Simon Upton, Te Papa, Wellington, 26 March 2026

Address to the DairyNZ Dairy Environment Leaders Forum

Introduction

You've asked me to talk about how farmers can work together, proactively, to take action that achieves economic, environmental, social and cultural outcomes. It's not my job to worry about three of those, so forgive me for confining myself to the environment.

Let me cut to the chase: achieving outcomes has to be about making measurable progress. Verified incremental progress, even if unspectacular, is preferable to aspirational directions of travel – or whatever other verbal lozenge you want us to swallow. Farmers have to be prepared to sign up to action that will make a difference.

I know that in addressing this audience, I'm preaching to the converted. As dairy environment leaders, you are the ones who are already trying to make a difference. So, I'm not here to cast doubt on that. The question is whether the level of action to date is going to head off a continuing deterioration in a number of environmental indicators – most notably, but not exclusively, water quality.

While voluntary actions are no doubt holding the line or even turning it in the right direction in some localities, in other places there are serious environmental issues that will take time – and action by all farmers – to shift the dial.

In addition, upheavals from central government haven't helped to move things forward. Since 2011, we have had four separate National Policy Statements on freshwater. These in turn have spawned a plethora of regional plan changes and court cases. Few have actually been implemented before the national goalposts have been shifted. Further changes are on the cards with an entirely new resource management framework based on stronger national direction – which could well mean stronger pendulum swings.

We've also had three attempts at pricing agricultural emissions.[1] The current Government, which had agreed that a price on biogenic methane emissions was a sensible way forward, has now given up on that entirely.

In one sense, I can't blame farmers for sitting on their hands when any policy seems unlikely to survive the next election. Some farmers may be happy to have seen the regulatory tide recede since the last election. But farming, like environmental action, needs a long-term perspective that goes beyond election cycles. And until environmental concerns like water quality are comprehensively addressed, these regulatory risks remain live.

Farming embraces a broad church. The public perception, right now, seems to be that farmers are pushing – successfully – for weaker regulation and watered-down environmental limits. This carries the risk that the pendulum will swing back harder at a future point. You can't ignore the political context. But my advice would be to chart a pragmatic course that is practical and implementable on the ground, and one that can demonstrate measurable,

[1] Clark put it in the original design of the ETS, Ardern tried He Waka Eke Noa, National initially promised a price on methane by 2030 before backtracking completely.

incremental environmental progress. This is, I hope, a goal that everyone in the room shares. The question is how do we do it?

Critically, we need more than a few environmental leaders. We need to 'move the middle' of New Zealand farming and reserve a real threat of regulation to hurry along the laggards. This is not only important for the environment, but also crucial to your customers here and overseas, as well as your neighbours and your social licence to operate. New Zealanders, like overseas consumers, want the contents to match the label on the tin: clean green New Zealand. Not greenwashing.

Where we are today?

You will have heard me say before that the way we use the land will need to change if some environmental trends are to be headed off. That encompasses a spectrum from managing existing uses differently, to de-stocking, to outright changes of land use. Based on 2020 bottom lines in roughly one third of catchments, environmental bottom lines for nitrogen, phosphorous or sediment are being exceeded beyond levels that can be mitigated using current management techniques.[2] In other words, even if we did everything we practically can, we'd still be over the limit. In 1.5% of catchments, the exceedances apply to all three contaminants.

For example, in the Selwyn catchment in Canterbury, environmental bottom lines for both nitrogen and phosphorus are currently being exceeded. And at the bottom of this catchment sits Te Waihora Lake Ellesmere. Over the last 15 years or so, its water quality has been characterised as 'very poor'. The lake has supertrophic conditions (Trophic Level Index around 6 and 7). This represents the most advanced state of eutrophication, where excessive levels of nutrient cause massive, frequent algae blooms. Poor water quality is not the only issue there. The Selwyn River, which flows into Te Waihora, frequently experiences severe water shortages, with large stretches of the river drying up entirely for much of the year. This phenomenon, which turns the riverbed into a "disappearing river", is driven by a combination of factors, including high demand for water abstraction.

Cases like these can be confronting if you are trying to make a living off the land. During recent submissions on the Planning and Natural Environment Bills, I have heard from the rural sector that in some overallocated catchments, farmers have disengaged from progressing environmental improvements because they don't seem feasible. As the Parliamentary Commissioner for the Environment, I won't be advocating for weaker environmental regulation, but the way forward must be pragmatic. We need to keep individual farmers on board in the short to medium term while we not only develop mitigation technologies but also facilitate land use change over the medium to long term.

Results of the survey

What do we know about farmer attitudes to the environment? Well, there's a survey of rural decision-makers that has been conducted by Manaaki Whenua Landcare Research – now called the Bioeconomy Science Institute (BSI) – every two years since 2013. The last edition was conducted in 2025. If you've never heard of it, I encourage you to visit the survey website

[2] McDowell, R. W., Monaghan, R. M., Smith, C., Manderson, A., Basher, L., Burger, D. F., ... Depree, C. (2021). Quantifying contaminant losses to water from pastoral land uses in New Zealand III. What could be achieved by 2035? *New Zealand Journal of Agricultural Research*, 64(3), 390–410. https://doi.org/10.1080/00288233.2020.1844763

and take a look at some of the results.[3] It is one of the longest running farmer surveys in the world. We inserted a few questions into the most recent edition.

In 2025, 42% of dairy farmers were part of catchment groups. That's great. But it also means that 58% were not. I'm not saying these 58% do not do anything. But if we want to make tangible environmental improvements at a catchment level, and if we want to ensure that one landowner's efforts aren't negated by the actions of their neighbours, then we need to engage everybody.

Why do we need to engage everybody? Because the environmental impacts of land use are difficult to measure, do not respect property boundaries and make attribution challenging. Their sheer complexity can make it difficult to pinpoint the origin of, and responsibility for, environmental problems at a property level.

Catchment groups are not static. People join and leave again for various reasons. But on average they only participate for about 2.8 years. This seems like high turnover to me. Then again, why would a farmer do it year in year out when life throws the unexpected at you?

In many cases, catchment groups have been formed to counter what has been perceived as an increased regulatory burden on environmental issues for farmers. The Survey of Rural Decisionmakers provides some interesting insights into what's going on there. Respondents were asked what types of regulation give farmers the biggest headache. Farmers could choose up to three types of regulations from a list. You might be unsurprised to hear that the top two were environmental. And we have two data points here, one from 2023 and one from 2025:

- In 2023, asked which environmental regulations were most concerning to them, 62% of all farmers nominated climate change and greenhouse gas emissions regulations. The same percentage also nominated freshwater and other environmental regulations.
- In 2025, the percentage of farmers indicating that regulation of climate change and greenhouse gas emissions was the most concerning dropped to 49%, while concerns about freshwater and other environmental regulation rose to 68%.
- And here you can see some of the results about other regulation.

So, while concerns about regulation on climate change and greenhouse gas emissions have decreased somewhat – no doubt helped by the decision to discard any methane pricing – other environmental regulation is still a major source of concern. And while some may be happy to plant trees to achieve an accounting triumph on emissions (although not hill country farmers!), our freshwater issues are not going away.

We have more detail on this from the survey. Respondents were asked to indicate the extent to which they had focused on various managerial activities over the previous two years and the extent to which they anticipated focusing on those same activities within the next two years:

- For 23% of all dairy farmers, improving the health of waterways has been a major focus over the past two years. And 21% indicated it would be a major focus for the next two years as well. That means improving water quality had not been a major focus for 77% of dairy farmers rising to 79% looking forward!
- If we look at GHG, the picture is even bleaker: of those dairy farmers who replied, just 5% of respondents said reducing GHG emissions had been a major focus over the past two years, while 7% said it would be a major focus over the next two years. That means that for 95% of dairy farmers, reducing GHG emissions has not been a major focus over the

[3] https://www.landcareresearch.co.nz/discover-our-research/environment/sustainable-society-and-policy/survey-of-rural-decision-makers

past two years, and will still not be going forward for 93%!

It's not as though farmers are climate change denialists. 70% of survey respondents believe climate change is real and predominantly acknowledge that it is anthropogenic. But not many are planning on doing much about their emissions. I find this surprising, especially considering the link between climate change and our changing weather conditions. This concern has had a slightly higher priority amongst farmers:

- For the past two years, 16% of you said that "adjusting to changing weather conditions" was a major focus, and 18% of you said that would be the case over the next two years.

Many of you will already have experienced the tangible impacts of changing weather conditions on your own farming enterprises. My farm is at the bottom of the Waipa River. We weren't affected by the recent weather event, but just 50 km south, around Otorohanga, there was devastation. I didn't need to see it on television. I could see it in the colour and height of the river that backed up through my wetlands.

The final datapoints I want to highlight from the Survey of Rural Decision-makers are about technology uptake**.** 53% said they would be likely to utilise improved effluent pond treatments in the future and 40% of respondents said they would be likely to use a vaccine for reducing methane emissions. It is worth taking these numbers in for a second. They suggest that 60% are not planning to use a methane vaccine if one becomes available and 47% wouldn't pick up improved effluent pond treatments.

Now the Government's latest baseline emissions projections assume that by 2030, "37% of dairy cattle are vaccinated with a methane vaccine that reduces enteric methane emissions by 10%".[4] I personally find this assumption heroic. Remember this is the *baseline* projection! Not only do we not yet have such a vaccine, but the Government's decision to abandon a price on methane removes the incentive to use one should it materialise. I understand DairyNZ made the same point in its submission to the amendment of New Zealand's Second Emissions Reduction Plan in November 2025. Government projections appear to be relying on farmers acting out of the goodness of their hearts or whatever persuasion processors can come up with. My question to processors, like Fonterra, who have made clear commitments to reduce their emissions intensity is: how do they plan to meet their own emissions targets without a price on methane? What incentives will there be to take up new technologies?

Considerable public subsidy, $100's of millions, has gone – and is still going – into developing these mitigation technologies, especially methane vaccines. This is taxpayers' money and taxpayers are entitled to ask why this outlay should continue if the vaccines are not going to be adopted. If farmers are luke-warm about using technologies to reduce methane and improve water quality, there certainly is no longer a compelling case for spending taxpayer money to develop them. A strict, principled approach would be based on the polluter pays principles. As a pragmatist, I can see a role for subsidies, but the *quid pro quo* has to be uptake. This brings me to the question of how are we going to actually make any progress?

How do we actually make progress?

In 2024, I published a report entitled *Going with the grain: Changing land use to fit a changing landscape*. That report tried to outline a way to tackle some of these challenges, as well as address conflicting interests that cannot be resolved from a purely

[4] https://environment.govt.nz/assets/publications/climate-change/ERP2/New-Zealands-second-emissions-reduction-plan-January-2026-amendment-addendum.pdf, p.17.

environmental point of view.

One of the central tenets of that report is that **some** – not all – decision-making should be devolved closer to the people who are having to make significant management changes or even change land use. That could be through catchment groups (or irrigation companies, where they are present). Central and regional levels of government still have to agree on **what** the desired environmental goals and outcomes are – but **how** those are met should be led and driven by landowners, local communities and mana whenua. I believe it is important that participation in catchment groups is broad. While they will most likely be driven by farmers, other community members in the catchment have an impact on the natural environment and are affected by it.

I'll say it again: the idea of a catchment-based approach recognises that many of the environmental impacts of land use are difficult to measure, do not respect property boundaries and make attribution challenging. Their sheer complexity can make it difficult to pinpoint the origin of, and responsibility for, environmental problems at a property level.

But we are still trying to manage landscape and catchment-wide problems through the lens of the responsibilities of individual landowners. I think that is doomed to failure – and may account in part for the ambivalence many farmers feel about people in Wellington prescribing national policy statements.

On Monday last week, I listened to DairyNZ's submission on the RMA reform to the Environment Select Committee. There is a lot of common ground between that submission and where my views are in terms of solutions. But, I also have some quibbles.

Again, I'll cut to the chase: I am sceptical about voluntarism. Purely voluntary targets rarely work if there is no stick. By contrast, people tend to like carrots – particularly if someone else is paying for them. You can argue that subsidies are a pretty cheap, painless way of making progress where private coordination is difficult. But if there is no money to throw at catchment groups – and that seems to be the prevailing message - then another incentive could be that farmers who are part of a catchment group get to have some say over how regulations are applied and how money is raised. I'll come back to that shortly.

I share your scepticism about regulations. There's plenty of bad regulation around – often because it's based on poor quality data. I've had a lot to say about that. But regulation is necessary for some things and is likely to be more practical than asking people to rely on private nuisance lawsuits to bring every poor performer into line. In my view, we need the threat of regulation to get everyone in the room together and agree on the necessary targets and actions. We also need a regulatory backstop to prevent the laggards from sliding backwards. A stick where the carrot doesn't work.

Any such regulatory stick is going to be (of necessity) blunt. As DairyNZ has pointed out, it is currently impossible to regulate individual properties on the basis of outcomes. The only alternative I can see is input controls – controls on fertiliser use, which paddocks get used and maybe even how many cattle per hectare. This sort of stuff will make the hair on the back of your neck stand up (as it does mine) but again without the credible threat of regulation how will we get voluntary progress?

Currently, there seems to be a belief that freshwater farm plans will solve everything. The Government wants to standardise these across the country to ensure consistency. And I can see the appeal, especially where catchments are only slightly over their water and nutrient allocations. Farm plans, in these circumstances, can work to support farmers in improving their practices and getting back below the line.

But farm plans remain just that: a plan for an individual farm. They can help with keeping things on track. But they do not take a fully catchment-based view, and they do not facilitate working across property boundaries. Instead of everyone busily writing and implementing their own farm plans (or ticking boxes), there might well be better 'bang for buck' in focusing on hotspots – for example retiring some of the leakiest or most erosion prone farms in the catchment.

Federated Farmers has said that it supports a shift to a farm plan-based approach, but only if it replaces, rather than sits alongside, the need for a resource consent. It is hard to know how that's going to work in so-called 'over-allocated catchments', which in plain-English means catchments where particular levels of pollutant are way beyond anything consistent with vaguely clean water in rivers or lakes. Take my example of the Selwyn catchment. Are farm plans going to solve that?

If the goal is to lessen the regulatory burden on individual farms, perhaps we should think about catchment or sub-catchment plans that facilitate addressing environmental concerns across property boundaries. This could be achieved through catchment groups or, where they exist, irrigation companies. In Canterbury, for example, some irrigation companies already work under global consents for large areas of their catchment. Thought should be given to the mechanisms that can enable catchment limits to be met and how the necessary actions are going to be paid for. Because trying to turn the tide in overallocated catchments is going to be expensive – certainly far more expensive than public subsidies are likely to be able to sustain. So how can we fund catchment-level environmental improvement?

There is no magic money tree. The people of Tairāwhiti were recently reminded of that when the Government declined to subsidise a long-term land use change programme designed to help future-proof the region's primary sector, and also prepare it for adverse weather and a changing climate.

If taxpayers won't pay, who will? Because if no one is prepared to accept responsibility for land use change, then it is the environment that will pay.

In *Going with the Grain,* I reviewed some of the financial tools that have been proposed that could help that go beyond simply socialising the costs. I encourage you to think about these with an open mind. In saying that, I am aware that Federated Farmers has rejected the idea of any tax or levy on water use, or on pollutants, such as nitrogen.[5]

The more things we put off the table, the more likely it is that problems will be left to fester and then we'll have another round of crisis regulating. There is no shortcut here. As farmers, you need to engage your neighbours on the ground to move beyond addressing environmental issues on individual farms alone. Working collectively across catchments or sub-catchments raises some important questions:

- What are the opportunities you have to bring the "middle" along with you in your catchment? And think about what to do with the reticent farmers, the ones that can't or don't care? As I've said, I think farmers need to accept that the threat of regulation is needed – which in some cases could be pretty blunt - to get everyone in the room.
- How can catchment-based action plans deal with free riders? There will always be some farmers or landowners that do not want to be part of collective action.

[5] See Federated Farmers, February 2026, Submission to the Natural Environment Bill and Planning Bill, paragraphs 15.9 to 15.26. https://www.fedfarm.org.nz/Web/Policy/Submission/2026/February/Submission-on-the-NEB-Bill-and-Planning-Bill.aspx

- Finally, who is going to pay and how? Is it fair to socialise the cost? What other options exist? In some of my other work, I've suggested reforming the ETS as a source of revenue. You can read all about that in some of my previous reports.[6] This could tie into the incentives to come up with a catchment plan. Alternatively, catchment groups could be empowered to recommend targeted rates to fund catchment action plans. These rates would be levied on everyone – including those who do not want to participate in collective action, helping to address the free rider issue.

These are just some of the many issues you need to ponder. An honest attempt to make a measurable difference will be applauded. It won't be cheap. And, given what the survey I've mentioned tells us, it won't just happen because everyone's in violent agreement. As environment leaders, you need to lead – which isn't always popular!

[6] See PCE (2024). Alt-F Reset – Examining the drivers of forestry in New Zealand. Parliamentary Commissioner for the Environment: Wellington. https://pce.parliament.nz/publications/alt-f-reset-examining-the-drivers-of-forestry-in-new-zealand/.
See PCE (2024). Going with the grain: Changing land use to fit a changing landscape. Parliamentary Commissioner for the Environment: Wellington. https://pce.parliament.nz/publications/going-with-the-grain-changing-land-uses-to-fit-a-changing-landscape