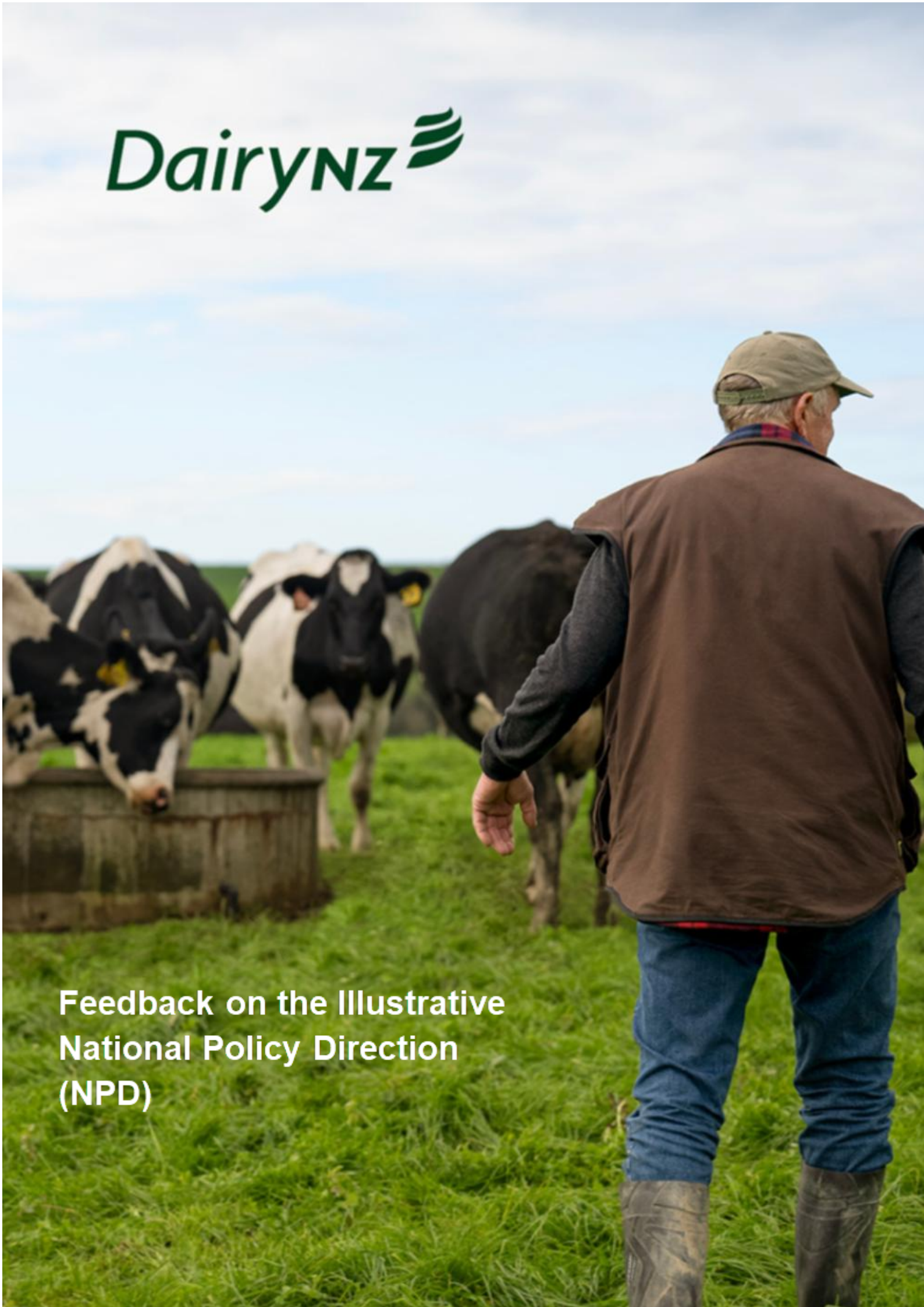


Feedback on the Illustrative National Policy Direction (NPD)

16 October 2026

Submission to the illustrative National Policy Direction consultation process

By email: nationalpolicydirection@mcert.govt.nz

Summary of submission

Overall support. DairyNZ supports the Government's objective of creating a clearer, more enabling and nationally consistent resource management system that supports economic growth, productive land use, infrastructure delivery and environmental outcomes.

A more coherent national framework. Consolidating national direction into a single National Policy Direction (NPD) could improve transparency, reduce duplication and provide greater certainty for plan-makers and resource users.

Clarity on how the system will operate. The NPD should provide a coherent framework for translating and reconciling the goals of the Natural Environment Act and the Planning Act. It should clearly explain how goals, themes, directives, environmental limits and implementation tools fit together, including how competing objectives will be balanced in practice.

Enabling primary production while delivering environmental outcomes. DairyNZ supports the Illustrative National Policy Direction's (INPD) recognition of primary production and its focus on enabling the use and development of natural resources, including food and fibre production, within a framework seeking to deliver improved environmental outcomes.

Priority outcomes sought

DairyNZ's key outcomes sought are summarised below. These have been developed in conjunction with Beef + Lamb NZ. Together, they are intended to ensure the final NPD is coherent, practical and enabling, with clear direction on how environmental outcomes will be achieved.

Outcome sought	What the final NPD should do
A clear, consistent and integrated approach to the structure and framing of national directives	Structure the NPD according to just two kinds of directives – cross-cutting and themes. Provide clarity as to how the two interact and minimise the potential for dispute (particularly, clarify if cross cutting directives are given effect by the theme directives or must still be considered in addition to the theme directives). Ensure consistent wording and framing of directives where the same approach for different sectors and activities is intended.

Outcome sought	What the final NPD should do
Enable primary production and manage with a proportionate and risk-based approach	Enable primary production activities and ensure that any controls are proportionate to the risk and contribution of that activity to the environment.
Environmental limits: adopt a consistent approach between sectors to breaches of limits and treatment of existing activities	The NPD should not create a regime where the primary sector (or one part of the sector) is expected to shoulder a disproportionate burden of responsibility. Individual activities should be required to reduce impacts in a way that is efficient and equitable.
Recognise existing agricultural activities and enable their continued operation	Ensure that interim limits provide for existing agricultural activities (including as permitted activities). Clarify how, where environmental limits are breached, existing activities that require a replacement consent can be consented while providing for environmental improvement.
Nature-based solutions are recognised	Direct an approach which recognises and incorporates nature-based solutions. This will be more effective and efficient than relying solely on regulatory methods and other traditional approaches, particularly where there is a need to improve catchment outcomes.
Regional spatial plans do not pre-empt the limit setting process	Regional spatial plans (RSPs) are predominantly used as an urban and infrastructure planning or zoning tool. RSPs are not directed to identify which primary production activities occur where or to allocate or prioritise access to other natural resources.
National consistency and reduced duplication	Clearly define the roles of national standards, plans, FWFPs and other regulatory tools so requirements are complementary and are not duplicated.
Resilient infrastructure and well-functioning rural areas	Recognise the public infrastructure, resource availability, processing, value-add activities and adaptation needs that support primary production and rural communities.

Economic importance of Dairy

The dairy sector is a cornerstone of New Zealand's economy and a critical pillar for rural communities. In the year to March 2024, the sector generated $10.7 billion in GDP, representing 2.8% of the national economy, and directly supported around 51,800 jobs, paying nearly $4 billion in wages. Dairy is especially important in some regions, accounting for 12.1% of West Coast GDP, 10.6% of Southland GDP, 8.3% of Taranaki GDP and 7.8% of Waikato GDP.[1]

Dairy farming is New Zealand's largest goods producing sector, while dairy processing is its second largest. The sector also supports a wide network of businesses through expenditure on goods, services, transport and infrastructure investment.

[1] Turning regional production into national income - Dairy's economic contribution to New Zealand. Available at https://dcanz.com/turning-regional-production-into-national-income-dairys-economic-contribution-to-new-zealand-june-2026/

Dairy is New Zealand's largest export sector, generating $28.8 billion in exports in 2026, accounting for 35.8% of goods exported and contributing almost half of the country's export growth between 2021-24. Our dairy products are exported to 149 markets, creating a diversified customer base that supports New Zealand's economic resilience to global shocks and trends.

About DairyNZ

DairyNZ is the industry-good organisation representing all New Zealand dairy farmers. We support farmers to build profitable, sustainable and resilient farm businesses through extension, advocacy, science and research. Our purpose is to support a positive future for New Zealand dairy farming.

DairyNZ is funded by a levy on milksolids paid by all dairy farmers under the Commodity Levies Act 1990. A significant portion of our work supports research and development aimed at improving water quality outcomes.

Nāku iti noa, nā



Roger Lincoln
General Manager, Policy and Government Relations

Section 1: Overarching comments

Scope and purpose of this submission

This submission provides DairyNZ's feedback on the illustrative NPD. It focuses on whether the proposed structure provides a clear and workable translation of the new legislation, whether the themes and directives operate coherently, and whether primary production can be enabled within fit for purpose environmental limits.

The reform represents a material change from the Resource Management Act 1991. The illustrative process is occurring before the full suite of national standards, methodologies and implementation guidance is available. DairyNZ has therefore prioritised high-level system issues and provisions of particular relevance to dairy farming, rural communities and the wider primary-sector value chain. Fit for purpose environmental limits are central to the new legislative framework and to DairyNZ's feedback.

DairyNZ supports achieving environmental outcomes sought by farmers, communities and tangata whenua while recognising lawful resource use, sustainable rural communities, existing investment and the contribution of primary production to New Zealand's economy.

Status of DairyNZ's feedback

Implementation of the NPD will depend heavily on national standards and methodologies, including methodologies for setting fit for purpose environmental limits. DairyNZ's feedback at this stage is therefore preliminary and will be refined as those instruments are developed.

The INPD also introduces a number of new terms that are clearly intended in drafting but have not yet been tested in case law in the context in which they are now used in the INPD. Further clarity on the intent of these terms is needed.

DairyNZ welcomes the opportunity to work with officials ahead of formal consultation on the NPD and on the national standards, methodologies and guidance relevant to dairy farming, particularly freshwater.

Structure of this submission

This submission is organised in three parts

1. Overarching comments on system architecture and implementation
2. Feedback on priority themes affecting rural land, infrastructure and primary production
3. Detailed comments and recommended amendments on selected directives

Reform intent

DairyNZ supports the intent of resource management reform to create a more enabling, efficient and nationally consistent system that supports economic growth, productive land use, infrastructure investment and environmental improvement. A key objective of reform should be to provide greater certainty about issues that are appropriately resolved at the national level, while reducing unnecessary duplication, complexity and cost throughout the planning system.

Experience under the RMA demonstrated several persistent challenges, including overlapping regulatory requirements, inconsistent regional approaches to common issues, lengthy and costly

planning processes, and frequent policy change. These factors have reduced certainty for communities, councils and resource users, while increasing compliance costs and the time required to achieve both environmental and economic outcomes. DairyNZ supports reform that delivers clearer national direction, more durable policy settings, and greater consistency in implementation across New Zealand.

Achieving the intent of the primary legislation will require a transparent and equitable framework that provides clarity on how enabling objectives and environmental limits are intended to operate together in practice, particularly where environmental or human health limits have been exceeded and the necessary improvements will take time to achieve. The framework should clearly identify how responsibilities are allocated equitably and efficiently across sectors and activities, and how progress toward environmental outcomes will be achieved over time.

We support the recognition that regulation alone will not deliver environmental outcomes. Across New Zealand, dairy farmers, catchment groups and industry initiatives are making significant investments in freshwater improvement, riparian planting, biodiversity enhancement, emissions reduction, farm environment planning and catchment-scale restoration, often extending well beyond regulatory requirements. An approach focused on nature-based solutions is critical to achieving the goals of the new legislation.

These locally led initiatives are demonstrating the value of collaboration, innovation and community ownership in achieving environmental outcomes. The new system should support and enable these efforts, ensuring that non-regulatory and catchment-led approaches are recognised as an important complement to formal regulatory tools and are integrated into the delivery of long-term environmental outcomes.

Overall INPD direction is supported

Consolidating existing national policy direction into a single National Policy Direction has the potential to reduce duplication and improve transparency, consistency and certainty for plan-makers, resource users and communities. The sector-based structure adopted in the INPD is generally supported. The themes are accessible, allow users to identify provisions relevant to their activities, and provide a useful indication of how national policy direction could operate within the new planning system.

The INPD contains several positive elements for primary production. Agriculture is expressly recognised. Effects are to be managed proportionately and according to risk and FWFP have a clearer role. The INPD supports water storage, irrigation infrastructure, constructed wetlands and other actions that can contribute to environmental improvement. DairyNZ also supports the broader intent to enable the use and development of natural resources, including food and fibre production, within environmental limits.

DairyNZ supports a more enabling planning system. However, the final NPD should provide clarity regarding how enabling objectives are intended to operate alongside environmental or human health limits, particularly where limits have been exceeded or are unlikely to be met immediately. The framework should establish a transparent and equitable approach to determining how environmental improvements are made over time, how responsibilities are allocated across sectors and activities, and how enabling and protective objectives are intended to operate together in practice.

The NPD must operate as an integrated framework

On balance, DairyNZ supports the sector-based themes approach. It is accessible, allowing users to identify provisions relevant to their activities, and reflects a stronger focus on enabling activities

The NPD will be the principal mechanism for translating and reconciling the goals of the Natural Environment Act and Planning Act. Its effectiveness will depend on whether it provides sufficient direction on how those goals are to be implemented together and how tensions between competing objectives are to be managed.

DairyNZ recognises that the NPD cannot prescribe detailed rules for resolving every potential conflict between goals, values and directives. Transparency regarding the relationship between statutory goals, public values, themes and directives would improve certainty and support more consistent implementation.

In particular, the INPD does not clearly explain how system-wide and cross-cutting directives interact with theme-specific directives, including whether they have equal status or whether any direction takes precedence where outcomes point in different directions. Clarity on these relationships would assist decision makers and support transparent implementation of competing objectives.

The NPD should retain only two directive types within the INPD structure: cross-cutting and theme-specific. It should explain whether theme-specific directives implement cross-cutting direction or must be considered alongside it, reducing uncertainty and the potential for disputes. Public value directives should act as cross-cutting direction that informs the application of other themes.

Nature-based solutions

DairyNZ supports the inclusion of nature-based solutions within the INPD and considers they should be recognised as a cross-cutting mechanism for delivering environmental, economic and community outcomes. Nature-based solutions such as riparian planting, wetland restoration, sediment traps, detention bunds and catchment-scale restoration can provide cost-effective improvements in freshwater quality, biodiversity and natural hazard resilience while supporting productive land use.

The NPD already recognises nature-based solutions including through several Public Values and Infrastructure directives. However, their role should also be more explicitly recognised across the NPD, including within the Primary Production theme. Where the INPD addresses ecosystem health outcomes, non-regulatory interventions or environmental limits, further thought should be given to whether these should refer more broadly to nature-based solutions.

The final NPD should clearly enable both regulatory and non-regulatory approaches, including FWFP, action plans and catchment-led initiatives, to support the use of nature-based solutions where they can help achieve environmental outcomes efficiently and effectively.

Clear and complementary roles for implementation tools

The national standards signalled in the INPD are not part of this consultation, but many NPD directives will depend on them for implementation or perform a role that would otherwise be performed by the NPD. The effectiveness of the new planning system will therefore depend on how the NPD, national standards and lower-order instruments work together in practice.

Ideally the NPD and national standards would be developed together, although given the complexity and tight timeframes this may not be practically achievable. If so, it would be useful to have an overview of the list of likely national standards prior to the formal NPD consultation, with a particular focus on those ‘environmental limits standards’ outlined at page 68 of the INPD.

DairyNZ considers it also important the roles of each instrument have defined, clear, integrated and complementary roles:

- the NPD should set the overall policy direction and decision-making framework;
- national standards should provide nationally consistent requirements where common environmental outcomes can be achieved through national-scale tools; and
- action plans and Freshwater Farm Plans should provide the main tools for catchment-specific and farm-specific matters that cannot be appropriately addressed through national standards.

Developing the formal NPD and national standards together would provide clarity on how the system is intended to operate, avoid duplication between instruments, and help identify which matters are best addressed through regional planning, action plans or FWFPs, while enabling continual evolution in practices.

Section 2: Feedback on specific themes

Economic growth

DairyNZ supports directives (for example, CC-Directive 2 and PP-Directive 1.1, subject to amendment) that enable economic growth and productive resource use within limits.

To further support this intent, the NPD's treatment of activities and national standards (particularly environmental limits standards) should consider the practical implications where an environmental limit is breached or likely to be breached. The response should be based on contribution to effects, available mitigation, feasibility, costs and benefits, and the time needed to adjust. Enabling one activity should not result in disproportionate or inequitable adjustment requirements being imposed on another.

Reverse Sensitivity

DairyNZ recognises that reverse sensitivity is a complex issue and that separation of land uses alone will not always prevent conflicts between incompatible activities. Protection of lawfully established rural activities is important, but effective management of reverse sensitivity requires a combination of long-term planning, appropriate zoning, and clear expectations about activities occurring within and between different areas.

DairyNZ considers that reverse sensitivity should primarily be addressed through Regional Spatial Plans (RSP) and implemented through Land Use Plans (LUP) This should include well-defined zones, careful management of urban-rural interfaces, and requirements for new sensitive developments to avoid or mitigate the effects of existing lawful rural activities through measures such as setbacks, landscaping, noise attenuation and site design.

RSPs should identify and manage long-term urban-rural interfaces, while LUPs provide the more detailed mechanisms needed to avoid conflicts between incompatible activities. While there should be nationally consistent direction on reverse sensitivity, local authorities should retain flexibility to develop regionally appropriate responses based on the specific land uses and proposed development.

How reverse sensitivity is managed in rural areas will depend heavily on how HD-Directive 3.1 defines and applies the concepts of "compatible" and "incompatible" activities. This is particularly important because the new legislation seeks to enable urban and infrastructure development, while also protecting the ongoing operation of lawfully established rural activities. Clear direction is needed to ensure these terms are applied consistently and do not unintentionally increase conflicts between sensitive activities and existing primary production.

Regional Spatial Plans

DairyNZ generally supports the proposed role of RSPs in providing a long-term strategic view of regional development, infrastructure and land-use change, as outlined throughout the INPD. However, the NPD has a critical role in translating the primary legislation and clarifying the scope of RSPs. Further drafting is needed to recognise rural infrastructure and distinguish the role of RSPs from environmental limit-setting and resource allocation.

Several directives in the INPD and primary legislation focus on growth supported by housing and infrastructure, suggesting a predominantly urban emphasis. If RSPs are intended to guide regional spatial development more broadly, they should more clearly recognise growth and change in rural communities, primary production and supporting infrastructure, including adaptation to climate

change and natural hazards. This may require amendments or additions to the cross-cutting directives or those directives relevant to well-functioning rural areas.

RSPs should support resilient rural economies by identifying strategic investment needs in transport, digital connectivity, supply chains and water infrastructure, including opportunities that strengthen climate resilience and provide greater investment certainty. They should also protect productive rural areas from poorly planned urban expansion while maintaining access to infrastructure, services and markets.

DairyNZ seeks clarity on the relationship or hierarchy between directives that encourage growth where natural hazard risks can be managed and those that constrain development in hazard-prone locations. In particular, the NPD should clarify whether "development" includes productive rural land uses, farm infrastructure and associated rural economic activity, or is intended primarily to apply to urban development and community infrastructure.

Further, while RSPs have a fundamental role in strategic spatial planning, there is a risk of some blurring between this role and the core roles of a natural environment plan (NEP). The NPD should clearly distinguish the roles of RSPs and distinguish these from the environmental limit-setting, resource allocation and subsequent planning decisions sitting within and subsequent to NEPs. This is aligned with the Select Committee report perspectives that RSPs should not pre-empt the environmental limit-setting process and should instead provide strategic direction for planning urban development and infrastructure.

Avoiding duplication and clear decision making

DairyNZ strongly supports the principles underpinning CC-Directives 8 and 9. An effective planning system should avoid unnecessary duplication, clearly define regulatory responsibilities, and provide certainty regarding who is responsible for making statutory decisions.

DairyNZ supports CC-Directive 8, that LUPs and NEPs should avoid duplicating requirements already addressed through other legislation or regulatory frameworks. This principle is equally important within the planning system itself. The respective roles of national standards, plans, FWFP, permits and other regulatory tools should be clearly defined to minimise overlap, reduce compliance costs and improve consistency across regions.

DairyNZ also supports CC-Directive 9, outlining that clear accountability for statutory decision-making. While consent and permit processes should allow for a wide range of information, evidence and views to be considered, it is important the NPD clarifies that responsibility for granting, declining or imposing conditions on applications should remain with the relevant statutory decision maker identified in legislation. Clear decision-making responsibilities improve transparency, accountability and efficiency, while helping avoid unnecessary procedural complexity.

Together, these directives support a more streamlined and coherent planning system, which is consistent with the broader objectives of the reform programme.

Sub-theme 2: Urban development

DairyNZ supports sufficient development capacity and well-functioning urban areas and recognises that enabling housing and urban growth is a key objective of the reform programme. However, the NPD should better recognise the implications that urban growth can have for productive rural land, rural infrastructure and farming operations.

The policy intent for the Competitive Urban Land Markets sub-theme seeks to ensure that development opportunities are “always abundant”. This direction is not sufficiently clear, particularly because the terms “abundant” and “abundance” are also used in HD-Directive 1.1.

Clarity is needed on how this direction will be applied alongside other planning outcomes, including:

- protecting productive rural land
- supporting efficient infrastructure investment
- avoiding fragmented or dispersed development
- managing the interface between urban development and rural activities.

This uncertainty is particularly important given the direction that LUPs should not include urban growth boundaries or require development to be connected to existing urban areas.

DairyNZ supports a stronger focus on urban intensification and efficient use of existing infrastructure where appropriate. RSPs should play an important role in identifying where future growth should occur, managing the interface between urban and rural areas, and supporting efficient infrastructure investment. This should include consideration of the effects of urban expansion on productive rural land, rural infrastructure and farm operations.

DairyNZ also considers that protection should not be limited to "high-value growing areas". The NPD should recognise the importance of other productive rural land uses where soil resources, infrastructure, location or operational characteristics are difficult to replace. Further clarity is also needed regarding how references to "development" apply to productive rural land uses and farm infrastructure, and how growth objectives are intended to interact with natural hazard considerations.

Sub-theme 3: Well-functioning rural areas

DairyNZ supports the inclusion of a well-functioning rural areas theme and considers it an important complement to the NPD's focus on primary production. Well-functioning rural areas are critical to New Zealand's economy, supporting primary production, employment, infrastructure investment, and the social and cultural wellbeing of rural communities.

We support HD-Directive 3.1, including the requirement to provide for change in rural areas to support economic growth, new patterns of production, employment and investment. This recognises that rural areas must not only accommodate existing activities but also have the capacity to adapt, innovate and respond to changing market, environmental and community needs.

The effectiveness of this directive will depend on how well it is integrated with the wider NPD. Well-functioning rural areas rely on secure and reliable access to roads, bridges, electricity, communications, water infrastructure, processing facilities and service centres. The “rural areas” theme should therefore be closely linked with the infrastructure provisions.

DairyNZ also considers the NPD should more explicitly recognise the role of primary sector processing, value-add production and supporting industries in contributing to well-functioning rural areas. These activities are intrinsically connected to primary production and are important for employment, economic resilience and regional development.

Sub-theme 4: Natural hazards, climate resilience and rural infrastructure

DairyNZ supports a risk-based approach to natural hazards and climate resilience. However, the NPD appears to focus primarily on settlements and urban infrastructure, with limited recognition of the importance of productive rural land, farm systems and rural infrastructure.

Well-functioning rural areas depend on secure and reliable access to roads, bridges, electricity, telecommunications, drainage and flood protection and water storage infrastructure. As climate change increases the frequency and severity of natural hazard events, including drought, the resilience of these assets will become increasingly important for both rural communities and the wider economy. This requires strategic investment in public infrastructure. Specific recognition of drought as a natural hazard for planning purposes will also be important, including enabling water storage and use.

DairyNZ considers further direction is required regarding how the resilience of rural infrastructure will be maintained over time, particularly where natural hazard risks are increasing. Clarity is also needed regarding how references to "development" apply to productive rural land, farm infrastructure and working farm systems.

DairyNZ supports developing national standards and methodologies for natural hazard assessment and adaptation planning. Adaptation planning should engage rural landowners in decisions about urban infrastructure that affect them, rigorously assess options and the costs and benefits of developing and maintaining rural infrastructure, and recognise how rural areas and productive land contribute to wider community resilience.

Theme 2: Infrastructure

DairyNZ broadly supports the infrastructure theme and its recognition of infrastructure as essential to economic growth, community wellbeing and resilience. We also support including irrigation storage and distribution, flood protection, roads and other assets that sustain productive and resilient rural communities within the definition of infrastructure at pages 88 and 89.

We also support provisions that enable the maintenance, upgrading, relocation and reasonable expansion of existing infrastructure within the “all infrastructure” sub-theme

However, the relationships or hierarchy between the Infrastructure theme, the Natural hazards sub-theme, the Housing and development theme and the well-functioning rural areas sub-theme, could be strengthened in relation to their roles in providing for rural infrastructure.

Well-functioning rural areas depend on secure and reliable access to transport, electricity, telecommunications, water infrastructure, processing facilities and service centres. Rural communities and primary producers rely on this infrastructure to connect with major urban centres, processors, markets and supply chains. This issue becomes increasingly important as rural communities face greater exposure to natural hazard and climate-related risks.

Infrastructure planning through RSPs should consider location to:

- Minimise adverse effects on existing farm operations and primary production resources
- Ensure well-functioning rural areas and connectivity to urban areas
- Consider location to minimise risk of adverse effects on rural communities and primary production areas.

Theme 3: Primary production and the rural economy

DairyNZ strongly supports the inclusion of a dedicated primary production theme and the explicit recognition of agriculture within the NPD. The proposed direction appropriately implements the goals of the primary legislation and reflects a more enabling, proportionate and risk-based approach to managing primary production within environmental limits.

A key strength of the proposed framework is its recognition that agriculture should be enabled while managing effects according to risk. However, the final NPD should ensure that a risk-based approach is applied consistently across land uses and sectors, considering location, management practices, receiving environments and contribution to the priority risks.

DairyNZ supports the stronger role proposed for FWFPs. These should become the primary tool for identifying and managing farm specific environmental risks, while reducing duplication and supporting more tailored and effective management responses. The final framework should clearly define the relationship between FWFPs, national standards, regional plans and consent processes, including how these mechanisms will reflect the challenges and opportunities specific to a management unit.

The relationship between agriculture and environmental limits also requires further development. The NPD should provide clarity regarding how existing and new activities will be treated where environmental limits have been exceeded or cannot be achieved immediately. PP-Directive 1.3 should clearly provide for existing activities to continue where there is confidence in a staged improvement over time towards the required outcomes.

Recognising processing and value add

DairyNZ considers that provisions intended to enable primary production should recognise the broader production, processing and value chain that underpins primary production and supports rural economies. Primary production does not occur in isolation. It relies on a network of processing facilities, storage, freight, logistics and supporting infrastructure that have a functional or operational relationship with the primary production activities they serve.

While this intent is reflected in part through HD-Directive 3.1, which provides for primary production, associated processing activities, and an appropriate mix of compatible residential, commercial, industrial and community activities, the NPD could more clearly recognise the full extent of the production, processing and value-add chain, and the infrastructure required to support it.

The illustrative NPD already adopts this approach within the horticulture theme. PP-Directive 2.3 explicitly recognises activities that support horticultural production, including processing, storage, freight, logistics and associated infrastructure. DairyNZ supports this approach and considers similar recognition should be provided across all primary production themes.

This would better reflect the role these activities play in supporting productive land use, employment, investment and regional economic resilience. In the dairy sector, for example, processing is an integral part of the production system, converting raw milk into higher-value products for domestic and international markets. As a component of the overall contribution of dairy to the national and regional economies, dairy processing specifically contributes approximately $4.3 billion to New Zealand's GDP, supports more than 15,000 jobs, and generates around $2.5 billion in wages annually, demonstrating the significance of the processing and value-add chain to both the dairy sector and rural communities. [2]

DairyNZ therefore considers that the NPD should consistently recognise activities with a clear functional or operational relationship to primary production, including processing, storage, freight,

[2] Turning regional production into national income - Dairy's economic contribution to New Zealand. Available at https://dcanz.com/turning-regional-production-into-national-income-dairys-economic-contribution-to-new-zealand-june-2026/

logistics and associated infrastructure, rather than limiting this recognition to particular sectors or activities.

Indicative implementation through national standards

National standards sit outside the NPD but will be critical to delivering the intent of the reforms and the NPD. DairyNZ uses this submission to outline its initial thinking on how national standards could support implementation.

DairyNZ sees an opportunity for national regulations or standards to improve consistency, reduce duplication and minimise regional variation where the same environmental outcome can be achieved.

DairyNZ has developed principles for selecting activities suited to nationally consistent standards, and an initial indicative list of activities suited to national regulations or standards in addition to those proposed in the INPD, particularly at page 41. These could provide a clear and consistent framework for everyday farming activities, with FWFPs managing farm-specific risks.

DairyNZ also sees an opportunity for national standards to provide standardised provisions that councils adopt in natural environment plans where specific environmental challenges arise. This could improve the efficiency and consistency of managing complex issues such as diffuse discharges and water allocation.

DairyNZ considers national standards for common farming activities appropriate where:

- The activities and practices used to manage them are common nationwide
- Good practice is known and is broadly similar
- Effects are broadly similar and manageable through standard controls nationally
- Consistency, certainty and efficiency matter
- Residual site-specific risks can be addressed through certified FWFPs that reflect the farm and catchment context, and
- Additional catchment-specific interventions can build on and recognise national standards, FWFPs and non-regulatory actions, where robustly justified.

Many national standards could be implemented through permitted activity standards, with residual risk managed through regulatory FWFPs.

DairyNZ has developed a list of proposed national standards and would welcome the opportunity to discuss this work further. These focus on three areas:

1. Enabling existing infrastructure such as feed pads, barns and effluent systems
2. Enabling positive actions such as constructed wetlands, detainment bunds and sediment erosion controls, and
3. Implementing good farming practice for those common activities where good practice is clearly defined and implementable through FWFPs.

Section 3: Submissions on specific directives

Theme or Directive	DairyNZ position	Recommended response
Goals and where they are addressed in the NPD		
Table 1 (page 9) and Table 2 (page 10)	As currently drafted, the tables could be read as implying that only the goals listed against an activity are the only ones that apply, and that any goals not listed do not apply. This is both confusing and broad brush given the nature of the proposed cross-cutting directives and system wide directives.	Amend Tables 1 and 2 to clarify that they are indicative navigation aids only, do not limit the application of any statutory goal, and must be read alongside all relevant cross-cutting, theme-specific and system-wide directives. If that clarification cannot be achieved, delete the tables.
CC-Directive 5, CC-Directive 6 and CC-Directive 7	Support the strategic intent of these directives. Amendments could be made to clarify that rural infrastructure growth is a clear and distinct intention, e.g., through an addition to CC-Directive 7 to directly recognise the importance of rural growth, primary production and supporting infrastructure, rather than focusing primarily on urban development or "high value growing areas". The cross-cutting directives should also clarify that RSPs provide strategic spatial direction but do not set or pre-determine environmental limits or allocate resources.	Amend cross-cutting directives relevant to RSPs to: 1. Specifically recognise the distinct importance of rural infrastructure and connectivity 2. Clearly state that RSPs do not set or pre-determine environmental limits or allocate resources.

CC-Directive 8	The directive is strongly supported, but inclusion of 'unnecessary' raises risk of misinterpretation. 'Avoid' provides sufficient flexibility.	Amend as follows: **Avoiding ~~unnecessary~~ duplication** *CC-Directive 8: Land use plans and natural environment plans should avoid ~~unnecessary~~ duplication or inconsistent regulatory requirements in relation to activities regulated under other legislation.*
CC-Directive 9	Clarity that responsibility for granting, declining or imposing conditions on applications should remain with the relevant statutory decision maker identified in legislation is important for transparency, accountability and efficiency.	Retain CC-Directive 9
Theme 1: Housing and Development		
Sub-theme 1: Competitive urban land markets	DairyNZ supports intensification within existing urban boundaries to use infrastructure efficiently and limit impacts on primary production areas. Urban land directives should be constrained where poorly planned development in rural areas would adversely affect rural communities or primary production.	Amend the Policy intent and directives so RSPs identify suitable areas for future development while appropriately considering the impact on rural and primary production areas, ensuring infrastructure is used efficiently, and maintaining connectivity to existing urban areas.
Sub-theme 2: Well-functioning urban areas	Support HD-Directive 2.2 and requiring intensification.	Retain HD-Directive 2.2.
Sub-theme 3: Well-functioning rural areas	The policy intent should specifically recognise that rural areas are heavily reliant on reliable access to resources and infrastructure.	Amend as follows: **Policy intent:** *A well-functioning rural area enables rural land to be used for primary production, associated processing activities and a wide*

	Primary production underpins rural community wellbeing, and this is heavily reliant on access to natural resources. Rural areas are particularly dependent on transport, energy and communications networks given their distance from services, markets and processing facilities. It is important that RSPs, NEPs and LUPs recognise these practicalities in rural areas. Recognition of the value of processing should clearly include value-added activities in rural areas, given importance to rural economies and primary production activities.	*range of compatible activities. It enables development and access to sufficient resources, particularly where this makes best use of public and private investment in infrastructure and provides opportunities for a range of housing types. Rural areas are particularly reliant on infrastructure to connect people, goods and services for connectivity given their relative isolation from major centres.* **HD-Directive 3.1:** *To create well-functioning rural areas, land use plans must:* *a) enable primary production ~~and~~ associated processing and value add activities and an appropriate mix of compatible residential, commercial, industrial and community activities, including papakāinga...*
Theme 2: Infrastructure		
All themes and sub-themes	DairyNZ strongly supports the efficient use and development of infrastructure, critical for primary production and processing, and rural connectivity. However, poorly planned or unconstrained development and expansion of infrastructure can adversely affect rural land use and primary production, where these activities occur in proximity to, or in the case of public infrastructure is located on, privately owned primary production land. Poorly planned development can also have an adverse effect on the availability of resources critical for primary	Ensure the infrastructure theme, its sub-themes and related guidance address effects on rural property rights, primary production and resource efficiency and clarify how RSPs should balance these considerations.

	production, including water quality and quantity. These impacts should be recognised throughout the NPD.	
Definition of infrastructure	Support inclusion of the storage and distribution, of water for the purpose of supply, and specific inclusion of irrigation.	Retain specific reference to irrigation in definition of infrastructure.
Primary production		
Policy intent	Support recognition that primary production depends on access to and use of natural resources. Support a risk-based framework, environmental limits, and action plans as the mechanism for environmental improvement. Clarify that Regional Spatial Plans (RSPs) have a strategic spatial planning role and should not allocate natural resources, set environmental limits, or predetermine the outcomes of subsequent planning and resource allocation processes. Recognise the role of RSPs in identifying and coordinating resilient transport, digital, water and other infrastructure needed to support primary production, rural communities, climate adaptation, natural hazard resilience, and long-term investment certainty. Better recognise the role of processing, value-add activities, freight, logistics and supporting infrastructure in enabling primary production.	Amend to ensure better recognition of the need for resilient public infrastructure, resource availability and adaptation to climate change and natural hazards. Amend to clarify that RSPs do not set or pre-determine environmental limits or allocate resources.

	Ensure enabling provisions apply across the full production, processing and value chain, not just on-farm activities.	
PP-Directive 1.1	DairyNZ strongly supports the direction to enable agricultural land use and associated supporting activities and practices, with effects managed proportionately and according to environmental and human-health risk. PP-Directive 1.1 should more clearly provide for the growth and adaptation of agriculture where this can occur within environmental limits. This should incorporate not only changes to land use, but also changes within an existing land use, while providing for more restrictive controls to be applied where justified. An amendment of this nature would not only enable economic growth but provide much needed flexibility to adapt. DairyNZ questions the value of including specific supporting activities in this directive. These could be taken as exclusive and/or provide an inferred hierarchy. Reference to specific activities should be removed with other mechanisms, including national standards acting to enable these.	Amend PP-Directive 1.1 to provide for growth and adaptation within environmental limits, as follows: PP-Directive 1.1: Agriculture and associated activities are enabled and managed through a proportionate and risk-based approach, so that adverse effects on the environment and human health are addressed appropriately, including by: a) land use plans and natural environment plans enabling agricultural land use, and associated supporting activities and practices~~, including drain maintenance, aggregate extraction, tracking, effluent storage and management, pasture management, fertiliser application and on-farm water storage [and in accordance with national standards]~~ b) any controls on agriculture activities being proportionate to environmental or human health risk. c) <u>providing for the growth and adaptation of agriculture and associated activities and practices where appropriate</u>
PP-Directive 1.2	Strongly support FWFPs as the primary mechanism for identifying and managing the effects of on-farm activities while avoiding duplication.	Retain PP-Directive 1.2.

PP-Directive 1.3	Strongly support action plans as the mechanism for coordinating improvement where an environmental limit is breached or likely to be breached. PP-Directive 1.3 could be simplified and clarified to briefly highlight the importance of action plans as envisioned in the NEA. This includes removing the unclear reference to an "enforceable mechanism" and focusing the directive on implementing action plans to meet target dates or interim limits. PP-Directive 1.3(c) could imply that providing for existing activities is optional, even where they reduce relevant environmental impacts. Section 172 of the Act allows an interim limit to accommodate existing activities, but the NPD does not require this, creating a real risk that existing activities are not able to be permitted. The NPD should direct councils to set interim limits that clearly establish whether, and on what basis, existing activities can be consented while impacts are reduced under an action plan. This should be settled when the interim limit is set rather than reassessed through each consent application.	Amend PP-Directive 1.3 to provide for existing activities subject relevant reductions through an action plan, as follows: PP-Directive 1.3: Where an environmental limit is breached or is likely to be breached the council: a) must develop an action plan to remedy the breach by a set target date b) must ensure <u>the action plan is implemented</u> ~~there is an enforceable mechanism (which may include freshwater farm plans, action plans, rules, and expansion of existing catchment programs)~~ to remedy the breach by a set target date or interim limit c) <u>must set an interim limit to allow existing activities to continue</u> d) <u>must require reduction in relevant environmental impacts from existing activities [in accordance with the action plan]</u>
PP-Directive 1.4	Strongly support recognising water storage and access as essential to current and future supply. Remove the reference to stock drinking water so it is not constrained by 'sustainably available water', better reflecting its prioritisation under s20 of the NEA.	Amend PP-Directive 1.4 as follows: PP-Directive 1.4: To support secure, reliable and resilient water supply for existing and future primary production~~, including stock drinking water~~:… Amend the directive to ensure an adaptive and whole-system based approach to storage and use.

	It is not clear what 'sustainably available water' requires. This term should be defined to ensure clarity. DairyNZ supports the intent of IrrigationNZ's proposed definition: *"Sustainably available water" means water available for allocation within applicable environmental limits and catchment allocation settings, taking account of the timing and variability of water availability and the role of storage and distribution in matching available supply with demand.* DairyNZ seeks additions to the directive to ensure water allocation settings take a long-term, whole-system view of water availability and demand, including storage opportunities, seasonal variability, actual water use, and adaptive management approaches, to support efficient and sustainable water use within environmental limits. IrrigationNZ has proposed amendments to this end.	Clearly define 'sustainably available water'.
PP-Directive 1.5	Support enabling constructed wetlands as a tool to improve environmental outcomes. The directive is currently too narrowly focused on a single nature-based solution and should better recognise the wider range of environmental enhancement activities that can deliver similar outcomes. Nature-based solutions such as detainment bunds, wetland restoration, riparian planting, sediment traps, edge-of-field mitigations and catchment-scale initiatives should also be enabled. Constructed wetlands and broader environmental enhancement projects may require different policy	Amend PP-Directive 1.5, or add directive, to explicitly recognise and enable other nature-based solutions including wetland restoration, riparian planting and associated activities to establish new riparian areas, sediment traps, edge-of-field mitigations and catchment-scale initiatives.

	approaches and should be provided for through separate directives.	
Additional PP-Directive	Primary production relies on an integrated value chain extending beyond the farm gate. Processing facilities, value-add activities, freight networks, logistics hubs, and supporting infrastructure are essential to converting primary production into economic, social and community benefits. While the NPD recognises the importance of these activities for horticulture, a similar directive is absent from the agriculture provisions. An additional directive would better recognise the role of processing and related infrastructure in supporting productive land use, regional economic resilience, employment, and investment certainty. It would also ensure that enabling provisions apply across the full agricultural value chain rather than being narrowly focused on on-farm activities. The directive should also recognise the importance of resilient infrastructure that supports primary production, including infrastructure needed for climate adaptation, natural hazard resilience, transport connectivity, water availability, and the continued operation of rural communities and economies. Consistent with the strategic role of Regional Spatial Plans, this recognition should support planning for infrastructure and development needs without allocating natural resources, setting environmental limits, or predetermining subsequent resource allocation decisions.	Amend to include an additional directive under Sub-theme 1: Agriculture that enables primary processing, value-add activities, freight, logistics, and associated infrastructure, consistent with the approach taken in PP-Directive 2.3 for horticulture.

National standards	DairyNZ supports nationally consistent rules for primary production where they enable more efficient regulation within environmental limits. Although outside the INPD consultation, national standards will be critical to how the NPD operates in practice. We have therefore provided criteria and examples of everyday dairy activities that could be addressed through nationally consistent standards or regulations. DairyNZ has invested considerable effort in developing workable alternatives to the National Objectives Framework in the National Policy Statement for Freshwater Management 2020. We welcome the opportunity to contribute these alternatives to the development of environmental limit standards for freshwater ecosystem health.	Ensure industry engagement in the following workstreams developing secondary legislation under the NPD.
Sub-theme 3: Commercial forestry	DairyNZ supports activity-specific directives for primary production sectors, including commercial forestry. Requirements to proportionately manage risks and maintain or improve environmental outcomes should apply consistently across all activities.	Ensure the sub-theme directives include appropriate requirements to proportionately manage environmental risks and improve outcomes.
Theme 4: Resources – quarrying, mining and waste		
Sub-theme 2: Waste management,	DairyNZ supports proportionate, risk-based national standards for contaminated land and soils that protect human health and the environment, enable greater soil	Relocate *Sub-theme 2: Waste management, resource recovery infrastructure and managing emergency waste* to Theme 5: Public values

resource recovery infrastructure and managing emergency waste	reuse, and reduce unnecessary disposal, regional variation, compliance costs and regulation. As this sub-theme applies across a range of activities, it would be better placed under the Public Values theme.	
Theme 5: Public values		
Sub-theme 1: Environmental and human health	DairyNZ strongly supports the intent to enable the use and development of resources, including for rural development. Primary production and processing are heavily reliant on rural communities, and vice versa. For the sake of clarity and alignment with Theme 3 – Primary Production, the wording should include specific inclusion of 'primary production' in addition to 'rural development'.	Amend *Life supporting capacity and land use and development (primary production and infrastructure)* as follows: Planning decisions are expected to be enabling of use and development of resources including for <u>primary production,</u> rural development and infrastructure. Planning decisions should also safeguard the life-supporting capacity of the environment and human health. Limits are a key mechanism for achieving this.
PV-Directive 1.1	DairyNZ supports recognition that environmental outcomes are best achieved through a combination of regulatory and non-regulatory approaches. Community-led initiatives, catchment groups, education, incentives and landowner restoration projects can play an important role alongside regulation in improving environmental outcomes. DairyNZ supports identifying opportunities for coordinated investment in degraded ecosystems, catchments and wetlands. Strategic investment can restore ecosystem services, improve resilience, and deliver wider social, economic and environmental benefits.	Retain PV-Directive 1.1

	DairyNZ also strongly supports recognition of ecosystem services and the role of nature-based solutions. Wetlands, riparian planting, floodplain restoration and other nature-based approaches can help improve water quality, reduce flood risk, enhance biodiversity and support climate resilience. We support the NPD providing clear direction that these approaches are enabled and encouraged.	
PV-Directive 1.4	Significant lag times between land use and groundwater effects can reduce the short- and medium-term effectiveness of regulatory and non-regulatory interventions. The directive and the management of land use that may affect source water risk management areas should account for these delays.	Amend PV-Directive 1.4 to recognise and manage practical issues, including lag times between land use and the impact on groundwater.
PV-Directive 1.5	Support a practical, outcomes-focused approach by requiring NEPs to enable environmental enhancement through regulatory and non-regulatory methods, including nature-based solutions.	Retain PV-Directive 1.5.
PV-Directive 1.7	DairyNZ supports considering existing resource users and receiving environments when enabling natural resource use and development. However, it is unclear how this will apply in primary production areas alongside the more enabling approach to urban development and the 2025 wastewater and stormwater standards for urban discharges.	Clarify how existing resource users and receiving environments will be considered when enabling natural resource use and development.
PV-Directive 2.6	Support a practical, outcomes-focused approach by requiring NEPs and regional biodiversity strategies to enable enhancement of indigenous biodiversity and ecosystems	Retain PV-Directive 2.6.

	through regulatory and non-regulatory methods, including nature-based solutions.	
Sub-theme 6: Natural hazards and public values	DairyNZ supports a proportionate, risk-based approach that enables primary production in areas exposed to natural hazards without unnecessary constraints designed primarily for urban or human safety risks. Natural hazards threaten primary production and rural communities. Include a directive recognising the importance of supporting infrastructure, including transport, flood protection, drainage, electricity and communications, and enabling its resilience, maintenance and adaptation to natural hazard risks. We support the risk based approach proposed at PV-Directive 6.1 and the recognition of natural features, ecosystems and nature-based solutions as ways to reduce hazard risk at PV-Directive 6.2. But we seek additional recognition of the need to repair infrastructure in the aftermath of a significant event or natural hazard.	Retain PV-Directive 6.1 and PV-Directive 6.2. Introduce additional directives to: • Ensure recognition of the need to restore, repair and adapt existing productive activities and infrastructure following significant events without unnecessary re-consenting. • Recognise the importance of infrastructure that supports primary production in natural hazard-prone areas.