

In Confidence

Office of the Minister for Land Information

Cabinet Economic Policy Committee

Enabling more productive use of Crown land

Proposal

1. This paper seeks agreement on proposed reforms to the Crown Pastoral Land Act 1998 and Land Act 1948 to allow for more efficient and effective land management and greater economic returns on Crown pastoral land.

Relation to Government priorities

2. This proposal reduces regulatory burden, improves certainty for pastoral farmers, and removes barrier to new land uses. This supports the Government's policies for Getting Back to Farming, Going for Growth, and New Zealand's transition to net zero by 2050.

Executive summary

3. This paper seeks Cabinet agreement to reform the Crown Pastoral Land Act 1998 (CPLA) and the Land Act 1948 to enable more efficient and effective uses of Crown land. The proposed reforms aim to unlock new uses of Crown pastoral land, such as other forms of farming and renewable energy, while maintaining inherent values¹ and enabling a fair return to the Crown.
4. I propose to introduce two new systems to the CPLA and Land Act: a secondary use permit system to give pastoral lease holders flexibility to undertake new activities that are compatible with pastoral farming; and, to support significant land use changes that are not compatible with pastoral farming, a pathway for removing land from the pastoral estate. I also propose amendments to the CPLA and Land Act to reduce regulatory burden, and improve the operability of the legislation. I am seeking Cabinet agreement to these changes to legislation, and delegated authority to finalise legislative design elements.

Background

5. The Land Act 1948 governs the management of 1.5 million hectares of Crown land, including about 1.2 million hectares across 165 Crown pastoral leases in the South Island high country. The CPLA requires the Commissioner of Crown Lands (the Commissioner)² to administer Crown pastoral land in a way that seeks to achieve the following outcomes: the maintenance or enhancement of inherent values, supporting the Crown in its relationships with Māori under the Treaty, and enabling the Crown to get a fair return on its ownership interest in pastoral land.

¹ The CPLA defines inherent values as a value arising from an ecological, landscape, cultural, heritage, or scientific attribute, or a characteristic of a natural resource, or a place on the land. Inherent values do not relate to financial value arising from a pastoral farming activity.

² As an independent statutory officer, the Commissioner of Crown Lands exercises rights of ownership, and has statutory responsibility for Crown land held under the Land Act 1948. This includes being the landlord for Crown pastoral and other leaseholders, and consenting to activities on Crown land.

6. Crown pastoral leaseholders are interested in diversification, and demand is growing for more flexible uses of Crown land. Changes to the CPLA are also required to enable afforestation on the Crown pastoral estate subject to future decisions by Cabinet [ECO-24-MIN-0246 refers].
7. In May and July 2025, I consulted Ministerial colleagues on my intention to review legislation relating to Crown land. The CPLA and Land Act review has a legislative priority of category 6, with drafting instructions to be issued by the end of 2025.

Introducing a secondary use permit to enable broader activities alongside pastoral farming

8. The purpose of the CPLA is to provide for the administration of pastoral land in a way that seeks to maintain or enhance inherent values, while providing for ongoing pastoral farming on Crown pastoral land. Land use is primarily restricted to pastoral farming and commercial recreation activities.³ There is an opportunity to enable a broader range of activities on Crown pastoral land to help diversify income streams, improve lease management, and contribute to the long-term viability of the Crown pastoral estate.
9. I propose to introduce a new secondary use permit to allow activities, such as other forms of farming and renewable energy, to be undertaken alongside pastoral farming.
10. A permit system where leaseholders⁴ can apply to the Commissioner for approval to carry out secondary use activities will ensure that inherent values and ongoing farming operations are protected, while risks to the pastoral estate are managed. The permit system will operate similarly to the existing commercial recreation permits under the Land Act. This system is straightforward to implement and supported by stakeholders including the High Country Accord Trust and the High Country Advisory Group.⁵
11. For some activities, current resource management legislation means that leaseholders may be subject to overlapping consent requirements. There is an opportunity through the resource management reforms to ensure land-use activities regulated under the CPLA are not subject to overlapping requirements under the new legislation.

Secondary use will be defined as both a list of activities, and other activities (not in the list) as determined by the Commissioner

12. Permissible secondary use needs to be defined. I propose that secondary use be defined as a list of activities, set in a schedule, which will signal to leaseholders the types of activities that can generally be enabled. The activities allow diversification in land uses, and reflect stakeholder feedback. The full list is included in Appendix A.⁶
13. The Commissioner will be able to give permission for activities not listed in the schedule, provided the Commissioner is satisfied that the activity is not a pastoral farming activity, not more appropriately enabled by another permission applicable to Crown pastoral land, and will achieve the purpose and outcomes of the CPLA.

³ These include recreational, tourist, accommodation, and safari activities, as set out in section 66A of the Land Act.

⁴ In contrast to commercial recreation permits, only leaseholders will be able to apply for secondary use permits. However, the permit-holder (i.e. the leaseholder) may be authorised by the Commissioner to engage a third party to undertake the activity. This ensures an appropriate line of accountability between the leaseholder and the Crown.

⁵ Leaseholder representative body, and a LINZ-commissioned advisory group on high country matters respectively.

⁶ Inclusion of an activity in the schedule will not imply automatic approval, nor does exclusion imply decline.

14. I also propose to create a schedule of prohibited secondary use activities. s 9(2)(f)(iv)
[REDACTED]
15. To ensure both lists can be updated to reflect future developments in pastoral farming, land management, and Government policy, it will be amendable via Order in Council.⁷ The chief executive of Land Information New Zealand (LINZ) will be required to review the schedule every 5 years and advise the Minister on any recommended changes.

Approval of secondary uses will be guided by principles and criteria set in legislation

16. The Commissioner will be able to approve applications for activities with “no more than minor” adverse effects on inherent values and pastoral farming. Where an activity has “more than minor” adverse effects on inherent values or pastoral farming, the Commissioner will be able to approve the application only if satisfied that further criteria on significant and/or long-term benefits are met. Appendix B contains the full criteria.
17. This two-step approach is consistent to that of discretionary pastoral activities and commercial recreation permits. The intent is to ensure the decision-making criteria for the three permissions are broadly aligned.
18. Decisions on secondary use applications will be subject to the decision-making process for discretionary pastoral activities and commercial recreation permits in section 10 of the CPLA. Other legislative requirements (e.g. activity must comply with local bylaws), will be kept as consistent as possible with those for the commercial recreation permit, including the application of the Treaty clauses in section 5 of the CPLA.
19. Liability risks to the Crown as landowner introduced by secondary use (for example, if the permit holder fails to remediate environmental degradation) is best addressed through terms and conditions attached to the permit. This is consistent with the approach for commercial recreation permits. I also intend to update the remedial action, enforcement, and infringement offences provisions of the CPLA to cover the secondary use permit.

The Crown will receive a fair return from secondary uses

20. The CPLA requires the decision-makers to seek a fair return on the Crown’s ownership interest in pastoral land. I propose to allow the Commissioner to set fees under each secondary use permit. The fees will reflect the Crown’s interest in the land and a fair market return for that interest, having regard to the nature and scale of the activity. The Commissioner will have discretion to set fees below market return, for example if the activity relates to community fundraising or other not-for-profit public good activities.
21. A fees approach for land use is flexible, familiar to leaseholders, and better suited to varied business models than the pastoral rent formula (which is fixed in legislation). The fees approach will mirror the land-use fee system for commercial recreation permits and align with Department of Conservation fees for land use.

⁷ A new activity can only be included in the schedule of generally permitted secondary uses, if the Minister is satisfied the activity is not a pastoral farming activity, is not more appropriately provided for using another applicable permission, and that it will be consistent with the purpose and outcomes of the CPLA. The criteria for amending the schedule of prohibited activities will be that the Minister is satisfied that the activity would be likely to cause significant loss of inherent values that cannot be avoided in all reasonably foreseeable circumstances or would prevent the ongoing use of land for pastoral farming. For both parts, consultation with Ministers, iwi, leaseholder representatives, and the public must be undertaken.

Administration of the secondary use permit will be funded via application charges

22. LINZ will incur costs in processing secondary use applications. These costs will be fully cost recovered through application charges (which are separate to land-use fees as noted above). Application charges ensure that private beneficiaries cover the cost of processing applications, and are in line with wider Crown land practices including conservation land management.
23. I propose to amend the CPLA, Land Act and fees regulations⁸ to the extent necessary to clarify that regulations are not required for LINZ to recover the cost of processing secondary use applications, nor for recovering the cost of other commercial applications (such as commercial recreation permits and easements). Providing for a secondary use of Crown pastoral land is a service that the user is not bound to use and the Crown as landowner is not bound to provide.⁹

Introducing a pathway to remove land from the pastoral estate

24. Enabling secondary uses alone may not be sufficient to realise the full economic potential and best use of Crown pastoral land. Activities such as infrastructure, business or residential development may conflict with the CPLA's purpose and outcomes, so cannot be carried out while the land is pastoral land. Legislation already allows pastoral leases to be ended, and land disposed of. However, these provisions need amending to reduce complexity and uncertainty.
25. To enable economic opportunities that involve a significant land use change, I propose to create a pathway for removing land from the Crown pastoral estate. This pathway would see all, or part, of the pastoral lease ended by agreement and the land reclassified under the Land Act, giving the Crown options to then sell or lease the land (subject to Right of First Refusal – RFR – entitlements) so it can be used for another purpose. There will be no provision for compulsory acquisition.
26. I propose that the pathway can be used to remove land from the pastoral estate if the public benefits of the proposed land use outweigh the negative impacts on inherent values or ongoing pastoral farming of the remaining pastoral land.
27. I propose a three-stage process:
 - 27.1. Stage 1: Gateway test. At this stage, an applicant must submit a proposal and the Minister for Land Information will decide whether there is a reasonable likelihood that the application will meet the test for removal. The purpose of the test is to ensure that only suitable applications proceed to the full assessment stage. Before making a decision at this stage, the Minister must consult relevant iwi, and the Director-General of Conservation.
 - 27.2. Stage 2: Decision to proceed with land removal. At this stage, the Minister¹⁰ decides whether to proceed with removing the land from the pastoral estate, following assessment of further information from the applicant. Before making a

⁸ Land Information New Zealand (Fees and Charges) Regulations 2003.

⁹ Guidelines by The Treasury, the Auditor-General and the Legislation Design Advisory Committee agree in stating that such discretionary and commercial transactions do not require legislative authority, whether through secondary legislation or another form.

¹⁰ The usual decision-maker under the CPLA is the Commissioner of Crown Lands, but I consider that decisions that may remove land from the Crown estate should be made by a Minister to provide appropriate oversight and accountability.

decision at this stage, the Minister must consult with the Director-General of Conservation and relevant iwi, and any relevant government agencies and local authorities.

- 27.3. Stage 3: Disposal. The land will be disposed of according to the process set out in the Land Act, including subdividing the land, ending the lease and reclassifying land, and sale or lease processes.
28. Before any sale or lease of land, the Crown must meet its obligations under Treaty settlement legislation by offering the land to the relevant iwi authority if a RFR entitlement applies.¹¹ RFR obligations are set in Treaty settlement legislation, and Te Rūnanga o Ngāi Tahu and Te Tau Ihu iwi both have RFR entitlements. The proposed new pathway for significant land use changes will not change RFR obligations and RFR processes will be incorporated into the process.¹²
29. I am seeking delegated authority to make further policy decisions in relation to the technical design of the new legislative pathway, including decision-making criteria for the tests in the pathway and the steps in the disposal process.
30. The CPLA, Land Act and fee regulations will be amended as necessary to provide for LINZ to recover the cost of administering the process above.

Greater flexibility for pastoral leaseholders

31. I propose changes to improve the CPLA in response to leaseholder feedback to support more flexible and productive pastoral farming. Schedule 1AB sets out activities related to pastoral farming that are either permitted, prohibited or discretionary (and require consent from the Commissioner). To reduce unnecessary regulations and to improve the operation of this framework, I propose a combination of legislative change and guidance from the Commissioner to improve the clarity and flexibility of the list of permitted and discretionary activities. I also propose measures to improve the operation of the decision-making framework for discretionary activities under section 9, section 10, section 11 and Schedule 1ABA.¹³ Details of these changes are set out in Appendix C.

Modernising the Land Act 1948

32. The Land Act provides the statutory framework for the Commissioner to oversee a wide range of land-related functions, including leasing, licensing, and sale of land and managing unauthorised use. I propose to update the Land Act to:
- 32.1. explicitly provide for commercial filming and photography as a commercial recreation activity
- 32.2. modernise the tools for dealing with trespass on Crown land

¹¹ These RFR obligations are to offer to the respective iwi the first right of refusal on 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). In addition, if RFR is not taken up, and the Crown proposes to dispose of the land to another party on lesser terms and conditions, that lesser offer must be first made to the relevant iwi.

¹² There is an exemption to the RFR in the relevant settlements where it was proposed to sell pastoral lease land to the leaseholder. However, iwi expressed concern that this exemption was for the tenure review process, and that any new proposal should not affect their RFR rights.

¹³ The CPLA allows for change to schedules 1AB and 1ABA to be made via Order in Council. In this instance I am proposing to progress these changes as part of the package of changes described in this paper. The requirement for public submissions (s100O(7)(b)(ii) and s100P(3)(b)) will be given effect to via the Select Committee process.

- 32.3. allow digital advertising and flexible methods for the limited alienation and outright sale of Crown land
- 32.4. clarify and strengthen the Commissioner's statutory powers relating to status of Crown land, implied covenants and rehearing timeframes.¹⁴

Risks

- 33. There is a risk of some secondary uses impacting on local eco-systems, cultural sites or other features of the high country. The criteria and decision-making processes introduced alongside these reforms will mitigate this risk by ensuring that any potential adverse impacts and mitigations must be considered by the Commissioner.
- 34. Stakeholders, such as environmental groups and recreational tramping clubs, may have concerns about the proposals. These groups may consider that low-intensity pastoralism is the best way of balancing commercial and public values in the land, and object to new uses of the land. LINZ will manage this risk through clear communications and engagement throughout the reform and implementation process.
- 35. Land removed from the Crown pastoral estate gives rise to RFR on the sale or lease of land. Additionally, there may be other obligations under Treaty settlement legislation to be addressed. There could be the possibility of redress land changing before settlement, or changes to the value of that land with strengthened economic opportunities impacting what may be included in a settlement package.

Cost-of-living Implications

- 36. The proposals in this paper do not have any cost-of-living implications.

Financial Implications

- 37. The collection of land-use fees for secondary uses will provide Crown revenue. Pastoral rent revenue will reduce if secondary activities lead to lower stock rates on pastoral leases. However, most productive pastoral land will stay as grazed land, and LINZ expects that on balance the secondary use permit system will increase Crown revenue. An application charge will recover the costs of administering the secondary use permit system.

Legislative Implications

- 38. A bill was submitted for the Legislation Programme with a category 6 priority (drafting instructions to be issued by the end of 2025) under the circular CO (24) 06.

Impact Analysis

- 39. A completed Regulatory Impact Statement (RIS) is attached to this Cabinet paper. A Quality Assurance Panel, with representatives from LINZ and the Ministry for Primary Industries, considered that the RIS partially meets quality assurance criteria. The Panel considered that more detail on trade-offs between options and wider consultation would have strengthened the analysis, especially around public interest considerations for proposed land use change described in Part B of the RIS. I have made some further policy

¹⁴ The Commissioner will be able to vary the timeframes when justice requires it, having regard to mandatory relevant factors that include: the reason for the request, the time elapsed since the deadline, any disadvantage to the applicant if the waiver is not granted, and any disadvantage to other parties if the waiver is granted.

decisions on detailed design matters since the RIS was completed in October 2025, however, the substantive policy decisions sought in this paper are addressed in the RIS.

Human Rights

40. These proposals are compatible with the Human Rights Act 1993 and New Zealand Bill of Rights Act 1990.

Use of External Resources

41. To inform the development of the RIS, LINZ commissioned agricultural economists to analyse the economic benefits of enabling secondary uses on Crown pastoral land.

Consultation

42. The following departments have been consulted on this paper: the Ministry for the Environment, the Ministry of Justice, Te Tari Whakataua, the Ministry for Primary Industries, the Department of Conservation, Te Puni Kōkiri, the Department of Internal Affairs, and the Ministry of Business, Innovation and Employment. The Treasury and the Department of Prime Minister and Cabinet were informed.
43. LINZ engaged with Ngāi Tahu and Te Tau Ihu iwi, whose takiwā collectively cover the South Island and all land included in the Crown Pastoral Estate. Ngāi Tahu has indicated concern about how Treaty obligations will be met in relation what Ngāi Tahu see as the creation of new rights on Crown Land. I will continue to engage with Ngāi Tahu and Crown Law on this matter.
44. In relation to the proposal to create a pathway for removing land from the Crown pastoral estate, Ngāi Tahu has indicated that it prefers the land to remain in Crown ownership. However, Ngāi Tahu noted that if this proposal proceeds that existing RFR entitlements would apply.
45. LINZ's High Country Advisory Group and the High Country Accord Trust were generally supportive of the proposals. Limited consultation has occurred on the proposed minor amendments to the Land Act, which are not expected to be controversial.

Communications

46. Following Cabinet agreement, I intend to announce policy decisions.

Proactive Release

47. Consistent with Cabinet Office Circular (23) 4, I propose to release this paper proactively, subject to due diligence requirements.

Recommendations

The Minister for Land Information recommends that the Committee:

- 1 note the proposed changes to the Crown Pastoral Land Act 1998 (CPLA) and the Land Act 1948 will enable more efficient and effective land management and greater economic returns on the Crown pastoral estate while maintaining protection for ecological, landscape, cultural, and scientific values (inherent values);

- 2 agree that the CPLA be amended to create a new secondary use permit system, with the following features:
 - 2.1. leaseholders may apply to the Commissioner of Crown Lands (Commissioner) for a permit to conduct secondary use activities on Crown pastoral land;
 - 2.2. activities that are generally permissible secondary uses will be listed in a schedule;
 - 2.3. the Commissioner may permit a secondary use that is not listed in the schedule, if they are satisfied that: the activity is not more appropriately provided for using another permission applicable to Crown pastoral land; that in the Commissioner's opinion, it is likely that the activity can (in general) be carried out in a way that will be consistent with the decision-making outcomes in section 4(a)-(c) of the CPLA; and, following consultation with relevant iwi;
 - 2.4. the schedule of permissible secondary uses can be amended by Order in Council, subject to consultation with Ministers, iwi, leaseholders, and the public, if the Minister is satisfied the activity is not a pastoral farming activity, is not more appropriately provided for using another applicable permission, that it will be consistent with the purpose and outcomes of the CPLA;
 - 2.5. activities that are prohibited secondary uses on Crown pastoral land will be listed in a schedule;
 - 2.6. the schedule of prohibited secondary uses can be amended by Order in Council, subject to consultation with Ministers, iwi, leaseholders, and the public, if the Minister is satisfied the activity the activity would be likely to cause significant loss of inherent values that cannot be avoided in all reasonably foreseeable circumstances or would prevent the ongoing use of land for pastoral farming;
 - 2.7. the Commissioner may grant an application for a secondary use if in the Commissioner's view the proposed activity would have a no more than minor effect on inherent values and pastoral farming;
 - 2.8. if in the Commissioner's view, a proposal would have more than minor adverse effects on inherent values or pastoral farming, the Commissioner may not issue a permit unless satisfied of certain criteria;
 - 2.9. the legislative requirements for the secondary use permit are otherwise consistent to that of the commercial recreation permit, including the application of section 5 of the CPLA.
- 3 note that there is an opportunity through current reforms of resource management legislation to ensure that land-use activities regulated under the CPLA are not subject to duplicated consenting and permission requirements;
- 4 agree that terms and conditions in the permit is to be the main mechanism to manage liability risks as a result of secondary use activities;
- 5 agree to update the remedial action (100A), enforcement (100B), and infringement offences (100D) provisions of the CPLA to cover the secondary use permit;
- 6 agree that the Commissioner will have discretion to set an appropriate fee to seek a fair return on each secondary use of Crown pastoral land;

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- 7 agree to amend the CPLA, Land Act and current fee regulations, to the extent it is necessary to clarify that legislation is not required to empower LINZ to recover the cost of processing secondary use applications, nor for recovering the cost of other commercial applications (such as commercial recreation permits and easements);
- 8 note that Ngāi Tahu indicated concern about how Treaty and settlement obligations will be met in relation to what Ngāi Tahu see as the creation of new rights on Crown Land;
- 9 note that the Minister for Land Information will continue to engage with Ngāi Tahu and Crown Law on this matter including policy design;
- 10 note that enabling secondary uses alone may not be sufficient to realise the full economic potential and best use of Crown pastoral land where activities are inconsistent with the CLPA's purpose and outcomes;
- 11 agree that the CPLA be amended to create a clearer pathway to remove land from the Crown pastoral estate if the public benefits of a proposed land use outweigh the negative impacts on inherent values across the Crown pastoral estate or ongoing pastoral farming of the remaining pastoral land, with the following features:
 - 11.1. the removal pathway process is initiated by an applicant making a proposal for an activity on Crown pastoral land that would require a land use change;
 - 11.2. the removal pathway can be used with the agreement of the leaseholder, and there will be no provision for compulsory acquisition of the lease;
 - 11.3. stage 1 is a gateway test, where the Minister for Land Information will decide whether there is a reasonable likelihood that an applicant's proposal will meet the test for removal, including consultation with relevant iwi as set out in the CPLA, and the Director-General of Conservation;
 - 11.4. stage 2 is the final decision, where the Minister of Land Information decides whether to proceed with removing the land from the Crown pastoral estate, following assessment of further information from the applicant and consultation with the Director-General of Conservation, relevant iwi as set out in the CPLA, and any relevant government agencies and local authorities;
 - 11.5. stage 3 is the disposal process for the land;
 - 11.6. the removal pathway process must be consistent with the Crown's Right of First Refusal obligations;
- 12 authorise the Minister for Land Information to make further policy decisions and issue drafting instructions relating to the design of the removal pathway process;
- 13 agree to amend the CPLA, Land Act and current fee regulations, to the extent it is necessary to provide for LINZ to recover the cost of administering the pathway to remove land from the Crown pastoral estate;
- 14 agree that the CPLA be amended to:
 - 14.1. clarify that, when the Commissioner is considering whether a proposed discretionary pastoral activity or a commercial recreation permit or a secondary use has more than minor effects, they may take into account the positive effects of that activity (but not offsetting through a different activity);

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- 14.2. clarify that, for the purpose of deciding whether an activity is necessary to enable a lessee or licensee to exercise their rights and obligations under a lease or licence, the Commissioner may: take into account all relevant considerations, including full rights and obligations under the lease or license; and, consider the long-term financial viability of the pastoral farming enterprise;
- 15 agree to amend the Land Act 1948, to:
 - 15.1. clarify that commercial filming and photography are commercial recreation activities;
 - 15.2. update notice requirements to allow public notices to be made digitally as well as in newspapers;
 - 15.3. enable the Commissioner to determine the most appropriate method for disposing of Crown land, whether by limited alienation or outright sale, based on the circumstances of each case;
 - 15.4. enable the Commissioner to issue a direction-to-remove notice as a mechanism for requiring the removal of unauthorised property from Crown land;
 - 15.5. enable the Commissioner to determine the place or facility where any item removed from Crown land due to trespass may be stored prior to being claimed or disposed of;
 - 15.6. enable the Commissioner to assess the value of unclaimed property removed from Crown land and determine whether to auction the property or dispose of it by another method, where that method is more appropriate;
 - 15.7. state that, for the purpose of exercising their statutory functions, the Commissioner may determine whether land is Crown land;
 - 15.8. make provision for the Commissioner to waive, or vary, implied covenants where appropriate on the grant of lease;
 - 15.9. introduce a discretionary power for the Commissioner to extend or waive the legislated timeframe for a rehearing when justice requires it, having regard to mandatory relevant factors;
- 16 authorise the Minister for Land Information to issue drafting instructions for a Bill to give effect to the policy decisions in this paper;
- 17 agree that the Minister for Land Information can take further decisions on minor, technical, and consequential matters in line with the policy decisions agreed by Cabinet.

Authorised for lodgement.

Hon Chris Penk
Minister for Land Information

Appendix A: List of generally permissible secondary use activities

The purpose of the list is to signal to leaseholders the types of activities that can generally be enabled by the secondary use permit.

The Commissioner will be able to give permission for activities not listed in the schedule, provided the Commissioner is satisfied that the activity is not a pastoral farming activity, not more appropriately enabled by another permission applicable to Crown pastoral land, and will be consistent with the purpose and outcomes of the CPLA.

The following activities have been identified for inclusion in the list. The activities allow diversification in land uses in rural areas, and reflect stakeholder feedback obtained during the policy development process:

- arable farming (other than activities that are ancillary to pastoral farming)
- viticulture or horticulture
- apiculture (beekeeping)
- aquaculture
- native plantation forestry or native carbon forestry¹⁵
- environmental restoration or enhancement activities including carbon/biodiversity programmes involving indigenous bush, wetlands or other activities beneficial to inherent values
- gravel extraction, stockpiling, processing, or screening¹⁶
- renewable energy generation
- processing or sale of products grown or reared locally
- research, fieldwork, training facilities and activities associated with primary production, conservation, or outdoor education.

For avoidance of doubt, an application for an activity in the schedule does not imply approval. Nor does an application for an activity not included in the schedule imply decline (unless the activity is listed in the schedule of prohibited secondary use activities).

¹⁵ For avoidance of doubt, tree planting associated with pastoral farming (for example shelterbelts and woodlots) and to manage soil erosion is not to be considered as a form of afforestation. This is because these activities have already been classified as discretionary pastoral activities under Schedule 1AB of the CPLA.

¹⁶ The secondary use permit is a more appropriate and fit-for-purpose mechanism to enable gravel-related activities than the permissions historically used (e.g. easements). I note that gravel extraction licenses can be issued for unalienated Crown land, but not where there is a pastoral lease (which is alienated Crown land by definition).

Appendix B: Approval criteria for secondary use applications

In assessing **all** secondary use applications, the Commissioner must consider and be satisfied that the activity proposed in the application is consistent with the purpose and outcomes of the CPLA, including seeking to maintain or enhance inherent values, providing for ongoing pastoral farming, and enabling a fair return for the Crown.

The Commissioner will be able to approve applications for activities with “**no more than minor**” adverse effects on inherent values and pastoral farming.

In deciding whether effects on pastoral farming activities are minor, the Commissioner will be required to consider any likely effect on livestock carrying capacity by the proposed activity, and the importance of any affected areas to the overall pastoral farming activity.¹⁷

The Commissioner may also consider any proposed actions to avoid, remedy, or mitigate effects.

Where an activity has “**more than minor**” adverse effects on inherent values or pastoral farming, the Commissioner will be able to approve the application only if satisfied that the proposed activity meets one or more of the following criteria:

- a) the activity will make use of existing, lawfully established buildings or infrastructure on the leased land (but cannot otherwise be approved by a commercial recreation permit, as it is not a commercial recreation activity);
- b) the activity supports long-term maintenance or enhancement of inherent values when the lease is considered as a whole, or within the local Ecological District, or the South Island High Country;
- c) the activity supports, or does not preclude, the long-term viability of the lease for pastoral farming purposes;
- d) the activity makes a significant contribution to biodiversity, freshwater or other environmental management goals nationally or regionally;
- e) the activity will make a significant contribution singularly or as part of a wider project towards reducing greenhouse gas emissions or the effects of climate change;
- f) the activity will result in significant social or economic benefit to the community or the nation;
- g) the activity will reduce the risk or avoid or mitigate effects of a natural or anthropogenic hazard, or a pest or other biosecurity incursion;
- h) the outcome of the activity will, in any other way, support the purpose and outcomes of the CPLA.

¹⁷ In practice, this will include, but is not limited to, considerations on access, loss of highly productive land, or creation or exacerbation of pest species or habitat for pest species. Details on how the Commissioner assesses effects on inherent values, and pastoral farming activities, will be set out in operational guidance.

During the assessment process, the Commissioner is expected to consider whether the activity is suitable to be located on a Crown pastoral land lease (for example, whether the activity may result in biosecurity issues). This is an important consideration in assessing whether the activity seeks to/achieves the CPLA's outcomes. Details will be set out in LINZ's operational guidance.

Proactive release

Appendix C: Proposals to create more flexibility for pastoral farming

Clarify and extend permitted and discretionary pastoral activities

Schedule 1AB will be amended to:

- simplify existing permissions for pest plant control activities
- clarify and extend the scope of existing permissions to undertake routine maintenance of existing lawfully established infrastructure without consent
- clarify existing permissions for repeat use of previously authorised activities
- permit additional low-risk activities such as maintenance of lawfully established buildings and maintenance of lawfully established flood protection infrastructure
- clarify the interface between permitted and discretionary activities
- standardise terminology and define key terms

LINZ will support consistent interpretation through guidance.

Clarify prohibition on offsetting

Section 10(4)(b) of the CPLA will be amended to clarify the prohibition on the Commissioner considering offsetting when deciding discretionary consents. Offsetting typically involves compensating for residual harm to inherent values through actions at another location – for example, constructing a wetland offsite to offset damage to one on the lease. The current wording is ambiguous and may conflict with the Act's intent that the Commissioner can weigh both positive and adverse effects, including those occurring over time. This uncertainty creates legal risk and may deter leaseholders from proposing beneficial on-site improvements.

The amendment will confirm that compensatory offsetting remains prohibited, while allowing consideration of positive effects that are integral to the proposed activity. This will restore clarity, reduce risk, and support balanced decision-making consistent with the Act's purpose.

Clarify decision-making test for discretionary pastoral activities

Section 11(2) and Schedule 1ABA of the CPLA will be amended to clarify that, for the purpose of deciding whether an activity is necessary is necessary to enable a lessee or licensee to exercise their rights and obligations under a lease or licence, the Commissioner may take into account all relevant considerations, up to and including the full rights and obligations under the lease or licence. The current wording requires the Commissioner to consider a subset of specific rights and obligations (specified as criteria under Schedule 1ABA). Other relevant considerations may be taken into account, but only where one or more of the criteria has been satisfied. This unduly limits the Commissioner's discretion to consider the full rights and obligations under the lease or licence.

Section 11(3) of the CPLA will be amended to clarify that, when considering financial viability of the pastoral enterprise, the Commissioner may consider long-term viability.

In addition to the above amendments, LINZ will issue guidance on the application of the decision-making test under section 11(1) of the Crown Pastoral Land Act. The guidance will clarify how the Commissioner assesses the nature and extent of adverse effects on inherent values.