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CBC (07) 86

1 June 2007

Copy No: 38

# Cabinet Business Committee

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## South Island High Country: Landscape, Biodiversity and Access Issues

**LATE PAPER:** This paper was submitted after the Cabinet deadline and has been accepted for the agenda by the Chair.

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**The Minister of Conservation and Minister for Land Information recommend that the Committee:**

### Background

- 1 note that the Crown owns two million hectares of land in the South Island high country, which is leased or (in a few cases) licensed for pastoral farming;
- 2 note that in August 2003, the Cabinet Policy Committee (POL) approved ten South Island high country objectives (the government's high country objectives), which set out the wide range of things that the government wants to achieve in the high country – environmental, economic, social and financial [POL Min (03) 19/7];
- 3 note that the tenure review process for Crown pastoral leases, under the Crown Pastoral Land Act 1998 (CPLA), divides leases into land being returned to full Crown ownership and control (as public conservation land), and land being freeholded to leaseholders;
- 4 note that Land Information New Zealand (LINZ) runs the tenure review process, and that statutory responsibility for tenure review decisions lies with the Commissioner of Crown Lands (CCL);
- 5 note that tenure review has delivered important gains for conservation, public access and recreational opportunities, and that diversified economic use has occurred on freeholded land;
- 6 note that, where all or most of a property should become conservation land, a whole lease purchase has on occasion been made instead by LINZ or the Nature Heritage Fund, and that partial property purchases have also been made by the National Heritage Fund;
- 7 note that in February 2005, POL noted that:
  - 7.1 there are additional statutory tools that could be used or considered to achieve the government's high country objectives, including tools under the CPLA, the Land Act 1948, and the Resource Management Act 1991;

- 7.2 the government is willing for the Crown to be a high country pastoral lessor indefinitely in cases where doing so is consistent with all of the high country objectives, including the objective of obtaining a fair financial return to the Crown;
- 7.3 tenure review for lowland areas within the high country is not delivering outcomes consistent with the New Zealand Biodiversity Strategy;

[POL Min (05) 2/9]

- 8 note that in October 2006, Cabinet considered a paper on pastoral lease valuation reviews, which noted that there are concerns as to whether tenure review is sufficiently addressing landscape values, especially around lakesides [CAB (06) 415];

### **Protective effect of pastoral leasehold tenure**

- 9 note that pastoral leasehold tenure has the effect of providing a degree of protection to land with landscape, lakeside, biodiversity and other values and, in particular, has prevented subdivision and subsequent intensive development;
- 10 note that other land use changes have been constrained because non-pastoral land uses require the consent of the CCL;

### **Crown withdrawal from tenure review**

- 11 agree that high country pastoral lease properties with highly significant lakeside, landscape, biodiversity or other values<sup>1</sup> that are unlikely to be protected to the satisfaction of the Crown by the tenure review process be excluded from the process;
- 12 agree that, where it is considered necessary to withdraw a pastoral lease from the tenure review process at any time prior to the acceptance by the lessee of a substantive proposal, the CCL can exercise the CCL's power under section 33 of the CPLA to discontinue a tenure review at any time;
- 13 **EITHER (LINZ)**
- 13.1 direct LINZ (lead) and the Department of Conservation (DOC) to identify properties within the following categories where the Crown should withdraw from the tenure review process or not enter into it:
- 13.1.1 properties currently in tenure review;
- 13.1.2 lakeside properties, whether in tenure review or not;
- 13.1.3 such other properties as may be revealed in the course of identifying properties in the previous two categories;

### **OR (DOC)**

- 13.2 direct LINZ (lead) and DOC to identify properties currently within the tenure review process where the Crown should withdraw from the process;

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<sup>1</sup> The term 'values' covers lakeside, landscape, biodiversity, ecological, amenity, recreational and other inherent values associated with Crown owned lands.

- 13.3 agree that a property not currently in tenure review should not be excluded from the process until an invitation for tenure review from the leaseholder has been considered;
- 14 agree that the default assumption for lakeside properties is that they should be excluded from tenure review and that other means should be used to protect their landscape, biodiversity, access and other values, unless it is clear now or in the future that tenure review would:
  - 14.1 not significantly impact on those values;
  - 14.2 demonstrably be in the public interest;
- 15 invite the Minister for Land Information and the Minister of Conservation to report to POL by 31 August 2007 on the results of the property identification exercise referred to in paragraph 13 above;
- 16 agree that the Minister for Land Information:
  - 16.1 ask the CCL to report to the Minister on all new properties due to enter into tenure review before the CCL makes a decision about whether or not to undertake the review;
  - 16.2 consult with the Minister of Conservation before providing comment to the CCL;

#### **Managing pastoral lease land and discretionary consents**

- 17 agree that pastoral lease land be managed (in accordance with the CPLA and the Land Act) in a way that protects values and ensures that they are not undermined by the issuing of discretionary consents;
- 18 note that detailed information on the issuing of discretionary consents is not centrally held and that a project is underway to remedy this;
- 19 direct LINZ (lead) and DOC to:
  - 19.1 review whether:
    - 19.1.1 pastoral lease land is being managed and good husbandry being practised in accordance with the provisions of the Land Act;
    - 19.1.2 discretionary consents are being issued in accordance with the relevant provisions of the CPLA and the Land Act;
  - 19.2 report to the Minister for Land Information and Minister of Conservation on the results of that review, and any recommendations for change, by 30 November 2007;

## Tenure review process improvements and funding approval

- 20 note that LINZ and DOC have improved their quality assurance processes for tenure review by establishing a senior managers group to advise the CCL on preliminary and substantive proposals before the CCL reports them to the Minister for Land Information for comment and presents them to leaseholders;
- 21 note that the CCL is now reporting to the Minister for Land Information on all tenure review proposals (preliminary and substantive) before they proceed, thereby enabling the Minister to comment on proposed outcomes, and to request any further information;
- 22 agree that, before any tenure review proposal can proceed:
- 22.1 it must receive funding approval from the Minister for Land Information, whose consent will be:
    - 22.1.1 sought in principle at the preliminary proposal stage;
    - 22.1.2 confirmed at the substantive proposal stage;
  - 22.2 this approval will be sought at the same time as the CCL reports to the Minister for Land Information on the proposed outcomes of the tenure review;
  - 22.3 the Minister for Land Information will consult the Minister of Conservation on both the proposed outcomes and funding;
- 23 direct LINZ to give effect to the funding approval requirement referred to in paragraph 22 for appropriations in Vote Lands to be expended (or in some cases revenue received) on the financial settlement for a tenure review;
- 24 note that in April 2007, Cabinet agreed to a reporting process for the disposal of Crown land that is 'sensitive' land or has a value of \$1.0 million or more [CAB Min (07) 11/3B];
- 25 note that tenure review land will need to go through the land disposal reporting process before the Minister for Land Information comments on and approves funding for tenure review proposals relating to the land;

## High country parks and reserves

- 26 note that significant progress has been made towards the establishment of a network of high country parks and reserves, and that to date:
- 26.1 five new high country parks have been opened with land obtained through tenure review and lease purchases being combined with already existing public conservation land;
  - 26.2 Molesworth station has become a high country park, through a separate process;
- 27 note that five further high country parks are currently being progressed through tenure review and/or lease purchase;
- 28 agree that priority be given to completing the establishment of these five high country parks, and to making desirable additions to existing parks;

- 29 direct DOC (lead) and LINZ to report to the Minister of Conservation and the Minister for Land Information by 31 July 2007 on how to progress the high country park network in this manner by the end of 2008;
- 30 note that, whether or not pastoral lease land has been excluded from tenure review, LINZ, the National Heritage Fund or both could purchase an entire pastoral lease for use as high country park or reserve, with parts that are of limited significance being available to trade for further conservation gains or for sale on the open market (with or without protective covenants and easements, as appropriate);
- 31 agree that acquisition through tenure review of land needed to establish new parks must not unduly compromise the protection of significant values on other land, and that such values can often be best protected by establishing new high country reserves;

#### **Pastoral lease access issues**

- 32 note that the Minister for Land Information has directed LINZ to ensure that all marginal strips are identified and recorded before any tenure review outcome is finalised, and that work is underway to give effect to this requirement;
- 33 direct LINZ (lead) and DOC to report to the Minister for Land Information and Minister of Conservation by 31 July 2007 on how Land Act provisions might be used to provide public access through pastoral lease land;
- 34 direct LINZ (lead) and DOC, in consultation with the Ministry of Agriculture and Forestry, to ensure that any proposals as to how Land Act provisions might be used to provide public access through pastoral lease land are then integrated with the government response to the Walking Access Consultation Panel report and work to address the implications of rent increases for pastoral lease land;

#### **Reporting on government's high country objectives**

- 35 note that in December 2003, the Cabinet Business Committee directed officials to report to POL on progress and issues each year in October against the government's objectives for the high country, and to specifically report on:
- 35.1 stakeholder responses to progress;
- 35.2 lessee participation in tenure review;
- 35.3 socio-economic effects on specific park proposals;
- [CBC Min (03) 10/3]
- 36 note that the report to POL in October 2007 will be a combined report for the years ending 30 June 2006 and 30 June 2007.

Adrian MacGregor  
for Secretary of the Cabinet

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Copies to: (see over)

**Copies to:**

Cabinet Business Committee  
Chief Executive, DPMC  
Director, PAG, DPMC  
PAG Subject Advisor, DPMC  
Secretary to the Treasury  
Director-General, Ministry of Agriculture and Forestry (Agriculture)  
State Services Commissioner  
Chief Executive, Te Puni Kokiri  
Secretary for Internal Affairs (Local Government)  
Minister of Conservation  
Director-General of Conservation  
Minister for the Environment  
Secretary for the Environment  
Minister for Rural Affairs  
Director-General, Ministry of Agriculture and Forestry (Rural Affairs)  
General Manager, Ministry of Tourism  
Minister for Land Information  
Chief Executive, Land Information New Zealand

OFFICE OF THE MINISTER OF CONSERVATION  
OFFICE OF THE MINISTER FOR LAND INFORMATION

**SENSITIVE**

Chair  
Cabinet Policy Committee

**SOUTH ISLAND HIGH COUNTRY: LANDSCAPE, BIODIVERSITY AND  
ACCESS ISSUES**

**Proposals**

- 1 This paper proposes that:
  - (i) those South Island high country pastoral lease properties with highly significant lakeside, landscape, biodiversity or other values<sup>1</sup> that are unlikely to be protected to the satisfaction of the Crown by the tenure review process be excluded from the process;
  - (ii) pastoral lease land be managed (in accordance with the Crown Pastoral Land Act 1998 and the Land Act 1948) in a way that protects values and ensures that they are not undermined by the issuing of discretionary consents;
  - (iii) before any tenure review proposal can proceed, it must receive funding approval from the Minister for Land Information;
  - (iv) priority be given to completing high country parks that are currently being progressed, and to making desirable additions to existing parks; and
  - (v) issues of public access through pastoral lease land to rivers, lakes, public conservation land or other public accessways be considered further in conjunction with the government response to the Walking Access Consultation Panel report and proposals.

**Executive Summary**

- 2 The Crown owns approximately 2 million hectares of land in the South Island high country, which is leased or (in a few cases) licensed for pastoral farming. The tenure review process divides leases into land being returned to full Crown ownership and control (as public conservation land) and land being freeholded to leaseholders.
- 3 Where all or most of a property should become conservation land, a whole lease purchase has on occasion been made by Land Information New Zealand (LINZ) or the Nature Heritage Fund (NHF). Partial property purchases have also been made by the NHF.

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<sup>1</sup> The term 'values' is used throughout the paper to cover lakeside, landscape, biodiversity, ecological, amenity, recreational and other inherent values associated with Crown owned lands.

- 4 As tenure review has proceeded, concerns have been increasingly raised about how well it is protecting values, especially around lakesides, and lowland biodiversity within the high country. We share those concerns.
- 5 Statutory responsibility for tenure review decisions lies with the Commissioner of Crown Lands (CCL). However, the CCL is now reporting to the Minister for Land Information on all tenure review proposals, thereby enabling the Minister to comment on the proposed outcomes and request any further information.
- 6 Pastoral leasehold tenure has the effect of providing a degree of protection to land with landscape, lakeside, biodiversity or other values. In particular, it has prevented subdivision and development resulting from it. Other land use changes have been constrained to an extent because non-pastoral land uses require the consent of the CCL.
- 7 We believe it desirable that the current degree of protection not be lowered. We therefore propose that the Crown:
  - identify any properties that should be withdrawn from tenure review, or not accepted into the process, where highly significant values are unlikely to be protected to the satisfaction of the Crown by the process, so that these properties would continue to be used for pastoral farming;
  - review its monitoring of land management practices on pastoral lease land, and ensure that values on the land are not undermined by the issuing of discretionary consents.
- 8 In association with these measures, we also propose that:
  - before any tenure review proposal can proceed, it must receive funding approval from the Minister for Land Information;
  - priority be given to completing high country parks that are currently being progressed, and to making desirable additions to existing parks; and
  - issues of public access through pastoral lease land be considered further in conjunction with work on the Walking Access Consultation Panel (WACP) proposals.

## **Background**

### ***Origins of this paper***

- 9 The Crown owns approximately 2 million hectares of land in the South Island high country, which is leased or (in a few cases) licensed for pastoral farming. The high country is a special part of New Zealand, and the public has a strong interest in its future. High country landscapes are central to the vision we have of ourselves as New Zealanders and that tourists have of New Zealand.
- 10 In August 2003, the government adopted 10 South Island high country objectives (government's high country objectives) [POL Min (03) 19/7 and CAB Min (03) 27/3 refer], which set out the wide range of things that the government wants to

achieve in the high country – environmental, economic, social, and financial. The objectives most relevant to this paper are to:

- Promote the management of the Crown’s high country land in a way that is ecologically sustainable;
  - Enable reviewable land that is capable of economic use to be freed of current management constraints;
  - Protect significant inherent values of reviewable land by the creation of protective measures; or preferably by the restoration of the land concerned to full Crown ownership and control;
  - Secure public access to and enjoyment of high country land; and
  - Progressively establish a network of high country parks and reserves.
11. In February 2005, Cabinet noted that while tenure review and lease purchase were the key tools being used to achieve the government’s high country objectives, there were additional statutory tools that could be used or considered to achieve the objectives, including tools under the Crown Pastoral Land Act 1998 (CPLA), the Land Act 1948 (Land Act), and the Resource Management Act 1991 (RMA) [POL Min (05) 2/9 and CAB Min (05) 5/2 refer].
12. Cabinet also noted that the government is willing for the Crown to be a high country pastoral lessor indefinitely in cases where doing so is consistent with all of the high country objectives, including the objective of obtaining a fair financial return to the Crown [POL Min (05) 2/9 and CAB Min (05) 5/2 refer].
13. Cabinet further noted that for lowland areas within the high country, tenure review is not delivering outcomes consistent with the New Zealand Biodiversity Strategy [POL Min (05) 2/9 and CAB Min (05) 5/2 refer].
14. In a paper to Cabinet in October 2006 – ‘*South Island High Country: Pastoral Leases Valuation Reviews: Report Back*’ [CAB (06) 415 refers] – the Minister for Land Information said that there are concerns as to whether tenure review is dealing well with landscape values, especially around lakesides. This present paper responds to the landscape and biodiversity concerns.

#### ***Tenure review and lease purchase***

15. Tenure review of high country pastoral leases is conducted under Part 2 of the CPLA, and is a voluntary process, initiated by high country leaseholders or by the CCL to enable, amongst other things, the:
- protection of significant inherent values on pastoral lease land, either through protective mechanisms, or preferably through return of the land concerned to full Crown ownership and control; and
  - freehold disposal of land capable of economic use, either with or without protective mechanisms (such as covenants and easements).

- 16 LINZ runs the process, overseeing negotiations with the leaseholder and consulting with Department of Conservation (DOC), Fish and Game, iwi, and the public (including environmental non-government organisations such as Forest and Bird, and Federated Mountain Clubs). Statutory responsibility for tenure review decisions lies with the CCL.
- 17 Under a completed tenure review, part of a leased property is returned to full Crown ownership and control (as public conservation land) and the leaseholder is granted freehold title to the remainder (sometimes with protective mechanisms, such as covenants and easements). An associated financial settlement deals with the difference in value of interests exchanged.
- 18 Tenure review has delivered important gains for conservation, public access and recreational opportunities, and diversified economic use has occurred on freeholded land. With freeholded land subject only to RMA requirements, wide-ranging activities are possible that were not permitted when the land was under pastoral lease, e.g. viticulture, lifestyle subdivision, and greater commercial recreation.
- 19 Under the CPLA, 304 pastoral leases were eligible for tenure review. Of the 193 that have entered the process, 59 are completed or near completion. This has resulted in 42% (127,000 ha) of land going to conservation and 58% (176,000 ha) of land being freeholded.
- 20 Where all or most of a property should become public conservation land, a whole lease purchase has on occasion been made instead by LINZ or the NHF, e.g. the Leatham, Birchwood and Michael Peak pastoral leases. Partial property purchases have also been made by the NHF.
- 21 Tenure review under the CPLA and lease purchases have, in total, resulted in an overall 50/50 split between land being transferred to public conservation land and land being freeholded.
- 22 Significant progress has been made towards the establishment of a network of high country parks. To date, five new parks have been opened (Ahuriri, Korowai-Torlesse, Te Papanui, Eyre Mountains/Taka Ra Haka and Ruataniwha). The parks were formed from land obtained through tenure review and lease purchases being combined with already existing public conservation land. Five further parks are currently being progressed.
- 23 Molesworth station in Marlborough has also become a high country park (through a separate process). Public access to and enjoyment of Molesworth has been secured, while it also continues as a commercial farming operation.
- 24 Many high country reserves – historic, recreation, scenic, scientific, and wildlife – have been created as a result of tenure review. Reserves are often used to protect significant lowland biodiversity in the high country.

### *Tenure review process improvements*

- 25 LINZ and DOC have improved their quality assurance processes for tenure review, particularly through the establishment of a senior managers group (a 'Quality Assurance Board') to advise the CCL on preliminary and substantive proposals before the CCL reports them to the Minister for Land Information for comment and subsequently presents them to leaseholders.
- 26 LINZ is also reviewing the basis on which its tenure review contractors are paid. This is a consequence of concerns that the current contractual terms encourage contractors to progress negotiations so as to achieve milestones that trigger payment for services rather than to achieve appropriate protection of significant values at least cost to the Crown.
- 27 Since the latter part of 2006, the CCL has been reporting to the Minister for Land Information on all tenure review proposals (preliminary and substantive) before they proceed. This enables the Minister to comment on proposed outcomes, including the protection of values, and to request any further information. This arrangement will continue.
- 28 Cabinet has recently adopted a reporting process – at this stage interim – for the disposal of any land of the Crown (CAB Min (07) 11/3B refers). This requires that the Chief Executive of LINZ be notified of the proposed disposal of land that is 'sensitive' land or has a value of \$1 million or more, and then report on the proposed sale to the Minister for State Owned Enterprises (lead), the Responsible Minister and the Minister for Land Information.
- 29 Land dealt with by tenure review – either by way of freehold disposal or transfer to DOC – will almost always come within the ambit of the land disposal reporting process. LINZ will notify the relevant Ministers whenever a pastoral lease is to be accepted into the tenure review programme, and also at the preliminary and substantive proposal stages.

### *Access issues – history of existing powers under the Land Act 1948*

- 30 The relative lack of public legal access through high country pastoral leases in the South Island is a consequence of settlement patterns in New Zealand during the mid to late 1800s.
- 31 European settlement of New Zealand was proceeding at pace in the 1850s and 1860s. At first the provincial Governments were required by the colonial Crown to ensure that all land was surveyed prior to Crown grant. During the survey process, public access was supposed to be secured through land being granted to settlers by the creation of legal roads.
- 32 The pace of settlement was, however, so high that surveyors had trouble keeping up. Systems of sale before survey were introduced, and so surveying was often carried out after the land was sold and occupied. At times legal roads were plotted on the unsurveyed plans, with little regard to practical land contours and

obstacles, in order to enable sales to take place. These roads became known as paper roads.

- 33 The Walking Access Consultation Panel (WACP) presented its report – ‘*Outdoor Walking Access*’ – to the government in early 2007. A former Registrar-General of Land, Brian Hayes, produced companion documents for the Panel in which he said:

*‘[T]he roading pattern set out by the early surveyors along water and over land to be Crown granted was the foundation of free, public and permanent access in New Zealand. The intention was that most of these roads would remain in a state of nature...’; and*

*‘[T]he unformed roading network ... is one of the greatest recreational assets of the nation, for it is the one mechanism that provides an unqualified guarantee of access for everyone.’*

- 34 A substantial proportion of the legal roads reserved for access purposes were therefore never intended to be formed. This was especially true of the legal roads created adjacent to, or leading to, the foreshore and rivers.
- 35 Surveying effort was focussed around coastal areas where early settlement was concentrated. For more remote inland areas, there was often very little surveying done outside of townships. In part this was because of the large size of the land areas involved and in part because settlers were not being granted freehold tenure.
- 36 For the vast areas of land that are now in pastoral leases, the original grants were more often non-renewable pastoral licences. The licensee had no long-term rights to hold the land, and so there were no long-term access issues for the Crown, because at the end of the licence public accessways could be created if the need arose.
- 37 The tenure of most non-renewable pastoral licences then changed to perpetually renewable pastoral leases, the most recent terms of which – perpetually renewable 33 year terms – are set out in the 1948 Land Act. The lease land was seldom surveyed in detail. Even now the boundaries of many pastoral leases are defined as ridgelines or rivers. Consequently legal roads were never created for public access in the way they were for coastal regions.
- 38 Against the background that these properties had never been surveyed in the way other areas had been prior to Crown grant, Parliament has always made a condition of pastoral leases that the Crown can resume parts of a lease for legal roads or other public purposes. Section 117 of the Land Act provides the means to create legal roads, including through Crown leasehold properties. The lessee is protected by a requirement for compensation and rent reduction.

- 39 As with other unformed roads that already exist throughout New Zealand, the creation of new legal roads over Crown land that is not being subdivided would not create any obligation for the Crown or local councils (in which they vest) to form them. Also, the rights of public access could be restricted to non-vehicular access, if that were preferred.
- 40 While an adjoining landowner can be required by the council to fence the boundary of a road, this power has been exercised with discretion. It is unlikely that councils would impose unreasonable requirements in relation to unformed roads that are being used for public access.
- 41 For the sake of completeness, under the three Counties Acts that were in effect from 1908 to 1978, physical tracks that existed at the time of those Acts were given the status of public roads even though they were never surveyed. That status exists to this day, and some existing tracks through pastoral leases will already be legal roads by virtue of this old provision.

## **Comment**

### *Concerns about tenure review*

- 42 Because tenure review is a voluntary process, a proposal cannot go ahead unless the leaseholder accepts it. The aspirations of the Crown and leaseholders will vary, and so compromises are inevitable if deals are to be done with leaseholders and tenure review is to contribute to the overall achievement of the government's high country objectives.
- 43 Concerns have been increasingly raised over the last year or so, by various non-government organisations, the general public and in the media, about whether tenure review is adequately protecting landscape values, especially around lakesides, and lowland biodiversity within the high country. We share those concerns.
- 44 The concerns have arisen for various reasons, including:
- increasing awareness of the importance of relatively undeveloped high country landscapes;
  - the potential of tenure review to segment high country landscapes;
  - the perceived limitations of local and regional administration of the RMA to protect high country landscapes and biodiversity and to prevent inappropriate subdivision on land freeholded through the tenure review process;
  - the publication of research on the effects of tenure review on the threat status of high country lowland biodiversity; and
  - increasing market interest in high country landscapes, especially where they include lakeside land.

- 45 The concerns have been raised by stakeholders including the Canterbury Aoraki Conservation Board, the Royal Forest and Bird Protection Society, Environment Canterbury, and the New Zealand Ecological Society. The concerns are particularly focused on areas of high country landscape that are well-known nationally and internationally and are central to tourism, particularly around Lakes Tekapo, Pukaki, Ohau, Wakatipu, Wanaka and Hawea.
- 46 Many members of the public have contacted us concerned that the freeholding of land adjoining lakes through the tenure review process (e.g. Richmond Station at Lake Tekapo) will over time result in the land being subdivided and developed. They want such land to be retained by the Crown and access through it to be made available for the public.
- 47 The New Zealand Institute of Landscape Architects, amongst others, is concerned that current decision-making by the Crown is resulting in a 'top heavy' high country landscape whereby the Crown is retaining the higher parts (e.g. mountain tops) of high country landscapes and is freeholding the lower parts, such as lakesides.
- 48 The lowland biodiversity concerns relate to a pattern having emerged in tenure review where in general higher altitude areas – and their biodiversity values – are protected by the land being retired into public conservation land, but lower altitude land – which may contain significant biodiversity values – is freeholded, usually without protective covenants. Consequently, lowland biodiversity values can be put at further risk following freeholding through changed or intensified land use.
- 49 On the other hand, much lower altitude land is already modified by 150 years of pastoral activity. It is generally the most intensively utilised part of the property, and contains the majority of the physical infrastructure (fencing, tracks, shelters, etc).
- 50 The lowland biodiversity concerns were supported in a study, released last year, by Landcare Research ecologist Dr Susan Walker and her co-authors. The study, which continues to cause debate, concluded that the lowland areas of highest priority for biodiversity protection are being freeholded through tenure review.
- 51 General concerns have also been expressed that public access is not always sufficiently provided for in the high country.

#### *Leaseholder response to concerns*

- 52 The co-chair of the High Country Accord (Ben Todhunter) has addressed a number of the concerns being raised<sup>2</sup>. He:
- points out that about a third of the land on the shores of Lakes Tekapo, Pukaki and Ohau has been freehold for many years, yet subdivisions here are few, with the only two subdivisions resulting from tenure review being lifestyle blocks of 20-100 hectares at the southern end of Pukaki. He notes

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<sup>2</sup> *New Zealand Farmer*, 11 January 2007; *New Zealand Geographic*, No 84 March-April 2007

that these areas are subject to development restrictions, including lakeside protection provisions and scenic viewing corridors;

- says that freehold title is not associated with open-slather development. He asserts that there are strict limits to development under district plans and that councils are far from quiet when it comes to defending iconic landscapes;
- advocates for whole-farm management plans, supported by legally binding covenants (for improved public access, landscape protection and biodiversity), as a preferred option for most land in tenure review settlements;
- says that such plans would put an end to the current practice of drawing lines across landscapes – one side for conservation, the other to intensified farming – and would enable sustainable low-intensity grazing systems, along with their visual and cultural heritage, to be maintained.

#### *Ministers' response to concerns*

- 53 All of the points raised by leaseholders, stakeholders and the public, outlined above, are addressed below.

#### *Protective effect of pastoral leasehold tenure*

- 54 The pastoral leasehold tenure has had the effect, over many decades, of providing a degree of protection to land with landscape, lakeside, biodiversity and other values. In particular, the tenure has prevented subdivision and intensive development resulting from it. Other land use changes have been constrained to an extent because non-pastoral land uses require consent from the CCL. The attributes of whole-farm management plans (referred to in para 52) are achieved, or could be achieved, within the leasehold tenure.
- 55 On the other hand, ongoing grazing and pastoral use can result in continuing degradation of indigenous ecosystems and the habitats of native plant and animal species.
- 56 Where non-pastoral activities or land disturbance (e.g. recreation/tourism, tussock burning, oversowing, topdressing, forest planting) are proposed on the land, the leaseholder must apply for permission to the CCL, as 'landlord' of the Crown's pastoral land assets. Under the CPLA and Land Act, the CCL has power to make decisions on such applications, after consulting DOC, and to issue 'discretionary consents' to carry them out.
- 57 Concerns have been expressed, however, that the issuing of some discretionary consents by the CCL has resulted in undesirable changes to landscape and biodiversity, e.g. if tussockland is converted to exotic pasture or forest.

## ***Resource Management Act 1991***

- 58 The RMA makes provision for the protection of outstanding natural features and landscapes (as matters of national importance), from inappropriate subdivision, use, and development. The RMA also provides for the maintenance of indigenous biological diversity and the protection of significant indigenous vegetation and habitats. The Ministry for the Environment provides guidance material on the RMA landscape provisions for planning practitioners.
- 59 The RMA applies to all land, whether held under pastoral lease or freehold tenure (including pastoral lease land that has been freeholded). Activities on all land have to comply with the RMA and District and Regional Plans made under it, which provide the means for communities to determine appropriate land use. However, the restraints of the CPLA and Land Act mean that in practice the need to bring the RMA into play on issues relating to pastoral leasehold land has been limited.
- 60 There is growing awareness of gaps in how the RMA's provisions relating to natural features and other values are implemented by councils through policies and plans. For example, the Canterbury Regional Council (Environment Canterbury) has identified landscape as a key issue that needs to be addressed in the review of its Regional Policy Statement. Also, the Mackenzie District Council is considering changes to its District Plan to tighten control over unsuitable rural subdivision and development. (At present the Plan allows subdivision with no minimum lot size in the rural zone, which covers the shores of Lakes Tekapo, Pukaki and Ohau.)
- 61 Meantime, the effectiveness of existing landscape provisions in the RMA policies and plans in the South Island high country is variable, while at the same time there is increasing interest in, and pressure on, lakeside property and development. Consequently, where pastoral leasehold land has values of such significance that protection of it should not be lowered, reliance on the RMA after the land is freeholded may be less effective than preventing the land from being freeholded in the first place.

### **Comment on proposals**

***Proposal (i): That those South Island high country pastoral lease properties with highly significant lakeside, landscape, biodiversity or other values that are unlikely to be protected to the satisfaction of the Crown by the tenure review process, be excluded from the process***

#### ***Participation in tenure review***

- 62, Under the CPLA and in accordance with the government's high country objectives, pastoral lease land under tenure review with significant inherent values should be returned to full Crown ownership and control or only freeholded with an appropriate protective mechanism. Otherwise, the land should remain as pastoral lease and be administered in a way that protects its values.

Pastoral lease tenure has been effective in protecting a range of values, particularly landscape values.

- 63 The land would be protected from development such as subdivision, but would continue to be available for pastoral farming, and be subject to the constraints of the CPLA and the Land Act. This may, however, mean that while landscape and lakeside protection continues, biodiversity outcomes may not be achievable to a substantially greater degree than at present.
- 64 In practice, because of Crown fiscal constraints, the return to the Crown of all pastoral lease land with high values is not achievable. Retaining such land as pastoral lease would comply with existing government policy, because the government has agreed that it is willing for the Crown to be a high country pastoral lessor indefinitely in cases where doing so is consistent with all of the high country objectives, including the objective of obtaining a fair financial return to the Crown [POL Min (05) 2/9 and CAB Min (05) 5/2 refer].
- 65 Some pastoral lease properties include land that leaseholders are almost certain to want as unencumbered freehold land through tenure review (because such land is the core of their future economic vision for the property) and that the Crown will want to retain some form of ownership interest in (e.g. to ensure the protection of lakeside landscape values from subdivision). In such cases, it is better to avoid embarking on or continuing with tenure review, and to focus instead on administering the pastoral leases appropriately in order to protect the values (where the values the Crown wishes to protect are compatible with pastoral lease tenure).

***CCL withdrawing from tenure review, or declining to enter the process***

- 66 The CCL can exercise his power under section 33 of the CPLA to discontinue a tenure review at any time. The CCL does not commit the Crown to completing any particular review (until a substantive proposal is accepted by a leaseholder), and so a challenge to the CCL withdrawing would be unlikely to succeed.
- 67 Moreover, the tenure review process is a matter of government policy under an enabling statute (CPLA), and it is open to Cabinet to conclude that the policy should be changed. In any event, if the Minister for Land Information declines funding approval for a particular tenure review (as per proposal (iii) in this paper), then the review cannot in practice proceed.

***Properties currently in tenure review***

- 68 We therefore propose that LINZ, in consultation with DOC, identify properties currently in the tenure review process where the Crown should withdraw from the process to ensure that values that are compatible with pastoral farming are retained through the land remaining under pastoral lease (and administering it appropriately as per proposal (ii)). This review exercise would focus on lakeside, landscape and biodiversity values.

- 69 The review would draw on existing resources, including DOC guidance for identifying and assessing significant inherent values, and the criteria being developed for reviewing the disposal of Crown land. The review will also be informed by Cabinet's direction that government departments with land management responsibilities give consideration to the National Priorities for the Protection of Rare and Threatened Indigenous Biodiversity on Private Land in their work programmes [POL Min (06) 28/14 refers].
- 70 We will report the results of the review to Cabinet by 31 August 2007.

*Default assumption for lakeside properties*

- 71 We propose that the default assumption for lakeside properties is that they should be excluded from tenure review and that other means (canvassed in this paper) would be used to protect their landscape, biodiversity, access and other values. This default assumption would apply unless it is clear now or in the future that tenure review would not significantly impact on those values, and would demonstrably be in the public interest.

*Properties not currently in tenure review*

- 72 LINZ believes that the review exercise should also include lakeside properties not in tenure review, in order to provide certainty to the public and leaseholders. LINZ considers that that the exercise may also reveal some other properties not currently in tenure review that could be excluded from the process, e.g. where neighbouring properties, including one or more in tenure review, all contribute to a continuity of landscape values. All such lakeside and other properties would be included in the 31 August 2007 report back.
- 73 DOC supports the lakeside properties default assumption, but does not agree that an individual property should be explicitly excluded from tenure review before the leaseholder has expressed an interest in entering tenure review and that interest has been considered. DOC is concerned that such exclusion could risk losing opportunities to protect the Crown's interest in lakeside and other values while still meeting the wishes of the leaseholder, and could also have an adverse effect on other Crown relationships with leaseholders.
- 74 DOC also believes that the exclusion process would require considerable resources, as it would need to fully consider all relevant matters and include consultation with leaseholders. DOC would prefer those resources to be targeted at properties within the tenure review process and to improving management of pastoral lease land.
- 75 DOC supports providing a clear message that the privatisation of important lakeshore and similar values is not acceptable, but believes that announcement of a generic lakeside default policy would meet that requirement without the negative effects of identifying particular properties. The proposed new requirement for entry to tenure review to involve Ministers would ensure that inappropriate properties do not enter the process.

- 76 LINZ and DOC agree, however, that it would be inappropriate to review all 111 properties not currently in tenure review, because the aspirations of leaseholders will generally not be known, and many may have no intention of ever entering into tenure review. Also, such a comprehensive review would need substantial resourcing. If exclusion decisions were made on limited information, opportunities to protect significant values could be lost.
- 77 The analysis carried out for properties covered by the review would provide guidance for when the CCL should in the future decline to enter into tenure review. The Minister for Land Information proposes to request the CCL to report to the Minister on all new properties due to enter into tenure review before the CCL makes a decision about whether or not to undertake the review. This will enable the Minister to comment on the proposed tenure review. The Minister for Land Information will consult with the Minister of Conservation before providing that comment.

***Crown purchase of pastoral lease by LINZ or the NHF***

- 78 An alternative way of protecting values on pastoral lease land is for the Crown to purchase it. The Nature Heritage Fund (NHF) and LINZ have on occasion made purchases of whole high country pastoral leases. Partial purchases have also been made by the NHF. Subject to funding constraints and Ministerial direction, the NHF and LINZ could potentially purchase some additional pastoral lease land with priority landscape and biodiversity values (including lakesides) that would not be easily protected through the tenure review process.
- 79 Whole lease purchases by LINZ could be made on the basis of land then being transferred to DOC as public conservation land, with the remainder being available to trade for further conservation gains or for sale on the open market (with or without protective covenants and easements, as appropriate). Such outcomes have been achieved in cases to date.
- 80 LINZ and DOC would need to agree which tool (i.e. tenure review or lease purchase) is appropriate in individual cases, and which of the two agencies would take the lead in a purchase. Such co-ordination has occurred successfully in cases to date.

***Proposal (ii): That pastoral lease land be managed (in accordance with the Crown Pastoral Land Act 1998 and the Land Act 1948) in a way that protects values and ensures that they are not undermined by the issuing of discretionary consents***

***Land use changes on pastoral leases***

- 81 Areas of the high country are undergoing significant changes in land use. For example, in the Mackenzie basin there has been land use conversion from tussockland to exotic pasture on alluvial fans and terraces, this including along the highway between Tekapo and Omarama.
- 82 Much of this activity is taking place on freehold land but some is occurring on pastoral leasehold land. The changes are occurring in accordance with the

provisions of the relevant district and regional plans, and often attract significant public comment in the consent process.

### *Discretionary consents*

- 83 Under the CPLA and the Land Act, the CCL is responsible for making decisions on discretionary consent applications for non-pastoral activities or land disturbance. In practice, decision-making is delegated to LINZ contractors acting under standards issued by the CCL.
- 84 The CPLA requires that, in considering an application, the CCL must consult DOC, and must take into account the desirability of:
- protecting the inherent values of the land concerned (other than attributes and characteristics of a recreational value only), and in particular the inherent values of indigenous plants and animals, and natural ecosystems and landscapes; and
  - making it easier to use the land concerned for farming purposes.
- 85 Activities carried out under discretionary consents can diminish or even destroy values, e.g. if an indigenous tussockland is converted into exotic grass or forest. This could also cause a shift in the proportion of ownership value from the Crown to the leaseholder, with the 'improvements' on the paddock becoming part of the leaseholder's financial value.
- 86 The Minister for Land Information has sought detailed information on the issuing of discretionary consents. The information is not centrally held and a project is underway to remedy this.

### *Crown's land management role*

- 87 There are two related issues for the Crown, i.e. whether:
- the Crown monitors land management practices on pastoral leases adequately, and whether the 'good husbandry' requirements of pastoral leases are being applied correctly and consistently in accordance with the Land Act (see s 99); and
  - values (especially biodiversity values) on pastoral leases are being undermined by the issuing of discretionary consents, and whether such consents are being issued in accordance with the relevant provisions of the CPLA and the Land Act.
- 88 We propose that both aspects be reviewed by LINZ, in consultation with DOC, and that any necessary changes be identified and implemented.
- 89 As part of the review of the discretionary consent process, consideration could be given to identifying a threshold for when discretionary consent applications involving conversion of tussockland (or other indigenous vegetation) to another vegetation cover (e.g. exotic pasture, forest) should be reported by the CCL to

the Minister for Land Information for comment before decisions are made on them.

**Proposal (iii): *That before any tenure review proposal can proceed, it must receive funding approval from the Minister for Land Information***

- 90 Since the latter part of 2006, the CCL has been reporting to the Minister for Land Information on all tenure review proposals (preliminary and substantive), before they proceed, thereby enabling the Minister to comment on the proposed outcomes and request any further information. The Minister assesses a proposal in terms of each of the government's high country objectives (including the obtaining of a fair financial return to the Crown), and considers any trade-offs made between the objectives.
- 91 While statutory responsibility for tenure review decisions lies with the CCL, any decision by the CCL is dependent on funds to enable the tenure review to be completed, and there is no legal obligation on the Minister for Land Information to provide such funding.
- 92 A requirement could be readily introduced (it would not require legislative change) that the Minister for Land Information formally approve the funding of any tenure review proposal before it could proceed. For every tenure review financial settlement, the Minister for Land Information:
- would receive details of the proposed settlement and the valuation information used to reach it; and
  - would receive an analysis of how the proposed settlement impacts on the overall tenure review budget and relates to other tenure review priorities.
- 93 Funding approval would be sought in principle at the preliminary stage, and confirmed at the substantive stage. The Minister for Land Information would consult with the Minister of Conservation before giving or declining approval.
- 94 Such formal funding approval would provide an additional check in the tenure review process by giving the Minister for Land Information the opportunity to decline funding where in the Minister's view the government's high country objectives were not sufficiently met by a particular proposal. For example, the Minister might conclude that values on land proposed to be freeholded would not continue to be sufficiently protected.
- 95 Note, however, that land will need to go through the reporting process for the disposal of Crown land before the Minister for Land Information comments on and approves funding for tenure review proposals relating to the land.

**Proposal (iv): *That priority be given to completing high country parks that are currently being progressed, and to making desirable additions to existing parks***

- 96 Five further high country parks are currently being progressed through tenure review/lease purchase. This would bring to 11 the number of high country parks created since 2000, out of about 20 proposed. It would also be desirable to make some additions to existing parks, (e.g. Ruataniwha).
- 97 We propose that DOC, in consultation with LINZ, report to us by 31 July 2007 on how to progress the high country park network in this manner by the end of 2008.
- 98 The five potential further parks involve land where there is a strong case for full Crown ownership and control in terms of achieving the government's high country objectives. Significant areas of land have already been acquired for them. The alternative measures in proposal (ii) would not achieve optimal results in these cases.
- 99 Other new high country parks are also potentially achievable, but are not priorities for completion at this stage.
- 100 We have already noted that compromises are inevitable if tenure review deals are to be done between leaseholders and the Crown. The acquisition through tenure review of land needed to establish parks must not, however, unduly undermine the protection of significant inherent values on other land. Such values can often be best protected by establishing new high country reserves.

**Proposal (v): *That issues of public access through pastoral lease land to rivers, lakes, public conservation land or other public accessways be considered further in conjunction with the government response to the Walking Access Consultation Panel report and proposals.***

- 101 Crown pastoral lessees have similar legal rights to freehold titleholders to determine who enters a property. Some lessees make reasonable access to streams and tracks available to the public, usually on request. Others deny access or make it difficult. The historical reasons for the limited legal access available through pastoral leases, and powers under the Land Act to improve access, are discussed in paragraphs 30 to 41 above.
- 102 One of the government's high country objectives is to improve public access to the high country. Tenure review and lease purchase have been the primary means by which this has been pursued. Important public access gains have been delivered.
- 103 The report of the Walking Access Consultation Panel (WACP), released in March 2007, makes recommendations on improving existing access rights through freehold land. Officials led by the Ministry of Agriculture and Forestry are considering the WACP report and are due to report back in August 2007 on a government response to its proposals.

- 104 The WACP report does not address the particular issues of pastoral lease land or the Crown's powers under the Land Act. However, any initiatives using Land Act provisions to improve public access through pastoral lease land would need to be consistent with the WACP's preference for an approach to public access that builds on the existing goodwill and co-operation of landholders.
- 105 Proper application of s 131 of the Land Act [CAB Min (06) 37/6 refers] has had the impact of increasing rents for Crown pastoral leases perceived to possess amenity values. This has been demonstrated in the release of recent rental valuations where the rent has increased by an average of 68% due to the full inclusion of amenity values [CAB Min (07) 13/1C refers].
- 106 The proposed Cabinet Paper titled '*South Island High Country Pastoral Leases Valuation Reviews: Report Back*' will address the implications of increased rents, including a proposal to remit rent in exchange for land improvements or access.
- 107 We propose that officials:
- report back to us by 31 July 2007 on how Land Act provisions might be used to provide public access through pastoral lease land; and
  - ensure that any such proposals are then integrated with the government's response to the WACP report and work to address the implications of rent increases for pastoral lease land.

### ***Marginal strips***

- 108 Under Part 4A of the Conservation Act 1987, movable marginal strips are created on qualifying waterways in prescribed situations. They are automatically created on pastoral leases when the leases are renewed, or land is freeholded in tenure review.
- 109 The Minister for Land Information has directed LINZ to ensure that all marginal strips are identified and recorded before any tenure review outcome is finalised. Work is underway to give effect to this requirement. Without such proper definition, there is uncertainty as to whether those strips will in fact provide the assumed access.

### **Financial implications**

- 110 The proposals in this paper can be carried out within existing baselines.

### **Consultation**

- 111 The Ministry for the Environment, the Department of Internal Affairs, the Ministry of Agriculture and Forestry, Te Puni Kokiri, the Department of the Prime Minister and Cabinet and the Treasury have been consulted on this paper.

### **Human Rights Act and Treaty of Waitangi implications**

112 There are no Human Rights Act and Treaty of Waitangi implications associated with the proposals set out in this paper.

### **Legislation implications**

113 There are no legislative implications associated with this paper.

### **Regulatory impact analysis**

114 A Regulatory Impact Statement is not required, since this Cabinet Paper has no legislative implications.

### **Publicity**

115 It is proposed that the Minister for Land Information issue a media statement about the decisions taken and further work to be done.

### **Annual report on government's high country objectives**

116 In December 2003 Cabinet directed officials to report to Cabinet Policy Committee each year on progress made towards achieving the government's high country objectives [CBC Min (03) 10/3, CAB Min (04) 1/11 refer]. For practical reasons, a combined report for the 2005-06 and 2006-07 years will be provided in October 2007 on progress made in those years. It is proposed to then resume annual reporting.

### **Recommendations**

117 It is recommended that the Committee:

#### ***Background***

1. **note** that the Crown owns 2 million hectares of land in the South Island high country, which is leased or (in a few cases) licensed for pastoral farming;
2. **note** that in August 2003, the government adopted 10 South Island high country objectives (government's high country objectives) [POL Min (03) 19/7 and CAB Min (03) 27/3 refer], which set out the wide range of things that the government wants to achieve in the high country – environmental, economic, social, and financial;
3. **note** that the tenure review process for Crown pastoral leases, under the Crown Pastoral Land Act 1998 (CPLA), divides leases into land being returned to full Crown ownership and control (as public conservation land) and land being freeholded to leaseholders;

4. **note** that Land Information New Zealand (LINZ) runs the tenure review process, and that statutory responsibility for tenure review decisions lies with the Commissioner of Crown Lands (CCL);
5. **note** that tenure review has delivered important gains for conservation, public access and recreational opportunities, and that diversified economic use has occurred on freeholded land;
6. **note** that where all or most of a property should become conservation land, a whole lease purchase has on occasion been made instead by LINZ or the Nature Heritage Fund (NHF), and that partial property purchases have also been made by the NHF;
7. **note** that there are additional statutory tools that could be used or considered to achieve the government's high country objectives, including tools under the CPLA, the Land Act 1948 (Land Act), and the Resource Management Act 1991 (RMA), as noted by Cabinet in February 2005 [POL Min (05) 2/9 and CAB Min (05) 5/2 refer];
8. **note** that the government is willing for the Crown to be a high country pastoral lessor indefinitely in cases where doing so is consistent with all of the high country objectives, including the objective of obtaining a fair financial return to the Crown [POL Min (05) 2/9 and CAB Min (05) 5/2 refer];
9. **note** that in February 2005 Cabinet noted that for lowland areas within the high country, tenure review is not delivering outcomes consistent with the New Zealand Biodiversity Strategy [POL Min (05) 2/9 and CAB Min (05) 5/2 refer]
10. **note** that in October 2006 the Minister for Land Information said in a paper to Cabinet that there are concerns as to whether tenure review is sufficiently addressing landscape values, especially around lakesides [CAB (06) 415 refers];

*Protective effect of pastoral leasehold tenure*

11. **note** that pastoral leasehold tenure has the effect of providing a degree of protection to land with landscape, lakeside, biodiversity and other values and, in particular, has prevented subdivision and subsequent intensive development;
12. **note** that other land use changes have been constrained because non-pastoral land uses require the consent of the Commissioner of Crown Lands (CCL);

***Crown withdrawal from tenure review***

13. **agree** that high country pastoral lease properties with highly significant lakeside, landscape, biodiversity or other values<sup>3</sup> that are unlikely to be protected to the satisfaction of the Crown by the tenure review process be excluded from the process;
14. **agree** that where it is considered necessary to withdraw a pastoral lease from the tenure review process at any time prior to the acceptance by the lessee of a substantive proposal, the CCL can exercise the CCL's power under section 33 of the CPLA to discontinue a tenure review at any time;
15. **EITHER** [supported by LINZ]
  - 15.1 **direct** LINZ (lead) and DOC to identify properties within the following categories where the Crown should withdraw from the tenure review process or not enter into it:
    - 15.1.1 properties currently in tenure review; and
    - 15.1.2 lakeside properties whether in tenure review or not; and
    - 15.1.3 such other properties as may be revealed in the course of identifying properties in the previous two categories;

**OR** [supported by DOC]

  - 15.2 **direct** LINZ (lead) and DOC to identify properties currently within the tenure review process where the Crown should withdraw from the process;

**AND** [supported by DOC]

  - 15.3 **agree** that a property not currently in tenure review should not be excluded from the process until an invitation for tenure review from the leaseholder has been considered;
16. **agree** that the default assumption for lakeside properties is that they should be excluded from tenure review and that other means should be used to protect their landscape, biodiversity, access and other values, unless it is clear now or in the future that tenure review would:
  - 16.1 not significantly impact on those values; and
  - 16.2 demonstrably be in the public interest;
17. **invite** the Minister for Land Information and the Minister of Conservation to report the results of the property identification exercise referred to in recommendation 15 to Cabinet Policy Committee by 31 August 2007;

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<sup>3</sup> The term 'values' covers lakeside, landscape, biodiversity, ecological, amenity, recreational and other inherent values associated with Crown owned lands.

18. **agree** that the Minister for Land Information request the CCL to report to the Minister on all new properties due to enter into tenure review before the CCL makes a decision about whether or not to undertake the review, and consult with the Minister of Conservation before providing comment to the CCL;

***Managing pastoral lease land, and discretionary consents***

19. **agree** that pastoral lease land be managed (in accordance with the CPLA and the Land Act) in a way that protects values and ensures that they are not undermined by the issuing of discretionary consents;
20. **note** that detailed information on the issuing of discretionary consents is not centrally held and that a project is underway to remedy this;
21. **direct** LINZ (lead) and DOC, to review whether:
  - 21.1 pastoral lease land is being managed and good husbandry being practised in accordance with the provisions of the Land Act; and
  - 21.2 discretionary consents are being issued in accordance with the relevant provisions of the CPLA and the Land Act;and report back to the Minister for Land Information and the Minister of Conservation on the results of that review and any recommendations for change by 30 November 2007;

***Tenure review process improvements and funding approval***

22. **note** that LINZ and DOC have improved their quality assurance processes for tenure review by establishing a senior managers group to advise the CCL on preliminary and substantive proposals before the CCL reports them to the Minister for Land information for comment and presents them to leaseholders;
23. **note** that the CCL is now reporting to the Minister for Land Information on all tenure review proposals (preliminary and substantive) before they proceed, thereby enabling the Minister to comment on proposed outcomes, and to request any further information;
24. **agree** that before any tenure review proposal can proceed:
  - 24.1 it must receive funding approval from the Minister for Land Information;
  - 24.2 this approval will be sought at the same time as the CCL reports to the Minister for Land Information on the proposed outcomes of the tenure review; and
  - 24.3 the Minister for Land Information will consult the Minister for Conservation on both the proposed outcomes and funding;

25. **direct** LINZ to give effect to the funding approval requirement, namely that the consent of the Minister for Land Information will be:
  - 25.1 sought in principle at the preliminary proposal stage; and
  - 25.2 confirmed at the substantive proposal stage;for appropriations in Vote: Lands to be expended (or in some cases revenue received) on the financial settlement for a tenure review;
26. **note** that Cabinet has recently adopted a reporting process for the disposal of Crown land that is 'sensitive' land or has a value of \$1 million or more (CAB Min (07) 11/3B refers);
27. **note** that tenure review land will need to go through the land disposal reporting process before the Minister for Land Information comments on and approves funding for tenure review proposals relating to the land;

#### *High country parks and reserves*

28. **note** that significant progress has been made towards the establishment of a network of high country parks and reserves and that to date:
  - 28.1 five new high country parks have been opened with land obtained through tenure review and lease purchases being combined with already existing public conservation land;
  - 28.2 Molesworth station has become a high country park, through a separate process;
29. **note** that five further high country parks are currently being progressed through tenure review and/or lease purchase;
30. **agree** that priority be given to completing the establishment of these five high country parks, and to making desirable additions to existing parks;
31. **direct** DOC (lead) and LINZ, to report to the Minister of Conservation and the Minister for Land Information by 31 July 2007 on how to progress the high country park network in this manner by the end of 2008;
32. **note** that, whether or not pastoral lease land has been excluded from tenure review, LINZ or the NHF, or both, could purchase an entire pastoral lease for use as high country park or reserve, with parts that are of limited significance being available to trade for further conservation gains or for sale on the open market (with or without protective covenants and easements, as appropriate);
33. **agree** that acquisition through tenure review of land needed to establish new parks must not unduly compromise the protection of significant values on other land, and that such values can often be best protected by establishing new high country reserves;

*Pastoral lease access issues*

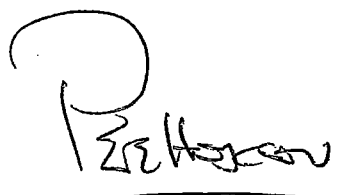
34. **note** that the Minister for Land Information has directed LINZ to ensure that all marginal strips are identified and recorded before any tenure review outcome is finalised, and that work is underway to give effect to this requirement;
35. **direct** LINZ (lead) and DOC to report to the Minister for Land Information and the Minister of Conservation by 31 July 2007 on how Land Act provisions might be used to provide public access through pastoral lease land;
36. **direct** LINZ (lead) and DOC, in consultation with the Ministry of Agriculture and Forestry, to ensure that any proposals as to how Land Act provisions might be used to provide public access through pastoral lease land are then integrated with the government response to the Walking Access Consultation Panel report and work to address the implications of rent increases for pastoral lease land;

*Reporting on government's high country objectives*

37. **note** that:
  - 37.1 an annual report on progress made towards achieving the government's high country objectives is required as a result of CBC Min (03) 10/3 and CAB Min (04) 1/11;
  - 37.2 there will be a combined report for the years ending 30 June 2006 and 30 June 2007.



Hon Chris Carter  
Minister of Conservation



Hon David Parker  
Minister for Land Information