

Regulatory Impact Statement Addendum: Secondary use of Crown pastoral land and land disposal pathway

Decision sought	This addendum provides regulatory impact analysis of decisions made under delegated authority following substantive policy decisions being made by Cabinet. It supports final decisions by Cabinet to approve the Crown Land Legislation Amendment Bill for introduction.
Agency responsible	Toitū Te Whenua Land Information New Zealand (LINZ)
Proposing Ministers	Minister for Land Information
Date finalised	16 March 2026

Summary: Problem definition and options

What is the policy problem?

This addendum provides regulatory impact analysis for design decisions taken under delegated authority during drafting. These decisions refine the settings already approved by Cabinet in amending the Crown Pastoral Land Act 1998 (CPLA) and the Land Act 1948 to enable more efficient and effective use of Crown land while maintaining inherent values and enabling a fair return to the Crown. They do not change the policy problem, objectives, or overall impacts assessed in the 2025 RIS. However, they address:

Design of the secondary use permit system

- How ecological expertise informs decisions on secondary-use applications.
- Ensuring criteria for approving secondary use permits align with policy intent.

Design of the land removal pathway

- How the Gateway threshold is framed so the test operates as a proportionate screen.
- Whether, and which, decision criteria must guide the Minister's Gateway and final decisions.
- Which CPLA outcomes and section 5 Treaty duties apply to removal decisions.
- What discretion the Commissioner of Crown Lands has to choose the disposal method.
- What review and appeal settings, and what decision authorities, apply to removal decisions.
- How conditions, monitoring, and reversion ensure approved public benefits are delivered.
- Whether Gateway and final decisions must be published.

What is the policy objective?

The Minister directed Land Information New Zealand (LINZ) to identify targeted legislative amendments to achieve the following system-level outcomes:

- Outcome 1: A modernised legislative framework that supports timely, cost-effective, and evidence-based land management decisions.
- Outcome 2: Reduced compliance burden and greater certainty for Crown pastoral leaseholders.
- Outcome 3: Efficient systems for enabling and regulating secondary land uses on Crown pastoral land.
- Outcome 4: Stronger alignment between Crown land management practices and wider government priorities.
- Outcome 5: Improved ability for the Crown to recover costs and receive a fair return on public land assets.

What policy options have been considered, including any alternatives to regulation?

The policy options within this addendum relate only to design and implementation details within the scope of Cabinet decisions and Ministerial directions, refining and confirming the specific statutory settings needed to implement the agreed approach. In achieving this they consider options based around existing legislative settings, further legislative refinement, and non-legislative options.

What consultation has been undertaken?

Consultation occurred through the policy process informing the primary RIS process, including targeted engagement with affected groups under a compressed timeframe. This included the High Country Accord, South Island iwi, the LINZ High Country Advisory Group, and relevant agencies. This consultation remains the primary basis of stakeholder evidence. Since Cabinet decisions, further information was provided to Te Rūnanga o Ngāi Tahu for feedback. Suggestions made about the design of the secondary use permit system informed the options discussed in this addendum.

Full public consultation will occur via the Select Committee process.

Is the preferred option in the Cabinet paper the same as preferred option in the RIS?

Yes

Summary: Minister’s preferred option in the Cabinet paper

Costs (Core information)

Outline the key monetised and non-monetised costs, where those costs fall (e.g. what people or organisations, or environments), and the nature of those impacts (e.g. direct or indirect)

The addendum does not alter the underlying costs of the policy proposals assessed in the 2025 RIS. The options addressed here are limited to statutory design and operational clarity for the secondary use permit system and the land-removal pathway.

The costs of the preferred options identified in this addendum include:

- administrative costs as a result of compulsory consultation requirements (low)
- compliance costs for applicants to provide sufficient information to enable statutory criteria to be assessed (low)

All substantive costs and compliance obligations remain as outlined in the 2025 RIS.

Benefits (Core information)

Outline the key monetised and non-monetised benefits, where those benefits fall (e.g. what people or organisations, or environments), and the nature of those impacts (e.g. direct or indirect)

The benefits of the preferred options identified in this addendum include:

- greater certainty for applicants through clear statutory criteria and consistent and transparent consultation (medium)
- more consistent and transparent decision making through clear statutory criteria (medium)
- public confidence through clear statutory criteria for decisions and transparency requirements (medium).

These refinements support, but do not change, the broader economic, environmental, fiscal and cultural benefits assessed in the 2025 RIS, including higher-value secondary uses, and improved ability for the Crown to recover costs and secure a fair return.

Balance of benefits and costs (Core information)

Does the RIS indicate that the benefits of the Minister's preferred option are likely to outweigh the costs?

Yes, the preferred options in this addendum are expected to deliver benefits that outweigh the costs. For example, the benefits of statutory criteria and consultation requirements in terms of clarity and consistency outweigh minor additional administrative costs from these requirements.

Implementation

How will the proposal be implemented, who will implement it, and what are the risks?

Implementation requirements are unchanged from the 2025 RIS. LINZ will lead the implementation of the proposed changes, supported by operational policy, updated guidance, and stakeholder engagement. Legislative amendments will establish the new permit system, fee-setting framework, and modernised authorisation tools. Transitional arrangements will be developed to support continuity for existing permissions. LINZ will establish monitoring and evaluation mechanisms to track uptake, performance, and compliance. A formal review is planned within three years of commencement to assess whether the legislative changes are delivering the intended outcomes and to identify any areas for refinement.

Limitations and Constraints on Analysis

This Regulatory Impact Statement addendum was limited to assessing options to give effect to Cabinet's agreed direction on amendments to the CPLA and Land Act. Consultation was limited to engagement with Te Rūnanga o Ngāi Tahu on the design of the secondary use permit system.

I have read the Regulatory Impact Statement Addendum and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the preferred options.

Responsible Manager(s)

Signature:



Amanda Moran

Head of Strategy and Policy

17 March 2026

Quality Assurance Statement

Reviewing Agency: Toitū Te Whenua Land Information New Zealand (LINZ)

QA rating: Partially meets

Panel Comment:

The Quality Assurance Panel, with representatives from LINZ and the Ministry for Primary Industries, has reviewed the Regulatory Impact Statement Addendum: Secondary Use of Crown Pastoral Land and Land Removal Pathway.

The Panel considers that the addendum partially meets the quality assurance criteria. The addendum provides a clear and well-structured explanation of the targeted design decisions requiring Cabinet approval. The analysis is proportionate to the narrow scope of the delegated matters addressed and is sufficient to support Cabinet’s consideration of these technical statutory settings.

The addendum’s summary outlines constraints regarding limited evidence and the focussed nature of decisions, and also notes limitations around stakeholder feedback on design choices.

Section 1: Overall context

Purpose and Cabinet context

1. On 3 December 2025, Cabinet agreed that the Crown Pastoral Land Act 1998 (CPLA) and the Land Act 1948 be amended to enable more efficient and effective use of Crown land while maintaining inherent values and enabling a fair return to the Crown, by:
 - a. introducing a secondary use permit system to enable leaseholders to carry out alternative economic activities to pastoral farming, within boundaries to ensure inherent values and ongoing pastoral farming are protected.
 - b. introducing a pathway for removing land from the Crown pastoral estate where the public benefits of a proposed alternative use outweigh the negative impacts on inherent values and ongoing pastoral farming
 - c. modernising the legislation to improve the efficiency of Crown land management.
2. Cabinet delegated final policy decisions on the design of the land removal pathway to the Minister for Land Information [ECO-25-MIN-0203 refers]. In addition, the Minister made further policy decisions on matters that arose during drafting, for which approval is being sought via the LEG paper that this addendum accompanies.
3. This addendum provides a regulatory impact assessment for these subsequent decisions to support Cabinet's decision making and ensure a record of analysis on delegated decisions is available. Background, problem definition and other contextual information contained in the main RIS are not repeated in this document.

Scope

4. The addendum covers:
 - a. policy decisions made during the drafting of the Crown Land Legislation Amendment Bill relating to the secondary use permit system, for which Cabinet approval is being sought through the LEG paper accompanied by this RIS addendum
 - b. policy decisions made under delegation relating to the design of the land removal pathway.

Section 2: Assessment criteria

5. To preserve continuity with the 2025 RIS, the addendum uses the same unweighted criteria:

Criterion	Definition
Efficiency	The extent to which the regulatory and administrative framework enables land to be managed and used with minimal unnecessary cost or delay.
Effectiveness	The extent to which legislative settings support intended outcomes, including the maintenance or enhancement of inherent values, provision for ongoing pastoral farming, alignment with Treaty obligations, and ensuring the Crown receives a fair return.

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Flexibility	The ability of the system to accommodate new uses, evolving technologies, and changing circumstances over time without requiring legislative amendment.
Transparency	The clarity, predictability and accountability of decision-making processes.

6. The options throughout this Regulatory Impact Statement (RIS) are analysed using the following key:

Key for qualitative judgements	
++	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

7. The marginal benefits and costs tables were determined based on the following criteria:

Impact	
Low:	Proposal expected to have little cost or benefit impacts for the affected user compared to the status quo
Medium	Proposal expected to have some cost or benefit impacts for the affected user compared to the status quo.
High	Proposal expected to have significant cost or benefit impacts for the affected user based on the status quo.
Evidence certainty	
Low	Level of confidence in impact rating is weak based on the evidence and information available.
Medium	Level of confidence in impact rating is medium based on the evidence and information available.
High	Level of confidence in impact rating is strong based on the evidence and information available.

Section 3: Analysis – Matters relating to the design of the secondary use permit system

What scope will options be considered within?

8. These options are considered within the scope of Cabinet’s policy decisions to amend the CPLA to introduce a secondary use permit system. The options are intended to give effect to Cabinet’s direction.

What options are being considered?

SU1: Consultation duty with the Department of Conservation (DOC)

9. Under the current law, the Commissioner must consult the Director-General of Conservation when considering discretionary pastoral activity consents and commercial recreation permits. This ensures ecological expertise informs decisions that may affect inherent values, providing consistency and transparency around the provision of this information when determining what activities that can occur on relevant pastoral land.
10. During drafting, a decision was required on how the need for ecological expertise to inform secondary use permit decisions (given they may affect inherent values) should be addressed.
11. The options considered were:
 - a. *Option SU1-A (status quo): No statutory requirement (rely on practice-based DOC engagement).*

Under this option, DOC involvement would remain discretionary. LINZ would not be required under legislation to consult and when and how this was done for secondary use permit decisions would be guided by operational practice and policy.

- b. *Option SU1-B (preferred): introduce an express statutory duty to consult DOC on all secondary-use applications.*

Under this option, the Act would require DOC to be consulted for all secondary-use applications, mirroring the approach used for other CPLA permissions.

SU2: Approval criteria for secondary uses with more than minor adverse impacts

12. Under the proposed secondary use permit system, the Commissioner can approve secondary use activities that have ‘more than minor’ adverse impacts on inherent values or pastoral farming only where one or more additional criteria are met. The Cabinet paper included the list of criteria.
13. During drafting, the following refinements to these criteria were identified through further design work undertaken, and in response to feedback from Te Rūnanga o Ngāi Tahu:
 - a. From the criterion, “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,” remove the words “or within the local ecological district or the South Island high country.”

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The purpose of this criterion is to enable secondary uses that may have a more than minor impact on site-specific inherent values but benefit inherent values across the lease as a whole. The criterion is clearer without the additional words.

- b. From the criterion, “the activity supports, or does not preclude the long-term viability of the lease for pastoral farming purposes,” remove the words “or does not preclude.”

Removing these words better aligns the criterion with the purpose of the CPLA to support ongoing pastoral farming.

- c. Remove the criterion, “the activity will result in significant social or economic benefit to the community or the nation.”

Activities that offer significant social and economic benefits (especially on a national scale) will likely result in the displacement of pastoral farming as the primary activity, and therefore unlikely to align with the purpose and outcomes of the CPLA.

- d. Remove the reference to “anthropogenic hazards”.

The natural-hazard test already provides the necessary coverage; a separate anthropogenic-hazard test adds little value and could create uncertainty about how far decision-makers should go in assessing indirect or human-generated risks.

Removing the term makes the criteria clearer and more practical to apply, while still allowing consideration of other relevant matters under the Act.

14. The two options are:

- a. *Option SU2-A (status quo): retain the original criteria.*

The criteria included in the policy Cabinet paper enable the Commissioner to approve secondary use activities with more than minor adverse impacts where other benefits would be achieved. However, the wording in places was too broad and in others unclear.

- b. *Option SU2-B (preferred): adopt the refined criteria.*

As noted above, the refinements to the criteria ensure the criteria are clear, appropriately focussed, and aligned with the purpose of the CPLA.

How do the options compare to the status quo/counterfactual?

15. For the options comparison, refer to the table on the following page.

What option is likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?

16. Options SU1-B (express statutory requirement for consultation with DOC) and SU2-B (adopt refined approval criteria) will best address the problem, in a way that is operable, proportionate, and transparent, while remaining within the CPLA’s purpose and Cabinet’s direction.

Is the Minister’s preferred option in the Cabinet paper the same as the agency’s preferred option in the RIS?

17. Yes

How do the options compare to the status quo/counterfactual?

Issue	Consultation with DOC		Decision-making criteria	
Option	SU1-A (status quo)	SU1-B (preferred)	SU2-A (status quo)	SU2-B (preferred)
Description	<i>Operational discretion to consult DOC</i>	<i>Mandatory duty to consult DOC</i>	<i>Original criteria</i>	<i>Refined criteria</i>
Efficiency	0 Provides for consultation when needed in practice	- All cases require consultation irrespective of how necessary or substantive the information to inform the final decision	0 Unclear test result in iterative	++ Targeted wording improves clarity, focuses evidence on what matters
Effectiveness	0 Decisions may miss consistent ecological advice	++ Ensures consistent ecological input for all decisions	0 Broad wording may not consistently align with CPLA outcomes	+ Refined wording better targets CPLA outcomes and improves decision quality
Flexibility	0 Operational discretion on whether/how to consult	- Less discretion over engagement pathway	0 Ambiguity allows discretion but risks inconsistency	+ Clear bounds still allow for case-by-case judgement
Transparency	0 Approach can vary by case	++ Predictable, uniform consultation improves clarity	0 Applicants face unclear thresholds, increasing contestability	++ Applicants can see what matters and prepare accordingly
Overall assessment	0	++	0	++

What are the marginal costs and benefits of the preferred option in the Cabinet paper?

18. The table below presents costs and benefits of the preferred options as a package:

Affected groups	Impact	Evidence certainty	Comment
Additional costs of the preferred options compared to taking no action			
Regulated groups (Leaseholders/applicants)	Low	Medium	Knowledge that DOC's views will be sought, coupled with clearer, more targeted evidence requirements under refined criteria (what/when to provide) reduces uncertainty pre-application. Net effect is fewer iterative applications and less rework across the life of an application.
Regulators (LINZ / Commissioner of Crown Lands)	Low	High	One-off cost to update guidance/templates and train staff. Day-to-day assessments become more uniform, reducing "stop-start" processing.
Others (e.g., DOC, wider government, iwi, communities etc.)	Low	Medium-High	DOC faces more predictable engagement, but actual workload is scalable proportionate to risk.
Total monetised costs	-	-	None quantified.
Non-monetised costs	Low	Medium	Potential admin friction for low-margin applicants.
Additional benefits of the preferred options compared to taking no action			
Regulated groups (Leaseholders/applicants)	Medium	Medium	Greater certainty through clearer criteria and consultation requirement.
Regulators (LINZ / Commissioner of Crown Lands)	Medium	High	Refined criteria make internal advice more straightforward and strengthen alignment to purpose, supporting consistent, defensible outcomes. Clear consultation requirement ensures transparent and consistent process.
Others (e.g., DOC, wider government, iwi, communities etc.)	Medium	Medium	Public confidence and transparency improve.
Total monetised benefits	-	-	None quantified.
Non-monetised benefits	Medium	Medium	System-level gains through greater regulatory clarity.

Section 4: Analysis – Matters relating to the design of the land removal pathway

What scope will options be considered within?

19. Cabinet agreed that the CPLA be amended to create a pathway for reclassifying and removing land from the Crown pastoral estate for proposed alternative land uses with significant public benefits that outweigh the negative impacts on inherent values and ongoing pastoral farming.
20. Cabinet agreed that the pathway will have three phases:
 - a. Gateway assessment: Having received an application for an alternative use of Crown pastoral land, the Minister, on the advice of the Commissioner, must decide whether it is sufficiently possible that the proposal will meet the criteria for land removal to merit proceeding to a full assessment. The purpose of this stage is to act as a filter, given the time and cost the applicant is likely to incur at the full assessment stage.
 - b. Full assessment and removal decision: Once the Minister has agreed to proceed, the Commissioner will carry out a full assessment of the proposal and make a recommendation to the Minister as to whether the proposal should be approved. The Minister then decides, based on statutory criteria, whether the land should be reclassified and removed from the Crown pastoral estate (note this step is with the agreement of the leaseholder, who must surrender their lease for this to proceed).
 - c. Land disposal and ongoing monitoring: In accordance with the Minister's decision, the Commissioner reclassifies the land and runs a disposal process in accordance with the Land Act. Once the land has been disposed of and the alternative land use has begun, the Commissioner carries out ongoing monitoring to ensure the public benefits sought are delivered, and, if not, takes steps to revert the land to the previous protections.
21. Cabinet gave the Minister of Land Information delegated authority to make final policy decisions regarding the design of the pathway.

What options are being considered?

LR1: Gateway design

22. The purpose of the Gateway test is to be an initial, preliminary filter to decide whether an application should proceed to full assessment. While both stages use the same assessment criteria, the standard applied to the assessment at each stage will be different. It is not intended that the Gateway test will predetermine the outcome of the full assessment, or that a full assessment would occur at the Gateway stage in practice. Additional information expected at the full assessment stage may still result in a decision not to approve the removal of the land from the Crown pastoral estate.
23. Cabinet had determined at the Gateway stage the Minister for Land Information will decide whether there is a reasonable likelihood that an applicant's proposal will meet the test for removal. During drafting it emerged that the term 'reasonably likely' to proceed may inadvertently indicate that a higher standard could be required for the Gateway stage than the standard originally intended.

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24. Finalising the design of the Gateway phase required decisions about clarifying the assessment threshold. The nature of the threshold will determine the extent to which assessment of the application is required to be undertaken.

25. Two options were considered:

- a. *Option LR1-A (status quo): Use the wording proposed in the policy Cabinet paper (“reasonably likely”)*

Under this option, the Minister would be required to decide whether the proposal is “reasonably likely” to meet the statutory test for land removal. The policy intention is that the Gateway test is filter of proposals that have a reasonable chance of succeeding, but it is not intended that a full assessment and must be carried out at the Gateway stage. The originally proposed wording creates the risk of implying a higher threshold than intended.

- b. *Option LR1-B (preferred): Clarify the wording regarding the threshold*

Under this option, the legislation would establish a gateway test framed as whether a proposal “could be able to meet” the statutory public benefit criteria. This wording emphasises that the Gateway decision is a screening step and avoids the impression that a full assessment needs to be completed at the Gateway stage.

LR2: Decision criteria for gateway and final decisions

26. As agreed by Cabinet, the Act will contain a statutory test at both the Gateway and final decision stages. Under this test, the Minister must weigh whether the public benefits of the proposed alternative land use outweigh the adverse effects on (i) inherent values and (ii) the ability of the remaining land to support ongoing pastoral farming. To finalise the design of the land removal pathway, decisions were required as to what criteria the Minister must consider at each stage.

27. Two options were considered:

- a. *Option LR2-A (status quo): Do not set criteria; rely on general CPLA purposes and case-by-case judgement*

Under this option, the Act would contain the high-level statutory test but no explicit list of decision criteria. Applicants and decision-makers would infer relevant consideration from purpose statements and practice. While this maximises flexibility it reduces predictability: applicants cannot anticipate what matters will carry the most weight; officials must interpret relevance case-by-case; iwi and the wider public may see inconsistent emphasis across cases.

- b. *Option LR2-B (preferred): set out decision criteria in the Act*

Under this option, the Act would specify that, when applying the statutory test at both the Gateway and final stages, the Minister must consider:

- i. Public benefit: the expected economic, social, cultural and environmental benefits of the proposal and the fiscal implications for the Crown.
- ii. Māori interests: consistency with Treaty settlement legislation and the impacts on supporting the Crown’s relationship with Māori, including Māori relationships with ancestral lands, water, mahinga kai, wāhi tapu and other taonga.

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- iii. Effects on land for pastoral farming: including effects on pastoral production and the ongoing viability of the residual lease, and whether compensation or adjustment is required.
- iv. Effects on inherent values: the scale and significance of effects and whether protection or enhancement can be secured through legal instruments or conditions.

LR3: Application of CPLA section 4 outcomes and section 5 duties

28. The CPLA lists outcomes and Treaty duties that apply in relation to administration of Crown pastoral land. Section 4 sets the outcomes framework for all decisions on pastoral land. It requires all persons exercising functions, duties or powers under the CPLA or the Land Act 1948 in relation to pastoral land to:
- a. Maintain or enhance inherent values across the Crown pastoral estate for present and future generations while providing for ongoing pastoral farming (s 4(1)(a))
 - b. Support the Crown in its relationships with Māori under Te Tiriti o Waitangi / the Treaty of Waitangi (s 4(1)(b))
 - c. Enable the Crown to receive a fair return on its ownership interest in pastoral land only for functions relating to rents, easements, or commercial recreation permits (s 4(1)(c) and 4(2))
29. Section 5 sets duties the Crown must undertake to recognise and provide for Māori interests in specified decision contexts and to consult relevant iwi through the prescribed statutory pathways. These include:
- a. Recognise and provide for Māori relationships with taonga (s 5(1)(a)), including their culture and traditions with ancestral lands, water, mahinga kai, wāhi tapu, and other taonga in any case where one of the following is sought or considered:
 - i. consent for a discretionary pastoral activity
 - ii. a commercial recreation permit over pastoral land
 - iii. an easement over pastoral land
 - iv. a stock limitation exemption (or its variation/revocation), except where made under s 15(4)
 - v. a protective mechanism
 - b. Consult relevant iwi in relation to specific processes in under the Act, including the amendment of certain schedules, the publication of strategic intentions and performance monitoring documents, and the making of regulations, standards (s 5(1)(b)).

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30. To operate coherently, the legislation must specify which of these CPLA outcomes¹ and Treaty duties² should apply to land removal decisions. Because removal decisions presuppose cessation of pastoral use, s 4(1)(a) (maintain/enhance inherent values while providing for ongoing pastoral farming) is inherently inconsistent and cannot apply. Cabinet agreed that the duty to consult iwi under s 5(1)(b) would apply. How the remaining provisions would apply required confirmation.

31. There are two options:

- a. *Option LR3-A (status quo): do not apply s 4(1)(b) or s 4(1)(c) to removal decisions and apply only s 5(1)(b) (consultation), not s 5(1)(a).*

Under this option, the pathway would confirm that s 4(1)(a) does not apply and retain iwi consultation at both stages under s 5(1)(b) but would not expressly apply s 4(1)(b), s 4(1)(c), or s 5(1)(a). This approach grants some flexibility in how considerations are weighed. However, it reduces predictability for applicants, which would lead to inconsistent reasoning across different cases, and raises contestability/judicial-review risk for high-consequence decisions, particularly at the final point of disposal.

- b. *Option LR3-B (preferred): apply s 4(1)(b) (support Crown–Māori relationships) and s 4(1)(c) (fair return); and apply s 5(1)(a) (recognise and provide for) and s 5(1)(b) (consult).*

Under this option, the Act would state that sections 4(1)(b) (supporting the Crown's relationship with Māori) and 4(1)(c) (fair return) would expressly apply, and s 4(1)(a) would not, acknowledging that a removal decision presupposes the end of pastoral use.

Section 5 duties (recognise and provide for Māori interests; consult relevant iwi) applies at both stages. This removes the statutory contradiction present in the status quo and establishes a coherent interpretive framework.

This aligns the pathway with the CPLA outcomes framework while keeping the pathway's purpose intact. It supports clear fiscal/public-value judgements at the point of final decision, gives applicants predictable evidence expectations, and produces clearer, more auditable reasons, while still allowing the Minister to exercise judgement case by case.

LR4: Disposal design

32. Once the Minister has decided to approve an application to remove land from the Crown pastoral estate for a specific purpose, the Commissioner will reclassify the land and proceed with a disposal process under the Land Act. A decision was required as to whether the Commissioner should have discretion about the method of disposal.

¹ Section 4 of the CPLA sets the outcomes all decision-makers must seek to achieve under the CPLA: (a) maintain or enhance inherent values while providing for ongoing pastoral farming; (b) support the Crown's relationships with Māori; and, (c) enable a fair return on the Crown's ownership interest.

² Section 5 requires the Crown to recognise and provide for Māori relationships with ancestral lands, water, mahinga kai, wāhi tapu and other taonga (s 5(1)(a), for specified processes), and to consult the relevant iwi listed in the Act (s 5(1)(b)).

33. There are two feasible options:

- a. *Option LR4-A (status quo): The current requirement in the Land Act for competitive allotment would apply.*

Under this option, the existing provisions in the Land Act that required competitive allotment would apply. Competitive allotment is desirable from the perspective of maximising the return to the Crown. However, given the land removal pathway is design to enable land to be disposed of for a specific agreed purpose, it is unlikely to be appropriate in all cases.

- b. *Option LR4-B (preferred): Commissioner to have discretion as to whether to use competitive or preferential allotment.*

Under the status quo, the Land Act requires competitive allotment for all land disposals unless certain exemptions apply. However, these exemptions are not relevant for the land removal pathway. Commissioner discretion over disposal method would allow case-by-case tailoring, for example, where a preferential process is appropriate to secure a specific public benefit or to maintain market integrity, or where a competitive process is needed to demonstrate value and fairness.

LR5: Review rights, appeal settings, and delegations

34. Further design work identified the need to clarify how provisions regarding review rights, appeal settings, and ability to delegate Ministerial decisions would apply.

35. Two options were considered:

- a. *Option LR5-A (status quo): Minister's decisions are delegable; Commissioner decisions will be subject to rehearing/appeal*

Allowing decisions to be delegable would give the Minister flexibility to delegate decision making to the Commissioner. However, delegating decisions of this level of significance is not appropriate and is not aligned with legislative good practice.

Under sections 17 and 18 of the Land Act, the Commissioner's decisions under both the CPLA and Land Act are subject to rehearing by any person, with lessees and licensees able to appeal decisions affecting their lease or licence to the High Court. However, the Commissioner's decisions under the land removal pathway should not be subject to these rehearing and appeal processes, where the decision is on a matter that has been decided by the Minister for Land Information (for example, where the Commissioner is making a recommendation to the Minister or the Commissioner is directly implementing the Minister's decision by reclassifying the land).

- b. *Option LR5-B (preferred): Non-delegable Ministerial decisions; judicial review only; no rehearings for matters already decided by the Minister*

Under this option, Ministerial decisions at both Gateway and final decision stages would be expressly non-delegable, ensuring that the Minister alone determines whether land should proceed through the pathway. This reflects that removal decisions involve judgement about public benefits, public accountability, and transparency.

The legislation would also provide that decisions made by the Minister are not subject to rehearing or merits appeal, and that Land Act rehearing rights do not apply to Commissioner decisions relating to matters the Minister has already determined. This prevents duplicate challenge avenues and ensures that judicial oversight operates through judicial review, which is appropriate for decisions of this kind.

Judicial review provides a robust safeguard against procedural or legal error without undermining Ministerial accountability or delaying disposal processes through repeated rehearing cycles.

LR6: Monitoring, reversion, and ongoing obligations

36. There is a risk that the public benefits upon which land was agreed to be removed from the Crown pastoral estate are not realised. Following Cabinet policy decisions, the need for additional provisions relating to monitoring, reversion and ongoing obligations was identified.

37. Two options were considered:

a. *LR6-A (status quo): No statutory monitoring or reversion powers in legislation*

Under this option, there would be no express statutory mechanisms to address the risk that, once land is removed from the Crown pastoral estate and disposed of, the public benefits underlying the removal decision are not delivered. Post-disposal obligations would be governed only by general Land Act provisions and whatever conditions are attached to the sale or lease, with no structured monitoring or reversion process linked to the Minister's removal decision. It also would not provide a mechanism to address situations where the land reverts to the Crown, leaving the land with no statutory protections. This is contrary to the policy intent.

b. *Option LR6-B (preferred): Statutory monitoring and reversion framework to ensure delivery of public benefits*

Under this option, the Act would provide an express statutory framework empowering the Commissioner to:

- i. monitor the land post-disposal to ensure the purpose for which removal was approved is being achieved;
- ii. set terms and conditions (e.g., delivery milestones, reporting requirements, on-site obligations) on disposal instruments to secure the intended public-benefit outcome; and
- iii. act if the proposal fails, including a requirement that the Minister confirm or rescind the original removal decision if the approved project does not proceed or if the land later reverts to the Crown. This means that, if the Minister confirms the original decision, disposal proceeds or is re-attempted (e.g. by offering the opportunity to another party). If the Minister rescinds the decision, the land must be reclassified as pastoral land and may be released as a pastoral lease, reinstating the protective CPLA framework.

Including monitoring and reversion powers in the legislation addresses the risk that land is removed from the Crown pastoral estate, but then the desired public benefits

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are not achieved. It ensures that appropriate steps are taken to reinstate previous protections for the land.

LR7: Transparency, publication and record-keeping

38. After Cabinet policy decisions were made, the need to provide greater transparency on decisions made was identified to address the public’s interest in what occurs with the Crown pastoral estate.

39. There are two feasible options:

a. *Option LR7-A (status quo): No publication requirement.*

Without a dedicated publication requirement, decisions are less visible to iwi, affected communities, and the wider public. This is inconsistent with the Cabinet direction that removal decisions be comparable in transparency to existing CPLA permissions.

b. *Option LR7-B (preferred): Statutory publication requirement for gateway and final decisions*

Under this option, the Act would require publication of gateway and final decisions, including the Minister’s reasons and the application of the statutory criteria. This aligns with existing CPLA permission transparency practices and the Crown’s broader approach to open decision-making.

How do the options compare to the status quo/counterfactual?

Option	Gateway threshold		Decision criteria		Statutory outcomes and duties	
	LR1-B (status quo)	LR1-A (Preferred)	LR2-A (status quo)	LR2-B (Preferred)	LR3-A (status quo)	LR3-B (Preferred)
<i>Description</i>	<i>High threshold</i>	<i>Low threshold</i>	<i>No criteria, general test only</i>	<i>Specified criteria</i>	<i>Except s 5(b), all outcomes and duties under s 4 and s 5 do not expressly apply</i>	<i>Except s 4(a), all outcomes and duties under s 4 and s 5 of the Act do apply</i>
Efficiency	0 Requires more upfront analysis to test likelihood	++ Avoids premature full assessment, reducing effort	0 Evidence requirements vary by case	++ Clear requirements reduce iterative information requests, avoid rework	0 Simpler statute, more flexibility in how considerations are weighted, but creates room for debate	+ Clear statutory obligations reduce interpretive disagreement
Effectiveness	0 Provides a strong filter at an early stage	++ Gateway functions as preliminary screen	0 Outcomes depend on staff judgement	++ Key considerations are weighed consistently across cases	0 Weaker alignment to Treaty relationships and fair-return expectations	+ Ensures Treaty and fair-return outcomes guide explicitly applied

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Flexibility	0 High evidential bar limits early discretion	++ Allows proposals to progress where potential is credible	0 Broad discretion, but may hinder consistent judgement	+ Criteria guide judgment without pre-determining the weight applied	0 Broader discretion for case specific judgement but some consistency risk	+ Structure supports judgement without removing discretion
Transparency	0 Wording is simple, but requires judgement on evidential sufficiency	++ Threshold wording is simple and clear	0 Applicants cannot reliably anticipate what will matter most	+ Decisions logic is clear to applicants and iwi	0 Key considerations are not explicit, reducing predictability	+ Applicable duties and outcomes are visible and predictable
Overall assessment	0	++	0	++	0	+

	Disposal design		Review rights, appeals	
Option	LR4-A (status quo)	LR4-B (Preferred)	LR5-A (status quo)	LR5-B (Preferred)
<i>Description</i>	<i>Competitive allotment required under Land Act</i>	<i>Commissioner may use competitive or preferential allotment</i>	<i>Minister's decisions delegable; Commissioner decisions subject to rehearing/appeal</i>	<i>Ministerial decisions non-delegable; judicial review only; no rehearings on matters the Minister has decided</i>
Efficiency	0 Competitive steps apply to all disposals	+ Reduces processing time and steps where competition adds no value	0 Multiple challenge pathways increase delay and cost	++ Ministerial oversight and single review pathway avoid duplicative challenge processes
Effectiveness	0 No targeted mechanism to align buyer with the approved public benefit	++ Improves likelihood the land transfers to the party able to deliver the approved benefit	0 Fragmented accountability weakens decision integrity	+ Concentrates accountability for high-impact judgements with Minister
Flexibility	0 No tool choice: disposal method is fixed to a competitive approach	++ Provides tool choice (preferential or competitive) to fit purpose and context	0 Delegation available; agencies can spread decision-workload	- No delegation; less administrative flexibility
Transparency	0 Competitive process supports transparency on price and allocation	-- Less visibility of allocation and pricing	0 Mixed routes make it complex for parties to navigate	+ Roles and avenues for challenge are clearer and simpler to understand
Overall assessment	0	++	0	++

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Option	Monitoring		Publication	
	LR6-A (status quo)	LR6-B (Preferred)	LR7-A (status quo)	LR7-B (Preferred)
<i>Description</i>	<i>No statutory monitoring or reversion powers</i>	<i>Statutory conditions, monitoring and reversion to ensure benefits delivered</i>	<i>No publication requirement</i>	<i>Statutory publication of gateway and final decisions</i>
Efficiency	0 No ongoing administrative effort post-disposal	0 Additional workload but protects against larger failure	0 No change in administrative effort publication only occurs when chosen operationally	0 Minor publication workload, but reduces information requests
Effectiveness	-- Benefit delivery not assured; no mechanism to correct failure	++ Assures delivery benefits triggers reversion to restore protections if delivery fails	0 Assurance relies on ad-hoc disclosures	++ Improves confidence and accountability for high-impact decisions through a consistent public record
Flexibility	0 Wide discretion to monitor exists, but no tool to act when outcomes are not met	0 Clear powers the Ministerial judgement on conditions, timing and response	0 Publication may occur at will	0 Publication duty is neutral as to substance and timing of decisions
Transparency	0 Limited visibility of delivery or compliance over time	+ Conditions and reporting make performance visible and auditable	0 Decisions may be visible only case-by-case	++ Guarantees visibility of decisions and reasons
Overall assessment	0	++	0	++

What option is likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?

40. The following options will best address the problem and meet the policy objectives of the land removal pathway:
- a. Option LR1-B: Clarified wording (“could be able to meet”). This wording preserves the screening purpose of the Gateway stage while avoiding the implication of a preliminary merits determination.
 - b. Option LR2-B: Specified criteria at Gateway and final decision. Specifying the criteria gives applicants clear, proportional evidence expectations (reducing rework and timing risk), provides LINZ with a consistent analytical frame for advice, and produces reasons that are easier to follow and audit—while still preserving Ministerial judgement to weigh public benefit against effects case by case.
 - c. Option LR3-B: Clarified application of sections 4 and 5. Expressly applying sections 4(1)(b) and 4(1)(c) and section 5 and not applying section 4(1)(a) to removal decisions, establishes a fit-for-purpose statutory frame that improves predictability, Treaty alignment, and judicial-review readiness.

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- d. Option LR4-B: Commissioner to have discretion as to whether to use competitive or preferential allotment. Providing the Commissioner discretion to choose competitive or preferential allotment allows case-by-case tailoring depending on the approved purpose.
- e. Option LR5-B: Non-delegable Ministerial decisions; judicial review only; no rehearings of matters already decided by the Minister. Making removal decisions non-delegable ensures high-consequence, public-interest judgements are taken at the appropriate level. Limiting challenge to judicial review (and excluding rehearings/merits appeals for matters already decided by the Minister) provides a single, coherent oversight pathway, reducing relitigation risk and supporting finality.
- f. Option LR6-B: Statutory monitoring and reversion framework. Empowering the Commissioner to monitor delivery, set appropriate terms/conditions, and activate a reversion mechanism if the proposal fails (including a requirement for the Minister to confirm or rescind the removal decision, with reclassification as pastoral land if rescinded) closes the loop between the public-benefit case and real-world outcomes. This ensures the public benefits that justified removal are realised—or protective settings are reinstated—thereby maintaining stewardship credibility and public confidence.
- g. Option LR7-B: Statutory publication of gateway and final decisions. Requiring publication of gateway and final decisions provides the transparency and auditability appropriate for decisions of this significance.

Is the Minister’s preferred option in the Cabinet paper the same as the agency’s preferred option in the RIS?

41. Yes.

What are the marginal costs and benefits of the preferred option in the Cabinet paper?

42. The table below presents costs and benefits of the preferred options as a package:

Affected groups	Impact	Evidence certainty	Comment
Additional costs of the preferred option compared to taking no action			
Regulated groups (Leaseholders/applicants)	Low	Medium	Limited additional compliance obligations to meet statutory safeguards at exit (e.g., remediation or liability closure). Impacts arise only for those seeking removal and are proportionate to risk.
Regulators (LINZ / Commissioner of Crown Lands)	Medium	High	One-off system design and implementation costs, plus ongoing administrative and monitoring costs for exit assessments. No significant cost increase beyond expected operational scaling.
Others (e.g., wider government, iwi, communities etc.)	Low	Medium	Minor increase in engagement and consultation requirements, largely procedural.

Total monetised costs	-	-	None quantified; expected to be low relative to the benefits.
Non-monetised costs	-	-	Low
Additional benefits of the preferred option compared to taking no action			
Regulated groups (Leaseholders/applicants)	High	Medium	Greater certainty, clearer statutory tests, reduced duplication, and lower transaction risk. Benefits accrue mainly to those actively seeking removal or secondary-use permissions.
Regulators (LINZ / Commissioner of Crown Lands)	Medium	High	Improved process efficiency and transparency; clearer sequencing of decision-making obligations, including Treaty-related steps; reduced legal and operational risk.
Others (e.g., wider government, iwi, communities etc.)	Medium	Medium	Stronger protection of inherent values at exit; clearer consultation pathways; increased public confidence in process integrity and outcomes.
Total monetised benefits	-	-	None quantified
Non-monetised benefits	-	-	High

Section 5: Delivering an option

How will the proposal be implemented?

43. Policy in this addendum will be implemented through targeted updates to LINZ's existing operational tools and processes. These refinements build directly on the implementation approach assessed in the 2025 RIS and do not require new systems, new governance structures, or new regulatory mechanisms.
44. To deliver the policy, LINZ will update Chief Executive Standards, operational policy, decision-making guidance, workflows, application forms, and staff delegations. Teams will train staff on the revised processes and apply minor updates to core information systems such as NaPALIS and Sheppard. These adjustments reflect the incremental tasks already planned across Strategy & Policy, Crown Property, and the Commissioner of Crown Lands functions.
45. We will finalise fee-setting, cost-recovery arrangements, and fair-return measures as anticipated in the RIS and manage transitional arrangements for applications already underway to ensure consistent treatment. No new governance or system architecture is required.

How will the proposal be monitored, evaluated, and reviewed?

46. Monitoring and evaluation and review will follow the framework already set out in the main RIS.