

Regulatory Impact Statement: Review of the Crown Pastoral Land Act 1998 and the Land Act 1948

Decision sought	Cabinet approval for targeted legislative amendments to the Crown Pastoral Land Act 1998 and the Land Act 1948.
Agency responsible	Toitū Te Whenua Land Information New Zealand (LINZ)
Proposing Ministers	Minister for Land Information
Date finalised	23 October 2025

The Minister proposes a targeted modernisation of the Crown pastoral and wider Crown land regimes, including:

- A new secondary-use permit for compatible non-pastoral activities
- Clarified activity classifications and consent criteria for pastoral activities
- A clearer pathway for removing land from the Crown pastoral estate
- Updated tools under the Land Act for short-term use, enforcement, disposal and statutory powers.

Primary changes would be implemented through a Crown Pastoral Land Act Amendment Bill and a Land Act Amendment Bill.

Summary: Problem definition and options

What is the policy problem?

The current framework limits the ability of both leaseholders and the Crown to manage land effectively. The framework lacks proportionate mechanisms to enable appropriate diversification, creates unnecessary compliance costs and delays, and constrains the Crown's ability to secure a fair return or respond to evolving land use needs. Without reform, these limitations are expected to persist and risk undermining confidence in the integrity and sustainability of Crown land management.

What is the policy objective?

The Minister directed 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.

The review was scoped to remain within the existing statutory purposes of the CPLA and the Land Act, and to uphold the Crown’s Treaty obligations.

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

Non-regulatory options, including operational changes and guidance, were considered but found to be insufficient to address the structural and legal constraints. Legislative options have been developed across four areas:

- Part A: Secondary use – Introduces a new permit system for compatible non-pastoral activities on Crown pastoral land.
- Part B: Removal pathway – Clarifies the legislative pathway for removing land from the Crown pastoral estate where proposed uses are not compatible with the CPLA but may deliver significant public benefit.
- Part C: Pastoral permissions and decision-making – Clarifies activity classifications, consent criteria, and the treatment of offsetting under the CPLA.
- Part D: Land Act modernisation – Updates administrative tools for short-term use, enforcement, disposal, and cost recovery.

What consultation has been undertaken?

The review involved 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. Full public consultation will occur via the Select Committee process.

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

The Cabinet paper advances the preferred legislative package described in the RIS.

Summary: Minister’s preferred option in the Cabinet paper

Costs (Core information)

The proposed changes will introduce new regulatory services, including application assessment, permit issuance, and compliance monitoring. LINZ expects moderate administrative costs for processing secondary use applications, which will vary depending on activity complexity.

For leaseholders, costs will include application preparation, compliance with permit conditions, and any associated fees. These are expected to be proportionate to the scale and value of the activity.

Transitional costs for LINZ include system design, staff training, and stakeholder engagement. These are expected to be moderate and one-off in nature. Only direct costs relating to secondary use proposals have been quantified. Other costs to LINZ, the Crown, and leaseholders are presumed but remain unquantified.

Benefits (Core information)

The proposed changes are expected to deliver a range of benefits. Economic modelling commissioned by LINZ indicates that selected secondary uses could enhance returns on suitable sites. For example:

- Solar energy: \$14,000–\$18,500/ha/year
- Cherries: \$9,700/ha/year
- Carbon forestry: \$569–\$603/ha/year

These figures represent annuity equivalents based on 20-year discounted cash-flow modelling. Broader modelling suggests that if 25% of the land identified as suitable for solar development were converted, overall farm profitability could increase substantially. This

assumes enabling conditions such as infrastructure access, regulatory approval, and market viability.

For the Crown, the introduction of land-use fees and cost recovery mechanisms will support a fair return on its ownership interest and reduce reliance on taxpayer funding.

Environmental and cultural benefits are expected through clearer conditions, improved monitoring, and stronger safeguards for activities that may affect inherent values or Treaty interests.

Only direct benefits relating to secondary use proposals have been quantified. Wider benefits to LINZ, the Crown, leaseholders, and the environment are presumed but remain unquantified.

Balance of benefits and costs (Core information)

LINZ considers that the benefits are likely to outweigh the costs. While there will be financial and administrative impacts for land users and LINZ, these are expected to be proportionate to the value of the activities being enabled. The reforms are intended to improve the efficiency and fairness of Crown land management, support sustainable land use, and strengthen public confidence in the system.

Implementation

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 publish fee-setting principles and schedules annually and consult with stakeholders to ensure the system remains fair and responsive. Internal systems and staff training will be updated to support consistent application of the new rules.

Implementation will be phased to support learning and adjustment. 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 was prepared under time and scope constraints that have affected the depth of analysis, the extent of quantification, and the ability to engage comprehensively with stakeholders.

Scope of review

The scope of the review was determined by Ministerial direction, which required LINZ to focus on targeted amendments within the existing statutory purposes of the CPLA and the Land Act. Broader reforms, such as changes to the purpose of the CPLA, the core design of the 2022 amendments, or the lease/rent model, were explicitly excluded.

Data gaps and modelling limitations

Quantitative modelling was undertaken for selected secondary uses, but broader system-level impacts (e.g. cumulative effects, infrastructure constraints, market dynamics) were not assessed in detail. This means that the economic estimates represent upper bounds rather than practical forecasts.

Scope of quantification

Only direct costs and benefits relating to secondary use proposals have been quantified.

These represent the most developed component of the reform package and the area with the strongest evidence base. Other costs and benefits—including those associated with changes to pastoral activity classifications, decision-making tests, and Land Act processes—remain

unquantified. Wider environmental, cultural, and economic impacts have not been modelled.

Evidence base and system maturity

The 2022 amendments to the CPLA introduced new regulatory settings, including a tiered activity classification system and revised discretionary consent tests. These settings are still bedding in and remain largely untested. LINZ does not yet hold sufficient data to assess system performance or support a robust case for further intervention. Similarly, the existing pathway for transitioning land between the CPLA and the Land Act is procedurally complex and has not been used in practice, limiting the ability to assess its effectiveness.

Consultation constraints

The compressed timeframe and evolving nature of proposals limited the ability to consult on detailed legislative options. As a result, stakeholders could not provide comprehensive views or test the full range of options. This has constrained the extent to which stakeholder feedback could inform the development of policy settings beyond secondary use.

Public interest analysis

While the analysis focuses on targeted legislative amendments, LINZ acknowledges that the public interest in Crown land extends beyond the immediate scope of this review. Issues such as the long-term role of Crown land in supporting climate resilience, biodiversity, Treaty settlements, and regional development were considered at a high level but not modelled in detail. Further work may be required to assess these broader dimensions and ensure that future reforms continue to align with the Crown’s stewardship obligations and the expectations of New Zealanders. The review also excluded options such as reinstating tenure review, revising the rental formula, or changing the statutory purpose of the CPLA, in accordance with Ministerial direction.

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

Responsible Manager(s) signature:



**Amanda Moran
Head of Strategy and Policy**

31/10/25

Quality Assurance Statement

Reviewing Agency: Land Information New Zealand and the Ministry for Primary Industries

QA rating: Partially meets.

Panel Comment:

The Quality Assurance Panel, with representatives from Land Information New Zealand and the Ministry for Primary Industries, has reviewed the Regulatory Impact Statement (RIS) *Review of the Crown Pastoral Land Act 1998 and the Land Act 1948* and considers that it **partially meets** the quality assurance (QA) criteria.

The RIS is comprehensive and clearly written, though the technical complexity of the proposals has resulted in a lengthy and less concise document.

There are some gaps in the costs and benefits analysis, particularly on clarifying the economic benefits of the proposed changes for the Crown and wider considerations on public interest. More detail on trade-offs between options would have strengthened the analysis. The Panel acknowledges the disclosed constraints and limitations (including limited scope, compressed timeframes, data gaps, and a restricted evidence base) affected the ability to conduct more detailed analysis and economic modelling.

No public consultation was undertaken due to compressed timeframes. Some targeted consultation was undertaken with stakeholders having a direct or potential commercial interest in the Crown land likely to be impacted by the proposals. Wider consultation would have improved the analysis, especially around public interest considerations for proposed land use change described in *Part B*.

Overall context and review findings

Purpose and context of the review

1. Toitū Te Whenua Land Information New Zealand (LINZ) administers approximately 1.5 million hectares of land under the Crown Pastoral Land Act 1998 (CPLA) and the Land Act 1948. This land is held in Crown ownership on behalf of all New Zealanders and is managed to support a range of environmental, cultural, economic, and public outcomes.
2. The Commissioner of Crown Lands is a statutory officer within LINZ who acts as landlord of the estate. Functions and powers are delegated to LINZ staff for day-to-day administration.
3. The estate comprises two broad categories:
 - a. Crown pastoral land: Around 1.2 million hectares of South Island high country held under long-term pastoral leases. These leases confer secure property rights to leaseholders, while the Crown retains ownership of the underlying land to ensure that inherent values—ecological, landscape, cultural, scientific, and historic—are maintained or enhanced.
 - b. Other Crown land: Approximately 330,000 hectares managed under the Land Act alone, including riverbeds, lakebeds, erosion control reserves, Crown forests, and land formerly held for public works. Much of this land is unleased or used for specific public purposes.
4. The Land Act provides the foundational framework for classification, leasing, and disposal of Crown land. The CPLA overlays additional rules for land held under pastoral lease. The two Acts operate in tandem, and many decisions affecting Crown pastoral land are made under both statutes.
5. The CPLA was amended in 2022 to strengthen environmental safeguards and improve transparency. These reforms introduced a tiered activity classification system and clarified the Commissioner’s decision-making responsibilities. Early implementation has highlighted areas where further refinement may be needed to ensure the framework remains workable, proportionate, and aligned with broader land management objectives.

The problem to be solved

6. Current legislative settings are preventing both leaseholders and the Crown from realising the full potential of the Crown land estate. In particular:
7. Current legislation for Crown pastoral land, including pastoral leases, constrains both the Crown and leaseholders from realising the full potential of the estate. Processes may limit flexibility and responsiveness, making it difficult to adapt to new opportunities or optimise long-term value. Legislative change is needed to build a modern, efficient framework that supports innovation, economic growth and sustainable stewardship.
8. The problem is especially acute for Crown pastoral land, where leaseholders face barriers to diversifying land use or responding to changing economic and environmental conditions. For other Crown land, outdated administrative tools and rigid statutory processes limit the Crown’s ability to manage land efficiently, respond to public demand, or recover costs.

9. These limitations also affect the wider public interest. Crown land is held on behalf of all New Zealanders and plays a critical role in delivering environmental, cultural, economic, and social outcomes. When the legislative framework restricts appropriate diversification or delays responsive land use, it can reduce the Crown's ability to support climate resilience, biodiversity protection, regional development, and fair return on public assets. The absence of proportionate and transparent mechanisms may also undermine public confidence in the stewardship of Crown land and limit opportunities to realise long-term public value.

Ministerial direction, aims and outcomes of the review

10. The Minister for Land Information directed that LINZ to undertake a targeted review to address the core problem that current legislative settings limit both leaseholders and the Crown from realising the full potential of the Crown land estate. This direction is the primary constraint on the review: it required LINZ to focus on proportionate amendments within the existing statutory purposes of the CPLA and Land Act, consistent with Treaty obligations, and explicitly excluded proposals that would alter the CPLA's purpose, revisit the 2022 reforms' core design, or changes to the lease/rent model beyond fee setting for secondary uses and broader cost-recovery. A summary of the strategic context is provided in Appendix 1.
11. The review was scoped to deliver two overarching aims:
- a. Enable economic opportunity by allowing appropriate secondary land uses on Crown pastoral land.
 - b. Modernise regulatory processes under the Land Act to support efficient, transparent, and responsive Crown land management.
12. To achieve these aims, the review seeks the following system-level outcomes:
- a. Outcome 1: A modernised legislative framework that supports timely, cost-effective, and evidence-based land management decisions.
 - b. Outcome 2: Reduced compliance burden and greater certainty for Crown pastoral leaseholders.
 - c. Outcome 3: Efficient systems for enabling and regulating secondary land uses on Crown pastoral land.
 - d. Outcome 4: Stronger alignment between Crown land management practices and wider government priorities.
 - e. Outcome 5: Improved ability for the Crown to recover costs and receive a fair return on public land assets.
13. These outcomes provided the strategic direction for the review and informed the development and assessment of policy options.

Legislative objectives and structure of the RIS

14. To support the aims of the review, LINZ identified four areas where targeted legislative amendments could improve the efficiency, clarity and responsiveness of Crown land

management. These objectives shape the structure of this Regulatory Impact Statement (Parts A–D):

- a. *Part A - Enable appropriate secondary uses of Crown pastoral land*
To support leaseholder diversification by creating a clear, proportionate pathway for compatible non-pastoral activities that maintain or enhance inherent values.
 - b. *Part B – Clarify the pathway for removal of land from Crown pastoral estate*
To clarify and modernise the existing statutory framework for removing land from the Crown pastoral estate where proposals are not compatible with the CPLA’s purpose, but may deliver other significant public benefits.
 - c. *Part C - Clarify and streamline permissions under the CPLA*
To improve the clarity and consistency of activity classifications and consent tests, reducing compliance costs and supporting confident, sustainable land management.
 - d. *Part D - Modernise the Land Act to support efficient Crown land management*
To update administrative, enforcement, and disposal tools so the Crown can manage land effectively, respond to demand, and secure a fair return for all New Zealanders.
15. Across all four areas, the proposed changes are intended to support enduring public value and respond to the broader interests of New Zealanders. The secondary use permit system enables land uses that contribute to climate resilience and regional development. Clarifying the legislative pathway for removing land from the Crown pastoral estate enables land better suited to other purposes to be transitioned transparently and with safeguards. Clarifying pastoral activity rules strengthens environmental protection and regulatory integrity. Modernising the Land Act improves responsiveness, enforcement, and transparency. Together, these reforms ensure that Crown land continues to serve the interests of all New Zealanders.

Excluded options and scope boundaries

16. During the review, LINZ identified a number of policy options that were excluded from development due to scope constraints set by Ministerial direction. These include:
- a. **Part B (Removal pathway):** Options relating to reinstatement of the former tenure review process, or compulsory acquisition powers, were excluded due to inconsistency with Treaty settlement obligations and the purpose of the CPLA.
 - b. **Part C (Pastoral activities):** LINZ and stakeholders identified wider reform opportunities relating to activity classifications and decision-making, but these were excluded due to their misalignment with the purpose of the CPLA and/or the targeted nature of the review. Repeal of the statutory prohibition on offsetting under section 10(4)(b) was outside scope as inconsistent with the purpose of the CPLA.
 - c. **Part D (Land Act modernisation):** Stakeholder engagement highlighted interest in more substantive changes to land management processes, including easements and transfer mechanisms. These were excluded from scope, as the review was limited to minor, efficiency-focused amendments.

17. These exclusions reflect the constrained scope of the review rather than a judgment on the potential merit of the options.

Review criteria

18. To support consistent and objective assessment of options, LINZ applied four criteria throughout the review:

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.
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.

19. These criteria were applied on an unweighted basis to allow qualitative comparison of options. No relative weighting was assigned.
20. LINZ excluded options that were inconsistent with the statutory purposes of the CPLA or the Land Act, or that could not be implemented within the scope of the Minister’s direction.
21. 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

22. 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.

Review process

23. The review was undertaken by LINZ between March and October 2025 in two phases:
- Phase One involved internal analysis of operational challenges, legal constraints, and emerging land use trends. This included a stocktake of permissions, case studies, and early engagement with key stakeholders.
 - Phase Two focused on the development and refinement of policy options aligned with the Minister's direction and agreed criteria. Options were informed by targeted engagement and supported by external advice. To inform the economic dimension of proposed changes, LINZ commissioned independent modelling of the potential benefits of enabling secondary uses.
24. The review was conducted under a compressed timeframe, which limited the depth of analysis and the ability to fully explore alternative options.

Consultation approach

25. LINZ undertook targeted engagement with stakeholders most directly affected by the proposed changes. This included:
- The High Country Accord, representing Crown pastoral leaseholders
 - South Island iwi post-settlement governance entities
 - Members of the LINZ High Country Advisory Group
 - Relevant central government agencies.
26. Engagement occurred through bilateral meetings, workshops, and written feedback. While this provided useful insights into implementation challenges and Treaty implications, the level of detail available during consultation was limited. Many proposals were still under development, and stakeholders could not fully assess or influence the shape of legislative options.
27. Ngāi Tahu raised concerns but was unable to provide substantive feedback because of compressed timeframes.
28. Stakeholder interest was strongest in relation to proposals for secondary use and clarifying the legislative pathway for removing land from the Crown pastoral estate. Feedback highlighted the importance of clear accountability, environmental and cultural

safeguards, and transparency in fee-setting and decision-making. Views on specific mechanisms varied, and some concerns were raised about long-term impacts and potential risks.

29. Broader public consultation will occur through the Select Committee process.

Part A: Secondary use

30. The CPLA regulates use and protection of Crown pastoral land, including how activities are authorised and conditioned to uphold the Act's purpose. Decisions turn on eligibility, matters for consideration, and conditions that manage effects in place and over time.
31. This part assesses proposed options for enabling compatible secondary uses within the CPLA, structured into three issues aligned to the review scope:
- Issue A1 – Challenges to financial viability of pastoral farming land-management
 - Issue A2 – Fair return to the Crown
 - Issue A3 – Cost recovery

Issue A1 – Enabling secondary use

Section 1: Diagnosing the policy problem

What is the context behind the policy problem and how is the status quo expected to develop?

32. Crown pastoral land in the South Island high country has traditionally been managed under a stewardship model that assumes ongoing, low-intensity pastoral farming as the primary land use. This model has long supported environmental protection and rural livelihoods. However, the operating environment for pastoral farming is changing.
33. Economic analysis commissioned by LINZ (Appendix 2) shows that while some pastoral leaseholders are performing well, the broader sector faces increasing financial pressure. The average return on capital across the high country is just 1.0%, with an Economic Farm Surplus of \$16/ha — well below sustainable levels. Climate variability, market volatility, and rising compliance costs are compounding these challenges.
34. At the same time, LINZ has identified growing interest in diversifying land use to support long-term viability. Over the past 18 months, around 20 potential secondary use opportunities have been raised, including afforestation, tourism, and horticulture.
35. Under current legislative settings, there is no clear or consistent pathway to authorise these secondary uses. Leaseholders are limited to pastoral farming, conservation, and commercial recreation. Applications for other activities are processed through ad hoc workarounds, creating uncertainty, inconsistent decisions, and higher compliance costs.
36. This regulatory gap also creates legal and financial risks. Without a transparent framework, new rights may be perceived as inconsistent with Treaty settlement obligations, particularly Rights of First Refusal. The absence of a structured pathway may reduce confidence in Crown land management processes and limit the Crown's ability to realise public value from the estate.

What is the policy problem or opportunity?

37. The CPLA lacks a clear, consistent mechanism to authorise secondary uses beyond pastoral farming and commercial recreation. This constrains innovation, limits leaseholder flexibility, and reduces the resilience of the pastoral estate.
38. Modelling commissioned by LINZ suggests that selected secondary uses — including carbon forestry, high-value horticulture, solar energy — may offer higher economic returns on suitable sites. For example:
 - Solar energy: \$14,000–\$18,500/ha/year
 - Cherries: \$9,700/ha/year
 - Carbon forestry: \$569–\$603/ha/year
39. These figures are annuity equivalents based on 20-year discounted cash-flow modelling. Broader system-level modelling suggests that converting 25% of land suitable to solar could increase total Economic Farm Surplus (EFS) by over 400%. These estimates are indicative and assume enabling conditions such as infrastructure access, regulatory approval, and market viability.
40. Only 23,500 hectares (1.8% of the estate) meet the combined slope and LUC thresholds for intensive use. Actual uptake will depend on infrastructure, water availability, and regulatory permissions.
41. There is an opportunity to introduce a proportionate, risk-based permit system for compatible secondary uses. This would:
 - a. Enable diversification while maintaining environmental safeguards.
 - b. Provide legal clarity and reduce compliance costs.
 - c. Support economic resilience and innovation.
 - d. Allow the Crown to secure a fair return on its ownership interest.

What objectives are sought in relation to the policy problem?

42. To support leaseholder diversification and economic resilience by establishing a clear, proportionate mechanism for authorising compatible non-pastoral activities on Crown pastoral land. This contributes to:
 - a. Outcome 1: A modernised legislative framework that supports timely, cost-effective, and evidence-based land management decisions.
 - b. Outcome 2: Reduced compliance burden and greater certainty for Crown pastoral leaseholders.
 - c. Outcome 3: Efficient systems for enabling and regulating secondary land uses on Crown pastoral land.
 - d. Outcome 4: Stronger alignment between Crown land management practices and wider government priorities.

Section 2: Assessing options to address the policy problem

What options are being considered?

Option A1.1 – Status quo / counterfactual

43. No legislative changes. Leaseholders remain limited to pastoral farming, conservation, and commercial recreation. Proposals for other activities continue to rely on ad hoc arrangements, creating uncertainty and higher compliance costs.

Option A1.2 – Widen the definition of ‘pastoral activity’

44. Broaden the definition to include other land uses, such as horticulture or renewable energy. This could enable some diversification; it risks undermining the clarity of the CPLA’s purpose and may create unintended consequences for rent-setting and environmental safeguards. It would also be difficult to define a boundary that accommodates future innovations without creating ambiguity.

Option A1.3 – Amend lease agreements to allow secondary use

45. Enable secondary uses through negotiated lease variations. This would be administratively burdensome, create inconsistent outcomes, and potentially trigger Treaty settlement obligations such as Rights of First Refusal. It would also require changes to rent-setting provisions and could introduce significant legal and financial risk for the Crown.

Option A1.4 - Create a statutory permit system supported by a schedule of activities

46. Introduce a new secondary use permit, supported by a schedule listing common secondary uses (e.g., horticulture, renewable energy) and an enabling provision for the Commissioner to approve other activities consistent with the CPLA’s purpose. Decision-making criteria would be partly defined in legislation and partly left to the Commissioner’s discretion, ensuring both clarity and flexibility. This would align with existing permissions frameworks, be familiar to leaseholders and regulators, and provide a proportionate, transparent mechanism for managing risk.
47. If this option is preferred (and subject to Cabinet decisions) LINZ will report back to the Minister for Land Information on the finalisation of the schedule of secondary uses, the decision-making criteria, and if needed, mechanisms to manage liability risks and consequential changes to maintain consistency between decision-making processes for the secondary use permit and discretionary pastoral activities.

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

48. Assessment of options against the mandated review criteria (efficiency, effectiveness, flexibility, and transparency) is set out in Table 1 on the following page.

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

49. LINZ recommends Option A1.4: creating a statutory permit system supported by a schedule of activities. This option provides clarity, flexibility, and transparency while maintaining environmental safeguards and ensuring the Crown receives a fair return. It aligns with the CPLA’s purpose and stakeholder expectations.

50. LINZ considered whether to rework the existing commercial recreation permit but recommends retaining it for tourism, recreation, and filming. A new permit for other secondary uses would allow the Commissioner to apply appropriate tests and ensure a direct line of accountability to the leaseholder.

Table 1

	Option A1.1	Option A1.2	Option A1.3	Option A1.4
	Status quo	Widen the definition of pastoral activity	Amend lease agreements to allow secondary use	Create statutory permit
Efficiency	0 Widely understood but limited scope for new uses	- May confuse existing operational boundaries	- Negotiations may be lengthy and costly	+ Builds on existing systems with minimal disruption
Effectiveness	0 Does not support broader land use outcomes	+ Improves access for adjacent activities	+ Tailored agreements can support outcomes	+ Supports broader outcomes within CPLA purpose
Flexibility	0 Restricts adaptation to emerging opportunities	- Limited scope for non-adjacent uses	+ Allows case-by-case adaptation	+ Can accommodate diverse activities over time
Transparency	0 Process is known but lacks clarity for other uses	+ Simple concept but may lack legal clarity	- Private agreements reduce public visibility	0 May require clearer tests to ensure consistency
Overall assessment	0	+/-	+/-	+++

Key assumptions and judgements

The ratings in this table are based on LINZ’s operational experience, early stakeholder engagement, and economic modelling of potential secondary uses.

- Efficiency ratings assume that Option A1.4 builds on existing permissions systems, while Options A1.2 and A1.3 would require more complex legal and administrative changes.
- Effectiveness ratings reflect the extent to which each option supports diversification within the CPLA’s purpose.
- Flexibility ratings consider the ability to accommodate diverse and evolving land uses.

- Transparency ratings reflect the clarity and consistency of decision-making processes, including the visibility of rights and obligations to third parties.

These judgments are qualitative and unweighted, and reflect the best available information at the time of assessment.

What are the marginal costs and benefits of the preferred option(s)?

Affected groups <i>(identify)</i>	Impact <i>\$m present value where appropriate, for monetised impacts; high, medium or low for non-monetised impacts.</i>	Evidence certainty <i>High, medium, or low, and explain reasoning in comment column.</i>	Comment <i>nature of cost or benefit (eg, ongoing, one-off), evidence and assumption (eg, compliance rates), risks.</i>
Additional costs of the preferred option compared to taking no action			
Regulated groups	Low	Medium	Unquantified. Application and compliance costs for permits; minor familiarisation.
Regulators	Medium	High	Administrative cost of processing applications. System design, guidance, and training, one-off cost.
Others (e.g., wider govt, consumers, etc.) <i>For fiscal costs, both increased costs and loss of revenue could be relevant</i>	Low	High	No direct costs identified.
Total monetised costs	-	-	-
Non-monetised costs	-	-	Low
Additional benefits of the preferred option compared to taking no action			
Regulated groups	High	Medium	Greater certainty; ability to diversify income; reduced reliance on ad hoc processes.
Regulators	Medium	High	Improved efficiency and transparency; reduced disputes.
Others (eg, wider govt, consumers, etc.)	Medium	Medium	Environmental safeguards maintained; public confidence in process

Total monetised benefits	-	-	None quantified
Non-monetised benefits	-	-	High

Issue A2 – Fair return to the Crown

Section 1: Diagnosing the policy problem

What is the context behind the policy problem and how is the status quo expected to develop?

51. The CPLA requires the Crown to receive a fair return on its ownership interest in pastoral land. Currently, revenue is generated through a statutory rent formula based on livestock carrying capacity — a model designed for traditional pastoral farming.
52. If secondary uses are enabled, this formula becomes increasingly misaligned with the economic value being generated. Modelling commissioned by LINZ shows that activities such as solar energy, high-value horticulture, and carbon forestry can deliver higher returns than pastoral farming:
 - a. Solar installations: up to \$18,500/ha/year
 - b. Cherry orchards: up to \$9,700/ha/year
 - c. Carbon forestry: \$569–\$603/ha/year
53. These figures contrast with the average pastoral return of \$16/ha across the high country. Without a fit-for-purpose revenue framework, the Crown risks undercharging for high-value uses, failing to meet its statutory obligations, and creating inequities between leaseholders.
54. The current framework also lacks a mechanism to guide the Commissioner in setting land-use fees for secondary uses. While discretion exists under the Land Act for other activities, there are no clear principles or tools to apply in the context of Crown pastoral leases. This creates uncertainty for applicants, increases the risk of inconsistent treatment, and undermines public confidence in the fairness of Crown land administration.
55. LINZ has also been approached or is aware of around 20 potential secondary use opportunities over the past 18 months, including afforestation, tourism, and horticulture. This indicates a growing appetite for diversification and underscores the need for a revenue framework that can respond to emerging demand.

What is the policy problem or opportunity?

56. The legislative framework does not provide a clear, consistent, and transparent mechanism for setting land-use fees for secondary uses of Crown pastoral land. This

creates financial risk, equity concerns, and limits the Crown's ability to realise the full value of its land assets.

What objectives are sought in relation to the policy problem?

- 57. To ensure that secondary uses of Crown pastoral land deliver a fair return to the Crown through a transparent, principled fee-setting framework. This contributes to:
 - a. Outcome 4: Stronger alignment between Crown land management practices and wider government priorities.
 - b. Outcome 5: Improved ability for the Crown to recover costs and receive a fair return on public land assets.
- 58. Section 2: Assessing options to address the policy problem

What options are being considered?

Option A2.1 – Status quo / counterfactual

- 59. No legislative changes. Secondary uses would not be subject to land-use fees beyond pastoral rent, and LINZ would have no authority to recover administrative costs. This approach would result in undercharging for high-value activities, inconsistent treatment of similar uses, and taxpayers subsidising private commercial benefits. It would also fail to meet the CPLA's requirement for a fair return.

Option A2.2 – Legislated fee-setting formula

- 60. Prescribe a formula in legislation for calculating land-use fees for secondary uses, like the current pastoral rent model. This would provide certainty, but lacks flexibility to reflect diverse secondary uses and changing market conditions. It could result in fees that do not reflect fair market value, undermining the Crown's financial interests.

Option A2.3 – Discretion guided by principles

- 61. Empower the Commissioner to set land-use fees for secondary uses, guided by principles stated in legislation and operational policy. Principles would include ensuring a fair return to the Crown, proportionality to the scale and nature of the activity, and consistency with market-based valuations. Operational policy would provide transparency and predictability for applicants while allowing flexibility to respond to market conditions.

Option A2.4 – Discretion without publicly available principles

- 62. This option is the same as Option A2.3, but without any publicly available principles for setting a land-use fee for secondary uses. Reduces transparency and increases risk of inconsistent treatment.

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

- 63. Assessment of options against the mandated review criteria (efficiency, effectiveness, flexibility, and transparency) is set out in Table 2 on the following page. This table provides a comparative analysis of each option, including a brief rationale for the rating assigned under each criterion.

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

64. LINZ recommends Option A2.3. This provides a principled and transparent framework for setting land-use fees while retaining the flexibility needed to tailor arrangements to the nature and value of the activity. It aligns with stakeholder expectations for a fair return to the Crown and supports consistency across the wider Crown land portfolio. While some uncertainty may remain for applicants, this can be mitigated through clear guidance and communication.

Table 2

	Option A2.1	Option A2.2	Option A2.3	Option A2.4
	<i>Status quo</i>	Legislated formula	Discretion with principles	Discretion without principles
Efficiency	0 Current settings are unclear and inconsistent	+	+	- May lead to longer negotiations and inefficiencies
Effectiveness	0 Limited ability to ensure fair Crown return	+	+	+
Flexibility	0 Framework does not accommodate new uses	-- Rigid formula limits responsiveness	+	++ Maximum discretion for tailoring fees
Transparency	0 Lacks transparency and guidance for applicants	++ Provides highest certainty and public visibility	+	- Lacks guidance; risks inconsistency and opacity
Overall assessment	0	++	++++	+

Key assumptions and judgements

The ratings in this table reflect LINZ’s assessment of how each option would support a fair and sustainable revenue framework for secondary uses of Crown pastoral land.

- Efficiency ratings assume that a legislated formula (A2.2) would be administratively simple but inflexible, while discretion guided by principles (A2.3) allows for tailored fee-setting with moderate administrative effort.
- Effectiveness ratings are based on the extent to which each option enables the Crown to meet its statutory obligation to secure a fair return, particularly for high-value uses.

- Flexibility ratings consider the ability to respond to diverse land uses and changing market conditions.
- Transparency ratings reflect the clarity and predictability of the fee-setting process for applicants and the public.

These judgments are informed by LINZ’s operational experience, stakeholder feedback, and alignment with Treasury’s cost-recovery principles.

What are the marginal costs and benefits of the preferred option(s)?

Affected groups	Impact	Evidence certainty	Comment
Additional costs of the preferred option compared to taking no action			
Regulated groups	Low	Medium	May face uncertainty about fee levels; especially for novel or high-value activities.
Regulators	Low	High	On-off cost to develop and public fee-setting principles and guidance. Ongoing effort to maintain consistency and transparency.
Others (eg, wider govt, consumers, etc.) <i>For fiscal costs, both increased costs and loss of revenue could be relevant</i>	Low	Medium	No direct costs identified. Indirect benefit from improved transparency and stewardship of Crown land.
Total monetised costs	-	-	Note quantified
Non-monetised costs	-	-	Low
Additional benefits of the preferred option compared to taking no action			
Regulated groups	Medium	Medium	Greater clarity and predictability over time; ability to negotiate fees based on activity type and scale.
Regulators	Medium	High	Improve consistency and defensibility of fee setting decisions, reduced risk of under charging.
Others (eg, wider govt, consumers, etc.)	Medium	Medium	Supports fair return to the Crown and public confidence in land management. Aligns with Treaty and probity expectations.
Total monetised benefits	-	-	None quantified
Non-monetised benefits	-	-	High

Issue A3 – Cost recovery

Section 1: Diagnosing the policy problem

What is the context behind the policy problem and how is the status quo expected to develop?

65. The proposed secondary use permit system will require LINZ to deliver a new regulatory service — including application assessment, stakeholder consultation, permit issuance, and compliance monitoring. These activities involve real administrative costs.
66. Appropriate cost recovery would align with the Treasury’s beneficiary-pays principle, which expects private beneficiaries of regulatory services to bear the associated costs. Without a cost recovery mechanism, taxpayers would be subsidising private commercial activities on Crown land — including high-value ventures such as tourism, horticulture, and renewable energy.
67. LINZ has commissioned indicative modelling of the scale and complexity of secondary uses. For example:
 - a. Forestry establishment and thinning costs exceed \$3,000/ha, with additional costs for harvest and transport.
 - b. Solar energy installations require \$625,000 for project development, consent, and grid connection, with total build costs ranging from \$4.3–\$6.3 million for a 5.8 ha site.
68. These figures reflect the high-value nature of secondary uses and the regulatory oversight required to assess environmental impacts, Treaty implications, and land-use compatibility. Without a cost recovery mechanism, LINZ would be unable to sustainably scale its regulatory functions to meet demand.
69. A cost-recovery framework would establish consistency with other Crown land regimes. For example, the Department of Conservation recovers costs for concessions on conservation land, and LINZ already charges user fees for services such as survey and title. Not providing for cost recovery risks confusion, inefficiency, and reduced confidence in the fairness of Crown land administration.

What is the policy problem or opportunity?

70. LINZ can recover the administrative costs of processing and monitoring secondary use permits as commercial charges. 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. 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 through fee regulations or another form.¹

¹ Treasury, Guidelines for Setting Charges in the Public Sector - April 2017, p.1; OAG, Setting and administering fees and levies for cost recovery: Good practice guide, p. 5; LDAC, Legislation Guidelines 2021 edition, p. 89.

71. Not providing for cost recovery results in public funding of private benefit and creates financial pressure on LINZ’s regulatory functions.

What objectives are sought in relation to the policy problem?

72. To decide whether LINZ should recover the administrative costs of processing and monitoring secondary use permits from those who benefit. This contributes to:
- a. Outcome 2: Reduced compliance burden and greater certainty for Crown pastoral leaseholders.
 - b. Outcome 5: Improved ability for the Crown to recover costs and receive a fair return on public land assets.

Section 2: Assessing options to address the policy problem

What options are being considered?

Option A3.1 – Status quo / counterfactual

73. No legislative changes. LINZ continues to fund permit administration from general appropriations, with no cost recovery from land users. This is administratively simple but shifts the cost burden to taxpayers, and may reduce incentives for efficient service delivery.

Option A3.2 - LINZ sets fees directly

74. Empower LINZ to set commercial charges for secondary use permits without requiring regulations. This offers flexibility and lower implementation cost, while maintaining transparency through annual publication of fee schedules and consultation with stakeholders.

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

75. Assessment of options against the mandated review criteria (efficiency, effectiveness, flexibility, and transparency) is set out in Table 1 on the following page.

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

76. LINZ recommends Option A3.2: LINZ recovers costs through commercial charges. This option enables cost recovery while maintaining flexibility. Transparency can be supported through operational policy and annual publication of fees. It aligns with government cost recovery guidance and stakeholder expectations.

Table 3

	Option A3.1	Option A3.2
	<i>Status quo</i>	LINZ to set commercial charges for secondary use permits
Efficiency	- Public bears cost of private benefit	+

		Less resource-intensive; easier to update
Effectiveness	- May reduce incentive for efficient delivery	+ Weaker oversight may reduce confidence
Flexibility	+ Simple to administer; avoids fee-setting complexity	++ Allows responsive fee-setting as costs change
Transparency	0 No fee-setting process to assess or scrutinise	- Less transparent; fewer formal safeguards
Overall assessment	-	+++

Key assumptions and judgements

The ratings in this table are based on LINZ’s assessment of how each option would support a sustainable, fair, and administratively workable cost recovery framework for secondary use permits.

- Efficiency ratings reflect the relative resource intensity of each approach, with Option A3.3 (LINZ sets fees directly) assumed to be less burdensome than regulation-based models.
- Effectiveness ratings consider the extent to which each option enables full or partial cost recovery in line with Treasury’s beneficiary-pays principle.
- Flexibility ratings reflect the ability to adjust fees over time in response to changes in service delivery costs or application volumes.
- Transparency ratings are based on the visibility of the fee-setting process and the availability of formal safeguards.

These judgments are informed LINZ’s experience with other cost-recovered services, and stakeholder feedback on fairness and administrative burden.

What are the marginal costs and benefits of the preferred option(s)?

Affected groups	Impact	Evidence certainty	Comment
Additional costs of the preferred option compared to taking no action			
Regulated groups	Medium	Medium	Permit applicants will bear administrative costs. Fees may vary depending on activity complexity. Risk of perceived inequity for low-margin or public-good activities.
Regulators	Low	High - implementation comparable to DoC model.	One-off cost to establish charging framework. Ongoing cost to maintain the framework.
Others (eg, wider govt, consumers, etc.)	Low	Medium	Reduced fiscal burden on taxpayers. Some iwi may raise concerns about cost recovery for activities with public benefit.
Total monetised costs	-	-	None quantified
Non-monetised costs			Medium
Additional benefits of the preferred option compared to taking no action			
Regulated groups	Medium	Medium	Clearer expectations around cost of service; improved efficiency and timeliness of permit processing.
Regulators	Medium	Medium	Sustainable funding model; improve ability to scale service delivery with demand.
Others (eg, wider govt, consumers, etc.)	Medium	Medium	Supports fairness and transparency; avoids public subsidy of private benefit.
Total monetised benefits	-	-	None quantified
Non-monetised benefits	-	-	High

Part B: Clarifying the legislative pathway for removing land from the Crown pastoral estate

77. The CPLA does not currently provide a clear or fit-for-purpose legislative pathway for removing land from the Crown pastoral estate where proposed uses are not compatible with the Act's purpose. This part assesses options for modernising that pathway to enable voluntary, consent-based transitions to the Land Act, supported by appropriate environmental, cultural, and public interest safeguards.

Issue B1 – Pathway to remove land from Crown pastoral estate

Section 1: Diagnosing the policy problem

What is the context behind the policy problem and how is the status quo expected to develop?

78. The Crown Pastoral Land Act 1998 (CPLA) is designed to support pastoral farming and conservation on leased Crown land in the South Island high country. Leaseholders hold exclusive grazing rights, but the Crown retains ownership of the land. The Act does not provide for intensified pastoralism or permanent non-pastoral development.
79. Historically, the CPLA operated with two mechanisms for reviewing land tenure and use: Part 2 (tenure review) and Part 3 (disposal of land held under unreviewable occupation licences and unused Crown land). Part 2 enabled structured review of pastoral lease land, including the potential for land to exit the pastoral regime. However, Part 2 was repealed in 2022. As a result, Part 3 is now the only statutory mechanism available for considering changes to land tenure or use within the Crown pastoral estate.
80. Part 3 was not designed to support the review of land that is part of an active pastoral lease. However, it can be applied to pastoral land in circumstances where a lease has been voluntarily surrendered.
81. Reliance on Part 3 as the sole mechanism for changing land tenure or use presents two problems. First it means the Crown cannot meaningfully consider alternative uses without requiring full lease surrender. This constrains both Crown and leaseholders in proactive planning and meaningful assessment of alternative uses.
82. Second, Part 3 offers reduced levels of procedural clarity, safeguards, and flexibility compared to Part 2. Part 2 was more detailed, more frequently used, and well understood by both the Crown and leaseholders. Part 3 is less prescriptive and has been used infrequently, making it harder to apply consistently or confidently. It also lacks a structured process for evaluating whether a proposed use better serves the public interest than continued pastoral use.
83. If the status quo continues, the Crown faces reputational and legal risk and may miss opportunities to deliver public value. A system that appears slow or opaque undermines confidence in the Crown's stewardship of high-country land. The absence of clear statutory processes increases the likelihood of disputes and legal challenges, while limiting the Crown's ability to support land uses that advance climate resilience, regional development, or other national priorities, even when leaseholders are willing.

84. Leaseholders also face uncertainty and risk, which discourages innovation and collaboration. Because alternative uses can only be considered after lease surrender, there is no clear pathway for proposals while retaining a lease. This ambiguity makes planning difficult and deters investment in partnerships with iwi, councils, or developers. Without a transparent process, opportunities for diversification and shared benefits remain unrealised.

What is the policy problem or opportunity?

85. There is an opportunity to modernise the legislative framework to better support land use change where proposals are not compatible with the purpose of the CPLA. This could be achieved by:
- a. Clarifying and updating the process under Part 3 of the CPLA to ensure it is fit-for-purpose for reviewing pastoral lease land; or
 - b. Developing a structured legislative mechanism that builds on Part 3 to provide clearer statutory tests, safeguards, and transition pathways.
86. Currently, the framework lacks a clear and proportionate mechanism for considering proposals that may deliver greater public benefit—such as renewable energy, infrastructure, or conservation—but fall outside the scope of the CPLA. This creates uncertainty for leaseholders, limits the Crown’s ability to respond to evolving land use needs, and increases the risk of missed opportunities to realise long-term public value.
87. The intent is not to incentivise widespread commercialisation of the Crown estate, but to provide a lawful, transparent, and proportionate mechanism for exceptional cases where alternative uses may better serve the national interest.
88. Modernising the pathway for transitioning land from the CPLA to the Land Act has long-term implications for the Crown’s role as steward of the high-country estate. While the Land Act provides a more flexible framework for land use and disposal, it does not contain the same explicit purpose or regulatory mechanisms for maintaining and enhancing inherent values. Without appropriate safeguards, there is a risk that land exiting the CPLA could be subject to intensified commercial development that may not align with environmental, cultural, or public interest outcomes.
89. Any modernised pathway would need to embed statutory protections and decision-making tests to ensure transitions are voluntary, consent-based, and subject to rigorous scrutiny. This includes Ministerial approval, iwi consultation, and the application of Treaty settlement obligations and probity safeguards. These measures are intended to ensure that land use change supports enduring public value and upholds the Crown’s long-term stewardship responsibilities.
90. The amount of land likely to be affected is limited. Modelling indicates that only around 23,500 hectares (1.8% of the estate) meet the thresholds for the most intensive use.

What objectives are sought in relation to the policy problem?

91. To enable a voluntary, consent-based legislative pathway for proposals that cannot meet the CPLA’s purpose to exit the regime and proceed under the Land Act. This contributes to:

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

Section 2: Assessing options to address the policy problem

What options are being considered?

92. This section outlines the options that were considered. A combination of options can be progressed as a package. The options are:

Option B1.1 – Status quo / counterfactual

93. No legislative changes. Proposals continue to rely on the current, uncertain pathway under the Land Act. Leaseholders must surrender their lease without knowing whether land will later be available for alternative use.
94. This approach fails to provide a statutory decision on non-compatibility or enforceable safeguards at exit, leaving environmental and cultural protections variable and exposing the Crown to reputational and liability risks.

Option B1.2 – Clearer legislative pathway

95. Amend the CPLA to clarify the scope and process under Part 3 for reviewing pastoral lease land. This would include:
- a. A statutory decision on non-compatibility with the CPLA's purpose;
 - b. Mandatory safeguards at exit, including environmental and cultural protections, remediation requirements, liability closure, and information handover;
 - c. A documented hand-off to Land Act processes, including sequencing of Treaty RFR obligations and probity requirements.
96. This option preserves the existing legislative structure while improving clarity, transparency, and public confidence. It enables the Crown to assess proposals that may better serve public interest than continued pastoral use, without incentivising widespread commercialisation.
97. If this option is preferred (and subject to Cabinet decisions) LINZ will seek further decisions from the Minister for Land Information on the detailed design of the clarified pathway.

Option B1.3 – Create a new legislative pathway

98. Establish a new, fit-for-purpose statutory mechanism within the CPLA for proposals that cannot meet its purpose. This pathway would:
- a. Provide a structured, consent-based process for leaseholders to propose land use change;
 - b. Embed safeguards and public interest tests;
 - c. Enable orderly transition to the Land Act where appropriate.
99. This option offers greater flexibility and clarity than Option B1.2, but requires more substantial legislative change. It may be better suited to future reform phases if broader land use planning frameworks are developed.
100. If this option is preferred (and subject to Cabinet decisions) LINZ will seek further decisions from the Minister for Land Information on the detailed design of the new pathway.

Option B1.4 – Bespoke legislation

101. Enact project-specific legislation for proposals of substantial national or regional benefit. This provides maximum flexibility and certainty for exceptional cases but is resource-intensive, politically sensitive, and likely to attract scrutiny. It should be reserved for rare, high-impact proposals and is not a scalable solution for routine cases.

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

Table 4:

	Option B1.1	Option B1.2	Option B1.3	Option B1.4
	Status quo	Clarify and modernise Part 3	Create new legislative pathway	Bespoke legislation
Efficiency	0 No change; process remains slow and uncertain	+ Improves efficiency through clearer process	+ Enables tailored responses; higher implementation cost	- Resource-intensive and complex to implement
Effectiveness	0 Limited ability to support development outcomes	+ Better supports targeted development outcomes	+ Strong alignment with public interest and stewardship goals	0 Neutral unless well-designed and justified
Flexibility	0 Rigid framework; not responsive to new needs	+ Allows tailored responses to proposals	++ Maximum adaptability for future land use needs	+ Maximum flexibility for exceptional cases
Transparency	0	+	+	-

	Existing process lacks clarity and predictability	Safeguards improve public confidence	Clear statutory tests and public interest criteria	Requires strong justification; may reduce visibility
Overall assessment	0	++++	+++++	-

Key assumptions and judgements

The ratings in this table are based on LINZ’s assessment of how each option would affect the clarity, workability, and integrity of the process for transitioning land out of the CPLA framework.

- Efficiency ratings assume that Option B1.2 (a legislative pathway) would streamline currently complex and uncertain processes, while bespoke legislation (B1.4) would be resource-intensive and slow.
- Effectiveness ratings reflect the extent to which each option enables appropriate land use change while maintaining environmental, cultural, and Treaty safeguards.
- Flexibility ratings consider the ability to accommodate diverse proposals and future land use needs.
- Transparency ratings are based on the visibility and accountability of decisions, particularly in relation to Treaty obligations and public interest.

These judgments are informed by LINZ’s operational experience, legal analysis of existing pathways, and stakeholder feedback on the need for certainty and safeguards.

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

102. LINZ recommends Option B1.3: creating a legislative pathway within the CPLA for proposals that cannot meet its purpose. This option provides legal clarity, embeds safeguards, and enables orderly transition to the Land Act. It supports efficient, transparent decision-making and maintains the integrity of Treaty and probity obligations.

What are the marginal costs and benefits of the preferred option(s)?

Affected groups	Impact	Evidence certainty	Comment
Additional costs of the preferred option compared to taking no action			
Regulated groups	Low	Medium	Possible additional compliance costs to meet statutory safeguards (e.g. remediation, liability closure). These are proportionate and occur only when seeking exit.
Regulators	Medium	High	One-off cost to design and implement new process; ongoing cost for

			administering exit decisions and monitoring safeguards.
Others (eg, wider govt, consumers, etc.)	Low	Medium	Minor additional engagement costs for iwi and stakeholders during statutory consultation
Total monetised costs	-	-	None quantified; expected to be low relative to benefits
Non-monetised costs	-	-	Low
Additional benefits of the preferred option compared to taking no action			
Regulated groups	High	Medium	Greater certainty and reduced transaction risk for leaseholders and developers; shorter timeframes; lower duplication.
Regulators	Medium	High	Improved efficiency and transparency; reduced legal risk; clearer sequencing of Treaty obligations.
Others (eg, wider govt, consumers, etc.)	Medium	Medium	Stronger environmental and cultural safeguards at exit; improve public confidence in process integrity.
Total monetised benefits	-	-	Non quantified
Non-monetised benefits	-	-	High

Part C: Pastoral activities

103. CPLA sets how activities on Crown pastoral land are classified and authorised, including what is permitted with baseline conditions and what requires discretionary authorisation with a reasoned effects assessment. Decisions turn on clear activity descriptions, matters for consideration, and consistent tests applied in published reasons and enforceable conditions. In practice, borderline cases and differing views on offsetting create contestability at the gateway and variation in outcomes.
104. This part assesses proposed options to tighten and standardise permissions and methods within the CPLA, structured into three issues aligned to the review scope:
- Issue C1 – Improve clarity and flexibility of pastoral activity classifications under Schedule 1AB
 - Issue C2 – Clarify consent criteria for discretionary activities
 - Issue C3 – Clarify the offsetting rule to improve certainty and enable environmental enhancement

Issue C1 - Improve clarity and flexibility of pastoral activity classifications under Schedule 1AB

Section 1: Diagnosing the policy problem

What is the context behind the policy problem and how is the status quo expected to develop?

105. The 2022 amendments to the CPLA introduced a tiered, risk-based consenting system for pastoral activities. Schedule 1AB sets out which activities are permitted, discretionary, or prohibited. The intent was to simplify regulation, reduce unnecessary consenting, and focus oversight on activities with higher environmental risk.
106. Uptake of the new system has been limited, meaning formal evidence of system performance is sparse. However, early experience suggests the framework is broadly workable. Nevertheless, stakeholder feedback and LINZ's operational experience point to areas where the framework may be too rigid, unclear, or incomplete.
107. Several provisions are overly prescriptive, focusing on specific methods or numeric thresholds rather than environmental outcomes. For example, limits on vegetation clearance during pest control can complicate routine land management.
108. Other clauses omit aspects of common, low-risk activities, such as the repair and maintenance of already consented farm infrastructure, or the repetition of previously consented activities – such as seed sowing - using the same method. This creates uncertainty and adds compliance costs for leaseholders.
109. There are also terminology inconsistencies and unclear boundaries between permitted and discretionary activities. These issues can lead to inconsistent interpretation, processing delays, and reduced confidence in the system.

110. The underlying tension is between regulatory certainty and practical flexibility. The current drafting prioritises precision, but in doing so may constrain routine land management and create unnecessary friction. If left unaddressed, these issues could:
- a. Increase reliance on discretionary consents for low-risk activities;
 - b. Undermine the efficiency and credibility of the regime.

What is the policy problem or opportunity?

111. The opportunity is to refine and optimise Schedule 1AB to better reflect practical land use needs, while maintaining environmental integrity. This includes:
- a. Enabling targeted pest control with clearer limits;
 - b. Permitting infrastructure maintenance and associated vegetation clearance;
 - c. Standardising terminology and clarifying definitions;
 - d. Allowing repeat use of previously authorised methods;
 - e. Clarifying the boundary between permitted and discretionary activities;
 - f. Removing redundant provisions.
112. These changes would improve clarity, reduce compliance costs, and support more consistent, confident decision-making. While primarily technical, they also reduce unnecessary reliance on discretionary consents, freeing up LINZ resources and reducing costs for leaseholders. These refinements improve the efficiency of the regulatory system without altering its core policy intent.

What objectives are sought in relation to the policy problem?

113. To improve the clarity, transparency, and usability of the discretionary consent regime for pastoral activities. This contributes to:
- a. Outcome 1: A modernised legislative framework that supports timely, cost-effective, and evidence-based land management decisions.
 - b. Outcome 2: Reduced compliance burden and greater certainty for Crown pastoral leaseholders.

Section 2: Assessing options to address the policy problem

What options are being considered?

114. This section outlines the options that were considered. A combination of options can be progressed as a package. The options are:

Option C1.1 – Status quo / counterfactual

115. Under this option, no legislative changes would be made. LINZ would continue to rely on existing provisions and case-by-case interpretation. This approach would perpetuate current uncertainty, increase compliance costs, and risk inconsistent application across leases.

Option C1.2 – Issue guidance only

116. This option would involve issuing guidance to clarify the interpretation of existing provisions. While this would provide some immediate clarity, it would not resolve underlying drafting issues or deliver durable improvements. Guidance alone cannot override prescriptive clauses or inconsistent terminology in the legislation.

Option C1.3 – Amend Schedule 1AB and issue supporting guidance

117. This option would involve targeted legislative amendments to clarify the wording and scope of existing permitted activities, add new permissions for low-risk activities, and align terminology and conditions across the schedule. The full list of proposed changes is attached as **Appendix 3**. Supporting guidance would ensure consistent interpretation and application. This approach offers the greatest long-term clarity, adaptability, and confidence in the system.

118. Schedule 1AB underpins the consenting system introduced in 2022 to specify which pastoral activities may be carried out without consent, and which require leaseholders to seek the Commissioner’s approval.

119. If this option is preferred (and subject to Cabinet decisions) LINZ will seek further decisions from the Minister for Land Information on the final amended list of permitted and discretionary pastoral activities under Schedule 1AB.

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

	Option C1.1	Option C1.2	Option C1.3
	Status quo	Issue guidance	Amend Schedule 1AB
Efficiency	0 Minor ambiguity and inefficiencies persist	+ <i>Quick gains in clarity without legislative change</i>	++ Durable statutory clarity reduces admin burden
Effectiveness	0 Does not address misalignment with practice	+ Improves consistency in decision-making	++ Better alignment with outcomes
Flexibility	0 System remains rigid and unclear	+ Allows interpretation to evolve with practice	+ Improves clarity but not adaptability
Transparency	0 Uncertainty continues for leaseholders and LINZ	+ Guidance improves visibility and understanding	+ Clearer rules support consistent decisions
Overall assessment	0	++++	+++++

Key assumptions and judgements

The ratings in this table are based on LINZ’s operational experience with the 2022 CPLA amendments and early feedback from leaseholders and compliance staff.

- Efficiency ratings assume that Option C1.3 (amending Schedule 1AB) would reduce reliance on discretionary consents for low-risk activities, thereby lowering administrative burden over time.
- Effectiveness ratings reflect the extent to which each option supports consistent, proportionate regulation of routine land management.
- Flexibility ratings consider the ability of the framework to accommodate evolving practices without requiring further legislative change.
- Transparency ratings are based on the clarity of permissions and the ease with which leaseholders and regulators can interpret and apply the rules.

These judgments are qualitative and reflect the current maturity of the system, which is still bedding in and lacks a full evidence base.

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

120. LINZ preferred approach is to progress Option C1.3. This option provides durable improvements in clarity and usability while maintaining environmental safeguards. It reduces compliance costs, improves confidence in decision-making, and ensures the framework remains practical and proportionate to risk.

What are the marginal costs and benefits of the preferred option(s)?

Affected groups	Impact	Evidence certainty	Comment
Additional costs of the preferred option compared to taking no action			
Regulated groups	Low	High – based on similar legislative updates.	Minor familiarisation with updated rules; one off adjustment.
Regulators	Low	High	Drafting amendments, updating guidance, and training staff; one-off cost.
Others (eg, wider govt, consumers, etc.) <i>For fiscal costs, both increased costs and loss of revenue could be relevant</i>	Low	High	Non identified
Total monetised costs	-	-	None expected
Non-monetised costs	-	-	Low
Additional benefits of the preferred option compared to taking no action			

Regulated groups	Medium	Medium – supported in early feedback.	Reduced compliance costs; clearer permissions for routine activities; fewer unnecessary consents.
Regulators	Medium	High	Efficiency gains from fewer discretionary applications and reduced disputes.
Others (eg, wider govt, consumers, etc.)	Low	Medium	Indirect benefit from improved environmental safeguards through clearer conditions.
Total monetised benefits	-	-	None quantified
Non-monetised benefits	-	-	High

Issue C2 - Clarify the consent criteria for discretionary activities

Section 1: Diagnosing the policy problem

121. Under the CPLA, most pastoral activities that are not listed as permitted in Schedule 1AB require discretionary consent. The statutory tests for granting consent are set out in Section 11 and Schedule 1ABA, which together form the core of the discretionary regime.
122. The framework is structured around three key subsections:
- a. Section 11(1) requires the Commissioner to consider whether the activity will have more than minor adverse effects on the inherent values of the land — including ecological, landscape, cultural, and heritage values.
 - b. Section 11(2) asks whether the activity is necessary for the leaseholder to exercise their rights and obligations under the lease.
 - c. Section 11(3) allows the leaseholder to argue that the activity is essential to the ongoing financial viability of the pastoral enterprise.
123. Schedule 1ABA provides further detail on how these tests are to be applied, including the types of information that may be considered.
124. The discretionary regime was designed to strengthen environmental safeguards and ensure decisions are robust and well-informed. However, early experience has revealed uncertainty and concern among leaseholders about how the tests will be interpreted and applied in practice.

What is the policy problem or opportunity?

125. The core issue is lack of familiarity and clarity with current settings. Leaseholders are unsure how the statutory tests will be applied, and whether they will be interpreted narrowly or restrictively. This uncertainty is particularly acute in relation to:

- a. The scope and method for assessing effects on inherent values, which is not defined spatially or procedurally
 - b. The meaning of “necessary” activities
 - c. The meaning of viability under Section 11(3), which lacks financial benchmarks and may be difficult to apply consistently.
126. These uncertainties have led to stakeholder concern that the discretionary regime may constrain leaseholders’ ability to continue pastoral farming activities — particularly where activities are routine, low-risk, or central to the functioning of the enterprise. Over time, there is a risk that this could undermine confidence in the regime and affect the viability of pastoral operations.
127. There is an opportunity to strengthen the discretionary consent regime for pastoral activities by either:
- a. providing clear how these tests should be applied, either through operational guidance, Chief Executive Standards; and/or
 - b. making targeted legislative amendments to refine the wording of key clauses.

What objectives are sought in relation to the policy problem?

128. To improve the clarity, transparency, and usability of the discretionary consent regime for pastoral activities under section 11 and Schedule 1ABA. This contributes to:
- a. Outcome 1: A modernised legislative framework that supports timely, cost-effective, and evidence-based land management decisions.
 - b. Outcome 2: Reduced compliance burden and greater certainty for Crown pastoral leaseholders.

Section 2: Assessing options to address the policy problem

What options are being considered?

129. This section outlines the options that were considered. A combination of options can be progressed as a package. The options are:

Option C2.1 – Status quo / counterfactual

130. Under this option, no changes would be made to the current statutory tests in section 11 and Schedule 1ABA. LINZ would continue to apply the existing framework without additional guidance or legislative refinement. This approach would perpetuate current uncertainty, increase the risk of inconsistent decisions, and maintain the potential for disputes and delays.

Option C2.2 – Issue operational guidance or Chief Executive Standards

131. This option would involve issuing guidance and standards to clarify how LINZ interprets and applies the statutory tests. Guidance would explain the meaning of key terms such as “necessary” and “viability,” outline the approach to assessing effects on inherent values, and provide examples of how the tests apply in practice. This option would improve consistency and transparency without reopening legislative debates. It is relatively quick to implement and provides flexibility to adapt as experience grows.

Option C2.3 – Targeted legislative amendment to refine statutory tests

132. This option would involve amending section 11 and Schedule 1ABA to clarify the meaning of “necessary,” “viability,” and the scope of effects assessment. While this would provide durable clarity, it carries higher legislative risk and could reopen broader debates about the design of the decision-making framework. It would also require more time to implement and may delay improvements in practice.

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

	Option C2.1	Option C2.2	Option C2.3
	<i>Status quo</i>	Issue guidance	Clarify the wording in legislation
Efficiency	0 Maintains current inefficiencies and dispute risk	++ Quick, low-cost improvements to consistency	+ Reduces disputes and improves legal clarity
Effectiveness	0 Does not address ambiguity or fairness concerns	+ Improves understanding and application of tests	++ Better supports fair and proportionate decisions
Flexibility	0 Framework remains rigid and contested	++ Allows interpretation to evolve with practice	0 Improves clarity but not adaptability
Transparency	0 Uncertainty persists for leaseholders and LINZ	+ Guidance improves visibility and predictability	++ Legislative clarity enhances public confidence
Overall assessment	0	+++++	+++++

Key assumptions and judgements

The ratings in this table are based on LINZ’s experience implementing the 2022 CPLA amendments and early feedback from leaseholders and decision-makers.

- Efficiency ratings assume that issuing operational guidance (C2.2) can be implemented quickly and at low cost, while legislative amendment (C2.3) would require more time and carry greater complexity.
- Effectiveness ratings reflect the extent to which each option improves the clarity and consistency of decision-making under section 11 and Schedule 1ABA.
- Flexibility ratings consider the ability to adapt interpretations over time as system maturity improves.
- Transparency ratings are based on the visibility and predictability of how statutory tests are applied, particularly in relation to terms such as “necessary” and “viability.”

These judgments are qualitative and reflect the current lack of system-wide data on how the discretionary regime is operating in practice.

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

133. The preferred approach is Option C2.2. This option provides timely and practical improvements in clarity and consistency without the risks and delays associated with legislative change. It supports efficient, transparent, and predictable decision-making while maintaining robust environmental safeguards.

What are the marginal costs and benefits of the preferred option(s)?

Affected groups	Impact	Evidence certainty	Comment
Additional costs of the preferred option compared to taking no action			
Regulated groups	Low	High	None significant; minor familiarisation with guidance.
Regulators	Low	High	One-off cost to develop and publish guidance; training staff.
Others (eg, wider govt, consumers, etc.)	Low	High	None identified.
Total monetised costs	-	-	None expected
Non-monetised costs	-	-	Low
Additional benefits of the preferred option compared to taking no action			
Regulated groups	Medium	Medium	Greater certainty on how tests apply; reduced disputes and delays.
Regulators	Medium	High	Improve consistency and efficiency in decision-making; fewer contested cases.
Others (eg, wider govt, consumers, etc.)	Low	Medium	Increased confidence in fairness and transparency of decisions.
Total monetised benefits	-	-	None quantified
Non-monetised benefits	-	-	High

Issue C3 – Clarify the offsetting rule to improve certainty and enable environmental enhancement

Section 1: Diagnosing the policy problem

What is the context behind the policy problem and how is the status quo expected to develop?

134. Section 10(4)(b) of the CPLA prohibits the Commissioner of Crown Lands from considering offsetting when determining the level of adverse effects on inherent values for discretionary pastoral activities. The clause was introduced in 2022 as part of reforms to strengthen environmental protection on Crown pastoral land, reflecting a precautionary approach where many inherent values are vulnerable or irreplaceable.
135. The provision states that the Commissioner “must not consider offsetting, including as a way of counterbalancing adverse effects on inherent values.” However, offsetting is not defined in the Act, and the clause’s wording is complex. This has created uncertainty about what the Commissioner may lawfully consider when assessing discretionary consent applications.
136. In environmental management, offsetting typically refers to compensating for residual adverse effects by undertaking equivalent improvements elsewhere or later in time. This is distinct from positive effects that are integral to the same activity, such as in-situ restoration or design features that enhance inherent values.
137. The Act’s definition of “effects” is broad and inclusive, allowing the Commissioner to consider both positive and adverse effects, including cumulative and long-term effects. This suggests that the prohibition on offsetting was intended to exclude separate compensatory actions, not to prevent consideration of beneficial outcomes that are part of the same activity.
138. However, LINZ considers that any attempt to distinguish between true offsetting and embedded enhancement measures could expose the Crown to legal challenge. Accordingly, it advises leaseholders to omit all potentially beneficial environmental measures from consent applications, on the basis that they cannot be considered.

What is the policy problem or opportunity?

139. The policy problem is that section 10(4)(b) is ambiguously worded and lacks a definition of “offsetting”, creating uncertainty about what the Commissioner may lawfully consider. This has led to the LINZ advising leaseholders to omit beneficial environmental effects from applications, even where they are integral to the proposed activity. Clarifying this provision would enable better environmental outcomes and support integrated land use proposals aligned with the CPLA’s purpose.

What objectives are sought in relation to the policy problem?

140. To clarify the boundary between prohibited offsetting and acceptable on-site mitigation or enhancement, enabling integrated proposals that deliver net environmental benefits. This contributes to:
 - a. Outcome 1: A modernised legislative framework that supports timely, cost-effective, and evidence-based land management decisions.
 - b. Outcome 2: Reduced compliance burden and greater certainty for Crown pastoral leaseholders.

Proactive release

Section 2: Assessing options to address the policy problem

What options are being considered?

141. This section outlines the options that were considered. The options are:

Option C3.1 – Status quo / counterfactual

142. Under this option, no legislative changes would be made. LINZ would continue to apply its current interpretation, which excludes consideration of positive effects where an activity also has more-than-minor adverse effects. This approach avoids legislative risk but perpetuates uncertainty, discourages restoration-focused proposals, and increases the likelihood of contested decisions.

Option C3.2 – Targeted legislative amendment and supporting guidance

143. This option would amend section 10(4)(b) to define “offsetting” and confirm that the Commissioner may consider positive effects that are intrinsic to the same activity, occur on-site, and within the same timeframe. Supporting operational guidance would set out LINZ’s interpretation of the revised settings, including examples of acceptable mitigation and enhancement. This approach provides legal certainty, improves workability, and enables fair consideration of integrated proposals while maintaining the prohibition on compensatory trade-offs.

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

	Option C3.1	Option C3.2
	<i>Status quo</i>	Clarify wording in legislation and issue guidance
Efficiency	0 Legal ambiguity hinders efficient land use	+/- Improves clarity but may increase complexity.
Effectiveness	0 May forgo some opportunities to enhance inherent values	++ Supports broader outcomes within CPLA purpose
Flexibility	0 Limits discretion in decision-making	++ Allows nuanced consideration of proposals
Transparency	0 Legal ambiguity undermines clarity and confidence	+/- Guidance helps but may prompt debate or confusion.
Overall assessment	0	++++

Key assumptions and judgements

The ratings in this table are based on LINZ’s interpretation of section 10(4)(b) of the CPLA and the legal and operational uncertainty it has created.

- Efficiency ratings reflect the administrative complexity and legal risk associated with the current prohibition on offsetting, which discourages integrated proposals and increases the likelihood of contested decisions.
- Effectiveness ratings consider the extent to which each option supports the CPLA’s purpose by enabling environmental enhancement while maintaining appropriate safeguards.
- Flexibility ratings assess the ability to accommodate nuanced proposals that include embedded positive effects.
- Transparency ratings reflect the clarity of the statutory framework and the ability of applicants and decision-makers to understand what can and cannot be considered.

These judgments are informed by legal advice, early implementation experience, and the need to balance environmental integrity with practical land management.

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

144. The preferred approach is Option C3.2: targeted legislative amendment supported by operational guidance. This option strikes the balance between clarity and environmental protection, enabling decision-makers to recognise genuine on-site improvements while preserving the prohibition on offsetting as originally intended.

What are the marginal costs and benefits of the preferred option(s)?

Affected groups	Impact	Evidence certainty	Comment
Additional costs of the preferred option compared to taking no action			
Regulated groups	Low	High	None significant; minor familiarisation with revised rule.
Regulators	Low	High	Legislative drafting and guidance development; one-off cost.
Others (eg, wider govt, consumers, etc.)	Low	High	None identified.
Total monetised costs	-	-	None expected
Non-monetised costs	-	-	Low
Additional benefits of the preferred option compared to taking no action			
Regulated groups	Medium	Medium	Ability to propose integrated projects with net environmental benefits; reduced uncertainty.
Regulators	Medium	High	Clearer statutory boundary reduces disputes and legal risk.
Others (eg, wider govt, consumers, etc.)	Medium	Medium	Improved environmental outcomes through restoration-focused proposals.

Total monetised benefits	-	-	None quantified
Non-monetised benefits	-	-	High

Proactive release

Part D: Land Act modernisation

145. The Land Act provides day-to-day machinery for Crown land administration: including acquisition, management and disposal. Several processes remain print-centric or narrowly framed, which can add cost and time and reduce transparency relative to contemporary expectations.
146. This part assesses proposed options to modernise administration and improve transparency and probity, structured into four issues aligned to the review scope:
- Issue D1 – Constraints on the short-term use of Crown land
 - Issue D2 – Modernising trespass systems
 - Issue D3 – Modernising allotment systems
 - Issue D4 – Clarifying and strengthening the Commissioner’s statutory powers.

Issue D1 – Constraints on the short-term use of Crown land

Section 1: Diagnosing the policy problem

What is the context behind the policy problem and how is the status quo expected to develop?

147. The Land Act’s authorisation tools were designed for long-term occupation, such as farming or residential leases. While mechanisms exist for short-term, low-impact uses, they are cumbersome and poorly suited to modern needs. Demand for temporary activities—such as community events, pest management depots, and commercial filming—has grown significantly. However, ambiguity around eligibility and outdated notification requirements create inefficiencies and uncertainty.
148. If no changes are made, LINZ will continue to rely on ad hoc workarounds, leading to inconsistent decisions, higher compliance costs, and lost opportunities for public benefit.

What is the policy problem or opportunity?

149. Current legislative settings are misaligned with contemporary patterns of Crown land use. Ambiguity about whether commercial filming qualifies under commercial recreation permits creates uncertainty. Outdated notification requirements impose unnecessary costs and slow processing.
150. The opportunity is to modernise these provisions to create a proportionate, risk-based framework for short-term Crown land use.

What objectives are sought in relation to the policy problem?

151. To modernise authorisation tools for short-term, low-impact uses of Crown land by clarifying eligibility and enabling digital notification. This contributes to:
- a. Outcome 1: A modernised legislative framework that supports timely, cost-effective, and evidence-based land management decisions.

- b. Outcome 5: Improved ability for the Crown to recover costs and receive a fair return on public land assets.

Section 2: Assessing options to address the policy problem

What options are being considered?

152. This section outlines the options that were considered. A combination of options can be progressed as a package. The options are:

Option D1.1 – Status quo

153. No legislative changes. Commercial filming remains a borderline case under the commercial recreation permit system. Public notification continues to rely on newspaper publication. Inefficiencies persist, and opportunities for short-term, low-impact uses are constrained. Retaining the status quo would entrench existing inefficiencies, perpetuate inconsistent decision-making, and constrain opportunities for low-risk, short-term uses that deliver public and economic benefits.

Option D1.2 – Package of reforms

154. Amend the Land Act to:

- a. Clarify that commercial filming and photography are allowable under commercial recreation permits.
- b. Enable digital public notification as an alternative to newspaper publication.

155. This package improves clarity, reduces cost and delay, and supports proportionate authorisation for short-term, low-impact uses.

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

	Option D1.1	Option D1.2
	<i>Status quo</i>	Package of reforms
Efficiency	0 Existing processes are functional but outdated	+ Removes ambiguity; and modernises notification
Effectiveness	0 Limited support for short-term commercial uses	+ Improves responsiveness and public benefit
Flexibility	0 Framework is rigid and slow to adapt	+ Supports short-term, low-impact uses and options for modern communication practices
Transparency	0 Processes lack clarity and modern accessibility	+ Supports short-term, low-impact uses, enhances accessibility and public visibility
Overall assessment	0	++++

Key assumptions and judgements

The ratings in this table are based on LINZ’s operational experience administering short-term land uses under the Land Act and feedback from stakeholders seeking greater clarity and responsiveness.

- Efficiency ratings assume that Option D1.2 (package of reforms) would reduce administrative burden by enabling digital notification and clarifying eligibility for common activities like filming.
- Effectiveness ratings reflect the extent to which each option supports timely and proportionate authorisation of low-impact, short-term uses.
- Flexibility ratings consider the ability to accommodate a wider range of temporary uses without requiring legislative workarounds.
- Transparency ratings are based on the accessibility of public notices and the clarity of eligibility criteria.

These judgments are informed by case studies, implementation experience, and alignment with broader government expectations for modern regulatory systems.

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

156. LINZ preferred approach is to progress a combined package of Option D1.2. This provides a coherent solution that addresses ambiguity, modernises notification processes, and removes unnecessary barriers to short-term use of Crown land. It would enable LINZ to deliver a more responsive and proportionate authorisation system while maintaining the integrity of conservation and public access objectives.

What are the marginal costs and benefits of the preferred option(s)?

Affected groups	Impact	Evidence certainty	Comment
Additional costs of the preferred option compared to taking no action			
Regulated groups	Low	High- based on similar legislative updates	No significant additional costs
Regulators	Low	High – implementation scope is clear	Minor system updates, guidance, and training costs
Others (eg, wider govt, consumers, etc.)	Low	High	None identified
Total monetised costs	-	-	None expected
Non-monetised costs	-	-	Low
Additional benefits of the preferred option compared to taking no action			
Regulated groups	Medium	Medium – supported by stakeholder feedback.	Reduced compliance costs, (survey, notification); faster processing; clarity for filming

Regulators	Medium	High	Efficiency gains from streamlined processes; reduced case-by-case exemptions.
Others (eg, wider govt, consumers, etc.)			Improved transparency through digital notices.
Total monetised benefits			None quantified
Non-monetised benefits			High

Issue D2 – Modernising the trespass systems

Section 1: Diagnosing the policy problem

What is the context behind the policy problem and how is the status quo expected to develop?

157. The Land Act provides the Commissioner with powers to manage unauthorised use of Crown land, including impounding property and initiating trespass action. These provisions were designed for a mid-20th century context, where unauthorised use typically involved livestock or farming equipment. Today, common issues include abandoned vehicles, semi-mobile dwellings, and low-value chattels.
158. The current framework requires seized property to be impounded in a public pound for at least 21 days before disposal by public auction. Public pounds are rare, and most do not accept non-animal property. Transporting and storing impounded items is costly and impractical, particularly in remote areas. Mandatory auction of low-value items adds further inefficiency.
159. If the status quo continues, LINZ will face increasing difficulty managing unauthorised use effectively. Enforcement will remain slow and costly, and Crown land will continue to be exposed to environmental and safety risks.

What is the policy problem or opportunity?

160. The trespass and impoundment provisions are outdated and poorly suited to contemporary patterns of unauthorised use. The opportunity is to modernise these provisions by introducing a more flexible and proportionate compliance framework, including:
- a. Direction-to-remove notices as an alternative to immediate impoundment;
 - b. Authority to hold seized property in appropriate facilities;
 - c. Discretion to dispose of low-value property without mandatory auction.
161. These changes would reduce cost and complexity, improve compliance, and ensure enforcement remains fair and transparent.

What objectives are sought in relation to the policy problem?

162. To provide the Commissioner with modern, proportionate tools to manage unauthorised use of Crown land. This contributes to:
- a. Outcome 1: A modernised legislative framework that supports timely, cost-effective, and evidence-based land management decisions.

Section 2: Assessing options to address the policy problem

What options are being considered?

163. This section outlines the options that were considered. A combination of options can be progressed as a package. The options are:

Option D2.1 – Status quo / counterfactual

164. No legislative changes. The Commissioner continues to rely on the existing impoundment and auction process. Enforcement remains slow, costly, and poorly suited to modern trespass scenarios. This is costly, impractical, and poorly suited to modern trespass scenarios. It does not provide an effective deterrent and leaves Crown land vulnerable to ongoing unauthorised use.

Option D2.2 – Introduce a direction-to-remove mechanism

165. Amend the Land Act to:

- a. Introduce a direction-to-remove mechanism;
- b. Allow seized goods and livestock to be held in appropriate facilities;
- c. Grant discretion to dispose of low-value property without mandatory auction.

166. This package improves operational efficiency, reduces enforcement costs, and supports public confidence in the Crown’s ability to manage land responsibly.

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

	Option D2.1	Option D2.2
	Status quo	Package of reforms
Efficiency	0 Processes are outdated and resource-intensive	++ Improves efficiency and responsiveness
Effectiveness	0 Limited ability to respond to modern trespass issues	++ Supports timely and effective enforcement
Flexibility	0 Rigid tools not suited to varied situations	++ Supports tailored enforcement and disposal actions
Transparency	0 Legal framework lacks clarity and public confidence	+ Clearer process improves public understanding

Overall assessment	0	+++++
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Key assumptions and judgements

The ratings in this table are based on LINZ’s operational experience managing unauthorised use of Crown land and the practical limitations of the current impoundment and disposal provisions.

- Efficiency ratings assume that Option D2.2 (introducing a direction-to-remove mechanism and modernising impoundment rules) would significantly reduce administrative burden and enforcement costs, particularly in remote or low-value cases.
- Effectiveness ratings reflect the extent to which each option enables timely, proportionate, and enforceable responses to unauthorised use.
- Flexibility ratings consider the ability to tailor enforcement actions to the nature and scale of the issue.
- Transparency ratings are based on the clarity and fairness of the process, including public understanding of enforcement powers.

These judgments are informed by casework examples, legal advice, and alignment with modern compliance practice.

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

167. The preferred approach is to progress Options D2.2. This package would deliver a flexible, cost-effective, and transparent system for managing unauthorised use of Crown land. While primarily technical, these changes reduce enforcement costs, improve operational efficiency, and support public confidence in the Crown’s ability to manage land responsibly.

What are the marginal costs and benefits of the preferred option(s)?

Affected groups	Impact	Evidence certainty	Comment
Additional costs of the preferred option compared to taking no action			
Regulated groups	Low	Medium – based on enforcement experience.	Potential compliance costs for those in breach (removal or disposal of property)
Regulators	Low	High	Minor training and system updates
Others (eg, wider govt, consumers, etc.)	-	-	Non identified
Total monetised costs	-	-	None expected.
Non-monetised costs	-	-	Low

Additional benefits of the preferred option compared to taking no action			
Regulated groups	Low	Medium	Clearer enforcement expectations; reduced uncertainty.
Regulators	Medium	High	Significant operational efficiency; reduced costs from avoiding impoundment and auction of low value items.
Others (eg, wider govt, consumers, etc.)	Medium	Medium	Reduced environmental and safety risks.
Total monetised benefits	-	-	None quantified
Non-monetised benefits	-	-	High

Issue D3 – Modernising the allotment system

Section 1: Diagnosing the policy problem

What is the context behind the policy problem and how is the status quo expected to develop?

168. The Land Act sets out processes for disposing of Crown land or granting interests such as leases and licences. These processes were designed for a mid-20th century environment, where competitive allotment through public auction or tender was the primary mechanism for ensuring fairness and securing value for the Crown.
169. However, the Act prescribes auction or tender as the only disposal methods and requires public notification via newspaper publication. These provisions are increasingly outdated. Small or access-restricted parcels often attract interest only from adjoining landowners, making full auction processes disproportionate. Print-based notification adds unnecessary cost and delay while reducing accessibility.
170. If the status quo continues, disposal processes will remain slow, costly, and poorly aligned with modern expectations of efficiency and transparency.

What is the policy problem or opportunity?

171. The current allotment provisions are overly prescriptive and do not allow the Commissioner to use modern, proportionate methods for advertising and disposing of Crown land. The opportunity is to:
- Enable digital notification as an alternative to newspaper publication;
 - Expand the Commissioner’s discretion to select disposal methods beyond auction and tender.

172. These changes would improve efficiency, reduce costs, and support better commercial outcomes while maintaining transparency and probity safeguards.

What objectives are sought in relation to the policy problem?

173. To enable more flexible and efficient disposal of Crown land by updating notification methods and expanding the Commissioner’s discretion in selecting disposal mechanisms. This contributes to:
- a. Outcome 1: A modernised legislative framework that supports timely, cost-effective, and evidence-based land management decisions.
 - b. Outcome 5: Improved ability for the Crown to recover costs and receive a fair return on public land assets.

Section 2: Assessing options to address the policy problem

What options are being considered?

174. This section outlines the options that were considered. A combination of options can be progressed as a package. The options are:

Option D3.1 – Status quo / counterfactual

175. No legislative changes. Public notification continues via newspaper publication. Disposal methods remain limited to auction, tender, or fixed-price application. Inefficiencies persist and responsiveness to market conditions remains constrained.

Option D3.2 – Enable modern methods of public notification

176. Amend the Land Act to:
- a. Enable modern methods of public notification (e.g. LINZ website, online property portals);
 - b. Expand the Commissioner’s discretion to select disposal methods (e.g. negotiated sale, expressions of interest, deadline private treaty).

177. This package modernises the allotment system, reduces unnecessary cost and delay, and ensures disposal processes remain transparent, proportionate, and capable of securing fair value for the Crown.

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

	Option D3.1	Option D3.2
	Status quo	Package of reforms
Efficiency	0 Processes are functional but outdated and costly	++ Improves efficiency and responsiveness
Effectiveness	0 Limited responsiveness to market conditions	++ Supports better commercial outcomes
Flexibility	0	++

	Rigid disposal methods constrain operational discretion	Supports flexible communication channels and enables tailored disposal strategies
Transparency	0 Public notification is limited in reach and accessibility	++ Enhances visibility and public engagement
Overall assessment	0	+++++++

Key assumptions and judgements

The ratings in this table are based on LINZ’s operational experience with Crown land disposal processes and the limitations of current statutory requirements.

- Efficiency ratings assume that Option D3.2 (modernising notification and disposal methods) would reduce administrative costs and delays by enabling digital communication and more proportionate disposal pathways.
- Effectiveness ratings reflect the extent to which each option supports fair and timely disposal outcomes, particularly for small or low-value parcels.
- Flexibility ratings consider the ability to tailor disposal methods to market conditions and site-specific constraints.
- Transparency ratings are based on the accessibility and visibility of disposal processes to the public and stakeholders.

These judgments are informed by regulator and stakeholder feedback, and alignment with broader government expectations for digital service delivery and efficient asset management.

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

178. The preferred approach is to progress Option D3.2. This would modernise the allotment system, reduce unnecessary cost and delay, and ensure that disposal processes remain transparent, proportionate, and capable of securing fair value for the Crown.

What are the marginal costs and benefits of the preferred option(s)?

Affected groups	Impact	Evidence certainty	Comment
Additional costs of the preferred option compared to taking no action			
Regulated groups	Low	High	No additional costs; minor familiarisation with new processes
Regulators	Low	High	Minor system updates and guidance
Others (eg, wider govt, consumers, etc.)	Low	High	None identified.
Total monetised costs	-	-	None expected.

Non-monetised costs	-	-	Low
Additional benefits of the preferred option compared to taking no action			
Regulated groups	Low	Medium	Easier access to information; more proportionate processes for small parcels.
Regulators	Medium	High	Reduced cost and delay from modern advertising and flexible disposal methods.
Others (eg, wider govt, consumers, etc.)	Low	Medium	Maintains transparency while efficiency; supports fair return for Crown
Total monetised benefits	-	-	None quantified
Non-monetised benefits	-	-	Medium

Issue D4 – Clarifying and strengthening the Commissioner’s statutory powers

Section 1: Diagnosing the policy problem

What is the context behind the policy problem and how is the status quo expected to develop?

179. The Land Act confers powers on the Commissioner of Crown Lands to manage and dispose of Crown land. However, some aspects of the Commissioner’s authority are either implicit or constrained in ways that create uncertainty and inefficiency.
180. For example:
- a. The Act does not explicitly confirm the Commissioner’s authority to determine whether land is Crown land.
 - b. Implied lease obligations (e.g. insurance, maintenance) can only be varied after the lease is granted, not at the point of entry.
 - c. The 21-day timeframe for rehearing applications is rigid, with no discretion to extend or waive it.
181. If these gaps remain unaddressed, they will continue to undermine the efficiency, flexibility, and fairness of Crown land administration.

What is the policy problem or opportunity?

182. The Land Act lacks clarity and flexibility in key areas of the Commissioner’s statutory powers. This creates uncertainty for decision-makers and applicants, increases administrative burden, and can lead to outcomes that are inefficient or procedurally unfair.

183. The opportunity is to:

- a. Confirm the Commissioner’s authority to determine Crown land status;
- b. Allow variation or waiver of implied covenants at the time of lease grant;
- c. Introduce discretion to extend or waive rehearing timeframes.

184. These changes would improve legal certainty, reduce unnecessary complexity, and ensure that processes remain fair and proportionate.

What objectives are sought in relation to the policy problem?

185. To clarify and strengthen the Commissioner’s statutory powers to support efficient, fair, and legally certain administration of Crown land. This contributes to:

- a. Outcome 1: A modernised legislative framework that supports timely, cost-effective, and evidence-based land management decisions.

Section 2: Assessing options to address the policy problem

What options are being considered?

186. This section outlines the options that were considered. A combination of options can be progressed as a package. The options are:

Option D4.1 – Status quo / counterfactual

187. No legislative changes. The Commissioner continues to rely on implied authority to determine land status, vary lease covenants only after grant, and apply a strict 21-day rehearing timeframe. Uncertainty and procedural rigidity persist.

Option D4.2 – Clarify the Commissioner’s authority to determine Crown land status

188. Amend the Land Act to:

- a. Confirm the Commissioner’s authority to determine whether land is Crown land;
- b. Allow variation or waiver of implied covenants at the time of lease grant;
- c. Introduce discretion to extend or waive the rehearing timeframe where justice requires.

189. This package improves legal clarity, administrative flexibility, and procedural fairness.

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

	Option D4.1	Option D4.2
	Status quo	Package of reforms
Efficiency	0 Processes remain unclear and potentially inefficient	+ Minor improvements to administrative flexibility
Effectiveness	0 Ambiguity may hinder effective land management	+ Improves legal certainty, operational clarity and fairness

Flexibility	0 Limited ability to respond to operational needs	++ Enables tailored leasing and rehearing processes
Transparency	0 Uncertainty reduces confidence in decision-making	+ Supports consistent and accountable decisions
Overall assessment	0	+++++

Key assumptions and judgements

The ratings in this table are based on LINZ’s operational experience administering the Land Act and the practical limitations created by gaps or rigidity in the current statutory framework.

- Efficiency ratings assume that Option D4.2 (clarifying and expanding the Commissioner’s powers) would reduce administrative delays and legal uncertainty, particularly in relation to land status determinations and lease conditions.
- Effectiveness ratings reflect the extent to which each option supports fair and consistent decision-making and enables the Crown to manage land in line with statutory purposes.
- Flexibility ratings consider the ability to tailor lease terms and respond to procedural issues (e.g. rehearing timeframes) without requiring legislative workarounds.
- Transparency ratings are based on the clarity and predictability of decision-making processes for applicants and the public.

These judgments are informed by casework experience, legal review, and alignment with modern public sector administrative practice.

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

190. The preferred approach is to progress Option D4.2. This package would clarify the Commissioner’s authority, modernise lease administration, and ensure that rehearing processes remain fair and proportionate.

What are the marginal costs and benefits of the preferred option(s)?

Affected groups	Impact	Evidence certainty	Comment
Additional costs of the preferred option compared to taking no action			
Regulated groups	Low	High	None significant; minor familiarisation with updated processes.
Regulators	Low	High	Minor implementation effort; guidance updates.
Others (eg, wider govt, consumers, etc.)	Low	High	None identified

Total monetised costs	-	-	None expected
Non-monetised costs	-	-	Low
Additional benefits of the preferred option compared to taking no action			
Regulated groups	Low	Medium	Greater clarity and flexibility in lease terms; improved fairness in rehearing processes.
Regulators	Low	High	Reduced legal risk and administrative burden; improved efficiency.
Others (eg, wider govt, consumers, etc.)	Low	Low	Indirect benefit from improved governance and fairness.
Total monetised benefits	-	-	None quantified
Non-monetised benefits	-	-	Medium

Proactive release

Part E: Delivering preferred options package

Public value of the package

191. Taken together, the preferred options are designed to modernise the Crown’s land management framework in a way that delivers enduring public value. The package will support more sustainable and responsive use of Crown land, strengthen environmental and cultural safeguards, and ensure that the Crown can recover costs and secure a fair return on behalf of all New Zealanders. These reforms align with broader government priorities — including climate resilience, regional development, and Treaty obligations — and are intended to enhance public confidence in the integrity and effectiveness of Crown land administration.

Matters to be considered in subsequent analysis

192. As noted throughout this RIS, there are detailed design decisions that are required to give effect to the preferred options. Delegated authority for the Minister for Land Information to take these decisions is sought in the Cabinet paper.

193. The following policy issues to be considered in detailed decision are outlined below.

Policy issue	Summary
Definition of secondary uses	Finalisation of the list of activities to be included in the definition of secondary uses. To be specified in a schedule to the Act.
Decision-making test for secondary uses	Finalisation of principles and criteria which will inform the Commissioner’s discretion to approve secondary use applications. To be specified in a schedule to the Act.
Liability matters	Potential provisions for mechanisms to address any liability risks for the Crown arising from the creation of secondary use permits.
Consistency between decision making criteria for secondary use permits and discretionary pastoral activities	Depending on the agreed approach for secondary uses, further decisions may be sought on consequential changes to maintain consistency between the relative
Design of legislative pathway for removing land from the Crown pastoral estate	Depending on the agreed approach; LINZ will seek further decisions will be sought on the detailed design of the pathway.
List of permitted and discretionary activities	Proposals to clarify and extend the classifications of permitted and discretionary pastoral activities under Schedule 1AB of the CPLA.

Are the Minister’s preferred options in the Cabinet paper the same as the agency’s preferred options in the RIS?

194. Yes. The Minister’s preferred options in the Cabinet paper align with LINZ’s recommendation in the RIS across all issues.

How will the preferred options be implemented?

195. The preferred options will be implemented through targeted amendments to the CPLA and the Land Act. A bill is expected to be introduced in early 2026, with enactment targeted for mid-2026. The changes will require implementation by LINZ as the lead agency, with support from other government departments and affected stakeholders.
196. LINZ will be responsible for administering the new legislative settings. This will include updating LINZ Standards, operational policies, and guidance materials to reflect the new permit system, revised consent criteria, and modernised authorisation tools. LINZ anticipates a transition period to allow users to adjust to the new arrangements and will engage proactively with leaseholders, iwi, local authorities, and other affected groups to ensure the changes are well understood.
197. LINZ will continue to play an education and advisory role throughout implementation. This includes publishing explanatory materials, hosting stakeholder briefings, and providing direct support to applicants and permit holders. Monitoring and evaluation mechanisms will be established to track uptake, performance, and compliance, with a formal review planned within three years of commencement.

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

198. LINZ will monitor uptake of secondary use permits, fee-setting consistency, and cost recovery performance. Annual reporting will include metrics on application volumes, processing times, and revenue collected. Stakeholder feedback will be sought regularly to ensure the system remains fair and responsive.
199. Evaluation will be built into the implementation process, with a formal review scheduled within three years of commencement. This review will assess whether the legislative changes are delivering the intended outcomes and identify any areas for refinement.

DELIVERING THE PREFERRED OPTIONS PACKAGE

Preferred Option		Delivery and Implementation
Part A Secondary Use	Option A1.4: Create new secondary use permit while retaining commercial recreation permit	Amend the CPLA to create new permit. Restrict eligibility to leaseholders. LINZ to develop guidance clarifying leaseholder accountability and third-party contracting arrangements. Replicate existing conditions and safeguards (e.g. public notice, conservation compatibility, iwi consultation); update operational policy and monitoring tools LINZ to design and publish new permit framework; retain existing commercial recreation permit; develop schedule of activities and supporting guidance
	Option A2.3: Amend the CPLA to include fee-setting principles	Amend the CPLA to include fee-setting principles (e.g. fair return, proportionality, market alignment). LINZ to develop and publish operational guidance outlining how principles will be applied. Annual fee schedules to be published and consulted on with stakeholders. Internal systems and staff training to support consistent application
	Option A3.2: LINZ to set commercial charges to recover administrative costs	LINZ to establish a commercial charging framework for secondary use permits, consistent with Treasury and Auditor-General guidance. Annual publication of fee schedules and consultation with stakeholders to ensure transparency and fairness. Operational policy to include exemptions or adjustments for low-margin or public-good activities. Internal systems and training to support implementation and monitoring
Part B Removal pathway	Option B1.3: Create a specified legislative pathway for removing land from the CPLA	Draft new statutory process for voluntary exit; include safeguards such as Ministerial approval, iwi consultation, and public reporting; develop operational guidance
Part C Pastoral activities	Option C1.3: Amend Schedule 1AB and issue supporting guidance	LINZ to revise permitted activity list; clarify wording and scope; add new permissions for low-risk activities; publish updated guidance
	Option C2.2: Issue operational guidance or Chief Executive Standards	Develop and publish guidance clarifying statutory tests (e.g. “necessary”, “viability”, “inherent values”); train staff and consult stakeholders
	Option C3.2: Clarify wording in legislation and issue guidance	Amend section 10(4)(b) to define offsetting; allow consideration of on-site, same-time positive effects; publish examples and interpretive guidance
Part D Land Act modernisation	Option D1.2: Package of reforms to modernise short-term uses	Amend Land Act to include filming/photography; update permit guidance and eligibility criteria Amend Land Act to allow online notices; update LINZ systems and public access channels
	Option D2.2: Package of reforms to modernise the trespass and enforcement system	Amend Land Act to enable site-based compliance notices; develop enforcement protocols and signage templates Amend impoundment rules; authorise use of secure yards or paddocks; update LINZ procedures Amend disposal rules; allow donation, recycling or landfill for unclaimed items; publish disposal criteria
	Option D3.2: Package of reforms to modernise the allotment system	Amend Land Act to allow digital notices; integrate with LINZ website and online property platforms Amend Land Act to include negotiated sale, expressions of interest, and deadline private treaty; develop probity safeguards
	Option D4.2: Package of reforms to clarify and strengthen the Commissioner’s statutory powers	Amend legislation to confirm Commissioner’s role in land status decisions; update LINZ guidance and internal protocols Amend Land Act to enable covenant variation at lease grant; LINZ to develop criteria and update lease templates Amend Land Act to provide discretion on rehearing deadlines; LINZ to update procedures and notify affected parties

APPENDIX 1: STRATEGIC OVERVIEW OF THE REVIEW CONTEXT

OVERVIEW OF THE CROWN PASTORAL LAND ACT AND LAND ACT TARGETED REVIEW

CONTEXT FOR THE REVIEW

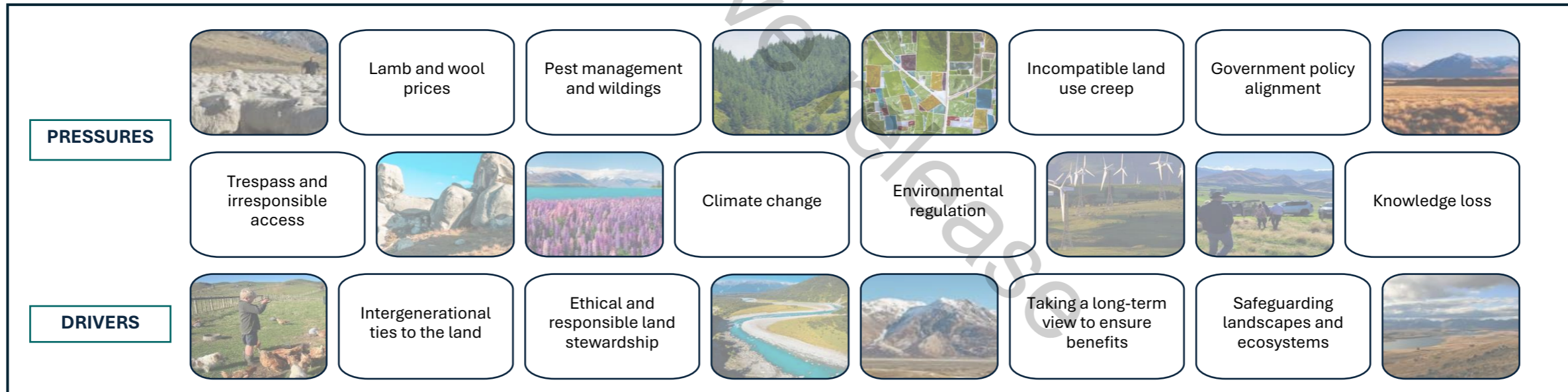
The South Island high country has long underpinned the region’s economy and identity, supporting pastoral farming for generations while also contributing to New Zealand’s unique natural landscape. Around 1.2 million hectares of this land is currently managed as Crown pastoral land, reflecting its significance for both farming and wider national interests.

Legislation was updated in 2022 to strengthen environmental management and provide certainty for leaseholders. Land use continues to evolve, however, and the pressures and opportunities facing the high country are changing. It is important that the regulatory framework keeps pace.

This review is focused on practical options to support diversification alongside pastoral farming. New secondary uses can lift productivity, create jobs, and strengthen resilience while ensuring the land continues to be well managed for the future.

THE PROBLEM TO BE SOLVED

Current legislation for Crown pastoral land, including pastoral leases, constrains both the Crown and leaseholders from realising the full potential of the estate. Processes may limit flexibility and responsiveness, making it difficult to adapt to new opportunities or optimise long-term value. Legislative change is needed to build a modern, efficient framework that supports innovation, economic growth and sustainable stewardship.



AIMS OF THE REVIEW

To increase economic opportunity by making provision for other land uses on Crown Pastoral Land where appropriate.
 To stream-line and update regulatory processes in the Land Act to more efficiently manage Crown land in a modern context.

THE OUTCOMES WE WANT TO SEE

A modernised legislative framework that supports timely, cost-effective, and evidence-based land management decisions

Reduced compliance burden and greater certainty for Crown pastoral leaseholders

Efficient systems for enabling and regulating secondary land uses on Crown pastoral land

Stronger alignment between Crown land management practices and wider government priorities

Improved ability for the Crown to recover costs and receive a fair return on public land assets

HOW THE CROWN PASTORAL LAND ACT AND LAND ACT WORK TOGETHER

Crown pastoral land is Crown-owned land leased to farmers for pastoral livestock grazing. The use and management of the land is regulated under the Crown Pastoral Land Act 1998 and the Land Act 1948, protecting the Crown's ownership interest in the land's inherent values, and the vulnerability of it to pests and over-grazing.

The Land Act is the foundational legislation and governs all Crown land, including pastoral land. The CPLA is a specialised regime that overlays additional rules on a subset of land (pastoral leases and licences). It sits alongside the Land Act and the two work together, which is why some reforms to pastoral land management may require changes to the Land Act.

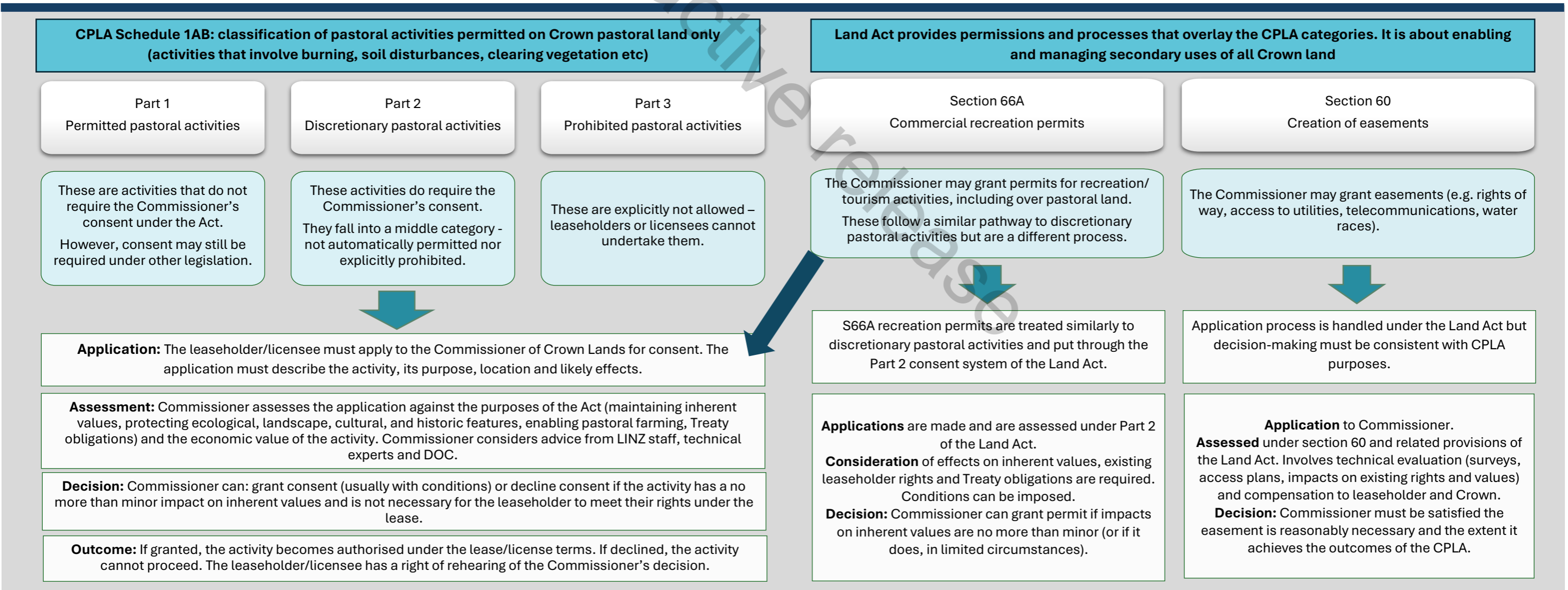
LAND ACT 1948

The Land Act is the overarching legislation governing most Crown-owned land outside the Conservation Estate. Crown land is managed by the Commissioner of Crown Lands, a statutory appointed officer within LINZ. The Land Act sets the overarching framework for the Commissioner to classify, manage, lease and dispose of Crown land.

CROWN PASTORAL LAND ACT 1998

The CPLA applies to Crown pastoral land alongside the Land Act. The CPLA regulates land use, development and sustainability on Crown pastoral land with a particular focus on responsible stewardship of the high country through the maintenance and enhancement of inherent values alongside pastoral farming.

The core provisions of the Crown tenant relationship, including the powers of the Commissioner of Crown Lands and the rights and obligations of leaseholders, sit across both the Land Act and the CPLA.



APPENDIX 2: ECONOMIST REPORT

[Attach in full]

Proactive release

APPENDIX 3: SCHEDULE 1 AB LEGISLATIVE AMENDMENTS (PART C, OPTION THREE)

Schedule 1AB – Part 1: Permitted activities

CLAUSE	TOPIC	RAISED BY	CURRENT STATE	POLICY PROPOSAL	POLICY OBJECTIVE
1	Controlling invasive exotic pest plants with indigenous by-kill	HCAT	Permits control subject to strict limits (by-kill ≤200 m ² /ha; pests ≥90% cover; area ≤25 ha/5 years).	Replace both clauses with one permitted activity: allow targeted chemical control (aerial spot-spraying or targeted ground spraying); remove the 90% cover and 25 ha/5-year limits; allow by-kill up to 500 m ² /ha limited to regenerating indigenous species and confined to the immediate vicinity.	Simplify and enable effective pest management using method-based safeguards while protecting inherent values; reduce unnecessary defaults to discretionary status.
2	Controlling invasive exotic pest plants without by-kill	HCAT	Permits unrestricted control of “any other” pest plants without by-kill.		
3	Earthworks, planting, gardening, tree felling, sowing of seed or top-dressing within curtilage	CCL	Limited to curtilage of dwellings; “curtilage” narrowly defined.	Amend to include the curtilage of any existing dwelling, woolshed, implement shed or livestock facilities; amend “curtilage” definition accordingly.	Enable routine land-management around principal farm buildings without unnecessary consent; standardise terminology.
4(g)	Soil disturbance for maintaining wild flood irrigation	CCL	Permits maintaining “wild flood irrigation” only; excludes maintenance of other lawfully established irrigation systems.	Expand to cover maintenance, repair or replacement for all lawfully established irrigation systems (wild flood, mobile, fixed), with safeguards: no expansion of area, no change of method, no indigenous clearance, no soil disturbance in waterways or wetlands.	Modernise and clarify maintenance permissions while preventing expansion and protecting inherent values.
4(k)	Soil disturbance for maintaining existing stock-water troughs	HCAT	Permits “maintaining existing stock water troughs only”; excludes water lines, tanks, dams; makes no provision for new assets in already modified land areas.	Expand to cover maintenance, repair or replacement of troughs, water lines, tanks and dams; and permit new troughs and water lines within the pastoral platform.	Ensure fit-for-purpose stock-water networks can be maintained and sensibly extended in modified land areas without adverse effects.
8	Laying water pipes for conveying irrigation and domestic stock water underground within existing cultivated areas using a ripper and mounted cable layer and providing for associated water troughs	CCL	Highly prescriptive (specific machinery; confined to “existing cultivated areas”); overlaps with irrigation clauses.	Repeal, rely on expanded cl 4 frameworks for installation and maintenance in cultivated/modified areas.	Remove duplication and method-prescription; consolidate irrigation/stock-water provisions.
10	Burning slash, stumps, dead vegetation within existing consented cultivated paddocks	CCL	Limited to “existing consented cultivated paddocks,” creating uncertainty for historically cultivated but lawfully established areas.	Replace “consented cultivated paddocks” with “lawfully established cultivated paddocks.”	Use consistent terminology; enable routine burning in historically cultivated areas.
11	Boom spraying exotic vegetation within existing consented cultivated paddocks	CCL	Tied to “boom spraying” and “consented cultivated paddocks”; excludes other appropriate methods/areas.	Replace “boom spraying” with “spraying using any appropriate method” and “consented cultivated paddocks” with “lawfully established cultivated paddocks.”	Use consistent terminology; enables routine spraying in historically cultivated areas. Remove unnecessary specificity; reflect practical methods.
12	Maintaining existing drains, water races or culverts	CCL	Meaning of “existing” is unclear; inconsistent with other clauses; maintenance scope uncertain.	Permit maintenance, repair or replacement of lawfully established drains, water races or culverts, with no increase in width or length, no change in position, route or alignment, and no soil disturbance in waterways or wetlands.	Use consistent terminology; provides for continuation of historic activity where consent records are unavailable. Regularise routine maintenance while preventing expansion and protecting sensitive environments.
13	Maintaining existing consented top-dressing	CCL	Lacks clarity on “same method”; risk of inconsistent interpretation.	Permit repeat top-dressing where previously top-dressed using the same method.	Use consistent terminology. Increases certainty that repeating previously authorised activity by the same method is permitted.
14	Maintaining existing consented seed sowing	HCAT	Unclear whether direct drilling is included.	Permit resowing in previously sown areas using the same method, including direct drilling.	Use consistent terminology. Avoid unnecessary consents for modern resowing methods; ensure consistent maintenance provisions.
15	Maintaining existing consented cultivation	CCL	Meaning of “maintaining” unclear; risk of unintended expansion.	Permit cultivation in previously cultivated areas using the same method.	Use consistent terminology. Provide certainty and consistency for routine repeat cultivation without expansion.
16	Maintaining existing consented roads, paths or tracks	HCAT	“Consented” terminology excludes long-standing tracks. Excludes maintenance of any flood protection mechanisms including groynes, stop banks, overflow channels, and removal of blockages.	Permit maintenance, repair or replacement of lawfully established roads, paths or tracks with no increase in width or length, no change of surface material, and no alteration in route or alignment. Permit maintenance, repair or replacement of lawfully established flood protection infrastructures including groynes, stop banks,	Use consistent terminology; provides for continuation of historic activity where consent records are unavailable. Enable upkeep of access infrastructure while preserving oversight of changes in scale or location.

CLAUSE	TOPIC	RAISED BY	CURRENT STATE	POLICY PROPOSAL	POLICY OBJECTIVE
				or overflow channels with no increase in width, height or length, no change in the position or local, and no change to materials.	
17	Maintaining existing consented fire breaks	CCL	“Consented” terminology, maintenance scope unclear.	Permit maintenance, repair or replacement of lawfully established fire breaks with no increase in width or length, no alteration in position or alignment, and no disturbance in waterways or wetlands.	Use consistent terminology; provides for continuation of historic activity where consent records are unavailable. Provide for instances of past use where consent records are unavailable. Facilitate practical fire-risk management while maintaining environmental safeguards.
19	Repairing and maintaining existing fencing within its existing footprint	CCL	Meaning of “existing” unclear; replacement not explicit.	Permit maintenance, repair or replacement of lawfully established fencing with no increase in width, height or length, no alteration in position, and no post-holes in waterways or wetlands.	Use consistent terminology; provides for continuation of historic activity where consent records are unavailable. Enable routine fence upkeep while preventing expansion and protecting sensitive areas.
New	Repairing and maintaining lawfully established buildings	CCL	No express permitted activity allowing soil disturbance for maintenance or repair within existing footprint.	Permit maintenance or repair of lawfully established buildings with no increase in width, height, length or floor area and no change in position.	Align treatment of buildings with other infrastructure; remove unnecessary consents for routine upkeep while maintaining safeguards.
New	Ancillary indigenous vegetation clearance for permitted pastoral activities	CCL	Framework unclear for incidental indigenous clearance ancillary to permitted maintenance; defaults to discretionary.	Permit the minimum necessary indigenous clearance ancillary to a permitted pastoral activity, limited by method (manual/targeted, ground/aerial spot-spray) and a cap on maximum area (hectare ²).	Resolve ambiguity; avoid over-regulation of minor, incidental clearance while protecting inherent values through tight limits and methods.

Schedule 1AB – Part 2: Discretionary activities

CLAUSE	TOPIC	RAISED BY	CURRENT STATE	POLICY PROPOSAL	POLICY OBJECTIVE
2	Discretionary activities list	CCL	Includes general rule and an inclusive list of discretionary activities, some of which overlap with permitted activities.	Clarify that each listed activity is discretionary only where it does not meet the conditions for a permitted pastoral activity; revise examples accordingly (e.g., burning not provided for by cl 10; indigenous clearance not meeting permitted rules; pest-plant management not meeting permitted rules).	Make the permitted/discretionary interface explicit; improve certainty and usability; avoid duplication.

Schedule 1AB - Part 4: Interpretation

CLAUSE	TOPIC	RAISED BY	CURRENT STATE	POLICY PROPOSAL	POLICY OBJECTIVE
	“Curtilage”	HCAT/CCL	Limited to enclosed space immediately surrounding a dwelling.	Define curtilage as the area of ground immediately surrounding a dwelling or other main building, including any ancillary buildings or amenity plantings, but does not include land which is used for grazing (and align cl 3 text).	Broaden scope to reflect practical farm layouts; ensure consistency across Schedule 1AB.
New	“Pastoral platform”	HCAT	No defined term to describe highly modified pastoral land; terms used inconsistently.	Insert new definition of ‘pastoral platform’ as any area of a lease that has been previously modified for pastoral farming through oversowing, topdressing, cultivation or installation of infrastructure, and is actively used for grazing or farm operations.” Use the term in relevant clauses.	Enable proportionate regulation by consistently distinguishing modified areas, improving rule design and certainty.