Proposed Plan Change 1 – Waikato and Waipā River Catchments

A proposal for an amended set of provisions for Commercial Vegetable Production

Proposed by Waikato Regional Council staff representing WRC in its submitter role.

Without Prejudice

Executive Summary

This paper responds to the Hearing Panel's direction to Council, in its submitter role, to propose an "amended set of Plan provisions" relating to Commercial Vegetable Production (CVP).

Council staff's proposal for the re-design of the provisions for CVP is to:

(a) Exempt CVP from the requirement to produce or operate under a Nitrogen Reference Point (NRP)
(b) Reconfigure the rules framework for CVP as follows:
    i. Redraft rule 3.11.5.5 as a s9 (land use) permitted activity rule;
    ii. Include a new discretionary activity rule for s15 discharges that result from CVP land use;
    iii. Under s137(3)(a), include a new permitted activity rule allowing transfer of a discharge permit to another site;
(c) Amend the purpose and process for an FEP by:
    i. Refocusing FEPs on a Good Farming Practice (GFP) approach; and
    ii. Instituting a clear FEP audit process designed to promote continuing GFP and improvements over time.

1. Introduction

This paper responds to the Hearing Panel's direction of 13 December 2018 that, in order to assist expert caucusing scheduled for 19th February and 5th March 2019, Council, in its submitter role, propose an "amended set of Plan provisions" relating to Commercial Vegetable Production (CVP). This direction is prompted by the large number of submissions to the Plan, including Council's own, that identify implementation difficulties with the current provisions.

This paper has been prepared for that purpose (ie an input to caucusing) by Council staff in support of the Council's submitter role. Accordingly, all opinions expressed in this paper are those of staff representing Council in that role and are offered on a "without prejudice" basis. We acknowledge that, in proposing these amended provisions for CVP specifically, consequential questions arise as to whether, or the degree to which, a particular change might be applicable across the Plan as a whole, or result in changes elsewhere in the Plan. We acknowledge that the proposals may also give rise to wider policy questions implications that need to be considered, in particular -

- equity between sectors; and
- whether the suggested provisions provide a level of confidence that the plan's objectives will be achieved, that is comparable to the plan's current provisions.

The paper takes account of the two documents prepared by Mr Matt McCallum-Clark:

- Draft s42A Section/Background for Commercial Vegetable Production. This is a draft discussion document prepared and pre-circulated by Matt McCallum-Clark for specific purposes of the expert caucusing (referred to here as the "discussion document"); and
- Section 42A Report: Proposed Waikato Regional Plan Change 1 – Waikato and Waipa Catchments, Parts A and B (referred to here as the "s42A report").

2. Current PC1 provisions

The current PC1 provisions as they relate to CVP, are fully described in the McCallum-Clark discussion document. It is also assumed that the primary audience for this paper is already reasonably familiar with the provisions of PC1. The following is therefore a brief summary only.

PC1 introduces a policy and regulatory framework in respect of the use of land for "farming activities" in the Waikato and Waipa River Catchments. Farming activities are defined to include, amongst other things, the "growing of produce, including crops, commercial vegetable production and orchard produce". The main objectives of PC1 are to improve the water quality in the Waikato and Waipa River Catchments and the focus for achieving that is by reducing the loss of contaminants from the use of land for farming activities. These objectives apply equally to CVP as they do for other types of farming. Similarly, many of the requirements for farming generally, also apply to CVP (eg registration, FEPs and NRP).

Policy 3 in PC1 is specific to CVP. Policy 6 sets direction for land use change generally, including any land use change to CVP. There are also 3 rules that affect CVP – 3.11.5.5 (controlled), 3.11.5.6 (restricted discretionary) and 3.11.5.7 (non-complying). These are set out in full in Appendix 1 to this paper. The policies and rules have the collective effect of putting in place the following framework:

- All CVP will require resource consent to operate from 2022 (until which time it is permitted subject to conditions);
- CVP will be required to reduce the loss of contaminants, in proportion to their current discharges and the improvements required in the sub-catchment, through on-farm actions identified in FEPs tailored for individual properties/enterprises, the FEP to be lodged with the consent application;
- CVP properties/enterprises are expected to operate at "best" or "good" management practice (refer Policy 3 d) which, it is expected, will achieve a 10% decrease in the discharge of N, and a "tailored reduction" in the diffuse discharge of other contaminants;
- CVP properties/enterprises are required to produce an NRP in accordance with Schedule B and will be required to operate within that NRP once they are consented;
- Under the controlled activity rule pathway, individual properties/enterprises will have to operate within an areal cap, based on the maximum area in the period 2006-2016;
- A restricted discretionary rule applies if new land is proposed to be brought into CVP, or an existing operation is proposed to expand, and (in either case) the net increase in area is less than or equal to 4.1 ha;
- Where, in either case above, the net areal increase exceeds 4.1 ha, a non-complying activity consent is required.

3. Problems/Issues with the current PC1 provisions

The McCallum-Clark discussion document canvasses the submissions made in relation to the Plan's CVP provisions. These submissions raise various issues and problems associated with the CVP provisions. The following is a brief summary of key conclusions (as set out in Mr McCallum-Clarke's analysis of these matters):

- There are well-recognised limitations in the current ability of Overseer to model N loss from CVP and it is noted that, in terms of how land use intensity might otherwise be regulated, there have been discussions between WRC and HortNZ regarding the possible use of suitable proxies;
- If CVP N losses are to be modelled with Overseer, it is noted that Schedule B also accommodates the possible use of alternative models. However, use of multiple models would make comparison between different landuse activities difficult, and may not enable aggregation of sub-catchment nitrogen loads. Further, there is currently insufficient information to determine whether the alternative models suggested by submitters are suitable;
- The ability to record and account for N losses is critical to whether a 10% reduction is a viable policy goal – if it can't be measured, there is little point in a numeric target;
- It is not clear how the 10% decrease goal would be apportioned across individuals, what the start-point is (and whether that is, in fact, known), what the timeframe for its achievement is and whether it is realistic in the face of pressure for additional CVP in the Region;
- There are large numbers of practical difficulties in relation to the calculation of an NRP for CVP. For it to be practicable, changes to the requirements in Schedule B would be required (including, amongst other things, a shorter dataset period);
- The areal cap requirements are difficult to reconcile with the strong public benefit to accessible fruit and vegetables and create difficulties for new entrants to the sector;
- The ability to move the N loss from CVP from site to site, currently not enabled in the Plan, is a key requirement.

4. Request from the Hearings Panel

On the 13 December, the Hearings Panel issued a formal direction requesting expert conferencing (on 19th Feb and 5th March) in respect of the plan's provisions regarding CVP, as follows:

> ***Purpose***
> *The purpose of the expert conferencing is to address the following questions and, if possible, seek an agreed set of plan provisions to be presented to the Hearing Panel (as a joint witness statement):*
>
> 1. *How to provide for crop rotation/leasing land/moving commercial vegetable production from site to site while ensuring no increase in losses of the four contaminants?*
> 2. *How best to describe nutrient losses, given known issues with Overseer applicability to commercial vegetable production?*
> 3. *Should the proposed cap on total area of commercial vegetable production be retained, and if not, what constraints/limits on new commercial vegetable production should apply (if any)?*
>
> *It is expected that the Waikato Regional Council, as a submitter, will pre-circulate an amended set of plan provisions to assist the discussions. These amended provisions will not have any particular significance or weight, but will be to initiate discussion.*
>
> *Any outcome of expert conferencing will be published on the Council's website and made accessible to all submitters on this topic.*

In responding to this request, we note that our proposal is primarily based on seeking to improve implementability of the current policy provisions, as opposed to addressing the merits of the current policy approach per se (although it is acknowledged that the two are often inseparable). We also note that several aspects of our proposal relate to policy provisions that apply beyond CVP, to farming activities generally (eg NRP, FEPs and the format of rules). As a result, the decision to adopt any of the amended provisions proposed in this paper would be likely to have consequential impacts and implications beyond CVP and these will need to be considered. These will inevitably include considerations such as equity between sectors, unintended consequences, and most importantly, whether the proposed framework provides sufficient certainty of outcomes.

5. The Three Questions

The questions posed by the Hearings Panel relate to a number of strongly interrelated matters which have complex interdependencies. This makes it difficult to address the questions in a stand-alone way without significant duplication. For that reason, here we provide some preliminary commentary on each of the questions posed, and in Section 6 bring those ideas together in the form of a proposal, the detail of which is then described and explained.

Question 1: How to provide for crop rotation/leasing land/moving commercial vegetable production from site to site while ensuring no increase in losses of the four contaminants?

Response

Policy 3a. makes it clear that CSG's intention was to provide flexibility "to undertake crop rotations on changing parcels of land". CVP is also required to operate within an NRP and any other requirements of a resource consent. Despite these intentions, PC1 currently provides no mechanism for the NRP or consent to be transferred to another location, and in the absence of such a mechanism, it cannot do so except through a resource consent process.

Moving CVP from site to site is currently problematic for two main reasons – the first of which relates to the NRP concept, the second to the nature of the resource consent that derives from the current rules in PC1.

The NRP is produced for land, based on the historical intensity of its use and is designed to serve as a limit within which future land use must operate. In the Council submission we note that currently, PC1 is ambiguous as to whether NRP attaches to the land or attaches to the owner of the land or enterprise. It cannot enable both as they are fundamentally conflicting approaches. Our submission takes the position that, by its nature, NRP is an allocation which logically can only attach to, and be used in respect of, specific land. The alternative approach that NRP goes with the land owner (and is therefore freely able to be shifted from location to location when there is a change of land ownership or when land is leased) is, for practical purposes, unimplementable. We also note that PC1 contains no mechanisms that would enable trading of N (as is provided for in Taupo Catchment by Variation 5 for example).

Therefore, the starting point and fundamental assumption of this paper is that NRP must attach to the land. The NRP therefore limits land use intensity on that land. While theoretically CVP operations could shift and operate on new land (eg on a lease basis, but in compliance with the new land's NRP), the new land's NRP is unlikely to be sufficient for most CVP activities in practice, unless the land was historically used for CVP activities (in which case, the land's NRP would reflect CVP-level losses) or unless is the CVP activity proposed for the new land is a particularly low N-loss use.

For these reasons, the nature of the NRP and the relatively high contaminant losses under CVP, mean that the current plan provisions as they relate to NRP make it very difficult for CVP to move around.

The second problem relates to the type of resource consent that derives from the CVP rule. All of the rules in PC1 are worded as land use (s9)/discharge (s15) hybrids (ie "the use of land…and the associated discharge of [contaminants]"…). A consent granted under these rules is therefore also a s9/15 hybrid. When s9 and s15 consents are granted, the authorisation is limited to the specified geographic area. The ability to shift a consent to another location is governed by the RMA's transfer provisions in s134 (for land) and s137 (for discharges). Under s134, a land use consent attaches to the land and "may be enjoyed by the owners and occupiers of the land for the time being…" There is no ability to transfer a s9 consent to another location. A new consent must be obtained to undertake the landuse activity on a different piece of land. A discharge permit, on the other hand, can be transferred to another person who is an owner or occupier of the same site, and transferred in whole or part to any person at another site if a regional plan allows the transfer (which itself is subject to conditions in s137(4)). The s134 provision prevents the hybrid consent as a whole, from being transferred and hence, the rules framework and the nature of the consents that arise from the rules, do not easily enable CVP to move around.

Reconsideration of the rules framework is therefore required. Our view is that, for the principal reason that NRP must attach to the land, it logically follows that all of the current rules in PC1 should be redrafted as solely land use (s9) rules[1], and the discharges from the s9 activities should be authorised by specific new s15 rules.

Question 2: How best to describe nutrient losses, given known issues with Overseer applicability to commercial vegetable production?

Response

With regard to nitrogen, PC1 proposes that nitrogen management would be achieved through the production of an NRP utilising the Overseer modelling tool "or other approved model". There is wide agreement that because Overseer models and represents a long term annual average for nitrogen cycling it presents significant challenges in representing vegetable cropping where there is a new crop or multiple crops each year on rotation. Overseer is also not currently capable of modelling all crop types. At present, we consider there are also no alternative models that would be more suitable for this purpose, than Overseer. For these reasons, along with the logistical difficulties posed by PC1 as regards the Schedule B methodology for determining an NRP and demonstrating annual compliance with it, we propose that CVP be exempted from the requirement to produce an NRP.

Question 3: Should the proposed cap on total area of commercial vegetable production be retained, and if not, what constraints/limits on new commercial vegetable production should apply (if any)?

Response:

To ensure common understanding of this issue, it is first worth clarifying the nature of the cap and how it works.

[1] There are other reasons that support this approach including the administrative complexities of hybrid consents and the differing ways in which the RMA treats s9 and s15 consents. This issue was also thoroughly canvassed through the "Variation 5" (Taupo Rules) process and it was concluded by the Environment Court that it was appropriate the principal rules in that case be re-drafted as s9 rules solely.

Currently, rule 3.11.5.5 provides a controlled activity consent pathway for CVP if the areal extent of the proposal is within its maximum annual areal extent during the period 2006 to 2016 (condition f). The rule also accommodates the incorporation of new land into an operation by requiring in condition g that where new land is brought in, an equivalent area of land must be removed from CVP[2]. In effect, the "net zero" change condition operates as a cap in that it does not enable "new entrants" into CVP or existing CVP to expand. However, this restriction applies only under rule 3.11.5.5. No similar restriction applies under rules 3.11.5.6 or 3.11.5.7. If a person wishes to bring new land into CVP, or wishes to expand an existing CVP operation (ie where condition g is not met), then restricted discretionary activity rule 3.11.5.6 applies. However, if the extent of change exceeds 4.1 ha, then non-complying activity rule 3.11.5.7 is triggered. In either case, whether such a proposal would be approved would be a matter for specific consideration under s104 of the RMA having regard to the policies and objectives in PC1. It is acknowledged that applications under these rules may be declined. Nonetheless, there is a possible pathway for both new entrants and expansion of existing operations and, in this regard, there is no strict prohibition in the Plan on either. The restriction on the total CVP area can best be regarded as a "soft" cap.

Question 3 above asks the question whether the areal cap should be retained. We regard this as primarily a policy question rather than one that significantly affects implementability and for that reason we refrain from taking a particular position, at this stage. We recognise the arguments raised in submissions that there is likely to be increasing pressure on supply of fresh vegetables resulting in increasing demand for new and additional land for CVP. On the other hand, the revised rules framework may lessen the barriers to new entrants (particularly if part transfers of discharge permits to another person at another location, can be enabled). Additionally, there may be some merit in the argument that exempting CVP from requiring to operate under a NRP, and moving to a GFP approach, result in the cap taking on more importance as a substitute means of regulating total sector losses of contaminants. If the areal cap is to be retained, we suggest that the methodology for determining it in condition f of rule 3.11.5.5 could be simplified.

A further related policy question, is the appropriateness of a regulatory framework which makes it a non-complying activity for any expansion or new CVP proposal exceeding 4.1 hectares. In this regard, we acknowledge the question as to whether, in light of the high public benefit of CVP, a lower-level regulatory route may be appropriate, for example a discretionary activity rule subject to the requirement that net discharge on the land does not increase.

6. A proposal for the re-design of the PC1 provisions for CVP

Our proposal for the re-design of the provisions for CVP is summarised as follows:

a) Exempt CVP from the requirement to produce or operate under a NRP;
b) Reconfigure the rules framework for CVP as follows:
    - Redraft rule 3.11.5.5 as a s9 (land use) permitted activity rule;
    - Include a new discretionary activity rule for s15 discharges that result from CVP land use;
    - Under s137(3)(a), include a new permitted activity rule allowing transfer of a discharge permit to another site;
c) Amend the purpose and process for an FEP by:
    - Refocusing FEPs on a Good Farming Principles (GFP) approach;

[2] The condition is unclear whether that confines the "net zero change" to within the applicant's own enterprise or whether it may be achieved outside their enterprise.

- Instituting a clear FEP audit process designed to promote continuing GFP and improvements over time.

A fuller description of, and rationale for, each of the above components is set out below.

7. Exempt CVP from the requirement to produce or operate under an NRP

As noted earlier in this report, we do not consider that it is practicably feasible, or that there is overall value or benefit, compared with the cost, of requiring CVP to produce an NRP in Overseer. Nor do we consider that there are other models which might substitute for Overseer or other numeric means that might substitute for NRP. (This latter issue is discussed further in Section 10). We consider that other measures, in particular the re-focus of FEPs on GFP, possibly in combination with some clear minimum standards, and a robust audit process will ensure adequate controls on nutrient loss.

A key question that arises from exempting CVP from NRP is whether, or to what extent, doing so might compromise the present provisions of PC1 in relation to the expected 10% reduction in nitrogen losses (assuming this target is retained). For the following reasons, we do not consider that it will compromise the target:

(a) The current requirement for CVP to obtain and comply with an NRP puts in place a mechanism that purports to enable the accurate measurement, and therefore the enforceable regulation, of N losses from CVP. In our view, that is not the case. An NRP derived for CVP would, for the reasons identified in this paper, be neither accurate nor enforceable. Removing the requirement for CVP to produce an NRP therefore changes little in that regard;
(b) Policy 3(d), which establishes the expectation of the 10% reduction, explicitly states that this will be achieved "across the sector through the implementation of best or good management practices" (although, as noted by McCallum-Clarke, it is not clear how this would be measured or apportioned across properties). Policy 3(d) does not anticipate that reduction will be achieved via the NRP mechanism;
(c) Further to (b), PC1 currently requires CVP to operate at or within its NRP. There is no mechanism in PC1 that actually requires CVP to reduce its losses. (Matter of control (iv) in rule 3.11.5.5 enables WRC to control the "actions and timeframes to ensure that the diffuse discharge of nitrogen does not increase beyond the Nitrogen Reference Point for the property or enterprise"). CVP is also not subject to the requirement for the top quartile of NRPs to reduce to the 75th%ile. For these reasons, retention of the NRP is arguably inconsistent with ensuring the 10% reduction expectation of Policy 3(d) is achieved.

8. Reconfiguration of the rules framework for CVP

The activity of farming includes two aspects of resource use that are regulated separately, and differently, under the RMA. These are:

- The use of land – this falls under s9 RMA
- The discharge of contaminants to the environment – this falls under s15 RMA.

Anyone wishing to farm needs authorisation under both s9 and 15. Currently, rule 3.11.5.5 combines the s9 and s15 components together as a hybrid. In this paper, we propose de-coupling the land use (s9) and discharge (s15) components of the rules. (If, as argued above, NRP attaches to the land, then logically the NRP (where relevant) should be associated with the s9 component).

Our proposal is:

- Redraft rule 3.11.5.5 as a s9 (land use) permitted activity rule (subject to appropriate conditions);
- Include a new discretionary activity rule for s15 discharges that result from CVP land use;
- Under s137(3)(a), include a new permitted activity rule allowing transfer of a discharge permit to another site.

We consider that, in combination, these changes facilitate the efficient movement of CVP from place to place. They assume that any relevant NRP (as may be required for pastoral usage under PC1) will attach to the land but that CVP itself is exempt from holding or operating under an NRP. If it is accepted that for PC1 as a whole, NRP must attach to, and be part of a s9 land use consent, then unless the right to discharge contaminants is somehow uncoupled from the s9 consent, it is not possible to "move" the right to discharge to a different location, except by applying for and obtaining a new consent.

Under the suggested framework above, the use of land for CVP would be allowed by permitted activity (PA) – thereby avoiding the problem of non-transferability of a s9 resource consent. Consent would also be needed in respect of discharges to the environment. (In practice, the PA could not be utilised in the absence of holding such a consent). A s15 discharge permit applies in respect of the land which is the subject of the original permit, however s137(3)(a) empowers a regional plan to "allow" transfers (and part-transfers) to another location. The power is conditional on several criteria being met (s137(4)), the following of which are potentially relevant in this instance:

a) the transfer does not worsen the actual or potential effect of any discharges on the environment; and
b) the transfer does not result in any discharges that contravene a national environmental standard; and
c) if the discharge is to water, both sites are in the same catchment.

These criteria raise questions such as, in what circumstances might a transfer result in a worsening of adverse effects that would otherwise occur? To what extent would a transfer provision enable a degree of effects offsetting? Similarly, in (c), what interpretation should apply to the term "catchment"? Note that rule 3.11.5.5 is already premised on an ability to move CVP around. Condition g enables "new" land to be brought into production as long as an equivalent area of land is taken out of production ie a "net zero" offsetting approach. However, as noted in Council's formal submission, there are no restrictions in the Plan that govern the allowable scope of the offsetting. In particular:

- whether or not the land taken out of production must be part of the same enterprise as the "new land"; and
- whether or not both areas of land must be in the same sub-catchment, or FMU.

The statutory criteria highlight the question as to whether transfer across sub-catchment boundaries, even if there is a "net zero" change in the total areal footprint, could potentially have impacts eg;

- Sub-catchment targets not being met for various attributes
- Achievement of main stem targets being affected if movement is to upstream sub-catchments
- Changes to net losses due to differing crop or soil types, or climatic conditions.
- The occurrence of different type of effects (eg discharge to hydro lakes v discharge to rivers).

Consideration would need to be given to these, and possibly other questions, in determining how the criteria in s137(4) potentially limit the ability to transfer consents.

Subject to resolving these questions, it is suggested that a transfer provision be included in the Plan allowing transfer as of right, subject to conditions including requirements to give notice and/or provide certain information to the Council (to ensure robust record-keeping) and for no net increase in the total area of the enterprise. Other restrictions and limitations are likely to be necessary in order to give ensure compliance with s137(4).

Implicit in the above proposal is that when CVP moves to land which is subject to an existing NRP, the NRP would not apply for the period while the land is used for CVP purposes. Consideration would need to be given to the question of what happens when CVP exits from land that has never held an NRP (because its historical use was CVP) but which is intended to be subsequently used for grazing. What is the process for assigning an NRP to that land and what should the NRP be?

Similar questions arise in relation to FEPs. If CVP moves onto land which is already subject to a drystock or dairy farm FEP, logically the FEP associated with the CVP operation should take precedence for the period of its operation on that land.

These implementation details would need to be considered and provided for in PC1.

9. Refocus the purpose, and amend the process for an FEP

PC1 is heavily reliant on Farm Environment Plans (FEPs) as one of the primary means for achieving the Plan's objectives. The requirement for FEPs is applicable to all farming activity (subject to farm size and other factors), including CVP. PC1's Schedule 1 sets out the minimum requirements for FEPs. This requires a risk assessment to be undertaken for each farm, for those risks to be prioritised, for the specification of actions to address those risks and timeframes for completing the actions. Separate to its consideration of CVP, Council staff have been considering FEPs generally, and have been querying whether PC1's approach is the best way to achieve its objectives. It is also evident that the success of any FEP approach will depend on the regulatory compliance strategy adopted - and, in this regard, PC1 is silent. These concerns – the overall approach to FEPs and the need for transparency and clarity regarding compliance with FEPs – reflect similar concerns in Mr McCallum-Clarke's s42A report (refer paragraph 134):

> *As notified, PC1 relies on FEPs to identify specific mitigation actions and timeframes within which they need to occur. Early testing of this framework with some resource consent applications has identified some shortcomings, and at the same time nationally, and in other regions, there is an increased emphasis on the GFP [Good Farming Practice] framework. In the Officers' view this GFP framework has a number of advantages, at a philosophical level in setting outcomes with continuous improvement, in terms of national research and consistency, and in terms of ongoing flexibility. It is only on the basis of widespread adoption of GFP, with positive changes to ensure public confidence in the farming improvements that lead to a reduction in the discharges of all four contaminants, that a reduction of the emphasis on N can be suggested.*

WRC staff (in its submitter role) have undertaken some work which sets out an approach to FEPs which focusses on GFP[3]. The rationale for it and how it would affect PC1, is set out in some reasonable detail in "Good Farming Practice as an Approach to Reducing Contaminant Losses from

[3] The term Good Farming Practice (GFP), coined in the document Good Farming Practice Action Plan for Water Quality 2018, has evolved from the term Good Management Practices (GMP) originally coined in the 2015 document "Industry Agreed Good Management Practices Relating to Water Quality". The terms GFP and GMP are effectively equivalent (with minor wording variations) and describe farming in a way that minimises effects on water quality.

Farms in the Waikato and Waipa Catchment under PPC1"[4] (refer Appendix 2). Its main components are as follows:

(a) Amendments to the wording of the objectives, policies and rules frameworks (including Schedule 1) to reflect the shift away from "actions and timeframes", to achieving GFP;
(b) The objective of the FEP would be to show that the farming activities are consistent with GFP;
(c) The farmer would work with a Certified Farm Environment Planner (CFEP) to benchmark their farm against the 21 industry-agreed GFP principles. Depending upon the results of the benchmark assessment, the FEP would identify practices, actions and timeframes necessary to achieve GFP;
(d) The FEP would be submitted with the consent application;
(e) When granted, the consent would include conditions requiring the farmer to hold an FEP that shows how GFP is being met; to operate in accordance with the FEP; to include an objective in the FEP requiring the farmer to operate consistent with the NRP (if it is retained, or another proxy is adopted through the Schedule 1 process); and to be independently audited (ie by someone other than the CFEP who helped develop the FEP) within a timeframe determined by the initial benchmark assessment;
(f) The FEP could be changed by the farmer at any time subject to advising the Council (no approval process required);
(g) The audit of the FEP would assess the information and evidence able to be provided by the farmer and decide how consistent the farming activity was with GFP. A compliance "grade" would be assigned (A – D) which would determine the subsequent frequency of re-audit;
(h) Auditors would not be expected to be responsible for reporting non-compliance to the Council, other than through the audit report processes;
(i) The Council will become directly involved if audit grades indicate continued poor performance, or if performance is not improving. It should be noted that the audit/compliance process described should have no effect on Council's current enforcement responses where egregious examples of poor practice come to our attention.

Note that the FEP/Audit process outlined here, reflects the process established by ECAN in the Canterbury Region to implement FEPs in that region. ECAN has also developed detailed audit guidelines and an auditor certification programme. If the same or similar approach is adopted here, the need for a certification programme for auditors would need to be clearly signalled in PC1.

Adopting the above approach would necessitate changes to Schedule 1. Currently, it contains a lot of detail designed to guide the CFEP in deciding what needs to be done on a particular farm. The adoption of GFP as the objective of the FEP would allow a lot of that detail to be removed from the schedule, which could be incorporated into a guidance manual for CFEPs and auditors. This approach has the benefit of greatly reducing the complexity of Schedule 1 while enabling future procedural revisions of the FEP process to be undertaken and refined without requiring a plan change. Council staff suggest paring back Schedule 1 to simply establish GFP as the objective for FEPs, and to establish the compliance audit process, and some additional informational requirements for each FEP. As noted elsewhere, the Schedule could also set out specific environmental bottom lines if required, subject to further consultation with the industry. These could include minimum performance standards required for operating at GFP.

Staff understand that the industry is broadly supportive of the GFP approach. Further, that there are good practice guidelines in preparation or currently available to the CVP industry to guide what GFP looks like in practice. We note two key guidelines in particular:

[4] Endorsed 6th November by the Project Steering Group, Healthy Rivers Policy and Implementation Project.

- Code of practice for Nutrient Management (Horticulture NZ). This fully describes the management practices necessary to ensure GMP for nutrient management;
- Nutrient Management for Vegetable Crops in New Zealand (Fertiliser Association, Plant and Food Research, Vegetable Research and Innovation). This reflects the GMPs outlined in the COP but provides greater detail, on a per-crop basis, and based on soil test results and likely yields. It includes recommended maximum nutrient loadings of N and P based on soil type and anticipated yield.

Staff consider that compliance with the above guidance and the recommendations they contain, will result in a significant move toward GFP. We consider that change alone will result in significant improvements in N loss from CVP.

The quid pro quo of adopting GFP to manage nitrogen (instead of the NRP approach) will require the the sector's representative bodies and its members to accept these guidelines as representing good farm practice. The implication is that applying nutrients at rates in excess of these guidelines would need justification as to why departing from the industry accepted guidelines was appropriate in the circumstances. This justification would need to be sufficiently rigorous to withstand the scrutiny of the audit process.

10. Related matters

(a) Use of alternative, numeric means of limiting land use intensity

The proposal to exempt CVP from the requirement to develop or comply with an NRP, raises the question as to whether there are suitable substitute approaches available which would enable a numeric, enforceable means of limiting land use intensity. An obvious, potential approach is simple input control, for example, through the imposition of limits on fertiliser use for CVP, based on historic use during a reference period. Staff have carefully considered such an approach and do not support it for a number of reasons. In particular, based on what we know of past practice in CVP, such an approach may well have the unintended consequence of locking in less than optimum practice in the form of significant over-fertilising. The issue is not the fertiliser quantity being applied per se, rather the issue is both the over-application of nutrients relative to the nutrient needs of a particular crop to reach maturity, and the application of nutrients at times which are high risk for N leaching. These factors contribute significantly to CVP's high N losses in our view. Benchmarking fertiliser inputs against historic levels risks enabling inefficient fertiliser application to continue and takes the focus away from encouraging fertiliser use to be done in accordance with GFP.

An alternative approach is regulation based on N-surplus (i.e. N Inputs – N in product). This is a measure of N use efficiency and is likely to be directly influenced by improvements in GFP. It has been suggested that it may be possible (in partnership with industry) to assess the strength of the relationship between N-surplus and modelled N-leaching loss (using APSIM) to determine whether N surplus is a robust surrogate for N-leaching loss (NRP). An N-surplus limit could provide a basis for regulation that would be relatively simple and would avoid the need for annual farm-scale modelling. However, Council staff note that it would be challenging to calibrate this relationship accurately, having regard to variations in N uptake resulting from different crops, rotation lengths, soils, rainfall and crop timing, nutrient availability and accounting for luxury uptake. While it could theoretically provide a numerical basis for regulation, we have concerns as to whether its accuracy would be sufficient for it to constitute good regulation.

(b) Certified Industry Schemes

Currently, controlled activity rule 3.11.5.5 is subject to a standard/term requiring that the land use is registered to a Certified Industry Scheme (CIS). This means that any CVP which is not part of a CIS would require to be consented via the RDA rule 3.11.5.6. In his s42A report, Mr McCallum-Clark notes the various concerns about CISs raised in submissions (legality, lack of a "level playing field" based on CIS membership) and questions whether the CIS framework provides for improved practices and reduced discharges and whether it is consistent with s70 of the RMA.

This paper does not address CISs in any detail because, whether they continue to have a role in the regulatory framework for CVP, including the amended framework as proposed in this paper, is not seen by the Council as critical to its implementation. The amended set of provisions proposed in this paper could be implemented irrespective of CIS involvement. Also, the suggested refocus of FEPs to a GFP approach, combined with the audit approach described, arguably changes the potential role of CIS toward a provider of information and support regarding GFP. However, ultimately, the issue is probably for the industry itself to consider.

(c) Minimum standards

In promoting a more GFP-focussed approach to FEPs, it is relevant to consider the place of "minimum standards". We acknowledge the potential for minimum standards to be part of the policy design to operate in combination with the GFP approach. (Here, "minimum standards" are intended to mean specific standards of minimum operational practice on farms that are designed to be enforceable **or** to guide farm operation). Currently, PC1 contains few such standards – stock exclusion and cultivation setbacks are example, and there are further examples in the permitted activity rules 3.11.5.1 and 3.11.5.2.

It is noted that currently, Schedule 1 also contains requirements for CVP that are described as "Vegetable growing minimum standards" (although given the content of this list, it is questionable whether "standards" is the appropriate terminology for these). This matter is further discussed below.

The questions considered here are:

a) Is there a need for minimum standards to be specified for CVP in the Plan?
b) If so, how are they best included in the Plan? (eg as rules, or conditions of rules that are directly enforceable; or as guidance for the achievement of GFP; or something else).

Council staff have considered whether it is feasible to identify further minimum standards of operational practice that can and should be specified. We are aware that CSG itself looked at this question in some detail, but despite that, there are few hard, enforceable standards in the Plan currently. This suggests that identifying such minimum standards is not straightforward. Nonetheless, Council staff view the use of minimum standards as a potential means of complementing and shoring up the GFP approach. We therefore have an open mind on the matter and would propose that we work with the CVP sector to progress further work in this area. Irrespective of what might be possible in that regard, we do however, support the concept that, through the FEP process and subsequent auditing of farms to determine performance against Good Farming Principles, minimum standards of practice which generally apply, can and should be specified. We suggest that, except where enforceable standards may be identifiable, these would take the form of strong guidance (for example, in the guidance documents for the development of FEPs and/or the FEP audit manual) and which, in most cases, would apply but are part of a process which would also enable exceptions to be considered on a case by case basis. We consider this "soft standard" approach fits well with the suggested refocussing of FEPs on a GFP approach combined with a robust audit programme, as outlined earlier in this section. We also consider that it strikes an

appropriate balance between ensuring that there are clear expectations of operational performance on farms, and the need for flexibility to accommodate the inevitable exceptions that will arise.

With reference to the "Vegetable growing minimum standards" currently set out in Schedule 1, we note that currently the list is something of a grab-bag of different types of matters. Some are framed as annual management requirements (1, 2, 4), some relate to demonstrating the evidence for good practices (6, 8), and others have different purposes again (3, 5, 7). (Item 5, an erosion and sediment control plan, could presumably simply be incorporated into the FEP). As written, they appear to be a mix of actions which are intended to be mandatory, and recommendations. To the extent that they are intended to be mandatory, many would need rewriting, or greater specification, in order to be enforceable. Staff consider, based on the approach suggested for minimum standards generally as described above, that the matters specified also lend themselves to being incorporated into guidance material or potentially, as standard conditions of consent granted under the rule or as conditions attached to the land use rule.

11. Conclusions

The current PC1 provisions are problematic for existing CVP operations, for two main reasons. Firstly, the provisions rely on using the model Overseer to estimate current N losses, when it is broadly accepted that model is not as suitable for modelling short rotation crops like most vegetables as it is for modelling pasture systems. Secondly, the current rule framework does not easily enable the regular and frequent rotation of vegetable crops between different blocks of land, which is a key requirement of CVP operations.

An amended set of provisions have been proposed in this paper to remove the reliance on Overseer to estimate actual benchmark losses of nitrogen for CVP, and instead manage nitrogen by requiring commercial vegetable producers to demonstrate they are operating according to industry agreed good practice principles, in the same way as proposed for the other three contaminants that PC1 seeks to manage.

Also, a change is proposed to the rule structure, decoupling the existing hybrid s9/s15 rule into separate rules for land use and for discharges. This is intended to enable the CSG's desire to provide for vegetable crop rotation without requiring a resource consent or a change to resource consent every time a new piece of land is leased.

Overall, it is considered that the provisions suggested in this paper will be simpler to implement and simpler for growers to comply with while still providing a similar level of certainty that the desired policy objectives will be achieved.

The scope of this paper is necessarily focused on presenting an alternative approach to managing CVP to resolve the issues of using Overseer and providing for simpler administration of rotational vegetable cropping. The alternative provisions proposed here will inevitably prompt further consideration of other provisions in the plan which are the subject of future caucusing conversations, but that are outside of the scope of the CVP caucusing this paper is written to support.

APPENDIX 1: PC1 provisions relating to commercial vegetable production

Policy 3: Tailored approach to reducing diffuse discharges from commercial vegetable production systems.

Manage and require reductions in diffuse discharges of nitrogen, phosphorus, sediment and microbial pathogens from commercial vegetable production through a tailored, property or enterprise-specific approach where:

a. Flexibility is provided to undertake crop rotations on changing parcels of land for commercial vegetable production, while reducing average contaminant discharges over time; and

b. The maximum area in production for a property or enterprise is established and capped utilising commercial vegetable production data from the 10 years up to 2016; and

c. Establishing a Nitrogen Reference Point for each property or enterprise; and

d. A 10% decrease in the diffuse discharge of nitrogen and a tailored reduction in the diffuse discharge of phosphorus, sediment and microbial pathogens is achieved across the sector through the implementation of Best or Good Management Practices; and

e. Identified mitigation actions are set out and implemented within timeframes specified in either a Farm Environment Plan and associated resource consent, or in specific requirements established by participation in a Certified Industry Scheme;

f. Commercial vegetable production enterprises that reduce nitrogen, phosphorus, sediment and microbial pathogens are enabled; and

g. The degree of reduction in diffuse discharges of nitrogen, phosphorus, sediment and microbial pathogens is proportionate to the amount of current discharge (those discharging more are expected to make greater reductions), and the scale of water quality improvement required in the sub-catchment.

Policy 6: Restricting land use change

a. Except as provided for in Policy 16, land use change consent applications that demonstrate an increase in the diffuse discharge of nitrogen, phosphorus, sediment or microbial pathogens will generally not be granted.

b. Land use change consent applications that demonstrate clear and enduring decreases in existing diffuse discharges of nitrogen, phosphorus, sediment or microbial pathogens will generally be granted.

Rule 3.11.5.5 - Controlled Activity Rule – Existing commercial vegetable production

The use of land for commercial vegetable production and the associated diffuse discharge of nitrogen, phosphorus, sediment and microbial pathogens onto or into land in circumstances which may result in those contaminants entering water, is a permitted activity until 1 January 2020, from which date it shall be a controlled activity (requiring resource consent) subject to the following standards and terms:

i. The property is registered with the Waikato Regional Council in conformance with Schedule A; and

ii. A Nitrogen Reference Point is produced for the property or enterprise in conformance with Schedule B and provided to the Waikato Regional Council at the time the resource consent application is lodged; and

iii. Cattle, horses, deer and pigs are excluded from water bodies in conformance with Schedule C; and

iv. *The land use is registered to a Certified Industry Scheme; and*
v. *The areas of land, and their locations broken down by sub-catchments [refer to Table 3.11-2], that were used for commercial vegetable production within the property or enterprise each year in the period 1 July 2006 to 30 June 2016, together with the maximum area of land used for commercial vegetable production within that period, shall be provided to the Council; and*
vi. *The total area of land for which consent is sought for commercial vegetable production must not exceed the maximum land area of the property or enterprise that was used for commercial vegetable production during the period 1 July 2006 to 30 June 2016; and*
vii. *Where new land is proposed to be used for commercial vegetable production, an equivalent area of land must be removed from commercial vegetable production in order to comply with standard and term f.; and*
viii. *A Farm Environment Plan for the property or enterprise prepared in conformance with Schedule 1 and approved by a Certified Farm Environment Planner is provided to the Waikato Regional Council at the time the resource consent application is lodged.*

Matters of Control

Waikato Regional Council reserves control over the following matters:

i. *The content of the Farm Environment Plan.*
ii. *The maximum area of land to be used for commercial vegetable production.*
iii. *The actions and timeframes for undertaking mitigation actions that maintain or reduce the diffuse discharge of nitrogen, phosphorus or sediment to water or to land where those contaminants may enter water, including provisions to manage the effects of land being retired from commercial vegetable production and provisions to achieve Policy 3(d).*
iv. *The actions and timeframes to ensure that the diffuse discharge of nitrogen does not increase beyond the Nitrogen Reference Point for the property or enterprise.*
v. *The term of the resource consent.*
vi. *The monitoring, record keeping, reporting and information provision requirements for the holder of the resource consent to demonstrate and/or monitor compliance with the Farm Environment Plan.*
vii. *The time frame and circumstances under which the consent conditions may be reviewed.*
viii. *Procedures for reviewing, amending and re-certifying the Farm Environment Plan.*

Notification:

Consent applications will be considered without notification, and without the need to obtain written approval of affected persons.

Rule 3.11.5.6 - Restricted Discretionary Activity Rule – The use of land for farming activities

The use of land for farming activities that does not comply with the conditions, standard or terms of Rules 3.11.5.1 to 3.11.5.5 and the associated diffuse discharge of nitrogen, phosphorus, sediment and microbial pathogens onto or into land in circumstances which may result in those contaminants entering water is a restricted discretionary activity (requiring resource consent).

Waikato Regional Council restricts its discretion over the following matters:

i. *Cumulative effects on water quality of the catchment of the Waikato and Waipa Rivers.*
ii. *The diffuse discharge of nitrogen, phosphorus, sediment and microbial pathogens.*

iii. *The need for and the content of a Farm Environment Plan.*
iv. *The term of the resource consent.*
v. *The monitoring, record keeping, reporting and information provision requirements for the holder of the resource consent.*
vi. *The time frame and circumstances under which the consent conditions may be reviewed.*
vii. *The matters addressed by Schedules A, B and C.*

Notification:

Consent applications will be considered without notification, and without the need to obtain written approval of affected persons.

Rule 3.11.5.7 - Non-Complying Activity Rule – Land Use Change

Notwithstanding any other rule in this Plan, any of the following changes in the use of land from that which was occurring at 22 October 2016 within a property or enterprise located in the Waikato and Waipa catchments, where prior to 1 July 2026 the change exceeds a total of 4.1 hectares:

1. Woody vegetation to farming activities; or
2. Any livestock grazing other than dairy farming to dairy farming; or
3. Arable cropping to dairy farming; or
4. Any land use to commercial vegetable production except as provided for under standard and term g. of Rule 3.11.5.5

is a non-complying activity (requiring resource consent) until 1 July 2026.

Notification:
Consent applications will be considered without notification, and without the need to obtain written approval of affected persons, subject to the Council being satisfied that the loss of contaminants from the proposed land use will be lower than that from the existing land use.

APPENDIX 2: “GOOD FARMING PRACTICE” PAPER BY R DRAGTEN, OCTOBER 2018

GOOD FARMING PRACTICE

AS AN APPROACH TO REDUCING CONTAMINANT LOSSES FROM FARMS IN THE WAIKATO AND WAIPA CATCHMENT UNDER PPC1

Version: Final
Date: 19 October 2018

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1 Introduction

The HRWO Implementation project team are tasked with implementing Proposed Plan Change 1 (PPC1). The project team considers that there are considerable implementation challenges to implement the rules and policies as they are currently proposed in PPC1. These challenges have been set out in previous discussion papers.

This position paper sets out a conceptual approach to amend PPC1 to explicitly promote Good Farming Practice (GFP[5]) approach as a way of achieving behaviour change on farm and achieve the objectives of PPC1. We would see this happening in tandem with a de-emphasis of the current reliance on Overseer N estimates as the primary measure of compliance. The implementation project team considers that, compared to the current PPC1 FEP approach, a GFP approach is:

1. more consistent with current national direction, and
2. easier and less bureaucratic to implement, and
3. more conducive to encouraging continuous improvement in farmer practice over time, and
4. more accommodating of the changes that will inevitably need to be made to FEPs over time; and
5. more likely to achieve the change in on-farm practice (management and infrastructure) that is required to deliver the objectives of PPC1.

The question remains as to whether broadscale adoption of GFP would be sufficient to achieve the water quality objectives of the plan change. Advice would need to be sought from the Councils technical advisors to confirm this. However, implementers consider that a GFP approach is more likely to be successful at delivering broad scale and effective mitigation actions than the current PPC1 rule framework.

2 Effect of adopting GFP on PPC1

2.1 Objectives

The plan objectives may need adjusting to state that the plan seeks to achieve the 10-year WQ targets by getting all farmers moving on a trajectory towards GFP.

2.2 Policies

It is likely that some of the policies may need adjusting to seek the adoption of catchment wide GFP as a method of achieving the objectives.

2.3 Rules

Adopting a GFP approach would require consequential wording changes rules 3.11.5.3 – 3.11.5.6, in either the conditions or in the matters of control to reflect the subtle shift away from actions and timeframes, to achieving GFP. Similarly rules that set out how FEPs are changed would need reviewing.

2.3.1 Registration and NRP

Adopting GFP is not expected to have any impact on the requirement to register and initially benchmark a property's N loss by calculating an NRP.

The GFP approach does appear to offer a solution to the concern the Council raised in its submission that PPC1 appears to promote a quantitative approach to compliance with NRPs. Under a GFP approach as outlined below, compliance with an NRP would become more qualitative which is more

[5] The term Good Farming Practice (GFP), coined in the document Good Farming Practice Action Plan for Water Quality 2018, has evolved from the term Good Management Practices (GMP) originally coined in the 2015 document "Industry Agreed Good Management Practices relating to Water Quality". The terms GFP and GMP are effectively equivalent (with minor wording variations) and describe farming in a way that minimises effects on water quality.

consistent with current recognition that Overseer is best used as a relative comparison tool, rather than a predictor of absolute losses[6]. Under a GFP approach, the compliance assessment becomes "how confident am I that the current farm practices are equivalent in terms of N loss to the farm practices at the time of benchmarking". The overseer assessment, along with farm records and the like would be used as evidence to support the level of confidence decision, rather as the compliance threshold themselves.

2.3.2 Farm Environment Plans

Conceptually, under a GFP approach, the following would describe how a farmer would be required to operate.

1. The objective of the FEP would be to show that the farming activities are consistent with GFP.
2. The process for developing an FEP would be
    a. Farmers would work with a CFEP to benchmark their farm against the 21 industry-agreed GFP Principles.
    b. For each GFP, the CFEP would make a judgement as to how confident the CFEP was that current farming practice was consistent with GFP Principles. (Each GFP principle would be assigned a rating of high, medium or low level of confidence).
    c. The CFEP would record reasons for their judgement for each GFP
    d. Where the CFEP is not able to assign a high level of confidence that current farming is at GFP, in addition to their reasons in c) above, the CFEP would also identify practices, actions and timeframes necessary to achieve GFP.
3. The farmer would submit their consent application, along with the FEP containing
    a. the benchmark GFP assessment,
    b. Proposed practices/actions to achieve GFP where it is not currently being met.
4. Once granted the consent would include conditions requiring the farmer to:
    a. Maintain an FEP showing how GFP is being met .
    b. Include an objective in their FEP which relates to farming in a manner consistent with their NRP (or the 75%ile, or relevant input controls (if PPC1 adopts this approach) as appropriate)
    c. Farm in a manner consistent with their FEP and so as to maintain an A or B audit grading
    d. Be independently audited:
        (i) Initially, within 12 months of their consent being granted
        (ii) Subsequently, at periods determined by the grade of the initial audit.
            A. Within 3 years
            B. Within 2 years
            C. Within 1 year
            D. Within 6 months
5. The FEP could be changed by the farmer at any time. The farmer would need to provide the updated FEP to Council, but there would be no approval process.
6. The farmer would engage an auditor to undertake the required audits of their farm practice against GFP. The audits would be undertaken by a different person than the professional that helped them develop their FEP.
7. The audit would assess the information and evidence able to be provided by the farmer and decide how confident they were that farming practice was consistent with GFP. This would include an assessment of confidence that the farm operation was meeting its nitrogen

[6] For example, as noted in the recent report entitled Using Overseer in Water Management Planning. Gerard Willis, Enfocus Limited, September 2018, commissioned by Overseer Limited

obligations (such as farming at an intensity consistent with the farms NRP, based on the available records. The auditor would assign a level of confidence for each GFP of High, Medium or Low.

8. The audit would receive an overall grade of A to D, depending on the number of Highs, Mediums or Lows. The grading system could be:
    A. All Highs
    B. Mix of Highs and Mediums, and a robust plan in place to address issues
    C. Mix of Highs and Mediums, but no plan in place to address issues
    D. The Auditor has a low level of confidence that farming practice is consistent with 1 or more GFPs.
9. Auditors would not have responsibility for reporting non-compliance to council, other than through their Audit report processes. Auditors would be expected to record contaminant loss issues in their audit reports, which would be expected to lead to "D" audit grades
10. The Council will become directly involved in the farm performance if audit grades indicate continued poor performance, or if performance is not improving. For example, the Council may choose to accompany the auditor on a farm visit after two successive "D" audit grades, and if performance does not improve, may initiate enforcement action.
11. The Council will continue to detect non-compliance through its risk-based compliance programmes, and because of incident reports from members of the public.

2.4 Audit programme

To a large extent, the FEP process outlined in 2.3 above reflects the process established by Environment Canterbury in the Canterbury region to implement FEPs in that region. ECAN has also developed detailed audit guidelines and an auditor certification programme.

The adoption of GFP as an objective requires comprehensive auditing to ensure change actually occurs on farm. It is proposed that Waikato Regional Council establish a similar auditing programme in the Waikato, which would require certification of auditors. This would need to be clearly identified in PPC1.

There may be an opportunity to collaborate with ECAN in delivering the auditor certification and quality management system over time, which is likely to be more efficient than WRC having to design and manage its own auditor system.

2.5 Effect on Schedule 1

Schedule 1 of PPC1 includes a large amount of detail designed to guide the farm environment planner as to how to decide what needs to be done on a particular farm. The adoption of GFP as the objective of the FEP would allow a large amount of that detail to be removed from the schedule, which instead could be incorporated into a guidance manual for CFEPs and auditors. This approach has the benefit of greatly reducing the complexity of the current schedule 1, while enabling future procedural revisions of the FEP process to be undertaken and refined without requiring a plan change process. The implementation team suggest paring back Schedule 1 to simply establish GFP as the objective for the FEPs, and to establish the compliance audit process, and some informational requirements for each FEP. The Schedule could also spell out specific environmental bottom lines if required, subject to further consultation with industry. These could include minimum performance standards required to be operating at GFP.

2.6 Accounting framework

Assessing the effectiveness of PPC1 relies on the FEP process to gather the information required to

a. Track changes in farming practice over time

b. Prepare for the next plan change which may need to require additional measures to achieve the 80-year targets.

Under the proposed GFP approach, the initial benchmarking could be used to identify both those actions that have already been completed, and the planned actions necessary to achieve GFP. Once the consents are all granted, the audit process will identify those planned actions that have been completed, additional or alternative actions that the farmer may have undertaken to reach GFP, and any further actions that may be required. The accounting framework therefore will need to be able to differentiate between completed mitigations and proposed mitigations yet to be completed.

2.7 Certified Industry Scheme

The GFP model described in this paper assumes the need for a resource consent. Further thought would need to be given to how this process could be redesigned to meet the needs of the industry scheme proposal, if that remains in the policy mix as a permitted activity. The key driver in this situation would be to retain the expectation of equivalence of performance expectations on all farmers, irrespective of whether they are authorised as a permitted activity under an industry scheme, or by obtaining a separate resource consent.

3 Where to from here

This position paper attempts to outline the high-level concepts of how incorporating GFP could work under PPC1. There will be technical issues to be worked out, and tweaks required to what is set out in this position paper to make the system work. However, this paper is provided as a high-level conceptual outline of how GFP could work, and why the implementation team think it provides considerable advantages over the current FEP process set out in PPC1.

The implementation project team suggests working with the policy team over the coming weeks to refine how GFP could work, and what specific changes might be required to the PPC1 document to achieve this.