinga kai purposes, and other social and cultural activities for all New Zealanders to enjoy.

# Estimated costs and benefits for regulated parties

The estimated costs and benefits have been assessed for a range of regulated parties including:

**Farmers and growers** – Approximately 40,000 farmers and growers, who meet the size threshold, will be required to have a certified and audited freshwater farm plan. This will have costs associated with it for both the administration and development of the plan as well as implementing the mitigations needed to reduce the identified risks. However, the freshwater farm plan system will provide a more flexible, effective approach than national regulation through more traditional policy methods such as National Environment Standards and National Policy Statements.

**Regional councils** – Through the RMA, regional councils will hold the Compliance, Monitoring and Enforcement function of this system. They will also be responsible for providing information on catchment context and appointing certifiers and auditors in their region. There will be associated costs for implementing this work. Some of the benefits of this system for regional councils will be reduction in contaminant loss to waterways and ecosystem health, improved uptake of regional and national rules through the risk assessment and mitigation processes, improved information, data and communication with farmers through the certification and audit process. The audit process will also act as a 'triage' to identify farms that need further attention from regional councils, including education, compliance monitoring or in some cases enforcement.

**Wider community** – Implementing freshwater farm plans will involve the wider community including rural communities. A network of advisory services including farm planners, systems experts, certifiers, auditors, and those involved in implementing mitigations. In time this will create opportunities through jobs, services and administration. However, in the short term there may be considerable differences between supply and demand. In time communities will benefit from the flow improvements in freshwater quality and ecosystem health through the implementation of mitigations to reduce the identified risks on farm and to the catchment.



**Table 9: Estimated costs to regulated parties – Additional costs of proposed approach, compared to taking no action**

Affected parties	Comment: nature of cost or benefit (eg, ongoing, one-off), evidence and assumption (eg, compliance rates), risks	Impact \$m present value where appropriate, for monetised impacts; high, medium, or low for non-monetised impacts
<p><b>Regulated parties</b> (Farmers and growers)</p>	<p>The discussion document contains freshwater farm plan proposals that will affect approximately 40,000 farm businesses. The assumption is that most farmers and growers will be able to meet these new freshwater farm plan requirements by expanding the scope of their current farm planning activities. Several regional councils already include mandatory farm plan requirements within their regional planning frameworks, and approximately 30,000 farmers and growers are actively involved in formal farm planning activities through their Industry Assurance Programmes, regional council and catchment-based initiatives.</p> <p>The key areas where existing farm planning activities require expansion relate to the incorporation of:</p> <ul style="list-style-type: none"> <li>• Te Mana o te Wai and the identification of mahinga kai values (ie, through regional plans that must be reflected in freshwater farm plans).</li> <li>• catchment values and priorities (the ‘catchment context’).</li> <li>• regional council objectives for improving freshwater ecosystem health.</li> <li>• identify and apply new mitigations to address these new regulated outcomes.</li> </ul> <p>The proposals outlined in the discussion document have been designed so that farmers and growers can write their own freshwater farm plans. The most likely scenario is that farmers and growers will continue working with a range of professional advisors (eg, nutrient management advisors) to ensure they are identifying, quantifying and managing the environmental risks associated with their farming activities in a systematic way that meets their regulatory requirements and IAP commitments.</p> <p>Achieving the new requirements will be more challenging for farmers and growers who are not currently engaged in formal farm planning activities for either regional council or IAP purposes.</p>	<p>Previous analysis<sup>[1]</sup> developed by the Ministry for the Environment to support the Essential Freshwater: Action for Healthy Waterways public consultation process estimated the annual costs associated with the development, certification and audit of freshwater farm plans would be \$22 million per year by 2050, with a Present Value of cumulative impact of \$253 million by 2050.<sup>[2]</sup> This analysis assumed 25,000 new freshwater farm modules would be required.</p> <p>The FW FP proposals outlined in the discussion document have been refined in response to public submissions on the Essential Freshwater process and following further research and development.</p> <p>The farm-level impacts of the freshwater farm plan proposals will be contingent on several factors including:</p> <ul style="list-style-type: none"> <li>• the scale and scope of formalised farm planning activities that the farmer operator is currently engaged in.</li> <li>• the size and complexity of the farm system, and the extent to which farm system is already addressing identified risks.</li> </ul> <p>The cost and availability of farm planning professionals who can assist farm operators in:</p> <ul style="list-style-type: none"> <li>• developing (and potentially certifying) their freshwater farm plan, noting that farmers and growers will need to collate additional information to inform their freshwater farm plan risk assessment processes and achieve the regulated outcomes.</li> <li>• undertake the formal freshwater farm plan certification process; and</li> <li>• undertake the formal freshwater farm plan audit process.</li> <li>• the scale and complexity of the required mitigation options outlined in the freshwater farm plan.</li> </ul> <p>Initial costs estimates provided by the technical experts supporting the Discussion Document development process indicate that, subject to the factors mentioned above:</p>

Affected parties	Comment: nature of cost or benefit (eg, ongoing, one-off), evidence and assumption (eg, compliance rates), risks	Impact \$m present value where appropriate, for monetised impacts; high, medium, or low for non-monetised impacts
	<p>The discussion document also outlines mandatory proposals for the certification, audit and re-certification of freshwater farm plans which will apply to all farmers and grow.</p>	<ol style="list-style-type: none"> <li>1. The initial freshwater farm plan development and certification process could cost between \$1,500 to \$10,000 per farm operation. The average is expected to be around \$3,500 to \$5,000 (<i>moderate confidence</i>).</li> <li>2. The freshwater farm plan audit process could cost between \$1,200 to \$1,500 per assessment (<i>moderate confidence</i>).</li> <li>3. The freshwater farm plan recertification process could cost between \$800 to \$1,200 per assessment (<i>moderate confidence</i>).</li> </ol> <p>The discussion document includes targeted questions to elicit more detailed information on the number of freshwater farm plans that will be required, and the likely scale and distribution of the regulatory costs burden.</p>
<p><b>Regulators</b> <i>Central government</i></p>	<p>The Ministry for the Environment has an existing environmental stewardship and regulatory oversight role. This will extend to cover the freshwater farm planning regime, with a particular focus on the impact on water quality and ecosystem health outcomes. Additional data management and spatial analysis capability will likely be required for this purpose. More generally the Ministry for the Environment and the Ministry for Primary Industries will need to provide implementation support including helping fund the development of tools and systems to support farmers, farm advisors and farm certifiers and auditors.</p> <p>Other government organisations that engage directly with farmers and growers on land management issues (e.g., Land Information New Zealand and the Department of Conservation) may need to update their lease and programme funding rules to include requirements for farm operators to demonstrate compliance with the freshwater farm plan regulations.</p> <p>There may also be a cost associated with establishing a national accreditation body for certifiers if that option is progressed.</p>	<p>To a degree these functions are business as usual. However, the importance of the farm planning regime means significant more investment is likely to be required. The magnitude of the investment will depend on final policy decisions and be informed by implementation work that will be undertaken over the next few months.</p> <p>These impacts are expected to be minor (high confidence).</p>
<p><i>Regional councils</i></p>	<p>Under the current freshwater farm plan proposals regional councils will be required to collect and monitor the accuracy of the freshwater farm plans. Regional councils' role will also include land management advice and</p>	<p>Independent analysis<sup>[3]</sup> commissioned by the Ministry for the Environment to support the previous <i>Essential Freshwater: Action for Healthy Waterway</i> consultation process estimated that the introduction of freshwater farm plans would result in regional councils and</p>

Affected parties	Comment: nature of cost or benefit (eg, ongoing, one-off), evidence and assumption (eg, compliance rates), risks	Impact \$m present value where appropriate, for monetised impacts; high, medium, or low for non-monetised impacts
	communications and engagement with farmers and growers to ensure implementation of the regulations. They will also be responsible for initiating enforcement action where necessary. These requirements will impose additional compliance, monitoring and enforcements costs on councils.	territorial authorities incurring additional total administrative costs of \$38.27 million. The analysis noted this figure was highly uncertain, with costs varying depending on the number of farms in each region.  As noted above, the proposals outlined in the current discussion document differ from those that were originally consulted on. Consequently, the discussion document includes questions to elicit more robust cost/benefit data.
<b>Other parties</b> <i>(wider community)</i>	Industry Assurance Programmes, regional council programmes, and catchment-based initiatives may be required to refine their current farm planning activities (including plan development and certification processes) to incorporate new freshwater farm plan requirements.  Rural professionals wishing to offer freshwater farm plan certification and audit services will be required to meet a range of professional experience, technical competency, and ethical practice requirements.	The potential cost impacts were not modelled as part of the original <i>Essential Freshwater</i> process and the discussion document includes a question to elicit more information on whether Industry Assurance Programmes will update their programme requirements to include freshwater farm plan requirements as part of their business-as-usual activities and/or whether additional direct/indirect costs will be incurred.  The costs associated with obtaining freshwater farm plan accreditation are estimated to be minor to moderate ( <i>high confidence</i> ) depending on individual training needs and may include items such as: <ul style="list-style-type: none"> <li>• Undertaking additional nutrient management or computational modelling training in the range of \$1,500 to \$3,000 depending on individual training needs.</li> <li>• Implementing new processes and procedures (eg, conflicts of interest) to embed the required ethical practice requirements within their business.</li> </ul>

**Table 10: Estimated benefits for regulated parties - Expected benefits of proposed approach, compared to taking no action**

Affected parties		
<p><b>Regulated parties</b> Farmers and growers</p>	<p>Freshwater farm plans will support farmers and growers to:</p> <ul style="list-style-type: none"> <li>• systematically identify and quantify their environmental risks and prioritise actions for managing them, safeguarding the environmental sustainability of their farm business.</li> <li>• record and demonstrate their environmental progress in an evidence-based way, deepening their connectivity with iwi, their local catchment community, and consumers.</li> <li>• make confident investment decisions, with the freshwater farm plan certification and audit processes generating improved data and management insights.</li> <li>• increase the value and competitiveness of New Zealand produce in international markets.</li> </ul>	<p>Freshwater farm plans will provide a mechanism to integrate freshwater management requirements (both regulatory and industry focussed) into a single plan document, delivering minor/moderate administrative cost savings, particularly for farmers and growers who are members of Industry Assurance Programmes.</p> <p>The freshwater farm plan development process could also deliver a step-change in farming practices and a level performance playing field, providing assurance that all farmers and growers will be required to meet nationally consistent farm management expectations and appropriate action will be taken where farm operators fail to meet those expectations.</p> <p>Independent research<sup>[4]</sup> commissioned by the Ministry for the Environment to support the <i>Essential Freshwater</i> consultation process indicated that consumers would be willing to pay a price premium of approximately 20% for products with demonstrable environmental attributes.</p>
<p><b>Regulators</b> <i>Regional councils</i></p>	<p>The freshwater farm plan regulations will support the shift to more sustainable, productive, and profitable land uses by clarifying on-farm management expectations and creating the conditions for continued investment and innovation. In particular, freshwater farm plans will:</p> <ul style="list-style-type: none"> <li>• recognise the importance and significance that freshwater has for iwi/Māori and give effect to the Crown’s responsibilities under the Treaty of Waitangi (Te Tiriti o Waitangi).</li> <li>• provide an efficient and effective mechanism for translating national policy requirements into regional planning rules and integrating them within existing compliance, monitoring and enforcement activities.</li> <li>• embed a nationally consistent approach for identifying, quantifying, and reducing the adverse impacts of farming activities on freshwater resources.</li> <li>• support the adoption of best practice and continuing innovation and support the transition to healthier freshwater and more sustainable land management practices.</li> </ul>	<p>Previous analysis<sup>[1]</sup> developed by the Ministry for the Environment to support the <i>Essential Freshwater: Action for Healthy Waterways</i> public consultation process indicated that improving the quality of New Zealand’s freshwater resources would deliver a broad range of benefits outlined in the following table. The <i>Essential Freshwater</i> package included a broad range of measures in addition to freshwater farm plans. The table data quantifies the outcomes and associated benefits that will accrue from the complete package and, while freshwater farm plans are one of the package’s key delivery mechanisms, it is not possible to monetise specific freshwater farm plan benefits at this stage.</p>

Affected parties																	
	<ul style="list-style-type: none"> <li>provide a strong evidence base for measuring, managing, and reporting environmental progress.</li> <li>enable regional government to model, target and manage environmental risk, and prioritise their compliance, monitoring and enforcement resources.</li> <li>enable central government to provide effective oversight.</li> </ul>	<table border="1"> <thead> <tr> <th>Benefits</th> <th>Annual impact by 2050 \$million</th> <th>Present value of cumulative impact by 2050 \$million</th> </tr> </thead> <tbody> <tr> <td>Reduced risk of infection for swimmers</td> <td>138</td> <td>2,366</td> </tr> <tr> <td>Water clarity benefits – value of clear water for recreation</td> <td>13</td> <td>104</td> </tr> <tr> <td>Ecosystem health benefits of Macroinvertebrate index bottom lines</td> <td>79</td> <td>661</td> </tr> <tr> <td>Wetland ecosystem benefits</td> <td>450</td> <td>3,900</td> </tr> </tbody> </table>	Benefits	Annual impact by 2050 \$million	Present value of cumulative impact by 2050 \$million	Reduced risk of infection for swimmers	138	2,366	Water clarity benefits – value of clear water for recreation	13	104	Ecosystem health benefits of Macroinvertebrate index bottom lines	79	661	Wetland ecosystem benefits	450	3,900
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Central government	<p>The freshwater farm plan approach complements activities that are currently underway in related environmental policy areas (eg, He Waka Eke Noa Primary Sector Action Partnership) and creates opportunities to maximise environmental co-benefits.</p> <p>Freshwater farm plans will improve the scope and quality of environmental reporting processes.</p>	The non-monetised benefits are expected to be moderate (high confidence).															
Other parties (Wider community)	<ul style="list-style-type: none"> <li>The freshwater farm plan development process will have a positive impact on the mauri and wairua of New Zealand’s waterways and support Māori in strengthening their identity and connection to water, as well as exercising their role as kaitiaki. It will further help ensure that tangata whenua are able to practice tikanga over the management of freshwater values such as mahinga kai.</li> <li>The freshwater farm plan audit process will provide a robust mechanism for ensuring farmers and growers deliver on their freshwater farm plan commitments, preventing further freshwater degradation and materially improving freshwater quality within five years.</li> </ul>	<ul style="list-style-type: none"> <li>The non-monetised benefits for Māori are expected to be high (high confidence)</li> <li>Ministry for the Environment analysis<sup>[5]</sup> indicates that the value New Zealanders place on the benefits associated with improved freshwater quality and recreational opportunities has a monetised value of \$79 million per year.</li> <li>Moderate impact (high confidence), with preliminary estimates indicating that approximately 300 freshwater farm plan certifiers will be required to service national demand.</li> <li>Moderate impact (moderate confidence) as freshwater farm plan mitigations will need to be incorporated into existing capital investment programmes.</li> </ul>															

## Affected parties

- The freshwater farm plan process will create a new career pathway for environmental management professionals (through the introduction of the freshwater farm plan Certifiers), and elevate the role, importance, and value that planning professionals can add to farm businesses.
- It is also anticipated that the introduction of freshwater farm plans will have positive implications for rural communities, with the implementation of freshwater farm plan mitigations likely to result in the creation of new job opportunities.

[1] Available at <https://environment.govt.nz/assets/Publications/Files/overview-of-impact-analysis-undertaken-to-inform-decisions-freshwater-policy.pdf>

[2] Note the annual impact is not the sum of the individual cost values. It is the implied annual average net cost if net costs were received equally through time, based on the total Present Value being received over 30 years using a 3% discount rate.

[3] Available at: <https://environment.govt.nz/assets/Publications/Files/administrative-costs-of-proposed-essential-freshwater-package-on-regional-councils.pdf>

[4] Available at: <https://environment.govt.nz/assets/Publications/Files/consumer-willingness-to-pay-for-environmental-attributes-results-from-aeru-research.pdf>

[5] Available at: <https://environment.govt.nz/assets/Publications/Files/action-for-healthy-waterways-information-on-benefits-and-costs.pdf>

## Questions

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

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