

# GETTING BACK TO FARMING



## Getting back to farming

New Zealand is an agricultural nation. Kiwi farmers are the best and among the most carbon-efficient in the world. Agriculture is the backbone of this country's economy, earning more than two-thirds of New Zealand's goods exports. It's how we pay our way in the world and generate the wealth that supports public services like health and education.

Farmers have delivered more than wealth for this country. They have made – and are continuing to make – significant efforts to reduce their impact on the environment while raising productivity.

But Labour has buried farmers in red tape.

Since coming to office in 2017, Labour has introduced more than 20 new or amended regulations that directly affect the ability of businesses in our agricultural sector to operate. The sheer quantity of new regulations is unprecedented. Worse, many of these new rules are simply unworkable.

Labour does not understand the rural sector. It has overridden local communities and imposed one-size-fits-all rules with massive compliance costs for farmers, often for limited or no environmental gain. Labour has used rules and regulation to try to run farms from Wellington.

That ends under National.

National will cut Labour's red tape and get Wellington out of farming. We'll ensure farming regulations are fit for purpose and actually protect our environment as domestic and overseas consumers expect. We'll return the management of local issues to local councils. And we'll ensure rural communities have the tools they need to continue to provide New Zealand, and the world, with high quality, low-carbon food and fibre.

National supports practical environmentalism in contrast to Labour's heavy-handed centralisation. We are committed to a carefully balanced approach, integrating both environmental and economic goals. National believes the environment and the economy must work hand in hand – the core principle of our Bluegreen philosophy. We want a professional, competent regulatory system that targets environmental outcomes without telling farmers how to run their businesses, and imposes the minimum compliance costs.

National's package of 19 changes backs our farmers while protecting the environment.

### **National will:**

#### **Deliver smarter rules for the future**

- Introduce a 2-for-1 rule – for every new agriculture regulation, two must be removed.
- Establish a Rural Regulation Review Panel to consider all regulations affecting farmers.
- Require new rules to be assessed for their costs to farmers with findings published.

#### **Supercharge the rural economy**

- Double the RSE worker cap.
- Ban foreign farm-to-forest conversions for carbon farming.
- Allow normal rural activities on Highly Productive Land.

#### **Get Wellington out of farming**

- Replace one-size-fits-all rules with local decision-making.
- Focus environmental protection on areas of high environmental value.
- Improve stock exclusion rules.

## New Zealand is an agricultural nation

Agriculture underpins the New Zealand economy. It's how we pay our way in the world.

In 2022, agriculture exports totalled \$41 billion, or 63 per cent of New Zealand's goods exports.<sup>1</sup> Dairy, meat and wool, and horticulture are our largest export earners.

Agriculture is also a critical employer, with approximately one out of every nine employees in New Zealand working in the sector. Agriculture occupies about half of New Zealand's 27 million hectares of land.<sup>2</sup>

New Zealand farmers are also among the world's most carbon efficient, which means that overly restrictive regulation that pushes farming overseas is almost certainly going to result in a net increase in global emissions, something nobody wants.

Farmers are closer to the land than almost anyone else. They are environmentalists and care about the legacy they leave for their children. Over the past decade, farmers have made considerable efforts to protect their local environments. For example:

- Dairy farmers have fenced 25,000kms of waterways.
- More than 3,000 farm plans have been completed.
- 98 per cent of waterways covered by the Sustainable Dairy Water Accord have been fenced.
- Cattle have been excluded from 100 per cent of regular stock crossing points.<sup>3</sup>

## Labour's attack on agriculture

Labour has launched a wave of red tape at farmers – more than 20 changes to legislation and regulation, or new rules, since 2017. Labour used climate change rules to threaten 20 per cent of sheep and beef farms with closure by 2030. For most of the last six years, farmers have been constantly on edge, wondering just what Wellington will throw at them next.

For example:

- Farmers could have to obtain up to 10,000 resource consents costing \$100 million to comply with Labour's winter grazing rules. The Government has not finalised farm plan rules, leaving thousands of farmers with no alternative but to obtain a consent for winter grazing.
- Wetlands are so poorly defined that farmers and councils across the country are spending tens of thousands of dollars in courts to determine whether land is a paddock or a wetland.
- Significant Natural Areas (SNAs) are so broadly defined that farmers face the risk of being shut down overnight. In 2021, a third of the Far North District – 250,000 hectares – was tentatively declared an SNA, including 100 per cent of some properties.
- The Government is trying to map the entire country down to the paddock level to set stock exclusion rules. The Government has released several maps, but none are accurate. The Government has acknowledged the problem but has given farmers no way to appeal inaccurate maps. Beef farmers now face having to unnecessarily install tens of thousands of kilometres of fences – or abandon beef farming.
- Red tape is blocking the use of nitrogen and methane reduction technologies, effectively harming the environment.

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<sup>1</sup>Beef+Lamb, Compendium of Farm Facts 2022.

<sup>2</sup>Ministry for Primary Industries, Briefing to the Incoming Minister, Agriculture, 2020.

<sup>3</sup>DairyNZ, "Briefing for Incoming Minister," [link](#).

Labour's policies have taken a toll. Farmer confidence recently reached an all-time low. Agricultural surveys including the Rabobank confidence survey, ANZ Business Confidence Survey which includes agriculture, and Federated Farmers biannual confidence survey are all at record lows. The ANZ Business Confidence Survey recently recorded every agricultural business reporting negative confidence.<sup>4</sup>

The collapse in business confidence among farmers is not due to COVID. Confidence began falling before COVID arrived and further deteriorated after the borders re-opened, suggesting it is the Government's attacks on agriculture – not the pandemic – that are mainly responsible for farmers' negative outlook.

Confidence affects decisions on investment and production. Banks have become increasingly reluctant to lend to pastoral farmers (beef, lamb, dairy). Farmers are finding it more difficult to get short term finance for simple investments on the farm. Federated Farmers' banking survey shows a sharp decrease in farmer satisfaction with their banks. Pastoral farmers are the most affected.

Labour's red tape also has a human toll. Mental health among farmers has suffered. A recent survey found 70 per cent of farmers said economic conditions have affected their mental health and wellbeing.<sup>5</sup>

## National's plan to cut red tape and support farmers

New Zealand does not need more rules. This country needs better regulation based on fewer rules.

Regulations should target outcomes, not tell farmers how to run their businesses. National's vision is that New Zealand shifts from being a country that sees more regulation as a solution, to demanding better and smarter regulation.

### Deliver smarter rules for the future

1. Introduce a 2-for-1 rule for the next three years: for every new regulation that central or local government wants to introduce on the rural sector, they must take away two.
2. Require local and central government to assess the costs of all new rules on the rural sector and publish the findings.
3. Establish a permanent Rural Regulation Review Panel to consider every local and central government regulation affecting farmers and advise central government on solutions.
4. Introduce a no duplication rule – the Government cannot ask farmers for the same information twice. It is up to officials to share supplied information where appropriate within the system.
5. Make appointments to reference and advisory groups based on skills and experience, not politics.
6. Commit to real consultation – officials must consult on a genuine, open and transparent basis and respect differing views.

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<sup>4</sup>ANZ New Zealand Business Outlook, December 2022, [link](#).

<sup>5</sup>Stuff, "Farmers' survey finds many struggling mentally due to economic conditions," 9 February 2023, [link](#).

## Supercharge the rural economy

7. Double the Recognised Seasonal Employer (RSE) worker cap over five years to 38,000 per year and explore other countries entering the RSE scheme.<sup>6</sup>
8. Change Accredited Employer Work Visas for agriculture to create a path to residency and eliminate the median wage requirement to allow wages in line with local workers.<sup>7</sup>
9. Ban foreign direct investment for the purpose of converting farms to forestry to collect carbon credits.
10. Focus the definition of Significant Natural Areas on areas that are actually significant and make the rules workable and clear for landowners and councils.
11. Change the National Policy Statement for Highly Productive Land to allow a broader range of productive rural activities such as on-farm storage ponds and sheds and off-farm dairy factories and vegetable processing.
12. Scrap the ute tax.

## Get Wellington out of farming

13. Change rules for culverts and how wetlands are defined in legislation to only cover actual wetlands, rather than areas with limited environmental value.
14. Make stock exclusion rules more practical to protect critical source areas while avoiding unintended consequences like unnecessarily large exclusion zones for small water bodies.
15. Amend the proposed National Environmental Standard for drinking water to avoid excessive compliance requirements for small providers of 30 connections or fewer and return autonomy to small rural communities.
16. Defer central government rules requiring resource consents for winter grazing until freshwater farm plans are in place, with plans to become risk and outcomes-based.
17. Replace the winter grazing low slope map and low slope rules for stock exclusion with more effective catchment-level rules to accommodate regional differences.
18. Restart the live exports of cattle with gold standard rules set in regulation to protect animal welfare and safety. National will require purpose-built ships and introduce a certification regime for the importers of destination countries to ensure animals live in conditions at the same standards required in New Zealand.
19. Repeal Labour's rebranded Three Waters and replace it with Local Water Done Well – National's plan to restore council ownership and control of water assets while ensuring water services are financially sustainable.

## This is only the beginning

**This is not an exhaustive list. National will make further announcements on:**

- Emissions pricing.
- Agriculture R&D.
- Water, including nutrient caps and water storage.
- Comprehensive primary industries policy.

<sup>6</sup>The Government recently strengthened rules on working conditions for migrant workers. National supports these changes to protect migrant workers.

<sup>7</sup>National will also issue multi-year visas for workers who have worked one season prior to applying for the multi-year visa; reverse Labour's decision and allow migrant workers access to industry training at domestic rates; keep working holiday makers out of the Employer Accredited Scheme; give working holiday makers another year on their visa if they work in horticulture or viticulture for at least six months in their first year.

## Key issues

### **Why are you targeting environmental regulations for agriculture?**

Labour has used regulation to attack New Zealand's productive farmers. This has produced a bloated, uncoordinated mass of rules that do not make sense in many cases and waste farmers' time. National will clean up Labour's mess and make regulation fit for purpose.

### **What effect will these changes have on environmental regulation?**

Removing unworkable rules, and replacing national direction on environmental limits with local control, will improve environmental outcomes. National's plan cuts red tape for agriculture and shifts control back to local communities for lower compliance costs and better outcomes.

### **What is red tape?**

Red tape is any rule in legislation or regulation with more costs than benefits.

### **Aren't you removing important environmental protections?**

No. In most cases, we are shifting decisions back to communities and targeting rules at better environmental outcomes. This package aims to reduce wasted efforts by farmers on unnecessary compliance.

### **Don't new rules mean even more uncertainty for farmers?**

National will deliver greater certainty for farmers by developing rules based on sound principles for good regulation – rules should target outcomes not inputs; minimise compliance; and avoid duplication. National is aware of concerns about the quality of consultations from some agencies. We will hold officials to account for genuine, open, transparent and inclusive consultation processes.

### **Does National support a price on agriculture emissions?**

Yes – but not at a level that shuts down a fifth of New Zealand's sheep and beef farms, as the Government proposed, which only sends production offshore and is likely to raise global emissions.

### **Should agriculture go into the Emissions Trading Scheme?**

No. National supports a split gas approach on agricultural emissions. Agriculture will not go into the ETS under National.



## Further details on selected policies

	Labour's red tape	National's solution
RSE worker cap	Annual cap set at 19,000.	Phase in cap increase to 38,000 over five years. Maintain existing protections for workers.
Accredited Employer Work Visa	No path to residency. Employers must pay at least the median wage of \$30 per hour.	New path to residency. Scrap the median wage requirement and replace it with an industry average that fairly reflects skills and experience.
Foreign carbon farming conversions	In 2021, foreign investors bought 20,000 hectares of farms to convert to forestry for carbon farming.	Change investment screening rules to prevent foreign investors buying farms for the purpose of carbon farming. Ban applies to foreign investment in existing farms which will be converted to forestry to earn ETS carbon credits.
Definition of Significant Natural Areas	So broad and uncertain that they threaten farm viability across the country.	Use clear rules to protect areas that are actually significant.
NPS Highly Productive Land	Limited range of supporting activities currently allowed such as on-site processing and packing, equipment storage, and animal housing.	Expanded list of supporting activities to cover other on and off-farm actions consistent with the NPS objective to protect land-based primary production.
Culverts and wetlands	Definitions and rules are confusing, unclear and, for wetlands, far too broad.	Simplify culvert rules in the NES-FM. Define wetlands to exclude, among other things, artificial wetlands created by burst pipes.
Stock exclusion rules	Uniform setback rules can carve off unnecessarily large areas around small water bodies or threaten farm viability.	Tie stock exclusion rules to local conditions to limit unintended consequences.
Proposed National Environmental Standards for Sources of Human Drinking Water	Likely to impose unreasonable compliance costs on small providers in rural communities. Excessive costs for small providers could add risks from non-compliance.	Separate fit-for-purpose rules that small providers with 30 connections or fewer can comply with.
Consenting for winter grazing rules	The Government has not finalised rules for freshwater farm plans, leaving thousands of farmers with no compliance pathway except to apply for a winter grazing consent. The Government has twice deferred consent requirements but is refusing to defer a third time, forcing farmers to apply for consents at a potential cost of \$100 million.	Defer consents until rules for freshwater farm plans are finalised. Freshwater farm plans to shift to be risk and outcomes-based with less prescription.
Nationwide low-slope maps for winter grazing and stock exclusion	The Government has released several low-slope maps but none accurate enough to regulate winter grazing or stock exclusion.	Scrap nationwide low-slope maps and replace with catchment-level rules that are more consistent with local conditions.
Live exports	Banned.	Restart live exports, with gold standard rules in regulation to protect animal welfare and safety. The Director-General of the Ministry for Primary Industries will certify the fitness, nutrition and environment of animals in transit and after arrival the destination country. Vessels must be purpose-built.

## Appendix: Labour's new or updated regulations for farmers since 2017

### Environment Law

- He Waka Eke Noa – agriculture emissions pricing.
- Freshwater Farm Plans.
- National Policy Statement – Freshwater Management 2020:
  - Te Mana o Te Wai.
  - New national freshwater bottom lines for nitrogen, phosphorus, sediment and e-coli.
- National Environmental Standards for Freshwater 2020 (amended four times already):
  - Cap on fertiliser use (pastoral farmers only).
  - Wetland rules.
  - Intensive winter grazing rules.
  - Resource consent required to convert to dairy farm .
  - Culvert rules.
- National Environmental Standards for Sources of Human Drinking Water.
- National Policy Statement – Highly Productive Lands.
- National Environmental Standards – Plantation Forestry update.
- Draft National Policy Statement – Indigenous Biodiversity.
- Stock exclusion regulations.
- Te Mana o te Taiao – Biodiversity Strategy 2020 Implementation.

### Animal welfare

- Draft Code of Welfare for Dairy.
- Draft Code of Welfare for Pigs.
- Draft Code of Welfare for Deer.
- Ban on live animal exports.

### Other reforms

- Three Waters and water quality.
- ETS reforms including the threat to put agriculture into the ETS from 2025.
- Ute tax.
- Dam Safety Scheme introduces a regulatory framework for large dams (most farm dams are not captured but there are significant costs for farmers to classify dams and notify regional councils).
- Planning reform:
  - Natural and Built Environments Act.
  - Strategic Planning Act.
- Immigration policy and rules (median wage requirement is now almost \$30 per hour).
- Agricultural chemicals regulation. It is costly and difficult to get new products through the approval system, with a looming threat of reassessments of valued chemicals e.g. glyphosate.
- DOC review of Stewardship Land.
- New rules under the Crown Pastoral Land Act.