

BRF 26-064 Crown land legislation review – secondary uses, land use flexibility and revenue arrangements

Ki / To: Hon Chris Penk, Minister for Land Information

Rā / Date: 16 September 2025

Ngā mahi matua kia mahia/key actions required

Minita/Minister	Key action required:	Deadline
Hon Chris Penk, Minister for Land Information	Indicate on Appendix 1 your preferred options for enabling secondary use on Crown pastoral land, further enabling land use flexibility and revenue arrangements.	18 September 2025

Toitū Te Whenua Land Information New Zealand Whakapā/contacts

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Ngā kōrero a te Minita/Minister's comments

THANK

Pūtake/Purpose

- 1 This briefing seeks your decisions on three matters to enable improvements to Crown land legislation:
 - enabling secondary use on Crown pastoral land
 - enabling land use flexibility
 - revenue arrangements for secondary uses and broader Crown land administration.
- 2 This is the third of four briefings informing a November 2025 Cabinet paper.

Pānui whāinga/Key messages

A. Further decisions on enabling secondary use on Crown pastoral land

- 3 At your meeting with officials on 11 September, you agreed that:
 - A permit system, along with a list of activities set out in a schedule, should be the main legislative mechanism for enabling secondary uses.
 - The mechanism to enable approvals and decision-making should be partly defined in legislation, and partly up to the Commissioner's discretion.
- 4 LINZ recommends that the secondary use permit system should be limited to lessees, who may engage with third parties to undertake the secondary use. This restriction maintains a clear line of accountability between the lessee as the permit holder and the Commissioner, and is supported by stakeholders. ✓
- 5 LINZ recommends that other legislative requirements for secondary uses (e.g. that the activity must comply with local bylaws), are kept as consistent as possible with requirements for the commercial recreation permit. LINZ considers that the existing set of requirements are fit-for-purpose and should be copied over as much as possible for consistency and familiarity.
- 6 LINZ recommends creating a new secondary use permit while retaining the existing commercial recreation permit (for tourism and commercial recreation activities). This creates two clear pathways for different activities (and the differing scale and impact of these activities), different applicants, and different tests.
- 7 LINZ proposes that the list of activities in a schedule be based on the activities lessees have indicated they are most likely to want to undertake. LINZ also proposes an enabling provision for the Commissioner to be able to approve other activities for inclusion in the schedule, provided the activities are consistent with the Crown Pastoral Land Act 1998's (CPLA's) purpose. A legislative threshold for changing the schedule will also need to be considered.
- 8 LINZ notes that sections 100A and 100B of the CPLA already provide for enforceable undertaking requirements. Duty of care can also be made a condition in a permit. LINZ

with list?
 Exhaustive?

REGS

considers that these are the minimum safeguards for managing legal liability, although unlikely to be sufficient on their own.

- 9 Given the scale and long-term impact of potential liability, LINZ will undertake further work on other risk management mechanisms and advise you whether the mechanisms should be set in legislation. This includes the effects of lease transfers on the rights in a secondary use permit. Furthermore, existing Treaty settlement obligations such as Right of First Refusal (RFR), and any additional expectations from Treaty partners on creating new rights on Crown pastoral land, need to be accounted for.
- 10 Next week, LINZ will provide you with further advice on major decisions required to enable secondary use. These decisions are defining "secondary use" in legislation, and the tests to enable secondary use. LINZ will also advise you on the list of activities for inclusion in the schedule and the threshold for change, managing liability, and RFR implications in October.

B. Further decisions on enabling land use flexibility

- 11 In BRF 26-053, LINZ advised that some high-value land uses – like exotic afforestation or large-scale development – conflict with the CPLA and may require removing land from the pastoral estate and reclassifying it under the Land Act.
- 12 At your meeting with officials on 11 September, you agreed to progress investigation of options involving voluntary surrender of land and ruled out compulsory acquisition.
- 13 LINZ notes that a legal pathway exists under the Land Act to remove land from the pastoral estate, but it is complex and largely untested. The current process involves lease surrender, land preparation, RFR, and competitive disposal. This approach carries high transaction risk and does not guarantee outcomes for targeted development proposals.
- 14 LINZ recommends considering legislative change to provide greater certainty. Options include creating a specified legislative pathway, removing mandatory competitive disposal in agreed cases, adding a targeted process to the CPLA, or bespoke legislation for exceptional proposals.
- 15 Further work is needed on aligning statutory powers, protecting inherent values, and managing delivery implications such as timeframes and costs.

C. Decisions on revenue arrangements

- 16 The CPLA requires the Crown to receive a fair return on its ownership interest in pastoral land. The current revenue framework needs updating to ensure the Crown benefits appropriately.
- 17 LINZ recommends charging land-use fees for secondary activities. These fees are flexible, familiar to leaseholders and third parties, and better suited to varied business models than the pastoral rent formula, which is fixed in legislation.
- 18 To support consistency and transparency, LINZ proposes stating fee-setting principles in operational policy to be made available on the LINZ website, while retaining discretion for the

Commissioner. This approach balances flexibility with accountability and aligns with stakeholder expectations.

- 19 LINZ also recommends enabling cost recovery for secondary use permit administration. This ensures that private beneficiaries cover the cost of commercial use, rather than taxpayers, and brings Crown pastoral land into line with wider Crown land practices including conservation land management.

Next steps

- 20 LINZ will be discussing this briefing with you on 18 September 2025.

Tohutohu/Recommendations

Toitū Te Whenua Land Information New Zealand recommends that you:

Indicate on **Appendix 1** your preferred options for enabling secondary use on Crown pastoral land, further enabling land use flexibility and revenue arrangements.



Becci Whitton

Leader, Strategy and Policy

Toitū Te Whenua Land Information New Zealand

Rā/Date: 15/09/2025



Hon Chris Penk

**Te Minita mō Toitū Te Whenua/
Minister for Land Information**

Rā/Date:

18 SEP 2025

Tāpiritanga/Attachments

Appendix 1: Detailed options tables

Te Horopaki/Background

Your previous decisions on the Crown land legislation review

- 21 In May 2025, you initiated a review of the Crown Pastoral Land Act 1998 (CPLA) and Land Act 1948 (the Land Act). The review covers secondary uses, further options for land use flexibility, pastoral activity rules, revenue mechanisms, and modernising land management.
- 22 You have considered two earlier briefings and provided direction in your 11 September meeting with officials. Table 1 summarises the briefings to date and your decisions following these briefings.

Table 1: Summary of briefings and decisions

Briefing	LINZ Advice	Direction following 11 September meeting
BRF 26-053 Enabling secondary use and land use flexibility	LINZ recommended a permit system supported by a schedule of discretionary activities to approve secondary uses. Alternative approaches were ruled out due to legal and operational risks.	Progress development of permit system supported by schedule
	LINZ also advised that some high-value land uses—such as exotic afforestation or large-scale development—conflict with the CPLA and may require removing land from the pastoral estate and reclassifying it under the Land Act.	Progress options to provide for alternative use of Crown pastoral land outside the CPLA where the leaseholder agrees
BRF 26-056 Permitted and discretionary pastoral activities	LINZ recommended improving the existing permissions system under the CPLA through a mix of legislative changes and operational guidance. This includes clarifying permitted and discretionary activities, improving consent criteria, and providing clearer interpretation of the offsetting prohibition.	Progress legislative changes and guidance

What this briefing seeks from you

- 23 This third briefing seeks your decisions on three related policy matters and is presented in three parts:
- 24 Part A seeks your decisions on detailed policy settings for enabling secondary use on Crown pastoral land, building on your earlier direction.

- 25 Part B outlines the current legal pathway for enabling alternative, non-pastoral uses and presents options for legislative change to provide greater certainty.
- 26 Part C provides advice on revenue arrangements for secondary use, including principles for setting land-use fees and cost recovery.
- 27 A fourth and final briefing will be provided to you on 22 September. It will advise on reforms to the Land Act 1948 and seek any outstanding decisions arising from this and earlier papers, to support drafting a Cabinet paper for November 2025.

Proactive release

A. Further decisions on enabling secondary use on Crown pastoral land

Your previous decisions on enabling secondary use

- 28 LINZ previously advised you on high-level decisions to enable secondary use on Crown pastoral land (BRF 26-053 refers). You agreed that a permit system, supported by a schedule of activities should be the main legislative mechanism, and that approvals for secondary use should be based on a combination of legislative requirements with Commissioner discretion.
- 29 LINZ also advised that liability risks should be addressed through a package of mechanisms, with the lessee remaining the central point of accountability.
- 30 This section seeks your decisions on detailed policy settings for secondary use permits, including:
- Who can apply
 - Permit design
 - Consistent legislative requirements between commercial recreation and secondary use permits
 - Approaches to managing legal liability and long-term risks.
- 31 This section also provides you with the following advice for noting:
- List of activities in schedule, and the threshold for changing the schedule
 - Managing liability and other risks, including RFR considerations

Legislative requirements for the secondary use permit

Only lessees should be able to apply for secondary use permits

- 32 Commercial recreation permits can be applied for by both lessees and third-party operators. For the secondary use permit, the options are:
- Only lessees can apply for secondary use permits; or
 - Third parties can also apply for secondary use permits, in addition to lessees.
- 33 LINZ recommends that only lessees may apply for secondary use permits (**Appendix 1** refers). The lessee may engage third parties to undertake the activity, but the lessee remains the permit holder. This would:
- **Create a clear line of accountability between Commissioner and lessee.** In practice, LINZ anticipates that third parties may be engaged by the lessee to undertake the activities. Ongoing monitoring of all parties operating on the same lease may be difficult, given the complex contractual relationships that may occur. A single line of accountability

between lessee and the Commissioner makes clear the terms of liaison, responsibility, and liability.

- **Align with stakeholder expectations.** For example, the High Country Accord Trust (HCAT) is of the view that lessee needs to take overall responsibility for secondary uses on the property, even if third parties are involved. The High Country Advisory Group (HCAG) has also expressed that the secondary use activity should be linked to the lease, and the lessee accountable.
- **Support the purpose of enabling secondary use.** One of the policy objectives is to improve the viability of pastoral leases. By limiting eligibility to lessees, it is ensured that secondary use directly benefits the holder of the lease. LINZ also anticipates that lessees are more likely to have a long-term interest and are better positioned to manage risks as a steward of the land.

Other legislative requirements for permits and consents should be kept as consistent as possible with the CPLA's current settings

34 LINZ proposes the following requirements to ensure secondary use permits are consistent with other permissions under the CPLA (**Appendix 1** refers):

- The Commissioner may require the applicant to put out a public notice.
- Activity must be compatible with water or soil conservation objectives.
- The Commissioner may add conditions to the permit, including monitoring and review conditions and performance bonds.
- A lessee undertaking an activity without a permit may result in the lease's forfeiture.
- If requirements under another law need to be fulfilled, a permit alone does not permit activity. However, the permit can still be granted even if the other law's requirement is yet to be fulfilled.
- Granting of a permit on Crown pastoral land must be consistent with other relevant sections in the CPLA.
- The Commissioner is not obliged to grant a permit.
- The Department of Conservation (DOC) must be consulted (this is already a requirement for commercial recreation permits).
- Undertaking a secondary use activity without a permit will be an infringement offence under the CPLA.

35 LINZ is also considering whether to require a consultation requirement with the relevant iwi authority, recognising the outcome in s4(1)(b) of the CPLA, and the duty under s5(1)(a) of the CPLA.

- 36 Should LINZ receive a high volume of applications, consultation requirements may potentially result in operational bottlenecks. LINZ considers there are opportunities to make operational improvements to support timely decision-making at scale. Possible improvements could include requiring applicants to submit ecological or cultural assessments as part of their application or setting a fixed or statutory timeframe for response from DOC and the iwi authority. LINZ will update you further on these operational improvements.
- 37 LINZ also recommends the same monitoring, reporting, enforceable undertakings and setting regulations and standards-setting powers under the CPLA which currently apply to commercial recreation permits should also apply to secondary use permits. This will ensure a consistent approach to how LINZ can manage permits.

Permit design and operational considerations

A new secondary use permit should be created

- 38 As noted earlier, commercial recreation permits are currently used to enable a narrow range of activities, including tourism, recreational events, and filming. To enable secondary use outside of this narrow scope, the mechanisms are:
- **Amend or rewrite the commercial recreation permit** and use this permit as the main mechanism to enable secondary use.
 - **Create a new secondary use permit** to enable any secondary uses that are not covered by the existing commercial recreation permit, while retaining the commercial recreation permit.
- 39 Based on the analysis presented so far, LINZ recommends creating a new secondary use permit (**Appendix 1** refers). LINZ considers that this:
- **Results in clearer accountability.** Any interested parties can apply for commercial recreation permits, including third parties. As mentioned, LINZ proposes that only lessees can apply for permission to undertake secondary use. A new secondary use permit that can only be applied for by lessees ensures a clear line of accountability between Crown and lessee.
 - **Is likely easier to understand and engage with.** Keeping the secondary use permit separate from commercial recreation permits will enable a more specific test to be applied and be more accessible to lessees wishing to diversify their land use.
- 40 There are some commercial recreation permits currently authorising activities that would better qualify as secondary use. Should the lessee wish to continue the activity once the permit expires, they will be directed to apply for the new secondary use permit instead.
- 41 We consider that it is operationally laborious, and unnecessary, for these commercial recreation permits to be reclassified as secondary use permits prior to expiration. There is also

legal risk around trying to extinguish permissions that have already been granted before they expire.

List of activities in schedule

List of activities should include common secondary use activities, combined with a threshold for amendment

- 42 LINZ proposes establishing a schedule that lists the most common secondary uses of Crown pastoral land, such as arable farming, apiculture, horticulture, viticulture, hospitality, conservation initiatives, and renewable energy generation. This list reflects activities that lessees are likely to undertake, based on engagement with stakeholders such as HCAT. It also anticipates innovative uses already occurring elsewhere in New Zealand, such as solar panels installed above areas used for sheep grazing.
- 43 To ensure the schedule remains adaptable over time, LINZ proposes including an enabling provision that allows the Commissioner to approve additional activities beyond those included in the schedules. These must align with the purpose of the CPLA and meet the definition and criteria for secondary use. This approach provides flexibility to accommodate emerging or less conventional activities that may not be explicitly listed.
- 44 The schedule will be set outside the main body of the CPLA, allowing it to be amended more easily via Order in Council. This structure supports responsiveness to changing land use practices and stakeholder needs.
- 45 Consistent with Schedule 1AB of the CPLA, which classifies pastoral activities, LINZ proposes that the main body of the legislation include a threshold for amending the secondary use schedule. Among other requirements, this threshold would ensure that any changes remain consistent with the purpose of the CPLA. LINZ will provide further advice on the threshold's design and a finalised list of activities (the inclusion of the activities in the list will need to be individually justified).

Managing liability and other risks

- 46 Some secondary uses could result in long-term environmental and financial liabilities that may persist long after the commercial value of the activity has ended, particularly if the lessee dissolves.
- 47 LINZ notes that sections 100A-100B of the CPLA already provides for enforceable undertaking requirements for breaches of lease conditions, commercial recreation permits and other permissions and could be extended to cover secondary uses. Duty of care can also be made a condition in a permit that requires permit holders (i.e. lessees) to remediate any damage or risk they cause. In LINZ's view, these are the minimum safeguards to managing liability, although they are unlikely to be sufficient on their own.

- 48 Given the scale and long-term impact of potential liability, LINZ will undertake further work on other risk management mechanisms and advise you whether the mechanisms should be set in legislation. This includes the effects of lease transfers on the rights in a secondary use permit.

RFR considerations and expectations from Treaty partners need to be accounted for

- 49 These proposals will introduce new rights on Crown pastoral land which did not exist at the time of the Crown's Treaty settlements with either Te Rūnanga o Ngāi Tahu or Te Taihū iwi.
- 50 At this early stage, Te Rūnanga o Ngāi Tahu has indicated that, in their view, the obligations and exemptions pertaining to Crown pastoral land in the Ngāi Tahu Claims Settlement Act 1998 apply only to rights that existed at that time. It is possible that the new secondary uses regime may be perceived as creating new rights, depending on its scope and design.
- 51 LINZ will continue engagement and report back once stakeholders have had an opportunity to consider the detail of the proposed legislative amendments.

Further advice still to come

- 52 Following this round of decisions on enabling secondary use, next week LINZ will provide you with advice on the remaining major decisions required to enable secondary use:
- Legislative definition of "secondary use".
 - Tests for determining secondary use, including considerations on maintaining/improving inherent values, remaining consistent with the CPLA's purpose, legal soundness, and consistency with other tests in the CPLA.
- 53 LINZ plans to advise you on other technical secondary use matters during October. As these are technical matters, we recommend that you seek Cabinet agreement to delegate final decision making on these matters to you:
- List of activities in the schedule (along with individual justifications), as well as the legislative threshold for changing the schedule.
 - Further advice on managing liability, particularly on any legislative amendments that may be needed.

B. Further decisions on enabling land use flexibility outside of the CPLA's purpose

Context – decisions on land use flexibility

- 54 LINZ previously advised you on high-level pathways for enabling alternative, non-pastoral uses of Crown pastoral land (BRF 26-053 refers). You agreed that compulsory acquisition should not be considered and that any pathway should be available to willing parties and legally robust.
- 55 This section outlines the current legal pathway under the Land Act and the CPLA, identifies its limitations and presents high-level options for legislative change to provide greater certainty. It also identifies further policy design considerations.
- 56 Although tenure review has been removed, the CPLA provides a power under Part 3 to review pastoral land. This only applies to land that is under a pastoral occupation licence or unused land, not pastoral leases.

A potential legal pathway may exist

- 57 A potential pathway appears to exist under the Land Act to remove land from the Crown pastoral estate and dispose of it by sale or special lease for alternative uses, where the Crown and the lessee agree.
- 58 The key steps in this process would be:

Step 1: Surrender of lease

The lessee may agree to surrender their leasehold interest under section 145 of the Land Act by agreement with the Commissioner.

Step 2: Assess land for disposal

The Commissioner assesses the inherent and recreational values of the land and must consult DOC, the iwi authority, and undertake a public submission process. The Commissioner then identifies land to be held for conservation, land to remain in a Crown lease and land which may be disposed of as freehold.

Step 3: Satisfy iwi Right of First Refusal (RFR)

Before any sale or lease of land, the Crown must meet its obligations under Te Tiriti / Treaty settlement legislation by offering the land to the relevant iwi authority if a RFR obligation applies. RFR gives iwi the first opportunity to purchase or lease the land on the same terms as the Crown intends to offer it to others. Both Te Rūnanga o Ngāi Tahu and Te Taihū iwi have RFR entitlements in their Treaty settlement legislation that would apply to the sale of any Crown land or the lease of any Crown land for a period of 50 years or more (including rights of renewal).

Step 4: Processes enabling the offer of land for sale

If RFR is not exercised, the Crown may dispose of the land using one of the methods in sections 52–54 of the Land Act:

- a. **Auction or tender** (section 53), which is the default method and requires the Commissioner to secure the best price reasonably obtainable.
- b. **Call for applications** (section 52), which allows allocation based on criteria but still requires transparency and competition.
- c. **Disposal without competition** (section 54), which is only permitted in narrow circumstances, such as where the land is too small to be useful, landlocked, or for returned servicemen. These exceptions are tightly constrained and require statutory justification.

If the Crown later proposes to offer the land to a private party on terms more favourable than those first offered to iwi, it must re-offer the revised terms under RFR.

Key limitations and risks with current approach

59 The above pathway enables a review of the tenure of Crown pastoral land but introduces multiple points of uncertainty:

- The lessee must surrender their lease rights without knowing whether any of the land will later be available for sale or an alternative lease under the Part 3 tenure review process.
- It is uncertain what if any land will be identified for Crown lease or freeholding for economic development until after the assessment and consultation occurs.
- Once land is identified for lease or sale for development, it is uncertain who will obtain those rights.
- If Crown land is sold through a public process, the Crown cannot control who buys it or how it is developed.

60 The main reasons for this uncertainty are:

- RFR obligations: RFR obligations must be honoured unless a statutory exemption applies. As mentioned above even iwi choose to waive RFR on the first offer, the Crown is obliged to re-offer the land to iwi if it looks to accept a lesser offer, through the competitive disposal process. These process steps are set in legislation.
- Mandatory competitive disposal: Legal exceptions permitting disposal without competition (s54) exist but are narrow and limited. The Commissioner is required to secure the best price reasonably obtainable, which reinforces the requirement for competition and prevents the Crown from guaranteeing that a preferred developer will secure the land.

- Financial implications for developers: A developer may incur significant costs negotiating a lease surrender and preparing proposals, only to lose the opportunity of acquiring the land through RFR or be outbid at auction by a party that has not borne these earlier costs.
- Classification constraint for leasing: If the Crown intends to retain ownership and lease the land for non-pastoral purposes, the inability to reclassify pastoral land under section 51(3) means the land remains subject to the CPLA, limiting flexibility although with the likely increased scope of secondary uses will allow greater economic potential.

61 Box 1 below sets out example of how the constraints could play out in practice. This hypothetical scenario demonstrates that the current process does not provide certainty of outcome for targeted proposals, even when all parties are aligned and motivated.

Box 1: Illustrative example: How the constraints might play out in practice

A developer, Aspiration Ltd, proposes a large-scale business park spanning two pastoral leases: Lakeside View and Merino Landings. The leaseholders and the relevant iwi authority support the proposal because they see potential economic benefits for the region. The leaseholders are motivated by the opportunity to increase their economic potential and exit pastoral farming on favourable terms, while iwi view the development as a chance to create jobs and strengthen their commercial partnerships. The Government supports the proposal as economic development is needed in the area and there is no other freehold land available.

The process might play out as follows:

Step 1: Negotiating surrender: The leaseholders agree to surrender their leases to the Crown. They expect compensation that reflects the value of their improvements and their long-standing connection to the land. This payment will ultimately be paid by the developer.

Hurdle: The law gives the Commissioner discretion to set terms, and there is no prescribed formula. Expectations are shaped by past tenure review settlements, which creates uncertainty and potential tension during negotiations.

Step 2: Preparing the land for disposal: Once surrendered, the land reverts to the Crown but remains classified as pastoral land under the Land Act and subject to the CPLA.

Hurdle: The Commissioner cannot reclassify pastoral land under current law, limiting options for non-pastoral leasing.

Step 3: Review of tenure under Part 3: The Commissioner of Crown Land decides to review land tenure under Part 3 of the CPLA.

Hurdle: It is uncertain whether the land will be assessed as suitable for freeholding for economic development. The decision depends on evidence, the views of DOC and iwi authority and public submissions.

Step 4: Satisfying iwi RFR: If the Commissioner is satisfied that the land is suitable for freeholding, the Crown must formally offer the land to the iwi authority under RFR obligations. In this case, iwi waive their rights because they support the development and have negotiated a private arrangement with Aspiration Ltd, including cultural recognition and financial participation.

Step 5: Competitive disposal: The Crown then offers the land for sale by auction or tender.

Hurdle 1: The Commissioner is legally obliged to secure the best price reasonably obtainable, which means offering the land through public auction or tender. The only legal exemptions for disposal without competition—such as land being too small, landlocked, or for returned servicemen—do not apply here.

Hurdle 2: Aspiration Ltd, having already invested heavily in negotiations and iwi arrangements, must now bid at public auction and outbid any other bidders and pay the market rate. Another bidder, who has not incurred these upfront costs, could outbid them.

Hurdle 3: Even if Aspiration Ltd does succeed, they will have paid three times: once to secure lease surrender, once in iwi arrangements, and once at auction—potentially far exceeding the original market value. The process has introduced delay, cost, and uncertainty. If Aspiration Ltd loses, the development concept collapses despite initial alignment between the Crown, iwi, and leaseholders.

Step 6: Post sale risks: Aspiration Ltd succeeds at auction and becomes the new owner. The company then changes its plans and partners with an overseas entrepreneur to build luxury houses but no business park. This was not the economic gain hoped for. Aspiration Ltd is later bought out the new owner then decides to construct an airport and large cargo storage warehouses.

Hurdle: The Crown has lost control of the land upon sale any control over future development

Options to provide greater certainty for agreed proposals

62 If you wish to provide greater certainty for highly desirable proposals, LINZ has identified four legislative approaches for consideration:

- **Option 1: Create a specified legislative pathway:** Introduce a new statutory process to enable a lessee to apply to remove land from the CPLA and dispose of it. This could allow direct allocation to an agreed development partner where all parties consent, with safeguards such as Ministerial approval and public reporting. It could provide greater certainty and strategic flexibility but requires primary legislation, clear eligibility criteria, and consultation with iwi to manage Treaty and reputational risks.
- **Option 2: Remove mandatory competitive disposal:** Amend the Land Act to allow the Commissioner to allocate land directly in agreed circumstances, removing the requirement for auction or tender where all parties (Crown, lessee, iwi) support the proposal. This option is easier to implement than creating a new pathway and addresses one significant constraint. However, it still requires legislative change and may attract criticism for reducing competition and potentially lowering financial returns.
- **Option 3: Bespoke legislation for high-value proposals:** Enact project-specific legislation for proposals of substantial national or regional economic benefit, bypassing the standard process entirely. This provides maximum flexibility for unique cases but is

resource-intensive, politically sensitive, and likely to attract scrutiny from iwi and other stakeholders. It should be reserved for exceptional circumstances.

63 s 9(2)(h)

64 In addition to the above options, amending section 51(3) of the Land Act to allow the Commissioner to reclassify pastoral land in specified circumstances would improve flexibility for special leases where the Crown retains ownership. This would not resolve the fundamental constraints around RFR and competitive disposal and should be considered a complementary measure rather than a standalone solution.

Further considerations for designing workable solutions

65 In addition to identifying high-level legislative options, several practical and policy issues will need to be addressed to shape workable solutions. These considerations will inform the design of detailed options, including how roles and responsibilities are exercised, how environmental and cultural values are protected, and what delivery implications need to be managed.

66 A key question is how statutory powers, stewardship responsibilities, and Ministerial or Cabinet approvals align in practice. The Commissioner of Crown Lands exercises the statutory powers and landowner functions under the Land Act. The Chief Executive of LINZ has obligations under the Public Service Act to support the Minister in stewarding public assets. Cabinet approval is required for disposals of Crown-account assets above \$1 million, or where issues are novel or significant. In the next phase, LINZ will explore how these roles interact and confirm the most efficient sequence of decision points to provide assurance and avoid duplication.

67 Another question is how inherent values should be identified and protected in any disposal process. The outcomes of the CPLA, Public Service Act stewardship duty and LINZ disposal standards point to the need for protections, but the form these should take remains to be determined. Options to explore include Crown retention of high-value areas, protective covenants or easements, and access arrangements. In the next phase, LINZ will test which protections are proportionate and practical, and how they can be embedded in disposal terms.

68 Another question will be what guarantees, if any, can be built into this process to ensure that the proposed activity will actually occur, and if it does not, what recourse could be available.

69 More work is also needed to establish the delivery implications of different options. Tenure review processes typically took three to four years under a prescribed system. A bespoke pathway could be faster, but may add complexity by involving multiple partners, RFR obligations, and disposal processes. In the next phase, LINZ will explore realistic timeframes,

indicative cost ranges, and resource requirements, and consider how statutory notice periods and Treaty settlement obligations can be sequenced to maintain efficiency.

Proactive release

C. Revenue arrangements

Why revenue settings need to change for secondary use

- 70 This section builds on LINZ advice about enabling secondary use of Crown pastoral land (see BRF 26-053 and Section A of this briefing).
- 71 Non-pastoral activities like renewable energy and horticulture can increase returns from Crown leases. The Crown should receive a fair return on its ownership interest in pastoral land consistent with the CPLA.
- 72 The HCAT and HCAG both support the Crown seeking a fair, market-based return for secondary uses.

How land-use fees are currently set

- 73 The current Crown pastoral land framework uses a dual charging model:
- Leaseholders pay rent for pastoral use based on a stock capacity formula in the CPLA.
 - Holders of commercial recreation permits pay the Crown a fee for the right to use pastoral land, usually on the basis of a flat amount, percentage of revenue, fees based on visitor numbers or a combination of the above.
- 74 Fees for commercial recreation permits are set by the Commissioner, using independent valuation advice to reflect a fair market return. These fees are distinct from pastoral rent and regulatory processing fees.
- 75 Commercial recreation permits may be held by third parties with the leaseholder's consent. The leaseholder and any third party may also agree separate access payments to the leaseholder.

Proposed approach for charging for secondary uses

- 76 LINZ proposes to mirror the fee system used for commercial recreation permits for secondary uses. These fees are familiar, flexible, and suitable for various activities.
- 77 While LINZ proposes that the secondary uses be applied for and managed by the lessee, they may not be carried out by the same legal entity as holds the lease. Charging separate land-use fees for secondary uses allows more flexibility for different business models.
- 78 LINZ does not recommend changing the pastoral rent formula, which is set in legislation and based on market data and the capacity of the lease to support livestock.
- 79 As land shifts from pastoral to secondary use, pastoral rent may decrease, while land-use fee revenue increases. This trade-off reinforces the need for a clear legislative expectation of fair return.

How to design a fair and flexible fee framework

- 80 If land-use fees are used for secondary use permits on Crown pastoral land, two key design choices follow:
- The principles for setting land-use fees.
 - Whether those principles should be embedded in legislation or set through operational policy.
- 81 LINZ recommends that the Commissioner should retain discretion to set land-use fees, guided by legislated principles. This approach balances flexibility with accountability and helps avoid undercharging.
- 82 Fees should reflect the Crown's retained interest in the land and a fair market return for that interest, having regard to the nature and scale of the activity.
- 83 The Commissioner currently has the power to waive Crown returns for activities on Crown land. LINZ recommends this power be applied to secondary uses where it would be inappropriate to charge a return to the Crown, e.g. for community fundraising and other not-for-profit public good activities.
- 84 Aligning valuation guidance with DOC could improve consistency, reduce administrative cost, and improve certainty for applicants.
- 85 The High Country Accord supports a fee model that combines a base fee and a proportionate return based on the volume of trade or activity. This ensures the Crown receives a consistent return while also factoring in the market value of high-performing commercial uses.
- 86 The Accord also advised that the base fee should be payable for the duration of the permit, regardless of whether the activity is undertaken. This reflects the ongoing cost to LINZ of administering and monitoring the permit.

Principles for setting land-use fees

- 87 LINZ proposes the following principles for setting land-use fees:
- Ensure a fair return to the Crown (as already required under section 4 of the CPLA).
 - For high value and complex activities: use market-based valuations, adjusted for location, amenity value, and scale.
 - For low value and simple activities: allow simpler valuation models (e.g. a set table of fees designed by a valuer).
 - Consider public and community benefits and government objectives.
 - Align with fees on other Crown land where appropriate.

- 88 Fees should reflect the type, scale, location, and amenity value of the activity. The same activity—such as gravel extraction or accommodation—can generate significantly different returns depending on market factors, such as proximity to high-demand areas.
- 89 The Crown's return should be monetary rather than 'in kind'. In discussions with the High Country Accord, LINZ tested allowing leaseholders to earn carbon credits in exchange for biodiversity work. The Accord considered this unfair. Pest control is already a lease condition, and this could disadvantage leaseholders in areas less suited to regeneration.

What should be in legislation versus operational policy

- 90 While the formula for calculating pastoral rent is prescribed in legislation, other land-use fees are currently at the Commissioner's discretion. The Land Act provides broad powers for the Commissioner to set land-use fees and conclude contracts.
- 91 LINZ recommends combining discretion with transparent principles for setting land-use fees:
- The Commissioner should retain broad discretion to set market-based fees for secondary use permits, consistent with other land-use fees such as commercial recreation permits and easements.
 - The principles guiding the Commissioner in setting fees should be stated in operational policy that is available on the LINZ website. This would strengthen expectations of a fair return to the Crown and reduce pressure to undercharge.
 - Operational policy will also guide trade-offs and case-by-case discretion.
- 92 Detailed options for where principles sit and how they are applied are set out in **Appendix 1**. LINZ's preferred option balances flexibility with accountability.

How LINZ will recover costs fairly

- 93 LINZ considers that those who benefit from secondary uses should meet administrative costs, including application and monitoring. This avoids taxpayers subsidising private activity and is consistent with conservation land practices.
- 94 The standard departmental model for cost recovery is to make fee regulations. This would require legislative amendments to enable fee regulations for secondary use permits. This is the most transparent and accountable method, consistent with Treasury's 'beneficiary pays' principle and supported by stakeholders. It ensures that private beneficiaries bear the cost of permit administration, rather than the public.
- 95 Legislative change to enable fee-making should be followed by regulation to set these administrative fees. This process will also enable other outdated Crown land fees that don't currently cover costs to be updated.
- 96 LINZ will provide advice on regulation-making options and timing later in the legislative change process.

- 97 An alternative to fee regulations is to grant powers for LINZ to set cost recovery fees, similar to the approach used by DOC. The DOC model is unique in government and other agencies must charge fees under regulations made by the Governor-General in Council. LINZ will continue to explore the DOC model in consultation with central agencies and advise you further.
- 98 **Appendix 1** sets out three cost recovery options: fee regulations, agency fee setting, and providing Crown funding.

How LINZ will align charging with other agencies

- 99 LINZ and DOC are working to align charges where land uses are similar. A shared pricing approach supports consistency, reflects market conditions, and protects the Crown's long-term interests.
- 100 DOC is reforming its concessions system to improve efficiency, transparency, and revenue generation. This includes clearer triage processes, standardised contracts, and competitive allocation for high-value opportunities. LINZ is monitoring the progress of these reforms and will advise on opportunities to align practices where appropriate.

Next steps

- 101 LINZ proposes using the meeting on 18 September to confirm your decisions on the detailed policy settings outlined in this briefing. These decisions will inform the drafting of a Cabinet paper for consideration in November.

BRF 26-064 Appendix 1: Options table for Minister's decisions

BRF 26 - 064 Appendix 1: Options table for Minister's decisions

A. Further decisions on enabling secondary use on Crown pastoral land

Policy issues and context	Options	Analysis and key trade-offs	Cabinet-mandated criteria				Stakeholder feedback	Indicate your preferred options	Notes
			Efficiency	Effectiveness	Flexibility	Transparency			
<p>1. Who can apply for secondary use permit</p> <p>Decisions on whether third parties (in addition to lessees) can apply for a permit.</p> <p>You previously noted our advice that the lessee should be at the centre of accountability for activities enabled by secondary use.</p>	<p>1A. Lessees only (recommended)</p> <p>Only lessees would be able to apply for secondary use permits. However, lessees can contract with third parties to carry out the activity.</p> <p>LINZ is considering whether third parties also need to be approved by the Commissioner (being satisfied that they have the appropriate experience).</p>	<p>Strengths</p> <p>Creates a clear, single line of accountability between Commissioner and permit-holder; makes the terms of liaison, responsibility and liability clear.</p> <p>Aligns with stakeholder expectations that the lessee needing to take ultimate responsibility, even if third parties are involved.</p> <p>Supports the policy objective to improve the viability of pastoral leases, as lessees have long-term interest in the land and are better positioned to manage risks as stewards of the land.</p> <p>Is consistent with provisions for leases under legislation now, with sub-lessees and farm managers also subject to Commissioner approval.</p> <p>Weaknesses</p> <p>Potential risk that the Commissioner does not have sufficient oversight of the various contracting and subcontracting arrangements on the Crown pastoral estate. Risk will be reduced if Commissioner is able to approve contractors and third parties.</p>	+	+	0	0	<p>HCAG – lessee should take responsibility for secondary uses on their lease, even where third parties are involved. Also, of the view that consent should be tied to the lease, with lessee agreement required for any secondary use.</p> <p>HCAT – of the view that the activity is secondary to the pastoral farming purpose of the land, and should therefore, be linked to the lease.</p>	<input checked="" type="checkbox"/>	
	<p>1B. Third parties and lessees</p> <p>This would be consistent with the current commercial recreation permit, which both third parties and lessees can apply for (although third parties must have the consent of a lessee where the activity will take place on a lease).</p>	<p>Strengths</p> <p>Liability sits with the party creating the risk, regardless of whether it is a third party or the lessee.</p> <p>Weaknesses</p> <p>Lines of accountability may be unclear, and Commissioner may be placed in difficult situation where lessee and third parties (both permit-holders) come into conflict on how the activity is undertaken.</p> <p>If third parties are allowed to apply for secondary use permits, this may raise questions about whether the permit effectively gives the third party a commercial advantage (especially if long-term) that may have been available to iwi under RFR, had the land undergone a disposal process.</p> <p>HCAT identified issues with lessees wanting to sell leases, but a buyer cannot extinguish the third-party commercial recreation permit. This has posed a challenge for certain lessees to sell the lease.</p>	0	0	+	-	<p>HCAT – Issues with lessees wanting to sell leases, but a buyer cannot extinguish the third-party commercial recreation permit.</p>	<input type="checkbox"/>	

BRF 26-064 Appendix 1: Options table for Minister's decisions

Policy issues and context	Options	Analysis and key trade-offs	Cabinet-mandated criteria				Stakeholder feedback	Indicate your preferred options	Notes
			Efficiency	Effectiveness	Flexibility	Transparency			
<p>2. Design of the permit</p> <p>Decision on whether the permit is a rework of commercial recreation permit, or a new permit.</p> <p>You previously agreed on a permit system, in addition to a list of activities set in a schedule as a guideline for applicants.</p>	<p>2A. Create new secondary use permit while retaining commercial recreation permit (recommended)</p> <p>New secondary use permit, specifically for lessees and two tests, while retaining commercial recreation permit for tourism and commercial recreation activities.</p>	<p>Strengths</p> <p>Clear pathways for activities that (generally) have different impacts and scales, and thus should have different tests and restrictions on applicants.</p> <p>The workings of a permit system are widely understood by lessees, LINZ staff, and the Commissioner. Implementation will likely be straightforward.</p> <p>Weaknesses</p> <p>Potential confusion for applicants on the respective purposes of the two permits, and which permit is suitable for what activity. Risk may be mitigated through a list of secondary use activities set in a schedule (as a guideline) and clear communications and guidance for applicants.</p> <p>Potential inconsistency between tests for enabling commercial recreation permits and other secondary uses. Can be addressed by ensuring consistency in decision-making criteria, particularly when lessee is the permit holder (of both permit types).</p>	+	+	+	+	<input checked="" type="checkbox"/>		
	<p>2B. Rework commercial recreation permit</p> <p>One permit to enable activities covered by both the commercial recreation permit (tourism, commercial recreation), as well as other secondary use activities.</p>	<p>Strengths</p> <p>Commercial recreation permit is widely understood by lessees, LINZ staff, and the Commissioner. Implementation will likely be straightforward.</p> <p>Weaknesses</p> <p>Given earlier recommendation on two new tests specifically for secondary use, it is much clearer to have two sets of tests in two separate permits.</p> <p>Given earlier recommendation on restricting applicant pool for secondary use to lessees only, it is difficult to implement this with one permit that is already open to third parties to apply.</p>	0	-	+	0	<input type="checkbox"/>		

BRF 26-064 Appendix 1: Options table for Minister's decisions

Policy issues and context	Options	Analysis and key trade-offs	Cabinet-mandated criteria				Stakeholder feedback	Indicate your preferred options	Notes
			Efficiency	Effectiveness	Flexibility	Transparency			
<p>3. Agreement on list of legislative requirements for secondary use –</p> <p>Decision on what requirements that an activity has to fulfil for it to be approved.</p> <p>We recommend that, as much as possible, the legislative requirement for the secondary use permit is consistent with that of commercial recreation permits.</p> <p>NOT</p>	<p>3A. The legislative requirement for the secondary use permit be consistent with that of commercial recreation permits (recommended):</p> <ul style="list-style-type: none"> Commissioner may require applicant to put out public notice. Activity must be compatible with water or soil conservation objectives. Commissioner may add conditions to the permit, including monitoring and review conditions and performance bonds. A lessee undertaking an activity without permit may result in the lease's forfeiture. If requirements under another law need to be fulfilled, a permit alone does not permit activity. However, the permit can still be granted even if the other law's requirement is yet to be fulfilled. Granting of a permit on Crown pastoral land must be consistent with other relevant sections in the CPLA. The Commissioner is not obliged to grant a permit. The Department of Conservation must be consulted. Relevant iwi authority must be consulted. Undertaking a secondary use activity without a permit will be an infringement offence under the CPLA. Only the lessee can apply for the secondary use permit (although the lessee can enter a contract with third parties to undertake the activity). All the powers in the CPLA in relation to monitoring, reporting, enforceable undertakings and setting regulations and standards which currently apply to commercial recreation permits, should also apply to secondary use permits. 	<p>Strength</p> <p>Consistency between the two sets of requirements creates clarity and certainty for compliance.</p>	+	+	0	+		<input checked="" type="checkbox"/> <p>(Agreement with all proposed requirements)</p>	
	<p>3B. Different criteria for secondary use permit (versus commercial recreation permit)</p>	<p>Weaknesses</p> <p>Inconsistency between the two sets of requirements risks causing confusion and difficulties in compliance. Any differences will also need to be justified.</p>	0	0	0	-		<input type="checkbox"/> <p>(Please note any other criteria you want to add/remove for our proposed list)</p>	

BRF 26-064 Appendix 1: Options table for Minister's decisions

B. Further decisions on enabling land use flexibility

Policy issues and context	Options	Analysis and key trade-offs	Cabinet-mandated criteria				Stakeholder feedback	Indicate your preferred options	Notes
			Efficiency	Effectiveness	Flexibility	Transparency			
<p>1. Current legal pathway is inadequate for enabling targeted development outcomes</p> <p>The existing process under the Land Act and CPLA is legally feasible but complex and uncertain.</p>	<p>1A. Status quo</p> <p>Rely on existing legislative provisions for removing land from the Crown pastoral estate</p>	<p>Strengths</p> <p>No legislative change needed.</p> <p>Weaknesses</p> <p>The existing process is likely to be lengthy and the outcome is uncertain.</p>	0	0	0	0		<input type="checkbox"/> X	<p>"PART 3 PROCESS"</p> <p><u>MAINTAIN.</u></p>
	<p>1B. Create a specified legislative pathway</p> <p>Introduce a new statutory process to remove land from the CPLA and enable direct disposal to agreed development partners, with safeguards such as Ministerial approval and public reporting.</p>	<p>Strengths</p> <p>Provides greater certainty.</p> <p>Weaknesses</p> <p>Requires primary legislation and careful design to manage Treaty and reputational risks. Implementation complexity and political sensitivity are notable trade-offs.</p>	+	+	+	+	Likely to be supported by iwi and developers if designed with appropriate safeguards.	<input checked="" type="checkbox"/>	
	<p>1C. Remove mandatory competitive allotment</p> <p>Amend the Land Act to allow direct allocation in agreed circumstances, removing the requirement for auction or tender.</p>	<p>Strengths</p> <p>Addresses one constraint and improves certainty.</p> <p>Weaknesses</p> <p>May reduce transparency and financial return, likely to be controversial.</p>	0	+	0	-	May attract concern from stakeholders about fairness and market integrity.	<input checked="" type="checkbox"/> X	
	<p>1D. Bespoke legislation for high-value proposals</p> <p>Enact project-specific legislation for proposals of substantial national or regional benefit.</p>	<p>Strengths</p> <p>Provides maximum flexibility.</p> <p>Weaknesses</p> <p>Is resource-intensive and politically sensitive. Should be reserved for exceptional cases due to executional and implementation risks.</p>	-	0	+	-	May attract scrutiny and require strong justification and cross-agency coordination.	<input type="checkbox"/> X	


RFR.

BRF 26-064 Appendix 1: Options table for Minister's decisions

C. Decisions on revenue arrangements

Policy issues and context	Options	Analysis and key trade-offs	Cabinet-mandated criteria				Stakeholder feedback	Indicate your preferred options	Notes
			Efficiency	Effectiveness	Flexibility	Transparency			
<p>1. Land-use revenue for secondary use permits</p> <p>The Crown is entitled to a fair return from secondary uses of pastoral land.</p> <p>LINZ proposes to charge the land user a land-use fee based on a market rate.</p> <p>This part of the table considers options for the level of Commissioner discretion in setting land-use fees.</p>	<p>1A. (LINZ Preferred option) Discretion guided by principles</p> <p>This option gives the Commissioner discretion to set an appropriate land-use fee for secondary use of Crown pastoral land.</p> <p>The Commissioner would be guided by publicly available principles for setting a land-use fee for secondary uses.</p> <p>The Commissioner would also be guided by the Land Act's general emphasis on ensuring a good commercial return on land sales and land use.</p>	<p>Strengths</p> <p>Provides flexibility for the Commissioner to tailor the revenue arrangement to the type of land-use activity and location.</p> <p>Provides transparency to prospective land users of the Crown's land-use fee expectations.</p> <p>Supports the Commissioner's hand in negotiations in relation to the Crown's land-use fee expectations.</p> <p>Helps ensure consistency in approach to fee-setting.</p> <p>Weaknesses</p> <p>Prospective land users may still consider there is not enough certainty of likely land-use fees. This uncertainty could be addressed through fee guidance material.</p> <p>Is inconsistent with fee setting for commercial recreation permits and other activities on Crown land, which is at the Commissioner's discretion under Land Act.</p>	+	+	+	+	<p>HCAT and HCAG support a fair return to the Crown using market-based valuations.</p> <p>HCAT favours a combined model of a base fee plus a proportionate return based on trade volume. They also support a base fee being payable while a permit is active, regardless of activity, to reflect Crown costs.</p>	<input checked="" type="checkbox"/>	
	<p>1B. Discretion without principles</p> <p>This option is the same as option 1A but without any publicly available principles for setting a land-use fee for secondary uses.</p>	<p>Strengths</p> <p>Provides the most flexibility for the Commissioner to tailor the revenue arrangement to the type of land-use activity.</p> <p>Is the current setting for non-pastoral activities on Crown pastoral land and all land uses on other Crown land.</p> <p>Weaknesses</p> <p>Provides the least amount of certainty to prospective land users of the expected land-use fee.</p> <p>Risk of longer revenue-setting negotiations with prospective land users, though the Commissioner uses independent market valuations.</p>	<p>-</p> <p>0</p> <p>++</p> <p>-</p>					<p>Stakeholders are likely to be concerned that the absence of legislated principles could lead to inconsistent or insufficient returns to the Crown.</p>	<input type="checkbox"/>

BRF 26-064 Appendix 1: Options table for Minister's decisions

Policy issues and context	Options	Analysis and key trade-offs	Cabinet-mandated criteria				Stakeholder feedback	Indicate your preferred options	Notes
			Efficiency	Effectiveness	Flexibility	Transparency			
	<p>1C. Legislated fee-setting formula</p> <p>In this option, legislation would set a formula for calculating the level of land-use fees for secondary uses of Crown pastoral land.</p> <p>This option is like the current arrangement for pastoral rents. Part 1A of the Crown Pastoral Land Act sets a rent formula based on stock capacity.</p>	<p>Strengths</p> <p>Provides the greatest level of certainty to prospective land users of the expected land-use fee.</p> <p>Weaknesses</p> <p>Does not provide flexibility for the Commissioner to tailor the revenue arrangement to the type of land-use activity.</p> <p>Does not reflect fair market value which will vary depending on activity and location.</p> <p>Will result in a different approach for secondary use permits from commercial recreation permits.</p> <p>Is inconsistent with the approach to all activities (except farming) on Crown pastoral land and all activities on other crown land.</p>							
			+	0	--	++		<input type="checkbox"/> 	

Draft - Proactive release

BRF 26-064 Appendix 1: Options table for Minister's decisions

Policy issues and context	Options	Analysis and key trade-offs	Cabinet-mandated criteria				Stakeholder feedback	Indicate your preferred options	Notes	
			Efficiency	Effectiveness	Flexibility	Transparency				
<p>2. Cost recovery for secondary use permit administration</p> <p>LINZ should recover administrative costs for secondary use permits because private land users benefit from the permit.</p> <p>This part of the table considers two cost recovery options with a third option of covering costs through Crown funding.</p> <p><i>LINZ does not yet have a strong preference between options 2A and 2B. We will discuss these options with The Treasury (as the government's main cost recovery advisor) and the Department of Conservation (which uses a form of option 2B) and provide you with further advice.</i></p>	<p>2A. Empower the government to make regulations setting fees for secondary use permits</p> <p>Under Crown land legislation, the government already has the power to make regulations setting fees for discretionary pastoral activity permits and other forms of land use consent.</p> <p>This option would amend the legislation to enable the government to also make regulations setting fees for secondary use permits.</p>	<p>Strengths</p> <p>The most transparent fee-setting method, backed by requirements for good fee-setting analysis under the current process for Regulatory Impact Statements.</p> <p>Reflects government cost recovery guidance that those benefiting from a government services should generally bear the cost of the service, rather than the wider public.</p> <p>Weaknesses</p> <p>Setting fees through regulations is administratively resource intensive.</p>	-	+	0	++	Stakeholders are likely to have differing views on the case for cost recovery. Leaseholders may note the important public benefits of Crown pastoral land management and the role for public funding. Environmental groups may note the private benefits that go to leaseholders and third-parties from commercial activities.	<input type="checkbox"/>	?	
	<p>2B. LINZ sets fees for secondary use permits</p> <p>This option would amend legislation to empower LINZ to set fees for secondary use permits, without requiring the Governor-General in Council to make fee regulations.</p> <p>This option is somewhat like the current arrangement for conservation land use fees. The Department of Conservation, under Ministerial delegation, can set fees without requiring fee regulations. Other agencies rely on fee regulations.</p>	<p>Strengths</p> <p>Provides LINZ with flexibility to set and update fees as service delivery arrangements and costs change. Less resource intensive than setting fees through regulations. As for option 2A, reflects government cost recovery guidance that the benefiter should pay.</p> <p>Weaknesses</p> <p>Less transparent than setting fees through regulations and with fewer requirements for good quality analysis (e.g., no requirement for an impact statement). This could be addressed by limiting LINZ to cost recovery only and requiring LINZ to consult on and publish its charge-out rates and list of fixed fees each year.</p> <p>There would be less Parliamentary control and oversight of Crown revenue and funding arrangements, compared to fee setting through regulations (which are reviewed by the Regulations Review Committee).</p>	<p>+ - ++ -</p>	+	-	++	-	As above for option 2A.	<input checked="" type="checkbox"/>	
	<p>2C. Administrative costs for secondary use permits are covered by Crown funding</p> <p>This option would provide Crown funding to LINZ to administer secondary use permits, without any cost recovery from the land users.</p>	<p>Strengths</p> <p>The least resource intensive option as it avoids the cost of implementing and administering a fee regime.</p> <p>Weaknesses</p> <p>The wider public must bear the cost of administering a system of land use that largely benefits private commercial parties.</p> <p>Government could be seen as subsidising business if applicants do not have to pay the costs of obtaining permissions on Crown pastoral land compared with freehold land, public conservation land other Crown land.</p> <p>Processing of applications may be inefficient if LINZ does not have the resources to respond in a timely way to applications.</p>	<p>- - + 0</p>	-	-	+	0		<input type="checkbox"/> x	

BRF 26-064 Appendix 1: Options table for Minister's decisions

Key:

- ++ much better than doing nothing/the status quo/counterfactual
- + better than doing nothing/the status quo/counterfactual
- +/- a mixture of positive and negative effects
- 0 about the same as doing nothing/the status quo/counterfactual
- worse than doing nothing/the status quo/counterfactual
- much worse than doing nothing/the status quo/counterfactual

Green shaded is LINZ preferred option

Proactive release