

The Chair
Cabinet Policy Committee

THE GOVERNMENT'S OBJECTIVES FOR THE SOUTH ISLAND HIGH COUNTRY: A STRATEGIC FRAMEWORK

Proposal

- 1 This paper seeks approval for the development of a strategic framework to implement the Government's objectives for the South Island high country. A draft project plan for development of the framework is included.
- 2 This paper should be read in conjunction with the paper *Government Objectives for the South Island High Country: Report Backs*.

Executive Summary

- 3 This paper seeks approval for development of a strategic framework to implement the Government's high country objectives. The paper is accompanied by a separate Cabinet report *Government Objectives for the South Island High Country: Report Backs*.
- 4 The proposed framework addresses the report back requirement in the 2004 Budget Package: Vote Lands that noted mechanisms for achieving the high country objectives were being reviewed and required LINZ to report back on the possible options (including costs) to enable final funding decisions to be made in the 2005 budget.
- 5 The framework is required because the high country objectives include conservation, economic and social outcomes that are not mutually exclusive and because there is no mechanism to optimise the outcomes and prioritise where necessary. The framework will also help inform Ministers of the levels of outcomes that can be achieved through this framework and enable them to make decisions in the 2005/06 budget on the level of outcomes they would like achieved based on the costs of the funding required to achieve these.
- 6 The proposed framework has been the subject of discussions with stakeholders (the lessees, High Country Accord, Federated Farmers, Non-Government Environmental Groups, the New Zealand Institute of Landscape Architects and Te Runanga o Ngai Tahu) over the last few months and the need for a strategic framework has been acknowledged.

- 7 The framework will be released for stakeholder review in a discussion document in August 2004. Prior to public release, the discussion document (and its consultation strategy) will be submitted to the Cabinet Policy Committee (POL) for approval. The final strategic framework will be presented to POL for approval in November/December 2004. Development of the framework (and associated policy development) will be reported to a group of Ad Hoc Ministers (comprising the Minister for Land Information (Chair), Minister of Conservation, and Minister of Agriculture and Forestry/Rural Affairs) for the high country objectives.

Background

Previous Cab papers/decisions

- 8 In March 2003 Cabinet invited the Minister of Agriculture and for Rural Affairs, the Minister for Land Information, and the Minister of Conservation to report on the Government's objectives for the high country and how they relate to the land tenure programme [EDC Min (03)5/3 as confirmed by CAB Min (03) 11/5 refers].
- 9 On 11 August 2003 Cabinet agreed to objectives for the South Island high country that include conservation, social, and economic outcomes. Some of the objectives were derived from the Crown Pastoral Land Act 1998 (CPLA) and others were complementary to those in the CPLA. [POL Min (03) 19/7, as confirmed by CAB Min (03) 27/3 refers]. The high country objectives found in the CPLA are to:
- a. promote the management of the Crown's high country land in a way that is ecologically sustainable;
 - b. enable reviewable land¹ that is capable of economic use to be freed of current management constraints;
 - c. protect significant inherent values of reviewable land by the creation of protective measures; or preferably by restoration of the land concerned to full Crown ownership and control;
 - d. secure public access to and enjoyment of high country land;
 - e. take into account the principles of the Treaty of Waitangi; and
 - f. take into account any particular purpose for which the Crown uses, or intends to use, the land.

The complementary objectives are to:

- g. ensure the conservation outcomes for the high country are consistent with the New Zealand Biodiversity Strategy;
- h. progressively establish a network of high country parks and reserves;
- i. foster sustainability of communities, infrastructure and economic growth and the contribution of the high country to the economy of New Zealand; and
- j. obtain a fair financial return to the Crown on its high country land assets.

¹ Means land that is held under a reviewable instrument (a lease or occupation licence) or pastoral land not held under a reviewable instrument.

- 10 Cabinet also approved a programme of work to explore how best to achieve the objectives, to be reported back by the Minister of Agriculture and for Rural Affairs, the Minister for Land Information and the Minister of Conservation [CAB Min (03) 27/3 and POL Min (03) 19/7 refer].
- 11 In December 2003 the three agencies reported back on implementation issues relating to the high country objectives and the approved work programme [CAB Min (04) 1/1/ and CBC Min (03) 10/3 refers]. The work programme in the August Cabinet paper required agencies to report back on other issues in 2004 and is discussed in the companion paper titled *Government Objectives for the South Island High Country: Report Backs*. On 27 April 2004 the March report-backs were deferred until 31 May 2004 to enable departmental consultation to be completed.
- 12 Finally, as part of the 2004 Budget Package: Vote Lands, Cabinet noted that mechanisms (including land tenure reform) for achieving the high country objectives were being reviewed and LINZ officials will report back to the Cabinet Policy Committee on possible options including costings to enable final funding decisions to be made in the 2005 Budget [CAB Min (04) 13/3(39) refers]. It is proposed this report back requirement will replace the 2004 annual report backs required on the objectives as part of the October baseline update [POL Min (03) 19/7, recommendation 11.1 refers and CBC Min (03) 10/3, decision 42 refers].
- 13 Since December 2003 officials have been consulting with stakeholders on the implementation of the high country objectives. This consultation has raised a number of issues about how the Government makes decisions and how this process can be improved.

Comment

The purpose of the strategic framework

- 14 Officials are developing a strategic framework to ensure that the high country work programmes of Government agencies (primarily LINZ, MAF and DOC) deliver optimal outcomes that are consistent with the Government's objectives for the South Island high country. A strategic framework is required because the objectives (comprising conservation, economic and social values) are not mutually exclusive. It is also required because there is no mechanism to optimise and, where necessary, prioritise the outcomes sought and to assist the Government identify the most appropriate tool (e.g. tenure review or whole property purchase) to achieve the high country objectives.
- 15 The framework will:
 - provide transparency to the guidelines being used to identify significant inherent values;
 - include criteria for economic values to help identify the contribution the high country makes to the economy of New Zealand (e.g. through farming, recreation/tourism, and ecosystem services);
 - include criteria for social and cultural values to help identify what social/cultural impacts result from decisions on the high country;

- provide decision-making criteria for optimising outcomes (as far as possible) to assist with the identification of the appropriate tool to use to achieve the objectives (e.g. tenure review or whole property purchase); and
 - include an objective monitoring system to ensure the Government's high country objectives are being implemented.
- 16 The framework will be a whole of Government approach and will ensure decision-making is clear, transparent and has regard to the high country objectives. The framework should have regard to the following Government policies: the New Zealand Biodiversity Strategy (NZBS), the Sustainable Development Programme (SDP), the Growth and Innovation Framework (GIF), and the triple bottomline (TBL) reporting mechanism. The aims of the SDP and GIF are to achieve economic, social, cultural and environmental improvements through sustainable development. The TBL policy approach involves social, environmental and economic values. The TBL seeks complementary outcomes rather than 'trading off' one outcome against another. Consistent with these policies, the proposed framework will require the sustainable use of the high country from a conservation, economic and social perspective.

The proposed strategic framework

Identification of conservation, economic and social/cultural outcomes

- 17 The high country objectives include conservation, economic and social/cultural outcomes. Conservation outcomes primarily relate to the protection of significant inherent values (including the protection of biodiversity), consistency with the biodiversity strategy, securing public access, and the establishment of a network of high country parks and reserves.
- 18 DOC has already provided advice on how high country conservation parks can be identified [Cab Min (03) 10/3, decision 9 refers]. They also reviewed the methodology for identifying significant inherent values under the CPLA for consistency with the New Zealand Biodiversity Strategy [Cab (03) 10/3, paragraph 43 refers]. DOC is currently preparing improved guidance for the identification of significant inherent values. To the extent that the improved guidelines depart from current identification methods they need to be consistent with the New Zealand Biodiversity Strategy.
- 19 In addition, DOC envisages a network of 15-20 new high country parks including extensions to existing conservation parks and national parks. About 10 of the properties that could potentially contribute to the parks network warrant whole property purchase due to the significant inherent values that they contain and the location of the properties in relation to the potential park network. One of these properties (Birchwood) has already been purchased. Funding for a second property purchase was sought as a separate bid.
- 20 The 2004/05 Budget package contains funding for settlements with holders over the period 2004/05, as a result of changes in tenure agreed between the holders and the Commissioner of Crown Land. In addition, operating money has been appropriated to LINZ and DOC for 2004/05 and outyears. No funding is provided through the 2004/05 budget package for settlement payments for future financial years. Subject to the

successful completion of agreements with holders, officials expect that at least two new conservation parks will be created in 2004/05 probably in the following areas:

- Eyre mountains (Southland); and
- Ahuriri (straddling the Otago-Canterbury boundary).

- 21 It is unclear how much future funding is required to achieve different levels of the parks network, and the level that the Government wishes to achieve to satisfy the high country objectives. The proposed framework should help inform Ministers of the levels of outcomes that can be achieved and enable them to make decisions in the 2005/06 Budget (and future financial years) on the level of outcomes they would like achieved (based on the costs/funding required to achieve these).
- 22 Economic outcomes relate to economic growth and the contribution the high country makes to the economy of New Zealand. Cabinet has agreed that one of the objectives (i) for the High Country is to “foster... economic growth and the contribution of the high country to the economy of New Zealand” [CAB Min (03) 27/3 refers]. Accordingly, it is important to understand the economic impact the parks and reserves and other conservation outcomes will have on the South Island and New Zealand economy in general. It is also important to understand the economic impact of freeholding land for uses other than pastoral farming. In the same way, it is important to understand the impacts on conservation of achieving different levels of freeing land capable of economic use of current management constraints (i.e. freeholding, with or without protective mechanisms).
- 23 Social/cultural outcomes found within the objectives (such as fostering the sustainability of communities) are more discrete and will be achieved in the context of the broader conservation and economic outcomes. To this end, measures are required to be developed to ensure these objectives are met when achieving conservation and economic outcomes.
- 24 The framework is, however, unlikely to be able to include a tool to optimise outcomes on a quantifiable basis, because such tools are not used routinely anywhere in the world to optimise conservation, economic and social/cultural outcomes.

Development of criteria/guidelines for conservation, economic, social/cultural outcomes

- 25 Criteria or guidelines are needed for the various outcomes found in the high country objectives.
- 26 The guidelines currently used to define conservation outcomes are the concepts of inherent value² and significant inherent value³ found in the CPLA and the high country

² in relation to any land, means a value arising from—

- a) a cultural, ecological, historical, recreational or scientific attribute or characteristic of a **natural resource** in, on, forming part of, or existing by virtue of the conformation of, the land; or
- b) a cultural, ecological, historical, recreational, or scientific attribute or characteristic of a **historic place** on or forming part of the land.

³ In relation to any land, means inherent value of such importance, nature, quality, or rarity that the land deserves the protection of management under the Reserves Act 1977 or the Conservation Act 1987.

objectives. For the tenure review process DOC has established guidelines to articulate cultural, ecological, historical, recreational, and scientific values noted in the definition of inherent value. These guidelines were reviewed by DOC in 2002⁴. Stakeholders have raised concerns about the clarity and transparency of existing guidelines. For example, the existing guidelines do not adequately acknowledge the need for protection for restoration purposes. DOC is currently preparing revised guidance on how to identify significant inherent values on reviewable land, and will complete this in consultation with LINZ and MAF, and stakeholders.

27 LINZ has commissioned NZIER to develop criteria to help ensure achievement of the economic outcomes in the high country objectives. The approach being taken is one of ‘resource choice’ which means comparing what is achieved from land uses - the opportunity cost of the foregone benefits. NZIER has identified a key indicator of the economic gain and the opportunity costs of land tenure changes as the ‘productive potential of the land’. The ‘market value’ of the land is the proxy for this potential. This work is not complete but initial findings indicate sustainable economic growth could be measured by considering:

- the productive value of current and future uses (having regard to pastoral, other agricultural, tourism, mining, residential/lifestyle and other uses);
- land use capability (that indicates versatility and productive potential of the land);
- access to resources (e.g. water supply or water rights); and
- conservation value (area, rarity, representativeness, interconnectedness with other habitats, diversity present, and range).

28 The economic criteria will take into account the fact that the high country objectives do not exclude the option of a mixed use tenure where both conservation and productive outcomes can be achieved.

29 LINZ is also developing social criteria for sustainable communities and is considering issues such as infrastructure, schools, community services, Treaty issues, unemployment, quality of life and public access. To reflect the recent trend towards a quadruple bottom line reporting mechanism, cultural criteria will also be developed. It is anticipated this will include any spiritual attachment the Maori have to the high country as well as the leaseholders’ ‘farming ethic’. This ethic is typically represented in the attachment farmers have to their land and to the high country.

Options for Achieving High Country Objectives

30 In order to implement the high country objectives the Government has to identify the variety of ‘optimal outcomes’ that may exist. Optimal outcomes need to be consistent with the Government’s vision for the high country.

31 The Government’s economic and social vision as articulated in the high country objectives relates to economic use of the high country, a fair financial return to the Crown, and sustainable communities.

⁴ Davis, November (2002)

- 32 The Government's conservation vision for the high country, however, involves a number of outcomes: the protection of significant inherent values throughout the high country (including the protection of biodiversity), consistency with the biodiversity strategy, securing public access, and the establishment of a network of parks and reserves. Guidance is therefore required on how to identify and prioritise (and cost) the various conservation outcomes between the conservation objectives. For example, an outcome may include protection of lowland biodiversity or the establishment of a high/mid altitude park. Alternatively an outcome maybe a combination of both of these.
- 33 When optimal outcomes are identified, optimising criteria will enable the high country objectives to be balanced against each other. This approach is consistent with the Parliamentary Commission for the Environment's (PCE's) approach that multiple use of the land can serve both ecological preservation and economic purposes⁵. The PCE also concluded that 'We will not achieve the biodiversity goals that we have set ourselves, and are expected of us by communities worldwide, unless there is an expansion of indigenous vegetation on private farmlands', and that 'Indigenous biodiversity must assume greater value, intrinsic and economic'.
- 34 This optimising criteria will assist the Government to identify the appropriate tool (and its cost) to achieve those outcomes (e.g. tenure review or whole/partial lease purchase). In December 2003 LINZ provided a comprehensive list of tools for achieving the high country objectives [CAB Min (03) 10/3 refers]. Stakeholders have made a number of comments about the effectiveness (or otherwise) of various tools to protect significant inherent values. Further work on this issue is included in the policy work programme (that accompanies the development of the framework) outlined later in this paper.
- 35 As part of the framework LINZ proposes to also develop operational procedures to allow regular audits to be undertaken of Crown decisions against the high country objectives. This audit will then be fed back into policy development and adjustments can be made to tools and the objectives (as required).
- 36 The framework is diagrammatically shown in Attachment 1.

Specific policy issues

- 37 The development of the proposed framework will require a number of specific policy issues to be addressed. Some of these issues have been raised by stakeholders. Most of this policy development will occur in tandem to development of the framework although work has already commenced on the issues noted below.

Clarification of the concept of management of land in a way that is ecologically sustainable

- 38 LINZ has commissioned Landcare Research to clarify the principles that underlie the concept of management in a way that is ecologically sustainable (section 24(a) CPLA and high country objective (a)). DOC recently advised LINZ that the concept involves:

⁵ Williams, J.M 2001: Back to the future – Pastoral Land Use in a Forest land – Sustainability challenges for the 21st Century.

....*promoting management practices that:*

- *enable on-going natural interactions between indigenous organisms and their environments;*
- *maintain the current numbers and extent of indigenous organisms and their environments;*
- *maintain the chemical and physical properties of indigenous soil and water resources;*
- *promote the recovery of indigenous organisms and their environments to mitigate any adverse effects of management; and*
- *minimise spill-over effects of management activities from one area onto another.*

Initial results of the work by Landcare Research broadly support this definition.

Tenure changing tools and management mechanisms to achieve the high country objectives

- 39 Tenure review is one tool for changing the status of land where better use can be made of it under a different form of tenure. Other tools for changing tenure include whole lease purchases and potentially even compulsory acquisition (via the Public Works Act 1981 or the resumption provisions of the Land Act 1948)⁶.
- 40 As noted above, LINZ is currently assessing the effectiveness and efficiency of existing tools (and protective mechanisms in the CPLA) used in land tenure with the view to making any required amendments. Consideration will also be given to developing guidelines to tailor protective mechanisms to protect specific significant inherent values (e.g. a covenant to protect landscape values and a model sustainable management covenant). Work is also being undertaken to identify new tools or protective mechanisms that could be used to achieve the high country objectives.
- 41 Management mechanisms for achieving the high country objectives could potentially include the regulatory provisions of the CPLA (i.e. discretionary activities) as well as advocacy measures such as education or public awareness. The effectiveness of these mechanisms will also be considered.
- 42 Additional policy issues that need addressing include:
- lessee concerns with having to meet both tenure review criteria as well as compliance with Resource Management Act planning controls;
 - changes to research and monitoring facilities (and capability) of high country research;
 - land degradation; and
 - ongoing tenure review operational issues.
- 43 These policy issues will be included in a work programme approved by the group of Ad Hoc Ministers referred to in paragraph 46 below. Progress reports on the work programme and policy decisions will be made by LINZ officials to this group of Ministers.

⁶ It is unlikely that compulsory acquisition or the resumption of land will be the most appropriate option.

Discussion document

- 44 Officials propose that when further research is available, the framework will be available for public comment in the form of a discussion document in August 2004. It is proposed that the Cabinet Policy Committee approve release of this document and its consultation strategy. When public submissions have been analysed the final framework (including details of decision-making criteria) are proposed to be reported to Cabinet in November/December 2004 to inform the 2005/06 budget round.

Annual report backs

- 45 The following annual report backs apply for tenure review:
- a. officials are to report against the set of objectives as part of the annual October baseline update [POL Min (03) 19/7, recommendation 11.1 refers]; and
 - b. officials are to report to POL every October on progress made against objectives, specifically stakeholder response to progress, lessee participation in tenure review, and socio-economic effects of specific park proposals [CBC Min (03) 10/3, decision 42 refers].
- 46 It is proposed the group of Ad Hoc Ministers give consideration to streamlining these report backs by including them in the 2004 Budget Package: Vote Lands report back requirement. In the budget package Cabinet noted that the Government has agreed to a set of objectives for the high country, that mechanisms for achieving these objectives are being reviewed, and that LINZ officials will report back on possible options including costings to enable final funding decisions to be made in the 2005 budget [Cab Min (04) 13/3(39) refers]. This paper puts forward the mechanism for achieving the objectives.

Project plan

- 47 The project plan for development of the above strategic framework (and policy issues) is outlined below. The proposed framework will be lead by LINZ in consultation with the Department of Conservation, Ministry of Agriculture and Forestry, Ministry for the Environment, and Treasury.

Task	Completion date
Development of a set of criteria/guidelines for conservation, economic and social outcomes as part of strategic framework	July 2004/ early August
Cabinet Policy Committee approval of the discussion document and consultation strategy.	August 2004
Release of the discussion document	August 2004
Finalisation of strategic framework for approval by Ministers and development of options for achieving outcomes including possible funding	September 2004
Policy work programme completed by officials	September 2004
Report-back to Cabinet to inform 2005/06 Budget considerations	1 st December 2004

Transitional issues

48 Prior to completion of the framework and options for achieving the high country objectives, a number of tenure review applications will continue to be processed by LINZ. This reflects the March 2003 Cabinet decision to continue the tenure review programme and give priority to those properties in the advanced stages [EDC Min (03) 5/3 refers]⁷. Of the 304 pastoral leases, 5 have been fully completed and 30 leases are at substantial proposal stage (accepted by lessees). Of the 18 that are at preliminary proposal stage, it is forecast that 11 of them will reach substantive proposal stage by November/December. Because of the low numbers of reviews at substantive proposal stage in the policy development period, it is not considered that the process should be slowed any further or that formal transitional arrangements are necessary during the policy development process.

Consultation

- 49 This paper has been prepared in consultation with DOC, MAF, The Treasury and DPMC.
- 50 Key stakeholders for the project have been identified as the lessees, the High Country Accord, Federated Farmers, ENGOs, New Zealand Landscape Institute, and Te Runanga o Ngai Tahu. LINZ officials have had stakeholder meetings with all of the above over the past 3 months. At these meetings the proposed strategic framework was discussed. A joint meeting of stakeholders to discuss policy and operational issues, the first of its kind, was held on 18 May 2004.
- 51 The various stakeholder positions are noted below. The detailed views of the ENGOs are included as an attachment in the companion Cabinet paper *Government Objectives for the South Island High Country: Report Backs* because these comments also include specific notes about the tenure review process (a report back requirement from CAB MIN (03) 27/3 refers).

The High Country Accord

- 52 The High Country Accord have made several submissions on the issue of tenure review over the past year. They recently detailed their concerns in a document titled 'Effectiveness of the Government's strategy for achieving its goals for the high country'⁸. The document concludes there are serious flaws in the Government's strategy to achieve the high country objectives. These flaws are:
- separation of conservation and economic goals/activities;
 - the unsubstantiated belief the Crown is the best manager of land with conservation values;
 - the unsubstantiated assumption 'legal protection' alone will protect conservation values;

⁷ At this time Cabinet considered options for continuing the tenure review programme because the cost of the programme was higher than originally forecast.

⁸ Prepared by Michael B Hyndman, April 2004.

- lack of recognition of the importance of incentives to achieve conservation and economic goals; and
- overstating the extent that access is a problem.

- 53 The report notes the present strategy may lead to some undesirable outcomes and recommends the Crown review the issues raised in the document through an established work programme. Consultation with lessees (and other parties) is recommended during this review. The report also recommends the high country objectives be elaborated upon and prioritised. Attachment 2 contains the conclusion and recommendations from the report.
- 54 Development of the proposed framework involves elaboration of the high country objectives as requested by the High Country Accord. Rather than prioritising the objectives, the framework will develop optimising decision-making criteria to assist the Crown seek optimal outcomes.
- 55 The proposed policy work programme is also consistent with one of the Accord's report recommendations, and the programme includes some of the issues raised in the Accord's submission. The priority given to various issues will be referred to the group of Ad Hoc Ministers for approval.

Te Runanga o Ngai Tahu

- 56 In general Te Runanga o Ngai Tahu is supportive of a strategic approach to improve the identification and protection of conservation and cultural values associated within the South Island High Country. However, Te Runanga o Ngai Tahu raised the following specific concerns regarding the tenure review process:
- there is inconsistency over decision-making for the identification and protection of significant inherent values, which is resulting in some significant inherent values not being protected;
 - there is a need for greater transparency for decision-making for the identification and protection of significant inherent values;
 - criteria is required to guide decision-making on the identification of significant inherent values; and
 - a greater emphasis for the identification and protection of significant cultural and archaeological values is required.
- 57 In addition, Ngai Tahu have raised the following issues with DOC about tenure review:
- request for runanga consultation prior to issue of recreation/tourism concessions;
 - notification of outcomes to runanga where land is being returned to full Crown ownership;
 - runanga consultation on naming of new areas;
 - more emphasis on identification of archaeological significant inherent values;
 - use published accounts of Ngai Tahu values in Conservation Resource Reports; and
 - clarity on whether they could use DOC management easements.

58 These issues will be addressed during the development of the strategic framework. Further consultation with Te Runanga o Ngai Tahu (and other relevant iwi) is proposed in the context of the recommendation to consider the options for, and additional costs arising from, more effectively taking into account the Treaty. [POL Min (03) 19/7, as confirmed by CAB Min (03) 27/3 refers].

Environmental Non-Government groups

59 The concept of a strategic approach to the high country objectives was discussed with all groups and the need for a framework has been acknowledged. The ENGOs raised common issues as well as specific issues relating to their areas of interest. Common issues included:

- the concept of ecological management that is sustainable;
- the use of covenants;
- conservation value versus productive use;
- the Resource Management Act 1991;
- DOC criteria for identifying significant inherent values;
- discretionary consents under the CPLA; and
- unsustainable land practices on existing leases.

60 All of the above issues are proposed for inclusion in the policy work programme accompanying the proposed framework. Stakeholders also raised a number of issues specific to their areas of interest. Refer to the companion Cabinet paper *Government Objectives for the South Island High Country: Report Back Issues*.

61 LINZ currently meets ENGOs on issues relating to tenure review under the CPLA. LINZ will continue to meet with ENGOs (and other stakeholders) on the development of the strategic framework.

Financial Implications

62 There are no financial implications arising from this paper. Development of the strategic framework will inform the 2005/06 Budget.

Human Rights

63 There are no human rights issues.

Legislative Implications

64 There are no legislative implications in this paper although additional work may result in amendments to legislation such as the Crown Pastoral Land Act, Resource Management Act, Conservation Act, Soil Conservation and Rivers Control Act.

Regulatory Impact and Compliance Cost Statement

65 There are no regulatory or compliance issues.

Publicity

- 66 It is proposed that the group of Ad Hoc Ministers (referred to in paragraph 46) issue a media statement announcing the release of the public discussion document once it is approved for release.

Recommendations

- 67 It is recommended that the Committee:

Development of a proposed strategic framework for the high country objectives

- 1 **note** that as part of the 2004 Budget Package: Vote Lands, Cabinet required Land Information New Zealand (LINZ) to report back on possible options for achieving the Government's high country objectives, including the costs, in order to enable final funding decisions to be made in the 2005 budget [Cab Min (04) 13/3 (39) refers];
- 2 **note** that LINZ will consult with the Department of Conservation, Ministry of Agriculture and Forestry, Ministry for the Environment, and the Treasury to ensure the report back will reflect a whole of Government approach because the Government's objectives involve conservation, economic and social outcomes and consequences;
- 3 **note** that the report referred to in recommendation 1 requires officials to complete a "Strategic framework", which will provide straight forward and pragmatic advice about how to achieve the Government's high country objectives;
- 4 **note** the proposed framework will:
 - a. provide transparency to the guidelines being used to identify significant inherent values;
 - b. include criteria for economic values to help identify the contribution the high country makes to the economy of New Zealand;
 - c. include criteria for social/cultural values to help identify what social/cultural impacts result from decisions on the high country;
 - d. provide decision-making criteria for optimising outcomes (so far as possible) to assist with the identification of the appropriate tool to use to achieve the objectives e.g. tenure review or whole property purchase, and
 - e. include an objective monitoring system to ensure the Government's high country objectives are being implemented.
- 5 **note** further report backs required from CAB Min (03) 27/3 and POL Min (03) 19/7 (discussed in companion paper "The Government's Objectives for the South Island High Country: Report Backs"- recommendation 32.21 refers) will be included in the report back noted in recommendation 1;

Ad Hoc Group of Ministers for the high country objectives

- 6 **agree** to establish an Ad Hoc Ministerial Group for overseeing the development of the strategic framework comprising the Minister for Land Information (Chair), the Minister of Conservation, and the Minister of Agriculture/ Forestry/Rural Affairs;
- 7 **note** regular reports on the development of the framework will be made by LINZ officials to the above group of Ministers;
- 8 **note** that the outputs to be produced under the framework, how the outputs will be used, and who will use them – as well as their relationship to other Cabinet report back requirements – will be reported to the group of Ad Hoc Ministers;
- 9 **note** that the following annual report-backs apply to the tenure review program:
 - a. officials are to report against the set of objectives as part of the annual October baseline update [POL Min (03) 19/7, recommendation 11.1 refers]; and
 - b. officials are to report to POL every October on progress made against objectives, specifically stakeholder response to progress, lessee participation in tenure review, and socio economic effects of specific park proposals [CBC Min (03) 10/3, decision 42 refers];
- 10 **authorise** the Ad Hoc group of Ministers to approve inclusion of these annual report-backs in the report back associated with recommendation 1 if the framework results show that it will be more efficient and effective to do so;
- 11 **authorise** the Ad Hoc group of Ministers, in consultation with the Minister of Finance to issue a media statement to accompany the release of the discussion document;
- 12 **direct** LINZ to prepare a discussion document on the proposed framework for public consultation;
- 13 **direct** LINZ to submit for approval release of the discussion document and accompanying consultation strategy on the proposed strategic framework to the Cabinet Policy Committee in August 2004;
- 14 **direct** LINZ in consultation with the Department of Conservation, Ministry of Agriculture and Forestry, Ministry for the Environment and Treasury to report on the results of consultation on the discussion document and the final strategic framework to Cabinet on 1 December 2004;

Consultation

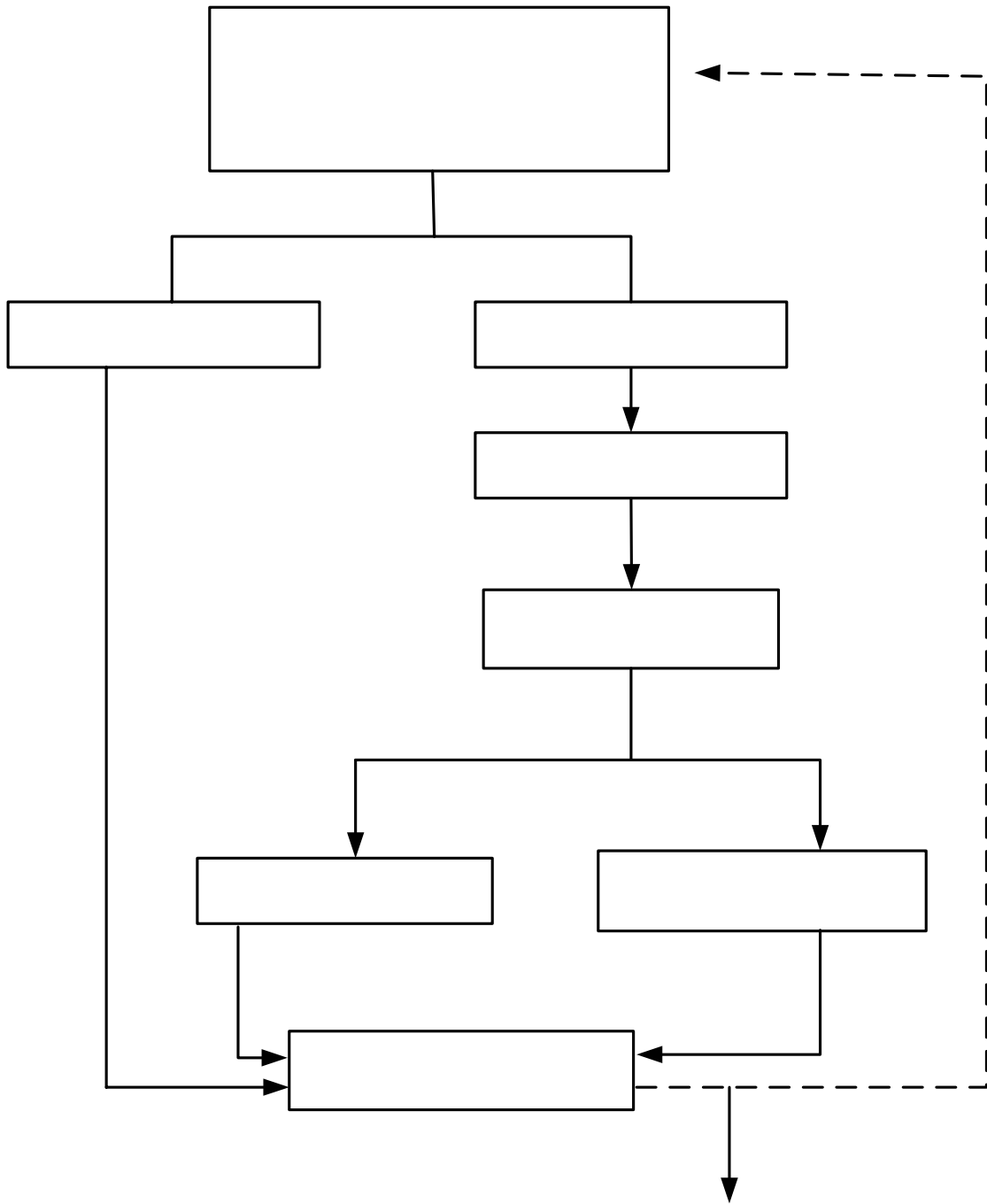
- 15 **note** that consultation with stakeholders about the achievement of high country objectives has been on-going and that the issues raised (and outcomes sought) by the High Country Accord, Federated Farmers, Environmental Non Government Organisations (ENGOS), the New Zealand Landscape Institute, and, Te Runanga o Ngai Tahu are being considered in development of the framework (as appropriate);

- 16 **note** that LINZ currently meets ENGOs to discuss tenure review issues under the Crown Pastoral Land Act;
- 17 **direct** officials (LINZ lead) to consult with stakeholders in preparation of the strategic framework; and

Other issues

- 18 **note** transitional arrangements are not required, during the policy development process, because of the low numbers of reviews at ‘substantive proposal’ stage.

Hon John Tamihere
Minister for Land Information



Attachment 2:

Summary from High Country Accord Publication

1. *The Government's current broad strategy for achieving its 10 goals for the South Island high country appears to embody some **serious flaws** that arguably reduce the likelihood of its being the best practical means to achieve these goals. these apparent flaws notably include:*
 - *a rigid separation of conservation and economic goals and activities;*
 - *an unsubstantiated belief that only the Crown can be trusted to conserve or preserve significant natural heritage values in the high-country;*
 - *an unsubstantiated assumption that so-called "legal protection" alone will suffice to protect the natural heritage of the high country;*
 - *ignoring the importance of personal incentives to achieving conservation and economic goals effectively;*
 - *overstating the extent to which access is a real problem.*
2. *Instead of most effectively achieving the Government's goals for the high country, its present strategy seems more likely to lead to some undesirable overall outcomes, notably:*
 - *failure to achieve its conservation and ecological goals effectively;*
 - *failure to achieve its recreational-access goals to the extent expected;*
 - *an unnecessarily large degree of social disruption, personal disruption, and related detrimental impact on significant cultural heritage values; and*
 - *an unnecessary (deadweight) loss of economic wealth to the country.*
3. *In short this approach is likely to result in a **lose/lose/lose outcome** in terms of economic, ecological and recreational access goals – at least in the short to medium term. Is this a prudent strategy?*
4. *In these circumstances, it would seem appropriate for the Government to review critically and systematically its strategy and underlying rationale – or, at the very least, proceed with great caution in implementing the strategy.⁹*
5. *The Accord has recommended that the Crown:*
 - a) ***review systematically and objectively** the issues and concerns that this report has raised about the Government's goals and strategy, as soon as practicable, to determine what action is appropriate;*
 - b) ***develop and carry out** an appropriate work programme to achieve the appropriate action identified in (a) above;*
 - c) ***elaborate and prioritise** its ten goals for the South Island high country to both: facilitate their use in further developing strategies and policies to achieve them, and their ability to be used as criteria to assess the effectiveness of these strategies and policies in achieving the goals; and*

⁹ I.e. while also incrementally reviewing prioritised aspects of the strategy.

- d) **consult** with lessees - and other parties with an interest in the high country – about the Crown's response to the issues raised and reasons for it.

Source: Effectiveness of the Governments Strategy for achieving the High Country objectives.