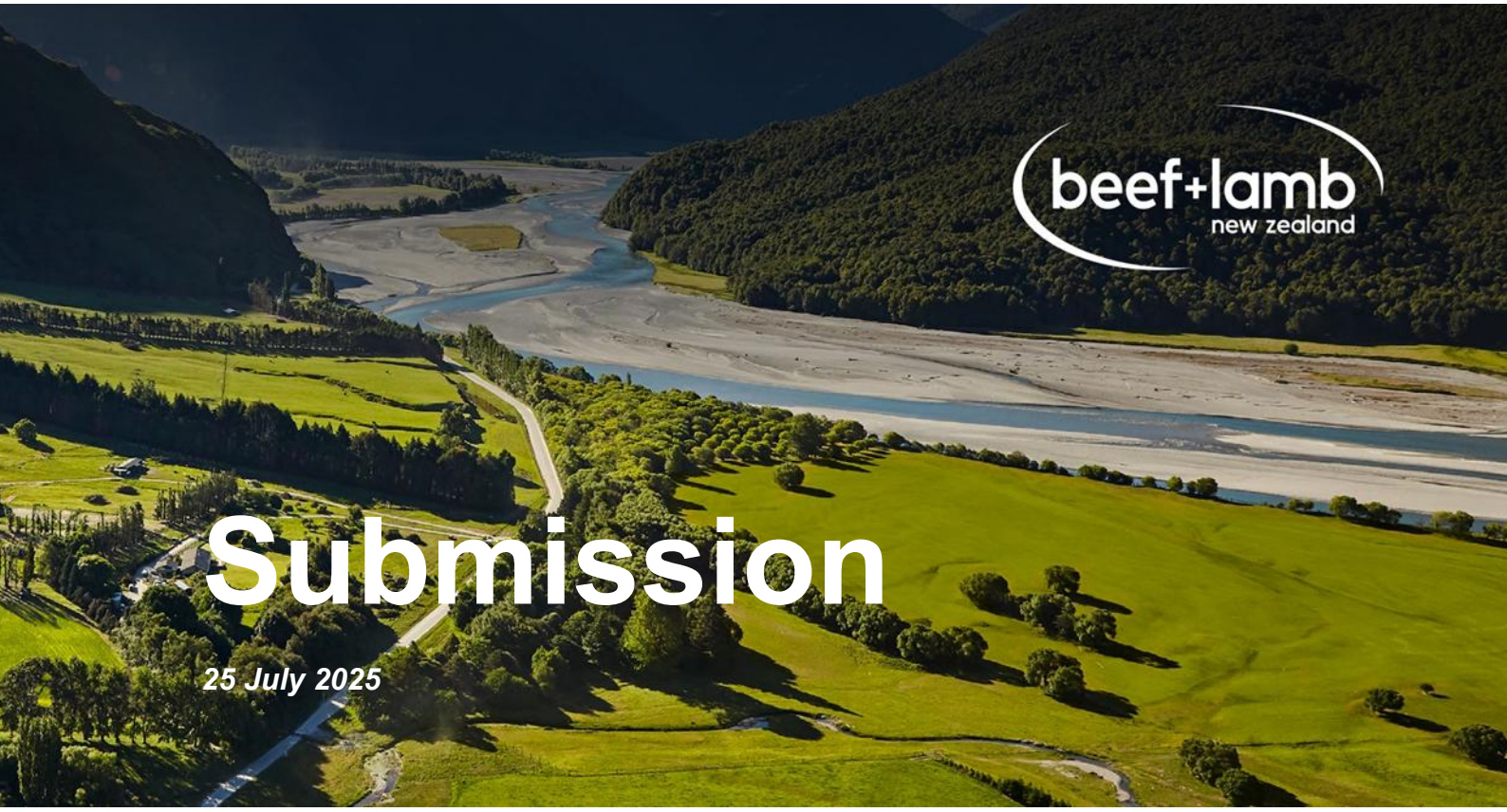


Submission

25 July 2025

TO THE

Ministry for the Environment

ON THE

Consultation on updating RMA national direction

BY

Beef + Lamb New Zealand Limited

SUBMISSION ON

To: Ministry for the Environment

Email: ndprogramme@mfe.govt.nz, freshwaterND@mfe.govt.nz

Name of submitter: Beef + Lamb New Zealand

Date: 25 July 2025

Address for service

Name	Position	Phone Number	Email Address
Paul Le Miere	Senior Manager – Environment Policy	027 617 1796	Paul.LeMiere@beeflambnz.com
May Ponsonby	Environment Policy Analyst	027 231 6115	May.Ponsonby@beeflambnz.com

Other contacts

Name	Position	Phone Number	Email Address
Rowena Hume	General Manager - Policy & Communications	027 224 4535	Rowena.Hume@beeflambnz.com

Submission

1. Executive Summary

Beef + Lamb New Zealand (B+LNZ) welcomes the opportunity to provide feedback on the Government's consultation on updating Resource Management Act (RMA) national direction. This submission focuses on the elements most relevant to New Zealand's sheep and beef farmers, particularly those in Package 2: Primary Sector and Package 3: Freshwater.

B+LNZ supports the Government's intent to improve the clarity, consistency, and workability of national direction. However, we emphasise the need for enduring, practical, and balanced policy settings that support both environmental outcomes and the long-term viability of farming businesses. Our submission is grounded in extensive engagement with farmers, including focus groups, webinars, a survey, and consultation with our Environment Reference Group and Māori Agribusiness team.

Key themes and recommendations include:

Multiple Objectives: B+LNZ supports rebalancing the National Policy Statement for Freshwater Management (NPS-FM) to better reflect the diverse values of freshwater, including economic, cultural, and ecological values. We advocate for a more flexible, outcomes-based approach, rather than a hierarchy, that enables catchment-specific solutions and recognises the importance of community engagement and economic considerations.

Te Mana o te Wai: The current hierarchy of obligations has created confusion and impracticality and needs to change. Our engagement with farmers indicated no clear preference for any of the three proposed options. B+LNZ recommends removing the hierarchy of obligations to allow for more balanced implementation. Any retention of Te Mana o te Wai must be in line with B+LNZ's *principles of a freshwater management framework*.

National Objectives Framework (NOF): We call for greater flexibility in the NOF, including the removal of national bottom lines. Some of the current targets are unachievable, based on inappropriate modelling and impose disproportionate costs on rural communities.

Highly Productive Land (HPL): B+LNZ opposes the removal of Land Use Capability (LUC) 3 land from HPL protections. Sheep and beef farms operate across all land classes, and LUC 3 land is critical to the sector. We support more detailed, farm-scale mapping.

Commercial Forestry: We support stronger controls on afforestation, slash management, and pest control to address the environmental and social impacts of large-scale forestry conversions.

Wetlands and Stock Exclusion: B+LNZ supports simplifying and aligning wetland regulations across national instruments. We advocate for the use of Freshwater Farm Plans to determine appropriate stock exclusion on a case-by-case basis, recognising the role of light grazing in wetland management.

Water Storage and Security: We support national direction to enable on-farm water storage, which is vital for drought resilience. Regulatory barriers to water storage must be reduced.

Reform the NPS-FM now or wait until the new replacement of the RMA:

Recently the government has stated that it will require regional councils to not notify regional freshwater plans (and other instruments) before the replacement RMA is operational.

Indications from the Government are that there will be no National Environment Standards (NESs) or National Policy Statements (NPSs) in the replacement to the RMA (but potentially national standards). This gives rise to the dilemma of whether, or how, to reform the NPS-FM given it may have a limited life.

As we indicate throughout this submission, on balance B+LNZ believes that it is important to reform the NPS-FM now. This will be a useful guide to regional councils as they think about and amend their regional freshwater plans under the RMA replacement framework.

2. Introduction

Beef + Lamb New Zealand (B+LNZ), welcome the opportunity to provide feedback on the proposed changes to national direction covered in the consultation on *Updating RMA national direction*. This submission responds primarily to Package 2: Primary Sector and Package 3: Freshwater, reflecting the priorities of New Zealand's sheep and beef farmers.

B+LNZ is an industry-good body, funded under the Commodity Levies Act through a levy paid by producers on all cattle and sheep slaughtered in New Zealand. B+LNZ represents around 9,000 farming businesses, providing around 35,000 jobs across New Zealand. The sector is a significant contributor to New Zealand's economic wellbeing. Export revenue from New Zealand's red meat industry for the year ending 30 June 2025 are projected to be $11.4 billion[1]. This economic contribution is underpinned by ongoing improvements in environmental performance, including reductions in livestock numbers, while maintaining production levels.

The sheep and beef industry is diverse, adaptable, and very resilient. B+LNZ's vision is 'thriving sheep and beef farmers, now and into the future'. An important part of B+LNZ's role is investing in building capability and capacity to support a vibrant, resilient, and profitable sector. A particular emphasis is placed on building farmers' ethos of environmental stewardship and prioritising sustainable farming systems. Protecting and enhancing New Zealand's natural capital and economic opportunities through a holistic approach to environmental management is fundamental to the sustainability of the sector and to New Zealand's wellbeing for current and future generations.

This submission is informed by extensive engagement with farmers, including webinars, surveys, focus groups, and consultation with B+LNZ's Environment Reference Group, in addition to B+LNZ's maori agribusiness team. The feedback gathered highlights farmers' deep connection to the land and freshwater, their commitment to environmental stewardship, and their desire for practical, enduring, and balanced policy settings.

We acknowledge the Government's efforts to address B+LNZ's longstanding concerns and welcome the opportunity to work collaboratively to ensure that RMA national direction supports both environmental outcomes and the viability of farming communities. Our submission outlines key recommendations and considerations to help shape a framework that is fair, efficient and effective, and future-focused.

[1] Situation and Outlook for Primary Industries, December 2024. Ministry for Primary Industries

3. B+LNZ Farmer Engagement

Farmer feedback, alongside policy analysis, has strongly informed the views and positions put forward in this submission. We have also encouraged farmers to provide their own individual submissions on the consultation, including by providing specific examples from their farms.

B+LNZ conducted two farmer focus groups, two webinars, a survey, and consulted with B+LNZ's Environment Reference Group to inform the positions within this submission.

We thank those farmers who took the time to participate in our farmer engagement activities.

Overall, farmers value freshwater and other natural resources as a key part of their businesses. Farmers we engaged with are well aware of the need to sustainably manage resources for future generations and enable business continuity into the future.

We asked farmers about a range of topics covered in this consultation. Some of the examples given by farmers are incorporated later in this submission. Results are highlighted in detail throughout this submission. A summary is provided here:

1. Freshwater Values and Uses

- We discussed what farmers value freshwater for. Common values held by farmers include economic values e.g. irrigation and stock water, ecosystem health, native species, recreation, life source of water, and connection of the farm's identity to rivers.
- We asked farmers what they use freshwater for. Uses included stock water, irrigation, household use, food gathering (mahinga kai), among others.
- We discussed what information would help a community to make decisions around balancing freshwater objectives/values. Responses included: trusted relationships, stakeholder support, ecological data, and economic information about the costs of achieving community freshwater aspirations.

2. Te Mana o te Wai Preferences

- We asked farmers if they have a preferred option from the three proposed by the Government. Overall farmer feedback was that the current hierarchy, where the water came first, was not working and needed to change. There was a spectrum of views from farmers on all three options, with no overall majority on any option.
- Comments across all options reflected confusion about practical application, desire for clarity, and the importance of balancing the health of the water with economic viability.

3. National Bottom Lines

- We asked farmers if they prefer an ecosystem health/outcomes-based approach or setting numeric targets (national bottom lines). There was strong support for an ecosystem health/outcomes-based approach.
- Concerns included the rigidity of numeric targets and the need for contextual flexibility.

- We also asked at which level should freshwater be managed. Preferred management levels were catchment level. However, this came with the caveat that it is important to get the whole community on the journey and have the people who are doing the grunt work in the room.

4. Water Storage and Security

- Many respondents expressed need for more storage, citing drought resilience, irrigation, and household use.
- We asked farmers what barriers they face to get water storage: responses included: consent and regulatory complexity and costs.

5. Commercial Forestry

- We asked farmers which aspects of forestry need more control. There was strong support for controlling: slash management, afforestation (land use change), pest and fire risk, and carbon forestry.
- There were concerns about ETS impacts and rural community decline, as well as environmental impacts from harvesting and slash.

6. Wetland Management

- Respondents recognised the importance of wetlands and the benefits that wetlands can provide for environmental outcomes by capturing contaminants.
- Many respondents had been involved in wetland enhancement or construction projects and believe that these activities should be encouraged through more funding or permitted activity pathways.
- Costs for wetland management ranged from $5,000 to over $100,000.

4. Package 2: Primary Sector

Given the breadth of topics covered by Package 2, B+LNZ have only responded to those pieces of direction that directly impact sheep and beef farmers, being:

- National Environmental Standards for Commercial Forestry
- National Policy Statement for High Productive Land
- Stock Exclusion Regulations
- Implementation of primary sector instruments

4.1 Proposed amendments to National Environmental Standards for Commercial Forestry

It is important to acknowledge that while forestry is a part of the rural landscape, any softening of regulations should be approached with caution to avoid any unintended negative impacts on communities.

These impacts include full farm conversions and their broader societal consequences, increased vulnerability to adverse events and pests due to poor forest management, and heightened fire hazards[2].

Farmers B+LNZ has engaged with to inform this submission believe that some aspects of forestry need more control. There was strong support for greater control of slash management, afforestation (land use change), pest and fire risk, and carbon forestry.

We also have concerns about ETS impacts and rural community decline, as well as environmental impacts from harvesting and slash.

B+LNZ response to consultation topic: Addressing council ability to introduce more stringent rules than in the NES-CF:

In many cases, we advocate for community empowerment, supporting local decision-making on land use. However, in some situations, this can lead to inconsistencies and complexity, where a clear national framework would be more effective. In certain cases, additional local rules may also restrict private property rights and hinder economic growth.

The relevant regulations, and their purpose as outlined in the regulatory impact statement, include:

- Regulation 6(1)(a): Allows councils to impose stricter rules to mitigate the effects of commercial forestry on freshwater:
- Regulation 6(4A): Grants councils' broad authority to enforce stricter rules on afforestation, including its location.

The Ministry for the Environment has proposed the full repeal of these two regulations, making it easier for new forestry plantations to be established even in the face of council opposition. B+LNZ have long opposed the scale of full farm conversions to carbon forestry due to distortionary drivers behind this, the significant economic and community impacts, and the significant concerns raised by rural communities.

[2] https://www.eastlandwood.co.nz/wp-content/uploads/2021/11/Impacts-of-permanent-carbon-farming-on-Tairawhiti-region-Problems-and-solutions-030321-v5.pdf

The proposed changes do not stand alone and are on the face of it at odds with current government direction. For example, the Climate Change Response (Emissions Trading Scheme - Forestry Conversions) Amendment Bill has been introduced to limit widespread conversions of farmland to exotic forestry. It will prevent LUC 1-5 land from entering the Emissions Trading Scheme and cap new registrations on LUC 6 land.

While on paper this bill is a step in the right direction, it does not go far enough and has gapping loopholes. B+LNZ believes the Government needs to tighten the temporary exemptions that allow land converted after 4 December 2024 to enter the ETS as the criteria are too broad and open to abuse.

It is also critical that the moratorium is extended beyond what is currently proposed in the bill. The restrictions only apply to land classes 1–5, but 89 percent of whole farm conversions to date have occurred on land classes 6–8 and land class 6, in particular, is highly productive and vital to the sheep and beef sector.

Since 2017, at least 300,000 hectares of whole sheep and beef farms have been sold to forestry interests. We estimate a further 50,000 hectares will be added before the new rules take effect. Without stronger controls, we could see a million hectares lost by 2050. This is unsustainable for our sector, our rural communities, and the country.

B+LNZ analysis shows these land use changes would shrink the sheep and beef sector's grassland base by 19 percent, and stock numbers by 18 percent, with flow-on effects for regional New Zealand.

Adequate safeguards need to be in place to manage environmental, economic and social risks. This includes measures to manage the risk of trees washing downhill during storms, ensuring fire prevention strategies, and enforcing pest control requirements, associated impact on jobs, rates and other issues (especially for permanent carbon plantations).

B+LNZ has a position that councils should only be stricter than NES rules or standards in exceptional circumstances shown following a robust process, backed by strong evidence and data. B+LNZ believes that any controls on councils being more stringent, or not, in NES's should be consistent across all relevant NES's.

B+LNZ response to consultation topic: Introducing a slash management risk assessment approach:

13. Do you support amendments to regulations 69(5-7) to improve their workability? And,

14. Do you support a site-specific risk-based assessment approach or a standard that sets size and/or volume dimensions for slash removal? And,

15. Is the draft slash mobilisation risk assessment template (provided in attachment 2.2.1 to this document) suitable for identifying and managing risks on a site-specific basis? And,

16. Should a slash mobilisation risk assessment be required for green-zoned and yellow-zoned land? If so, please explain the risks you see of slash mobilisation from the forest cutover that need to be managed in those zones? And,

17. If a risk-based approach is adopted which of the two proposed options for managing high-risk sites, do you prefer (ie, requiring resource consent or allowing the

removal of slash to a certain size threshold as a condition of a permitted activity)? And,

18. For the alternative option of setting prescriptive regulations for slash management, is the suggested size and/or volume threshold appropriate? And,

The regulatory impact statement identifies the primary concerns surrounding reduced slash regulations as being linked to adverse weather events.

Severe storms, such as those in Tairāwhiti and Hawke's Bay, have caused significant damage related to commercial forestry. In response, changes to the NES-CF were introduced to improve slash management. New regulations (69(5-7)) were implemented in 2023, imposing prescriptive measures, including limits on the dimensions and volume of slash left in forest harvest areas.

B+LNZ support a more strategic approach to slash management, provided the outcomes are effective. Communities and infrastructure must be reasonably protected.

A key issue raised in the consultation document is the lack of sufficient data to assess the impact of current slash regulations. Because of this, the tangible benefits of the rules remain unclear.

Slash is widely recognized as a major problem, which is why the regulations were introduced. The absence of measurement of the outcome does not necessarily mean the rules are overly prescriptive. Additionally, the consequences of poor slash management often go unnoticed until a major storm occurs, resulting in costly damage to critical infrastructure, private property, rivers, and beaches, and creating and financial burden for individuals, taxpayers and ratepayers.

The proposed solution aims to refine slash management by targeting areas where intervention is most needed. B+LNZ conditionally support this approach, as it presents a practical balance.

The condition is that the risk management assessment must accurately identify high-risk areas and ensure they are managed effectively.

B+LNZ response to consultation topic: Remove the requirement for afforestation and replanting plans:

20. Do you support the proposed removal of the requirement to prepare afforestation and replanting plans?

The proposal seeks to repeal regulations 10A and 77A, which establish requirements for afforestation and replanting plans, as well as Schedule 3 of the NES-CF, which details the provisions for those plans.

These plans are intended to be the mechanism for foresters to demonstrate how they will comply with NES-CF requirements. Local authorities must be provided with these plans upon request.

B+LNZ opposes repealing these regulations. Afforestation and replanting plans serve as a key mechanism for verifying compliance with the NES-CF. Without them, it is unclear how that function would be fulfilled, and their removal may reduce the enforceability of these rules.

B+LNZ response to consultation topic: Other minor text amendments:

21. Do you support the proposed minor text amendments?

B+LNZ do not support removing the term "woody debris," as it likely refers to wood waste such as fallen trees that are not a result of harvesting.

Instead, we recommend defining the term to eliminate confusion. While a single fallen tree may not pose an issue, a landslip that brings down a section of forest presents significant risks. Forest owners should be responsible for managing such hazards as part of their land stewardship and to safeguard the community.

The regulatory impact statement acknowledges the difficulty of defining "woody debris":

> *"Defining the term 'woody debris' is challenging because in a general sense it includes material not from commercial forestry activities. In addition, analysis of what a definition could include led to duplications with existing definitions (e.g. slash)."*

Following Cyclone Gabrielle, the Hawke's Bay Regional Council released a report[3] detailing the composition of woody debris found across flood-affected areas and beaches. While slash management remains an ongoing issue, the report highlighted that much of the woody debris consisted of pine trees with no cut marks, indicating they were not harvested.

This suggests that other forms of woody debris, particularly those that are able to enter waterways, also require management. Slash is not the only type of forest debris posing risks, and while defining the term may be challenging, we believe there is clear value in keeping it or an equivalent, ensuring all types of woody debris, that pose significant risk are managed.

Further B+LNZ comments: Pest control:

B+LNZ believes that requirements for pest management are missing from these proposals. Mismanaged pest populations in forest blocks are a critical and growing problem that is impacting heavily on neighbouring farms. B+LNZ recommends adding provisions for pest control (particularly deer, pigs, and goats) to the NES-CF. This would enable councils to hold commercial forestry operations to account through resource consent requirements.

According to the Federated Farmers 2024 National Pest Survey[4], pest animals are estimated to impose $213 million per year in costs on the farming sector. This is:

- $74 million is spent annually on direct control measures (fencing, poisoning, and shooting).
- $139 million is lost through production impacts such as pasture degradation and crop damage.
- This does not include the cost of rehabilitation, for example, re-sowing damaged pasture or replacing broken fences.

[3] https://www.hbrc.govt.nz/assets/Document-Library/Cyclone-Gabrielle/Post-Cyclone-Gabrielle-2023-large-woody-debris-assessment-31.03.2023-FINAL-v1.pdf

[4] Nation Pests Survey, Federated Farmers of New Zealand, August 2024 https://fedfarm.org.nz/PestSurvey

The survey notes that farmers neighbouring forestry land, or Department of Conservation land have higher number of pests coming from this neighbouring land and face significantly higher costs for pest control as a result.

We have heard from farmers that large-scale pine forestry conversions, are contributing to rising ungulate populations by creating ideal breeding and cover conditions, leading to increasing pest pressure on neighbouring farmland[5]. Embedding pest control requirements within the forestry regulations and/or resource consent processes would ensure that forestry companies take responsibility for managing the impacts of their land use and do not externalise the environmental and financial burden onto nearby landowners.

4.2 Proposed amendments to the National Policy Statement for Highly Productive Land 2022

Sheep and beef farms are run on all land classes including areas which might be classified as Highly Productive Land and often operate on the fringes of urban or lifestyle zones. Urban expansion onto productive land, reverse sensitivity, and fragmentation impact the sheep and beef sector.

All sheep and beef land is productive land. This is true regardless of whether the system is intensive or extensive, LUC 1 or LUC 7, and tends to reflect the people who farm the land rather than just the land itself. Sheep and beef farmers have managed to increase meat production on often challenging landscapes while decreasing the total number of animals farmed; made significant progress in reducing their environmental footprint – all while losing some of their most productive land to other land uses.

The NPS-HPL needs to recognise the mosaic of landscapes and their versatility at a range of spatial scales at both national and farm scale levels and promote the recognition and use of these landscapes. Therefore, mapping should be done at 1:10,000 scale at least.

Using the B+LNZ Sheep and beef farm survey, 2020-21 data (519 farms) we estimate that across the country sheep and beef farmland on LUC 3 land covers 833,528 ha. This is:

- 11% of the total sheep and beef land area
- 14% of the South Island sheep and beef land area
- 7% of the North Island sheep and beef land area
- 54% of Farm Class 8 land (South Island Mixed Finishing)
- 48% of Farm Class 7 land (South Island Finishing)
- 25% of Farm Class 6 land (South Island Finishing Breeding)
- 10% of Farm Class 2 land (South Island Hill Country)
- 19% of Farm Class 5 land (North Island Finishing)

This emphasises that a significant amount of LUC 3 land is found on South Island sheep and beef farms. Removing protection from urban development for LUC 3 could, therefore, have significant impacts on the sheep and beef sector, including flow on effects to the wider community.

<u>B+LNZ responses to relevant consultation questions:</u>

[5] For a recent example see - https://www.odt.co.nz/rural-life/rural-life-other/plantations-daunting-neighbours

25. Should LUC 3 land be exempt from NPS-HPL restrictions on urban development (leaving LUC 3 land still protected from rural lifestyle development) Or, should the restrictions be removed for both urban development and rural lifestyle development?

LUC 3 land makes up around 64 per cent of the land area currently protected under the NPS-HPL. Therefore, removing it from HPL would make a significant impact to the amount of land that is unprotected from urban intensification.

Protecting highly productive land from lifestyle development but not from urban development may not make any practical difference for sheep and beef farmers; it just paves a clearer pathway for urban development without competition with lifestyle development for space.

27. If LUC 3 land were to be removed from the criteria for mapping HPL, what, other consequential amendments will be needed? For example, would it be necessary to:

a. **amend 'large and geographically cohesive' in clause 3.4(5)(b)**
b. **amend whether small and discrete areas of LUC 3 land should be included in HPL mapping clauses 3.4(5)(c) and (d)**
c. **amend requirements for mapping scale and use of site-specific assessments in clause 3.4(5)(a), and amend definition of LUC 1, 2 or 3 land**
d. **remove discretion for councils to map additional land under clause 3.4(3).**
e. **use more detailed information about LUC data to better define HPL through more detailed mapping, including farm scale and/or more detailed analysis of LUC units and sub-classes.**

B+LNZ seeks that the NPS-HPL evaluate and consider the flow on and indirect effects on the sheep and beef sector and rural communities of directing urban expansion away from "highly productive" land and on to "less productive" land.

By protecting highly productive land, development is directed on "less productive" land, which typically encompasses dryland sheep and beef land. However, LUC 3 land is still highly productive and holds many other values, such as biodiversity and communities, and should not be sacrificed in order to protect other primary production industries or urban development.

Small and discrete areas of highly productive land can still be of vital importance to a farming business with mixed LUCs and if they are not protected by the NPS-HPL these small areas may be subject to complex regulatory or urban rezoning requirements which in turn will disrupt the farming business. For example, most farmers who completed our survey had some LUC 3 land on their farming properties – ranging from 10 percent to over 50 percent.

The NPS-HPL needs to recognise the mosaic of landscapes and their versatility at both national and farm scale levels and promote the recognition and use of these landscapes. Therefore, B+LNZ supports more detailed mapping and farm scale analysis. Mapping should be done at 1:10,000 scale at least. More detailed mapping will better enable accurate identification of small and discrete areas of highly productive land.

28. Given some areas important for foods and fibre production such as Pukekohe and Horowhenua may be compromised by the removal of LUC 3 land, should additional criteria for mapping HPL be considered as part of these amendments? And,

29. If so, what additional criteria could be used to ensure areas important for food and fibre production are still protected by NPS-HPL?

All food and fibre production land is valuable land and this should be recognised and protected as such. Land which is most attractive for urban and lifestyle development tends to be lower slope land, flat and rolling. The practical reality of developing greenfield sites is that the developer will receive a greater return where the initial costs of investing are lower. Dairy farmland tends to be more expensive per hectare than sheep and beef land, and intensive and irrigated sheep and beef land tends to be more expensive than dryland or extensive sheep and beef land. The cost of the land per hectare does not, in B+LNZ's view, directly correlate to the value of the land. This pricing difference, however, means that sheep and beef, particularly dryland sheep and beef, may be disproportionally indirectly affected by the proposed changes to the NPS-HPL.

30. What is appropriate process for identifying special agricultural areas should be? Should this process be led by local government or central government? And,

31. What are the key considerations for the interaction of special agriculture areas with other national direction – for example, national direction for freshwater?

B+LNZ does not support 'picking winners' between primary production industries.

The importance of food production must be balanced with environmental health, whether it be freshwater or biodiversity or other environmental domains.

When considering special agriculture areas, the importance of dryland extensive sheep and beef land cannot be overlooked or undervalued. Farming classes are interconnected with extensive hill and high-country properties being vital breeding country that supplies more intensive, flat finishing farms throughout multiple regions. Therefore, B+LNZ does not support special agriculture areas as currently proposed.

Increased pressure on and conflict over water supply resources. In over-allocated areas, increased water supply demand for human consumption can have serious effects on primary production because human needs are prioritised over cultural and economic uses (such as irrigation or stock drinking water) under the NPS-FM 2020. Dryland farming that has been converted to urban and lifestyle properties may have been unirrigated for the fact that water is not an abundant resource. Increased demand for household uses, human drinking water, or vegetable processing, for example, would exacerbate existing water scarcity issues which would impact on local primary production as well as the natural environment.

32. Should timeframes for local authorities to map highly productive land in regional policy statements be extended based on revised criteria? Alternatively, should the mapping of HPL under the RMA be suspended to provide time for a longer-term solution to managing highly productive land to be developed in the replacement resource management system?

The NPS-HPL needs to recognise the mosaic of landscapes and their versatility at a range of spatial scales as provide by the LUC system and its application at both national and farm scale levels (1:50,000 vs 1:10,000) and promote the recognition and use of these landscapes. Mapping at a 1:25,000 scale inadequate and should be done at 1:10,000 scale at least.

B+LNZ also seeks that the NPS-HPL provides for farm/paddock scale LUC mapping, and maintenance and upgrading of national scale databases such as LUCCS (Land Use Capability Classification Systems) held by Landcare research. This should underpin the implementation of the NPS-HPL and any other policy instrument that aims to manage soil

resources. Therefore, it would be prudent to upgrade national scale databases before requiring local authorities to map highly productive land.

4.3 Proposed amendments to Stock Exclusion Regulations

Stock exclusion from wetlands potentially reduces contaminants entering a wetland. However, wetland management may also be for the purpose of reducing loss of biodiversity and grazing can be a tool for improving wetland biodiversity by keeping weeds at bay.

In addition, the National Policy Statement for Indigenous Biodiversity (NPS-IB) allows for the maintenance of improved pasture by way of mob-stocking which could apply to some wetlands or next to a wetland (however “mob stocking” is undefined). This is contrary to other policy settings in the NPS-FM 2020, regulations in the NES-F, and Stock Exclusion Regulations 2020.

Against this background, the proposed amendments to the Stock Exclusion Regulations in this consultation have missed the link between wetlands in the freshwater domain and the biodiversity domain. Clarity is required around desired wetland outcomes overall and consistency between the different national instruments. Excluding stock from wetlands may improve freshwater values of the wetland, but at the cost of biodiversity values.

Altering freshwater provisions and Stock Exclusion Regulations 2020 fails to fix issues that B+LNZ has with wetlands (and other indigenous biodiversity) that may be classed as Significant Natural Areas under the NPS-IB. Changes are required to the NPS-IB to ensure that only truly significant indigenous biodiversity is captured; and that the connection between freshwater and biodiversity is recognised and policy settings and regulations are consistent and/or complimentary across different environmental domains.

It is not clear from these consultation materials, if in-leu of a definition of “non-intensive grazing”, the Government’s intention is that activities that are not “intensive grazing” are therefore “non-intensive grazing”. Using the current definition of “intensively grazing” within the Stock Exclusion Regulations 2020 to decide when to exclude stock from wetlands is fraught, as break feeding and forage crop activities are unlikely to occur within wetlands.

B+LNZ does not support using a stocking rate threshold for “non-intensively grazing” as this is incredibly complicated and a one-size fits all threshold is likely to be problematic for some farmers given regional and farm class variation. For example, winter vs summer stocking rates, paddock vs farm vs in wetland stocking rate, soil types, climate, topography, and farm management. What local farmers class as “intensive” in one region may differ to another region.

B+LNZ is aware that there is ongoing work to define ‘low risk’ farming as part of the Freshwater Farm Plan project. It is important that any definitions across different pieces of regulation are aligned to ensure simple, cost-effective implementation and to avoid farmer confusion.

Farmers who engaged with B+LNZ during this consultation noted that it is confusing and difficult to know what their responsibilities are regarding when to exclude stock from wetlands. Part of this confusion is the complex and multiple definitions for various types of wetlands.

In light of these complexities B+LNZ supports, in principle, the use of Freshwater Farm Plans as the tool to determine when stock exclusion from wetlands is appropriate.

B+LNZ responses to relevant consultation questions:

36. Do you agree that the cost of excluding stock from all natural wetlands in extensive farming systems can be disproportionate to environmental benefits?

B+LNZ agree that the cost of excluding stock from all natural wetlands in extensive farming systems can be disproportionate to environmental benefits. Excluding stock from wetlands under regulations 16 and 17 of the Stock Exclusion Regulations 2020 is unduly restrictive. There are challenges around the cost of fencing compared to the benefits, and light grazing can be a useful tool for improving wetland biodiversity. This has been recognised by the Upper Taieri Scroll Plain exemption to the Stock Exclusion Regulations 2020.

Some wetlands are dry for large parts of the year, and more closely resemble pasture and grazing at certain times is appropriate.

The proposal to only require non-intensively grazed beef cattle and deer from wetlands that contain a population of threatened species is complex, as it can be difficult to know if a wetland meets that threshold, thus requiring a specialist assessment which is costly. Moreover, if those species are mobile, such as birds, and are only within the wetland for parts of the year the costs far outweigh the benefits.

The use of Freshwater Farm Plans as a tool for managing stock exclusion from natural wetlands is more appropriate as they are better able to balance weed control, wetland protection and appropriate stock access.

Below are some examples of costs that farmers have given us that they are facing to exclude stock from natural wetlands.

- Otago: 5.4km of fencing required to exclude stock from a natural wetland. 5400×$30 per meter, which equates to $162,000 for fencing.
  In winter, to ensure that there is minimal pasture damage, this farmer spreads his cows out 5-6 cows per paddock which is approximately 5-6 stock units per hectare[6].
- West Coast: Estimate to fence all of the remaining natural wetlands, not already fenced, on a deer farm (110 effective hectares) is: 4000×$25 per meter equates to $100,000. These areas (multiple small wetlands) add up to about 3 hectares.
  Given the coastal climate of this area, ongoing maintenance is 2% of the upfront cost each year, and replacement of the fences will be required every 10-15 years.
  This farmer believes that a wetland for stock exclusion purposes must be natural and must be made up of 50% or more of native wetland vegetation.

4.4 Implementation of primary sector instruments

B+LNZ responses to relevant consultation questions:

37. Does "as soon as practicable" provide enough flexibility for implementing this suite of new national policy statements and amendments?

Noting our comments under question 39 below, B+LNZ believes that "as soon as practicable" does provide enough flexibility for implementing this suite of nation direction instruments.

[6] This is a very low stocking paddock rate, for comparison dairy rotations grazing can have stocking rates to 800 to 1000 stock units per hectare in the grazed paddock.

38. Is providing a maximum time period for plan changes to fully implement national policy statements to be notified sufficient?

a) **If not, what would be better, and why?**
b) **If yes, what time period would be reasonable (eg, five years), and why?**

And,

39. Is it reasonable to require all plan changes to fully implement a national policy statement before or at plan review?

Section 79 of the RMA requires local authorities to review policy statements and plans every 10 years. B+LNZ believes that it should be at this time that national policy statements should be fully implemented. This will aid in avoiding additional costs to rate payers and submitters; and to give certainty of the direction of travel to councils, communities and landowners.

B+LNZ strongly supports enduring policy to avoid extreme policy swings with changing Governments. If enduring policy is achieved, a national policy statement should not be superseded any sooner than 10 years.

40. Are there other statutory or non-statutory implementation provisions that should be considered?

Freshwater Farm Plans:

All farms come with differing inherent risks and farm practices which therefore means that there should be no one-size fits all approach. Farmers should have the ability to identify the key risk(s) on their farm and mitigate through tools to suit their system; this can be achieved through a Freshwater Farm Plan (FW-FP).

B+LNZ believe that FW-FP can play a powerful role in delivering effective and efficient resource management if implemented correctly. To have a FW-FP framework succeed, it needs to be anchored to a risk-based approach and avoid blanket mandatory requirements and strict controls on activities.

FW-FP should be used in place of consents as much as possible to avoid duplications and unnecessary regulatory costs.

Integrated Catchment Management:

Integrated Catchment Management (ICM) is a process that views a catchment as a whole by considering the interconnectedness of land, water, and people. This approach to resource management moves beyond managing individual components in isolation to a holistic and collaborative approach that aims to achieve sustainable and balanced use of resources within a catchment.

There are many different initiatives that are happening across different scales, and achieving great environmental outcomes, unfortunately they are operating in silos, often competing for resources (people and money). Therefore, thought needs to be given to integrated and coordinated catchment level action plans that manage holistic ecosystem health.

It is critical that any catchment action plans (CAPs) do not duplicate or complicate other efforts that are already underway to improve environmental health. For example, action

plans created by catchment collectives, future action plans required by Freshwater Farm Plans (including Catchment Context, Challenges and Values (CCCV's), or action plans required by NPS-FM 2020 clause 3.15: Preparing Action Plans.

5. Package 3: Freshwater

Given the breadth of topics covered by Package 2 we have only responded to those pieces of direction that directly impact sheep and beef farmers, being:

- Rebalancing freshwater management through multiple objectives
- Rebalancing Te Mana o te Wai
- Providing flexibility in the National Objectives Framework
- Enabling commercial vegetable growing
- Addressing water security and water storage
- Simplifying the wetlands provisions

5.1 Relationship to the Resource Management Reform

B+LNZ response to relevant consultation questions:

1. What resource management changes should be made in the current system under the RMA (to have immediate impact now) or in the future system (to have impact longer term)? From the topics in this discussion document, which elements should lead to changes in the current system or the future system, and why?

B+LNZ recognises there are arguments both for and against progressing amendments to national direction ahead of Phase 3 of Resource Management Act (RMA) reform, particularly given the short timeframes involved and the need to ensure consistency with the eventual replacement legislation.

B+LNZ supports amending the national direction, especially the NPS-FM, through this process prior to Phase 3 for the following reasons:

The current process offers greater clarity compared to the broader RMA reform. While the RMA Expert Advisory Group Report, Minority Report, and Cabinet response provide high level guidance around the replacement to the RMA, there remains limited detail around several core elements of the proposed new system. Whereas the matters addressed in this national direction consultation are comparatively clearer and more actionable in the near term.

Furthermore, the insights gained from this process can help to shape the design and implementation of the future framework.

Recently the government has stated that it will require councils to not notify regional freshwater plans (and other instruments) before the replacement RMA is operational. The indications are that there will be no NESs or NPSs in the replacement to the RMA (but likely future national standards).

This gives rise to the dilemma of whether to, or how to, reform the NPS-FM when it might have a limited life, e.g. replaced by a national standard. On balance B+LNZ believes that it is important to reform the NPS-FM, as we indicate in this submission, and that it will be an important direction to regional councils as they think about, and work on, redoing their regional freshwater plans ahead of the RMA replacement framework.

B+LNZ also believes that the National Policy Statement for Indigenous Biodiversity (NPS-IB) should be amended at this time to resolve long-standing issues with the identification and

criteria of significant natural areas (SNAs). The current criteria for an SNA are far too broad and will capture huge swathes of sheep and beef farmland, tying up farmers in red tape and penalising those who've done the most to look after the native biodiversity on their land. In March 2024 the Government suspended the requirement for councils to comply with the SNA provisions of the NPS-IB for three years. However, the clock is still ticking and B+LNZ would welcome changes to the NPS-IB to address these concerns a part of these national direction packages.

5.2 B+LNZ's Principles of a Freshwater Management Framework

In consultation with our farmers, B+LNZ has developed a set of principles that we believe should underpin any future National Policy Statement for Freshwater Management (NPS-FM) or any freshwater instrument such as a national standard under a replacement RMA. They are at the forefront of our discussions with farmers throughout the topics covered in this part of B+LNZ's submission.

The following principles resonate with the farmers we engaged with and reflect the values that they hold for freshwater:

Enable profitable, productive and sustainable sheep & beef farming

- Ensuring economic resilience and future growth of the sector.

Enduring & Certain

- Minimise risk of rewrite and extreme swings in policy with changing Governments. Clear meaning and application.

Freshwater Health

- A National Policy Statement for Freshwater or National Instrument must recognise the importance of freshwater and the health of freshwater for current and future generations.

Balance & Flexibility

- Flexibility to balance environmental improvements with the economic benefits.
- The role for the community to decide how that balance is achieved.
- Recognise the diverse uses of freshwater.

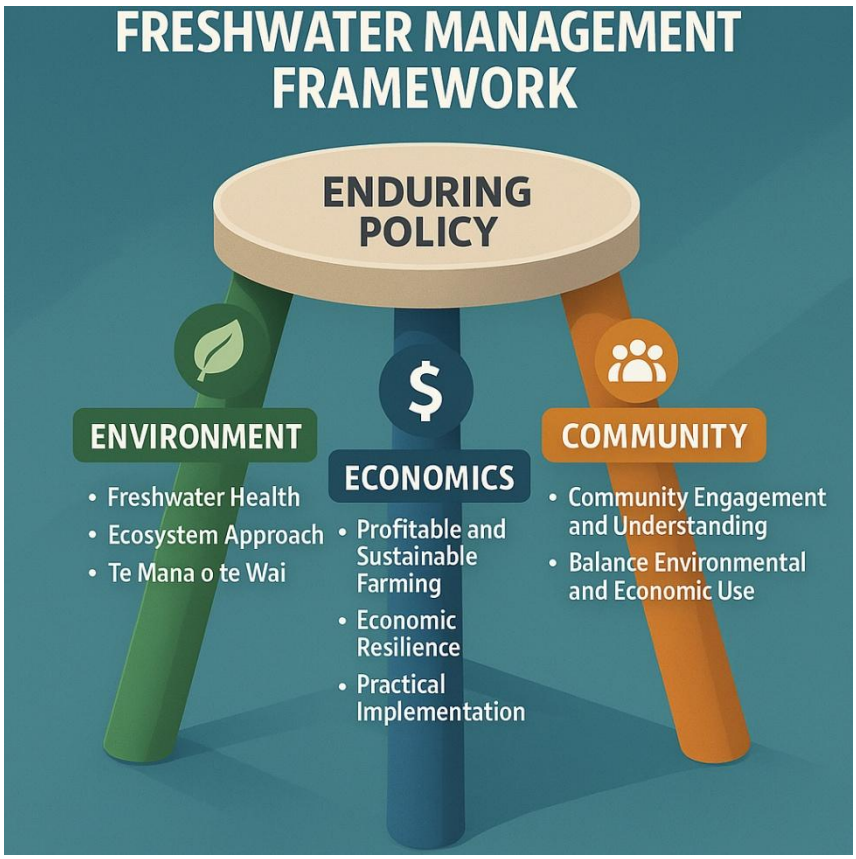
Practical Implementation

- Any requirement for improvement in farming practices should be no more than necessary to achieve agreed environmental outcomes.
- Intergenerational timeframes so it's affordable for farming businesses.

Community Engagement

- Community engagement is ongoing and robust.
- Communities must understand the implications of their aspirations for freshwater.

The above principles can be thought of like a three-legged stool with three pillars: the environment, economics, and community. These three pillars are of equal importance and all need to be balanced and strong to ensure the system is enduring and doesn't fall over.



5.3 Proposals for rebalancing freshwater management through multiple objectives

B+LNZ supports moving away from a hierarchy to providing for a range of objectives that need to be considered at the same time as freshwater health in order to better reflect the interests of farmers as well as rural communities, and in doing so, recognising the crucial role that water for farming plays in powering New Zealand's economy. The farming sector needs robust, inexpensive and simple frameworks that deliver reasonable and enduring outcomes.

Freshwater health is extremely important for sheep and beef farmers – who have been proactively managing impacts and risks – and to communities. However, the current framework for managing this is not robust and the social, economic and environmental impacts have not been adequately considered.

A community-driven, targeted, and risk-based approach is needed. It is crucial to balance the economic viability of farming businesses with environmental sustainability – as the saying goes, you have to be in the black to be green.

Through engaging with our farmers to inform this submission we heard that farmers have many values associated with freshwater.

> *"Water is the lifeblood of rural communities."*

Balancing using water as a resource to sustain farming business with environmental sustainability must be a key component of a National Policy Statement for Freshwater Management.

We asked farmers what values they associate with freshwater. Examples included:

- water for economic purposes such as irrigation and stock drinking water,
- water for human uses such as household and drinking water,
- intrinsic values of gathering food/fishing, and swimming,
- protecting native fish species that live in waterways on their properties,
- prosperous communities,
- freshwater is part of the identity of many farms,
- the essence of water is life source – mauri,
- quality of water for itself,
- sufficient flow in rivers,
- water is the economic lifeblood of communities,
- sustainable water management ensures continued access to water for irrigation while meeting environmental targets.

B+LNZ responses to relevant consultation questions:

2. Would a rebalanced objective on freshwater management give councils more flexibility to provide for various outcomes that are important to the community? How can the NPS-FM ensure freshwater management objectives match community aspirations?

B+LNZ believes that rebalanced objectives for freshwater management would enable councils to provide for various outcomes that are important to the community.

Enabling a catchment focus so goals are relevant to the local people and local environmental context is important. What is achievable in one catchment may be different to what is achievable in other catchments.

However, while flexibility for councils to consider other objectives is important, there needs to be a limit on how far and how fast councils can go to achieve outcomes; and to ensure that aspirations are realistic and economically viable.

A piece that is currently missing from the conversations around community aspirations for freshwater is community understanding of the costs and implications of their aspirations. Goals must require the whole community to contribute towards costs, not just the landowners.

Currently s32 evaluation reports, including cost, benefit analyses are completed at the end of the plan development process and are not made public until plan notification. By which point it is too late for communities to understand the economic implications of the objectives that they have set, and, in these circumstances, communities have tended to set much higher aspirations than they may have if they had realised what the economic impact would have been.

The cost and benefit analysis needs to inform community aspirations conversations right from the beginning of the process to ensure that regional freshwater planning processes are transparent and empower informed decision making.

Through B+LNZ's involvement in regional planning processes we have seen inadequate s32 reports that contain little to no monetary cost calculations associated with achieving community aspirations or implementing the NPS-FM 2020[7].

B+LNZ supports the proposed new objective directing councils to:

> safeguard the life-supporting capacity of freshwater and the health of people and communities, while enabling communities to provide for their social, cultural and economic well-being, including productive economic opportunities; in a way that would not operate as a hierarchy.

B+LNZ also supports the proposed new objective to consider pace and cost of change, and who bears the cost. Requiring councils to consider:

- communities' long-term goals/visions for freshwater
- cost of change and who bears cost (including trade-offs)
- timeframes, recognising improving freshwater will require gradual improvement over a long time.
- Furthermore, where public good is being provided through environmental actions on private land, B+LNZ believes there should be adequate compensation for those landowners providing for public good.

B+LNZ does not support adding new objectives to enable the continued domestic supply of fresh vegetables. B+LNZ believes that all primary sector land uses should be enabled and that signalling out any primary sector as being of greater importance than others overlooks the importance of all primary sectors as food producers of New Zealand.

B+LNZ supports the intent behind including the requirement to maintain or improve freshwater quality as a new objective. However, any requirement for improvement in farming practices should be no more than is necessary to achieve agreed environmental outcomes; staged so its affordable for farming businesses; and recognise edge of field and catchment scale mitigations.

As part of our engagement with farmers we asked focus groups and survey respondents *What information would help a community make good decisions around balancing objectives?* Key themes we heard include:

- **Economic Importance:** understanding the economic implications of policies and decisions. The whole community, including local decision makers, need to be aware of financial impacts in order to make informed decisions about balancing objectives.
- **Full Community Engagement:** There is a need for robust and granular community engagement at the catchment or sub-catchment level, including iwi and mana whenua, ensuring all voices are heard and balanced information is provided for decision-making. One of the risks that does arise from the community engagement and catchment level policy is that we risk putting more burden - financially and mentally - on groups and individuals who are already heavily involved.

[7] For example, Otago Regional Council s32 report for the Draft Land and Water Regional Plan https://www.orc.govt.nz/your-council/plans-and-strategies/land-and-water-regional-plan/

- **Water Sampling:** it is crucial that there are more water sampling sites in catchments to ensure accurate, local, measured data is available for community decision-making.

  Long-term data collection is important in order to go beyond baseline states and simple trends. Communities need time to understand the data to guide timelines and expectations around realistic policy decisions.

  We've heard from some catchment groups that some regional councils are sceptical of farmer collected or catchment group data and that councils only 'trust their own' data. This is disappointing because many catchment groups now have more water monitoring sites in their catchments than regional councils do. If catchment groups are comfortable sharing their data and collaborating with councils, they should not be deterred from doing so.

3. What do you think would be useful in clarifying the timeframes for achieving freshwater outcomes?

Timeframes for achieving environmental outcomes need to be intergenerational. Every river is different and will respond differently to different freshwater improvement actions due to various reasons, including lag times.

Research by McDowell *et al* (2021)[8] states that:

> "*The average time to peak adoption of agricultural innovation in Australasia is around 16–20 years. However, it is also likely that some typologies would be subject to long lag-times, which will increase the time before changes in water quality following the adoption of mitigation actions are observed downstream. For instance, tortuous flow paths in the central plateau of the North Island can lead to lag times of 60–100 years between N being lost from the root zone and a significant proportion appearing in nearby streams*"

Policy development must recognise that there are lengthy lag-times between implementing a strategy and seeing water quality gains, and any timeframes in a future NPS-FM (or national standard) or developed by regional councils should reflect that achieving freshwater outcomes will take multiple generations.

The use of interim targets could be useful in clarifying timeframes. It is important to have the flexibility to amend any targets as needed and interim targets should not be hard wired targets which success alone is judged on. It must be clear that any actions farmers and others take will contribute to these targets, but they are not responsible for achieving them. Therefore, linking interim targets to 10-year planning cycles may provide the right balance of providing direction, with the ability to amend as necessary. For example, adapting as available science information and community needs evolve.

The Waikato Plan Change 1 interim decision states that (B+LNZ emphasis added):

> *"Any timeframes set in PC1 must be realistic in terms of* ***both practicality and affordability and the expectations for environmental improvements must recognise this****.*

[8] McDowell, R. W., Monaghan, R. M., Smith, C., Manderson, A., Basher, L., Burger, D. F., ... & Depree, C. (2021). Quantifying contaminant losses to water from pastoral land uses in New Zealand III. What could be achieved by 2035?. New Zealand Journal of Agricultural Research, 64(3), 390-410.

Furthermore, regarding the context in which interim targets are interpreted and used with the longer-term aim to improve water quality outcomes:

> *"While we understand the reasons for including interim water quality targets, based on the evidence,* ***they cannot be anything other than aspirational,*** *their achievability is uncertain and reliable monitoring is unlikely to be possible in the case of nitrogen at least.* ***They do not form an appropriate metric for measuring the success or failure of PC1 and need to be seen as representing a best-endeavours target only" [para 1155]***
>
> *"There is unlikely to be any reliable way to demonstrate that the interim water quality targets have been met within a 10-year timeframe, either by monitoring of water quality or actions taken to reduce land use effects, meaning* ***interim targets should not be seen as a measure of success or failure of PC1****."*

4. Should there be more emphasis on considering the costs involved, when determining what freshwater outcomes councils and communities want to set? Do you have any examples of costs associated with achieving community aspirations for freshwater?

B+LNZ strongly supports placing more emphasis on considering the costs involved when determining what freshwater outcomes councils and communities want to set. This was a particularly strong belief held by farmers throughout our farmer engagement activities.

Current requirements of the NPS-FM are to set "*ambitious and reasonable*" goals and to identify timeframes for these goals that are also ambitious and reasonable. What is ambitious and reasonable needs to also consider the impacts on and changes to rural communities.

Examples of costs associated with attempting to achieve current sediment and *E. coli* national bottom lines are discussed in detail in the independent report by Torlesse Environmental Ltd[9], commissioned by B+LNZ, and B+LNZ's corresponding summary report[10]; and reiterated below:

> Trying to achieve the NPS-FM 2020 suspended fine sediment national bottom lines will decimate farming and rural communities across the country. The following actions would all be needed to attempt to meet the suspended fine sediment national bottom lines:
>
> - an estimated 44 percent of all sheep and beef farmland would likely need to be retired from production,
> - pole planting on an estimated 8 percent of the remaining farmland,
> - nearly 13,000km of additional waterway fencing.
>
> Even with these mitigations, the national bottom line would only be met in around 50 percent of these catchments.
>
> B+LNZ assessed the economic impact of undertaking these mitigations on the sheep and beef sector. It is estimated that:

[9] Greer, M.J.C. 2024. Technical assessment of the impacts of the NPS-FM 2020 national bottom lines on sheep and beef farms. Prepared for Beef + Lamb New Zealand Ltd. Torlesse Environmental Report No. 2024-001. Christchurch, New Zealand. https://beeflambnz.com/knowledge-hub/PDF/technical-assessment-impacts-nps-fm-2020-national-bottom-lines.pdf

[10] https://beeflambnz.com/knowledge-hub/PDF/summary-technical-assessment-impacts-nps-fm-2020-national-bottom-lines.pdf

- retiring 44 percent of sheep and beef farmland could cost the economy $3.9 billion per year in reduced sheep meat and beef exports
- pole planting and additional fencing of waterways could cost over $1.4 billion to implement.

This demonstrates that the national bottom lines, let alone community aspirations beyond the national bottom lines, while certainly ambitious, are not reasonable due to the adverse effects that would be imposed on rural communities and the economy.

B+LNZ has heard anecdotally from farmers that the path some regional councils had been going down, prior to the Government mandated pause on regional freshwater planning, to meet community aspirations would have seen farming become unviable economically in many catchments.

5.4 Proposals for rebalancing Te Mana o te Wai

Through our engagement with farmers, it is generally accepted that Te Mana o te Wai needs to be changed and that the hierarchy of obligations is problematic.

Through B+LNZ's involvement in various regional freshwater planning processes around the country, in practice, the issues which we have seen arise with councils implementing the NPS-FM 2020 have not necessarily been with Te Mana o te Wai in terms of the phrase or words, but with the strong direction of the hierarchy, that it is the only objective, and the interpretation (by some) that no trade-offs are allowed between the health of freshwater and the other elements in the hierarchy.

The Government proposes three options for Te Mana o te Wai:

1. Remove hierarchy of obligations and clarify how Te Mana o te Wai applies
2. Reinstate Te Mana o te Wai provisions from 2017
3. Remove Te Mana o te Wai provisions

We asked farmers if they have a preferred option from the three proposed by the Government. There was a spectrum of views expressed from farmers on all three options with no overall majority on any option, but there was clearly a strong appetite to change the current approach to one based on providing for more objectives or values.

If Te Mana o te Wai was to be retained in some form, our farmers expressed some important considerations:

- **Balance:** balancing environmental and economic sustainability and multiple uses of water. Ensuring objectives are specific to catchments/regions given inter and intra-region variation of freshwater values. Balancing community and financial resilience with environmental health.
- **Holistic approach:** councils typically focus on determining the health of water by measuring water chemistry (e.g. Nitrogen, Phosphorus numbers), rather than the ecology of what's living in our rivers. Participants expressed a holistic view of environmental health is needed.
- **Implementation issues:** confusion about practical application. Issues with council interpretations of the Te Mana o te Wai hierarchy of obligations leading to impractical policies and the need for clearer guidance. However, some concern was also raised that a lack of hierarchy could lead to inconsistent council policies. No matter what the format, the costs on farmers need to be manageable.

- **Enduring policy:** of particular importance was minimising the risk of extreme swings in policy with changing Governments.

B+LNZ acknowledges that the National Policy Statement for Freshwater Management should recognise the importance of freshwater and the health of freshwater for current and future generations. B+LNZ supports removing the hierarchy of obligations. Any retention of Te Mana o te Wai must be in line with B+LNZ's principles for a future NPS-FM.

5.5 Proposals for providing flexibility in the National Objectives Framework

B+LNZ is supportive of providing more flexibility in the National Objectives Framework (NOF). However, as mentioned above, it is also important that councils cannot go further or faster than what is desired by, and achievable by, those who have to do the expensive laborious work on the ground. Currently councils can go beyond the national rules, and we would favour guidance or rules being put around this being able to happen.

We also have significant concerns about the current National Bottom Line approach. In 2024 B+LNZ commissioned an independent report by Torlesse Environmental demonstrates the fundamental flaws of how the suspended fine sediment and *E. coli* 95th percentile national bottom lines were calibrated and what these myopic numeric targets are trying to achieve. The independent analysis found the following flaws:

Flaws with the suspended fine sediment methodology used to develop NBLs:

- The NBLs for suspended fine sediment are presented in the NPS-FM as being set at a level below which "sensitive macroinvertebrate species are lost or at high risk of being lost". However, the reviewer found it is in fact based on a limited number of fish with no reference to "sensitive macroinvertebrate(s)".
- The sediment-fish relationship used to establish the NBLs is based on recent modelled sediment data (not measured data) paired with fish abundance surveys from a different time period (1970s onwards).
- The relationship model has a significant amount of uncertainty. There may only be a 50 percent probability that the paired estimate of visual clarity was within ± 25 percent of what actually occurred. This means that a fish site modelled to be in the B band was more likely than not to be in either the A, C or D band.
- The NBLs are linked to approximately 10 percent of the diversity of New Zealand fish species (including brown trout). Thus, they were developed to protect a very small number of fish species from the adverse effects of suspended fine sediment, rather than ecosystem health.
- The NBLs do not adequately account for natural variability.

Flaws with the *E. coli* methodology used to develop NBLs:

- By not allowing regional councils to remove the 95th percentile data points from their calculations it is difficult to make the required improvement from one band to the next without reducing stock numbers.
- Regional councils are required to set targets for *E. coli* at least one state higher than the baseline state. This means if a waterway is currently in D band they have to move to a C (fair) band, C band to a B band (good), and B band to an A band (excellent).

- Table 9 of the NPS-FM 2020 requires all waterways to meet the human contact targets regardless of whether they are used for recreational purposes or not[11]. Some rivers are unsuitable for swimming due to access, aesthetics, or dangers, regardless of *E. coli* levels.

While in theory clause 3.32 of the NPS-FM 2020 allows Councils to take account of high levels of naturally occurring suspended fine sediment or *E. coli*, no Council has adequately done this.

We have also heard from our farmers and catchment groups that there are other attributes that commonly fail to meet national bottom lines due to natural processes such as volcanic geology in the central plateau creating high phosphorus levels; or springs with high nitrogen; and even high *E. coli* levels coming out of native bush due to large numbers of feral animals or birds.

There should be recognition of all sources of water quality contamination - urban, rural, and non-anthropogenic. Through B+LNZ's involvement in regional freshwater planning, we have seen that the bulk of the work to improve water quality is expected to come from farming land uses. However, it is well understood that urban land use also contributes significant contamination, in particular, *E. coli,* to waterways and beaches and therefore should be expected to contribute more to water quality improvement.

There has also been no consideration of the effect of climate change giving rise to an increased frequency of high rain fall events leading to more sediment and *E. coli* losses from all land uses. These sorts of nuanced considerations have not been adopted into the thinking of regional freshwater plans, and specifically the setting of achievable and realistic targets. A revised NPS-FM or National Standard needs to rethink what limits it can feasibly set at a national level. Due to the significant variation in natural processes and lack of data, B+LNZ does not believe that contaminant bottom lines should be set at the national level.

The revised instrument should also require councils to account for natural processes and effects of climate change throughout the planning process including their impact of targets, timeframes, costs and achievability. Importantly, farmers should not be expected to reduce losses further due to climate change impacts. Climate change is a global problem and addressing any additional contaminant losses due to climate change impacts is everybody's responsibility, not just farmers.

Consequently, a fundamental rethink of a freshwater management framework is required.

Instream targets must be based on measured data, be appropriate, reasonable and achievable. Because the suspended fine sediment national bottom lines, for example, were developed using modelled data with a high level of uncertainty these bottom lines do not accurately reflect background levels of contaminants. Urgent investment in more water quality monitoring sites is needed, to help ensure targets are based on spatially and temporally robust data relevant to individual catchments.

The importance of communities understanding the costs and implications of their aspirations for freshwater, as discussed above, cannot be understated. All New Zealander's want clean rivers, but the need to fully understand the trade-offs, timeframes, and likely costs on the community, for example, flow on effects of jobs, or rates increases.

[11] This is in comparison to Table 22 of the NPS-FM which is specific to popular primary contact sites during summer months only. Please note that B+LNZ is not suggesting any changes to Table 22.

B+LNZ responses to relevant consultation questions

8. Which values, if any, should be compulsory? Why?

B+LNZ is supportive of ecosystem health, human contact, threatened species, and mahinga kai being retained as compulsory values.

In addition, animal drinking water and irrigation, cultivation, production of food and beverages should be elevated from optional values to compulsory values. This reflects the critical importance of primary production to New Zealand's economy and as such, enabling these uses should be provided for.

9. What would be the practical effect of removing compulsory national values? Do you think this will make regional processes easier or harder?

The practical effect of removing compulsory values includes inconsistent regional processes which would place additional pressure on communities and organisations, like B+LNZ, to advocate for values, which given their national importance, should be provided for consistently nationwide.

Effort should be directed towards engaging with communities to discover the additional values (outcomes) which makes their catchments unique, how they want to balance values, and achieve their objectives, at what cost, and by when; not reinventing the wheel for values that should be provided for consistently nationwide.

10. Which attributes, if any, should be compulsory to manage? Which should be optional to manage? And,

11. Which attributes, if any, should have national bottom lines? Why? And,

12. To what extent should action plans be relied upon, including to achieve targets for attributes? And,

13. Should councils have flexibility to deviate from the default national thresholds (including bottom lines) and methods? Are there any other purposes which should be included?

B+LNZ believes that water quality attributes should not be compulsory nor, have national bottom lines. Rather a more holistic outcomes focused, ecosystem approach should be taken.

However, if some form of bottom lines are retained, careful thought needs to be given to the approach.

B+LNZ believes the outcomes approach proposed by DairyNZ has merit and should be explored further. In essence it is that the primary purpose of existing numeric thresholds (national bottom lines) for contaminant driver attributes should be to assess the indicative risk that current state concentrations pose to achieving outcomes and further work or exploration is likely needed. This assessment will help to prioritise where action is needed (regulatory or non-regulatory), rather than using the bottom lines as default numeric targets. This supports moving away from treating fixed thresholds as enforceable limits.

There are two specific current attributes in particular that B+LNZ is strongly opposed to being national bottom lines, these are suspended fine sediment (NPS-FM Table 8) and *E. coli* 95th percentile (NPS-FM Table 9). Therefore, these attributes, at the least, should be deleted.

B+LNZ's Torlesse report supports the urgent need for a fundamental rethink of the management framework for suspended fine sediment and *E. coli*. Action is required to remove these specific national bottom lines before regional freshwater plans become operative on the basis of the NPS-FM 2020 flawed national bottom lines.

B+LNZ believes a community-driven, targeted, and risk-based approach to freshwater management is needed. Every river is different and will respond differently to different actions (e.g. lag times), therefore we do not believe one-size-fits-all national bottom lines or compulsory attributes are appropriate.

Our farmers shared a common view that the process needs to work alongside the community as this will support farmer and community buy in.

Through B+LNZ's involvement with regional freshwater planning, we have seen councils typically focus on determining the health of water by measuring water chemistry through myopic numeric values (e.g. Nitrogen, Phosphorus numbers), rather than the ecology of what's living in our rivers. Our farmers have expressed a holistic view of environmental health is needed. This would help to garner community buy-in and increase understanding of what the health of the water means.

Against this background, action plans, specifically non-regulatory action plans, are preferred over compulsory attributes and national bottom lines.

Thought needs to be given to integrated and coordinated catchment level action plans that manage holistic ecosystem health – rather than action plans for individual attributes. It is critical that any action plans do not duplicate or complicate other efforts that are already underway to improve water quality. For example, action plans created by catchment collectives, and non-regulatory council Integrated Catchment Management and Catchment Action Plans and future action plans required by Freshwater Farm Plans.

Of fundamental importance is the need to ensure that council's stringency is capped, and costs and timeframes are balanced carefully with community aspirations.

In particular, B+LNZ is concerned that if there are no limits on how much further councils can go beyond what is set out nationally, then councils will simply pick up where they left off when the NPS-FM 2020 was paused and still introduce plans based on the previous policy settings. As explained on page 24, the previous suspended fine sediment limits would require the retirement of 40% of sheep and beef land to attempt to meet the NBL and even if this was done, the NBL would only be met 50 percent of the time.

5.6 Proposals for Enabling commercial vegetable growing

B+LNZ does not support 'picking winners' between primary production industries.

The Government's consultation material describes commercial vegetable growing as "an intensive land use that risks discharges of sediment and nutrients to the environment"[12]. The risks to the environment, as with other land uses, still need to be managed in an efficient and effective way that is affordable for growers.

[12] Ministry for the Environment. 2025. Package 3: Freshwater – Discussion document. Wellington: Ministry for the Environment. Pg 22. https://environment.govt.nz/publications/package-3-freshwater-discussion-document/

B+LNZ does not support adding new objectives to enable the continued domestic supply of fresh vegetables. B+LNZ believes that all primary sector land uses should be enabled and that signalling out commercial vegetable growing (by adding it as a new objective in the NPS-FM) as being of greater importance than other primary sectors overlooks the importance of other primary sectors as food producers of New Zealand.

5.7 Proposals for addressing water security and water storage

B+LNZ is supportive of making it easier to build on-farm water storage as this is critical to help farmers be more resilient to droughts.

However, as confirmed through our farmer engagement, the major barrier is often not building the dam but gaining consents from regional councils for taking water; and getting a long consent term to give investment and funding certainty. The main consent and regulatory challenges are the complexity and costs to go through the process.

Many of the farmers we engaged with expressed the need for more water storage, citing drought resilience, irrigation, and household use as their water uses.

B+LNZ responses to consultation questions:

17. Should rules for water security and water storage be set nationally or regionally?

B+LNZ supports water security and water storage rules to be set nationally.

18. Are there any other options we should consider? What are they, and why should we consider them?

B+LNZ suggests that more consideration be given at the outset of any regulatory requirements of the positive outcomes that water storage, and in turn water security has on community resilience and climate resilience. This will help to encourage the construction of off-stream water storage structures.

If positive outcomes cannot be recognised until the consent decision stage, then those trying to build such structures are faced with ongoing costs and hurdles which act as a deterrent to building these structures.

19. What are your views on the draft standards for off-stream water storage set out in Appendix 2: Draft standards for off-stream water storage? Should other standards be included? Should some standards be excluded?

Site selection

Standard 1:	The water storage structure is not located in a critical source area[32], swale or wetland.
Standard 2:	The water storage structure (and associated activities) is not located on land that is contaminated or potentially contaminated.
Standard 3:	The water storage structure (and associated activities) must not destroy, damage, modify or be located within [X m] of an archaeological site that is protected (including through a statutory acknowledgement[33]) because of the site's historic heritage (including, to avoid doubt, because of its significance to Māori).

Standard 1: B+LNZ opposes standard 1 in part. Locating an off-stream water storage structure within a critical source area or a swale is often a logical place to build a dam. As it is able to capture rainfall runoff for future utilisation and slow the flow from a critical source area or swale which in turn will allow contaminants such as sediment to settle out of the water flow, thus reducing the risk of contaminant delivery to a waterway.

B+LNZ supports off-stream water storage structures not being located within wetlands.

Standard 2: B+LNZ supports standard 2

Standard 3: B+LNZ supports standard 3. It is important to ensure that any setbacks established are practical and not unwarranted.

Site interactions with wider setting

Standard 4:	The base of the water storage structure and maximum depth of excavation has a vertical separation distance at least [X m] above the highest expected water table.
Standard 5:	The water storage structure has an impermeable layer that prevents transfer of water.
Standard 6:	The water storage structure is located at least [X m] from property boundaries and any structure or dwelling that is owned by someone other than the off-stream water storage owner, and that exists at the time the off-stream water storage was commissioned.

Standard 4: B+LNZ recommends that any structural requirements are consistent with the Building Act Dam Safety Regulations 2022.

Standard 5: B+LNZ supports standard 5.

Standard 6: It is important to ensure that any setbacks established are practical and not unwarranted.

Onsite activities during and after construction

Standard 7:	The water to be taken and used from the water storage structure is authorised by: • a permitted activity rule in a relevant regional plan, or • a resource consent. Where the water user is not the owner of the water storage, the water user has written permission from the owner to take the water.
Standard 8:	Earthworks for the establishment of off-stream water storage structures must not be undertaken within [X m] of a natural water body (including coastal water and the coastal marine area), and control measures must be in place to prevent sediment entering waterways.
Standard 9:	Clearance of vegetation that was established for flood and erosion control measures or that is ecologically significant vegetation (as specified in a relevant plan) is not permitted.
Standard 10:	Vegetation clearance must not be undertaken within [X m] of any natural water body (including coastal water and the coastal marine area).

Standard 7: B+LNZ supports standard 7 in part.

B+LNZ agrees that if water is taken from a waterbody, stored in a water storage body and then used, this should be authorised by a permitted activity in a regional plan, or resource consent.

However, if water is solely captured in a water storage structure as rainwater or via overland flow (i.e. there is no water taken from a river), and then subsequently used is irrelevant to regional council control.

Standard 8: B+LNZ supports standard 8. It is important to ensure that any setbacks established are practical and not unwarranted.

Standard 9: B+LNZ supports standard 9.

Standard 10: B+LNZ opposes standard 10 as it is irrelevant to the construction and use of off-stream water storage structures.

Notification

Standard 11:	No less than two weeks prior to the construction of the water storage structure, the owner of the storage structure must notify the regional council with: • their contact details • the location of the water storage structure • confirmation that they have checked and meet the permitted activity conditions in this standard.

Standard 11: B+LNZ supports standard 11.

20. Should both small-scale and large-scale water storage be enabled through new standards?

Any requirements for large-scale water storage needs to be consistent with, align, or complement existing requirements under the Building Act Dam Safety Regulations 2022.

B+LNZ is supportive of making it easier to build small and large-scale water storage as this is critical to help farmers and New Zealanders more broadly be more resilient to a changing climate and growing population.

5.8 Proposals for simplifying the wetland provisions

Through our engagement with levy payers, we heard that farmers value wetlands and see them as an opportunity to provide for multiple environmental outcomes and contaminant loss mitigations. However, B+LNZ believes that the entire regulatory system managing wetlands needs to be simplified and consistent across the four national instruments that control wetlands.

Altering freshwater provisions and Stock Exclusion Regulations 2020 fails to fix issues that B+LNZ has with wetlands (and other indigenous biodiversity) that may be classed as Significant Natural Areas under the National Policy Statement for Indigenous Biodiversity (NPS-IB). Changes are also required to the NPS-IB to ensure that only truly significant indigenous biodiversity is captured.

There are many national direction instruments that control wetland management: NPS-FM; NPS-IB; NES-F; Stock Exclusion Regulations; in addition, there are further regional and district council requirements. The connection between freshwater and biodiversity needs to

be recognised and policy settings must be consistent and/or complimentary across the environmental domains.

The NPS-IB allows for the maintenance of improved pasture by way of mob-stocking (which is undefined) within indigenous biodiversity.

This is contrary to the NES-F which requires a 10 meter setback for vegetation clearance (including “mob-stocking” but not “grazing”), unless it is for the purpose of wetland restoration, maintenance, or biosecurity; furthermore, the Stock Exclusion Regulations 2020 apply to wetlands that are named in a regional or district plan (regulation 16) or support threatened species (regulation 17 open for consultation).

Requirements for stock exclusion from wetlands reduces contaminant losses to water via overland flow from activities classed as intensive, such as break feeding, forage crops, and irrigation. However, excluding stock from wetlands may be for the purpose of reducing loss of biodiversity, alongside water quality impacts. Grazing can be a tool for improving wetland biodiversity by keeping weeds at bay. Excluding stock from wetlands may improve freshwater values of the wetland, but at the cost of biodiversity values.

Against this background, it is clear that proposals in Packages 2 and 3 have missed the link between wetlands in the freshwater domain and the biodiversity domain. Clarity is required around desired wetland outcomes and wetland purposes, definitions, and regulatory requirements.

<u>B+LNZ responses to consultation questions:</u>

21. What else is needed to support farmers and others to do things that benefit the environment or improve water quality?

Simple, consistent definitions and regulatory requirements:

- The definition of vegetation clearance in the NES-F includes ‘mob-stocking’ but not grazing (grazing is allowed), yet mob-stocking is undefined. Therefore, it is unclear if animals in a paddock are required to excluded (10 meters) from a natural inland wetland.
- The proposal to only require non-intensively grazed beef cattle and deer from wetlands that contain a population of threatened species is complex, as it can be difficult to know if a wetland meets that threshold, particularly if those species are mobile such as birds and are only within the wetland for parts of the year.
- Non-intensive grazing as part of this proposal has not been defined. On the flip side, using the current definition of ‘intensively grazing’ to decide when to exclude stock from wetlands is fraught as break feeding and forage crops activities are unlikely to occur within wetlands.
- Farmers who engaged with B+LNZ during this consultation noted that it is confusing and difficult to know what their responsibilities are regarding when to exclude stock from wetlands. Part of this confusion is the complex and multiple definitions for various types of wetlands across the different national instruments.

Permitted activities to do positive environmental actions:

- Wetland construction should be encouraged by making it cheaper and easier to get these projects off the ground. Consideration of the positive environmental and community benefits should be at the forefront of the consenting process rather than at the decision phase.

For example, we heard from a farmer in the Canterbury region who is wanting to construct a wetland that they are required to go through a notified consent process which has been estimated to cost this landowner $30,000-$40,000. This is simply cost prohibitive.

Support:

- Landowners and/or catchment/community groups who want to protect, enhance, or construct wetlands need access to support such as advice about what species to plant, where and when; advice about construction and appropriate hydrological conditions; as well as advice about ongoing maintenance a wetland.
- Funding is needed to enable landowners and catchment groups to protect and enhance wetlands to provide for positive environmental gains, but also to construct wetlands as mitigations to capture contaminants.

Compensation:

- Wetlands provide many public benefits, such as contaminant capture, biodiversity and freshwater values, recreation, and amenity values. Therefore, compensation is required for private landowners who are completing environmental actions that provide a public good. Particularly for large scale wetland construction projects or protection where large areas of land are lost from production.
- In addition, landowners who have wetlands (or other indigenous biodiversity) designated as Significant Natural Areas under the NPS-IB should be compensated for the loss of property rights for that land.

Freshwater farm Plans:

- Given the complex and confusing regulatory environment surrounding wetlands, B+LNZ believes that FW-FPs should be the primary tool to manage wetlands on farms.
  FW-FPs will allow case-by-case management tailored to individual farming practices and individual wetlands. This will enable any unique wetland values to be managed appropriately, alongside existing farming practices.

22. What should a farming activities pathway include? Is a farming activities pathway likely to be more efficient and/or effective at enabling activities in and around wetlands?

A farming activity pathway should include common farming practices, and farm maintenance activities. Including but not limited to, grazing, fencing, irrigation[13], cultivation near wetlands, vegetation clearance, weed control (including spraying), construction/earthworks.

B+LNZ in principle supports a farming activities pathway as a more efficient and effective way of enabling activities in and around wetlands. As discussed above, there are four national direction instruments that control wetlands, plus regional and district plans. A farming activities pathway may help to simplify and provide consistency across those instruments, in turn providing clarity to landowners of their regulatory requirements but also enabling common farming practices to continue in and around wetlands and encouraging wetland construction.

[13] Irrigation may occur within a wetland even if stock are excluded from that wetland in circumstances where it is not possible to turn off an irrigator near or over a wetland.

23. What will be the impact of removing the requirement to map wetlands by 2030?

Before prioritising the mapping of wetlands, the definitions of wetlands should first be amended for simplicity and consistency.

Definitions must be simple so that any landowner can determine “what is a wetland” for themself without the need for expensive ecologists.

Once the definition of wetlands is adequate, then mapping, importantly including ground truthing - and initially prioritising the mapping and protection of existing wetlands of significance and habitats of threatened species, - could provide clarity to landowners about the boundaries of a wetland, the wetland’s values and condition, and exact location of the wetland. This in turn will assist landowners to understand any regulatory requirements.

24. Could the current permitted activity conditions in the NES-F be made clearer or more workable?

Yes, the NES-F regulation 38, permitted activity[14] contains conditions, but also requires compliance with regulation 55[15] which contains more conditions.

Recognising that wetlands provide many benefits such as contaminant capture and their protection and construction should be incentivised. An important component of this is simplifying the regulatory framework so landowners and catchment groups can put their resources into doing the work, rather than navigating regulatory requirements.

As noted above, the NES-F is not the only national direction instrument that controls wetlands, and broader changes are required in order to consistently manage wetlands.

[14] Regulation 38: Restoration, wetland maintenance, and biosecurity of natural inland wetlands https://www.legislation.govt.nz/regulation/public/2020/0174/latest/LMS364257.html

[15] Regulation 55: General conditions on natural inland wetland activities https://www.legislation.govt.nz/regulation/public/2020/0174/latest/LMS364285.html#LMS364285