

Regulatory Impact Statement: Streamlining the reclassification of stewardship land

Coversheet

Purpose of Document	
Decision sought:	<p><i>Cabinet agreement:</i></p> <ul style="list-style-type: none"> • <i>to progress amendments to the Conservation Act 1987 that will streamline the process for reclassification of stewardship land</i> • <i>for amendments to be incorporated into the Conservation Management and Processes Bill (CMAP).</i>
Advising agencies:	<i>Department of Conservation</i>
Proposing Ministers:	<i>Minister of Conservation</i>
Date finalised:	<i>14 June 2022</i>
Problem Definition	
<p><i>Broader context and problem definition</i></p> <p>'Stewardship land' is a classification under the Conservation Act 1987 (the Conservation Act) and comprises of about a third of public conservation land. The classification was intended as a transition status at the formation of the Department of Conservation (DOC) in 1987 while the conservation values of the land were fully assessed. Under section 25 of the Conservation Act stewardship land "shall be so managed that its natural and historic resources are protected". This provides protection of conservation values, but the values and purposes being protected are less clear than other types of classifications like Conservation Park or National Park.</p> <p>There has been little progress on the reclassification of stewardship land over the past 35 years and associated with this is uncertainty about what activities are allowed on stewardship land. There are perceptions that stewardship land is available to be used for any business activity in the absence of specific conservation values assigned to it for protection.</p> <p>The government has agreed to a programme of work, now in progress, to assess stewardship land and give recommendations for reclassification that will provide more appropriate protection for high value conservation land. There may also be land that has very low to no conservation value that could be suitable for other uses and disposal.</p> <p><i>The problem definition relevant to the proposals discussed in this RIS</i></p> <p>Status quo regulatory processes are set out in the Conservation Act 1987 (the Conservation Act) and in the National Parks Act 1980 (the National Parks Act). In the status quo there are regulatory steps that do not have a clear purpose and may no longer be needed. Going through regulatory steps that may not be needed adds time and costs to the implementation of recommendations for the reclassification of stewardship land.</p>	

The Government has also decided to use expert National Panels to develop advice for the Minister of Conservation on the reclassification of stewardship land. The Conservation Act does not have provisions to enable these panels to conduct consultation directly with the public, and to develop advice for the Minister on all types of stewardship land reclassification.

Without change, relevant legislative processes will continue to be complex and costly. This will hold back the reclassification work and it will not help the approach of using National Panels to develop advice regarding reclassification.

Executive Summary

As part of a two-part project to reclassify stewardship land, Cabinet agreed in principle to amend the Conservation Act to improve the process of reclassifying stewardship land [CBC-21-Min-0045, April 2021]. The other part of the project established expert National Panels.

Following agreement in principle, DOC developed six areas for improvement, including seven legislative change options. DOC conducted consultation on these areas for improvement via a public discussion document called *Stewardship land in Aotearoa New Zealand Options to streamline processes for reclassification and disposal*, November 2021, approved by Cabinet committee [ENV-21-Min-0060, October 2021]. There was a four-month consultation period between November 2021 to March 2022, and a wide range of views were received.

DOC is now progressing this work, and the previous Minister of Conservation sought approval to progress with five of the legislative change options (see Table 1). Two of the seven legislative change options are not being progressed following feedback received during consultation.

The purpose of the National Panels is to assess conservation values of stewardship land and provide recommendations to the Minister of Conservation on the revised land classification for each parcel of land. The panels can also provide recommendations for investigations for disposal. This part of the work is operational and is not in the scope of this RIS - however, the legislative work is intended to enable the National Panels to work more efficiently and effectively – and this means there is interdependency. This interdependency is managed through the objectives and criteria for the legislative work. For more context about the National Panels refer to *Appendix A: National Panels*.

Table 1: Legislative change options

#	Legislative change options	Status quo
1	shorten the minimum period for public submissions to 20 working days [on draft recommendations for reclassification or disposal]	consultation period minimum 40 working days
2	enable the National Panels to carry out the public notification and submission process for public consultation [on draft recommendations for reclassification or investigations for disposal]	DOC manages consultation processes
3	National Panels assume primary responsibility for making recommendations	The New Zealand Conservation Authority (NZCA) makes recommendations for new

	[to the Minister of Conservation] on the reclassification of stewardship land as national park	and changed national parks under the Conservation Act and General Policy for National Parks
4	declare all stewardship land under section 62 of the Conservation Act to be held for conservation purposes	each parcel of stewardship land needs to be declared to be held for conservation purposed via a gazette notice before reclassification or disposal
5	enable the proceeds of sale of stewardship land to be directed to DOC to fund reclassification work	all funds are returned to the Crown account

The legislative change options have each been assessed against five objectives (these also serve as evaluation criteria) in the discussion document and this RIS:

1. enabling a more efficient process for reclassifying stewardship land
2. delivering clarity for everyone on the status of the land, the appropriate level of protection / use and the reclassification process
3. ensuring DOC meets its wider obligations under conservation legislation and the Conservation General Policy (such as section 4 of the Conservation Act 1987)
4. ensuring conservation values are adequately protected
5. enabling the National Panels to carry out their work efficiently and effectively, to make recommendations to the Minister of Conservation.

If enacted, the legislative change options will provide a streamlined reclassification process that; enables the work of the National Panels and addresses some of the time and cost barriers in the status quo.

Consultation

There has been consultation on all options via a discussion document. The consultation identified concerns about the legislative change options, for example:

- there will not be enough time for interested parties to submit (option 1)
- there will be confusion about the role of different organisations (options 2 and 3)
- sale of land will be easier (option 4), and
- DOC may be incentivised to sell land (option 5).

Overall consultation showed more support for the status quo settings. However, DOC considers that the concerns and risks can be managed around each option and that the risks were overestimated by some submitters. For example, many submitter objections to change were based on a perception that there would be incentives for the sale of land (under options 4 and 5) – but this this is not possible, as there are strict criteria for the sale of land that are not changed by the proposed amendments.

Few submitters supported the National Panels being able to make recommendations for National Parks. This was considered a risk because the National Panels would not take the same considerations into account, or because the National Panels lack the expertise of the NZCA. This submitter view discounts the facts that if recommendations are made by

the National Panels instead of the NZCA, the National Panels will need to consult with the NZCA, with relevant Conservation Boards, and tangata whenua; whānau, hapū and iwi. Recommendations for National Parks will still need to go through an Order in Council processes to be implemented, and this would also require wider government input.

Tangata whenua, whānau, hapū and iwi submissions noted the importance of mana whenua participation in the assessment and decision-making in each rohe / takiwā. The significance of Section 4 of the Conservation Act was also raised.

There are some outstanding concerns relating to operational matters and these are proposed to be addressed operationally (for example, through the approach to reclassification in each region) and in future regulatory work (for example, how classification options for conservation land may better provide for recognition of Māori cultural values).

DOC is seeking Cabinet agreement on the proposals and to progress drafting work with the Parliamentary Counsel Office (PCO). It is proposed the amendments become part of the Conservation Management and Processes Bill (CMAP). A separate RIS (this document) has been prepared as the analysis and consultation has been completed, and it will be helpful for drafting to progress while the CMAP proposals are going through public consultation ending 30 June 2022.

DOC considers that collectively the options, if enacted, will contribute to make it easier to implement the reclassification of stewardship land recommendations, and will support the Government's wish to see all stewardship land reclassified. DOC supports the proposed changes to enhance and future proof the ability to undertake stewardship land reclassification work.

Limitations and Constraints on Analysis

Summary of constraints and limitations

The key constraints and limitations are prior decisions by Cabinet, which have set a direction of agreement in principle to change legislation, and the subsequent development of proposals and public consultation on those proposals (Paper 1 and Paper 2 discussed below).

The legislative change options are interdependent with the establishment of National Panels as the operational approach, agreed by the government, to provide recommendations on the reclassification of stewardship land (refer to Section 1, and Appendix A).

There has been consultation on the legislative change options via a comprehensive discussion document. Stakeholder views about these options are known and the consultation specifically sought to identify risks, as discussed in this paper. At this stage, no new proposals have been added, although two of the seven legislative change options are not being progressed because of feedback received during consultation. The reason for discontinuing these options is discussed later in this document.

Description of Cabinet and consultation papers

Paper 1: Cabinet Business Committee: Improving the Process for Reclassification of Conservation Portfolio Stewardship Land [CBC-21-Min-0045, 19 April 2021 refers]:

Paper 1 provided Cabinet with information about stewardship land and the challenges of reclassifying stewardship land, the problems associated with a lack of progress on

reclassifying stewardship land, and options to speed up the reclassification of stewardship land. Based on this, Cabinet agreed to a two-part programme of work to reclassify stewardship land [CBC-21-Min-0045] as follows:

- i. agreed the establishment of National Panels to provide recommendations to the Minister of Conservation on revised reclassification of stewardship land (the National Panel appointments and Terms of Reference were also agreed), and
- ii. agreed in principal that the Conservation Act be amended to improve the process of reclassifying stewardship land.

The National Panels started work in late 2021. More information, including a summary of draft recommendations for the Western South Island, publicly notified on 27 May 2022, are attached (Appendix A).

The National Panels are independent expert panels appointed to make recommendations to the Minister of Conservation on reclassification or investigations to dispose of stewardship land. The establishment of the panels reflects a new approach, with previous approaches (of DOC, or the New Zealand Conservation Authority or Conservation Boards) leading to little reclassification for a variety of reasons. Each panel has broad expertise with appointments aiming to ensure they are made up of non-partisan representatives with technical expertise in ecology, earth sciences, landscape, recreation, heritage and mātauranga Māori.

The establishment of the panels and government announcements reflect that the government considers it “vital that land with high conservation value is classified correctly to ensure it is protected for its natural and cultural heritage and safeguarded for the future”¹.

The approach of using the National Panels provides limitations and constraints on the legislative work or can be viewed as interdependent with the legislative amendments. While Cabinet agreed amendments are being developed “to improve the process of reclassifying stewardship land”, the subsequent proposals for amendment have been developed in the context of the new National Panel approach, including objectives to support enabling the National Panels to develop and deliver advice on reclassification.

Cabinet agreement in principle to legislative change was subject to a report back to the appropriate Cabinet Committee with detailed analysis. DOC worked to develop legislative change options for this report back – provided in November 2021 (refer Paper 2, below).

Paper 2: Cabinet Environment Committee: Improving the Process for Reclassification of Conservation Portfolio Stewardship Land [ENV-21-Min-0060, 28 October 2021]

Discussion document: Stewardship land in Aotearoa New Zealand Options to streamline processes for reclassification and disposal, November 2021

This report-back and discussion document set out seven legislative change options. Cabinet agreed to public consultation on the discussion document, and this consultation has been completed. This means the proposals discussed in this RIS have been through Cabinet agreement and have been subject to public consultation. The options in the

¹ Office of the Acting Minister of Conservation, [Government speeds up stewardship land reclassification : \(doc.govt.nz\), https://www.doc.govt.nz/news/media-releases/2021-media-releases/government-speeds-up-stewardship-land-reclassification](https://www.doc.govt.nz/news/media-releases/2021-media-releases/government-speeds-up-stewardship-land-reclassification), 28 May 2021.

consultation document are the options that are discussed in this RIS – they are not relisted here:

Refer to Table 1 above for the five options DOC is seeking to progress, and

Refer to Section 2: What scope will options be considered within - for a discussion of the two options DOC is not seeking to progress following consultation.

Key themes from submissions are reported as each change option is discussed in this paper.

Any other concerns or problems that may have been identified about the Conservation Act are out of scope.

Limits on cost analysis

Savings will be from reducing current regulatory processes. The removal of some administrative burden will make it easier for DOC to progress reclassification and meet government expectations for reclassification of stewardship land.

Dollar value cost analysis is limited by the small amount of reclassification that has taken place in the status quo making it difficult to compare possible savings from streamlining by legislative change. Option 4, which removes a regulatory step would result in DOC avoiding the cost of taking 3,000 parcels of stewardship land through an Order in Council and Gazette process, creating savings in staff time and direct costs of Gazette notices.

A Cost Recovery Impact Statement (CRIS) has been prepared for Option 5 – and published as an appendix to the discussion document. Consultation is reported in this RIS, and the CRIS is attached (Appendix B).

DOC will still need to invest significant resource in reclassification, for example, through supporting the National Panels and providing evaluation reports on stewardship land, but this is out of scope of the legislative changes and will not be changed by the legislative processes.

Responsible Manager(s) (completed by relevant manager)

Lillian Fougere
Manager
Tourism and Economic Development Policy
Policy and Visitor Group

14 June 2022

Quality Assurance (completed by QA panel)

Reviewing Agency:	Department of Conservation
Panel Assessment & Comment:	The Department of Conservation and Ministry for Primary Industries' Regulatory Impact Assessment Panels have reviewed the Regulatory Impact Statement prepared by the Department of Conservation. The Panel consider that the Regulatory Impact Statement partially meets the Quality Assurance criteria. The constraints and limitations have been explained well. The requirements that have not been fully met relate to the impact

analysis for some options, and explaining how consultation was taken into account when recommending options.

Section 1: Diagnosing the policy problem

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

Introduction to stewardship land and work in progress on reclassification

1. Stewardship land is a category of public conservation land that includes land that was allocated to Te Papa Atawhai Department of Conservation (DOC) when DOC was first established. It amounts to 2.5 million hectares, some 30 percent of public conservation land, held in around 3,000 distinct parcels of land. It was intended that the conservation values of stewardship land would be assessed in a thorough way after the formation of DOC, and the appropriate conservation classification assigned and implemented.
2. Due to several factors, including the scale and complexity of the task and related time and resources needed to reclassify this land, most stewardship land has not been reclassified. Stewardship land is managed under section 25 of the Conservation Act so “that its natural and historic resources are protected”. This provides a high-level protection but no specifics relative to other classifications that may offer higher and clearer protections, for example:
 - a Wilderness Area under section 20 has a clear list of activities that may not be undertaken like grazing or vehicle access,
 - a Sanctuary area under section 22 shall be, “managed to preserve in the natural state the indigenous plants and animals in it”.
3. The context and problems associated with the lack of progress on the classification of stewardship land were considered by Cabinet in April 2021 [CBC-21-Min-0045]. The fact so much stewardship land remains unassessed is an issue, because it means that these parcels of land may not have the appropriate level of protection and management that reflects the conservation values present. This means²:
 - Some areas of stewardship land have significant conservation values, requiring the greater level of management and protection that may be afforded by other categories of land classifications. Failure to provide the level of protection appropriate to the area risks the loss of biodiversity, cultural and other values that DOC is charged with protecting.
 - It is likely that there will be some stewardship areas that are currently managed for conservation purposes but would be assessed as having very low or no conservation value. Continuing to manage these areas as public conservation land means that alternative uses for the land cannot be pursued, and public resources are not being used efficiently.
 - The uncertainty around which areas of stewardship land deserve greater levels of protection or could be better used for other purposes has created tension for and between people who have rights or interests in the land and want it to be used appropriately (refer paragraph #53 for background cases).
4. As noted (refer above, Constraints and Limitations), Cabinet agreed in principle to a two-part programme of work to reclassify stewardship land [CBC-21-Min-0045]:

² Summarised from CBC-21-0045 Improving the Process for Reclassification of Conservation Portfolio Stewardship Land

- iii. the establishment of National Panels to provide recommendations to the Minister of Conservation on revised reclassification of stewardship land – the National Panel appointments and Terms of Reference were also agreed, and
- iv. that the Conservation Act be amended to improve the process of reclassifying stewardship land.

Workstream 1 National Panels – work in progress

5. The National Panels started their work in late 2021 and are taking a region-by-region³ approach to the assessment of stewardship land. The first region being considered is the West Coast of the South Island (Western South Island). In each region it is expected to take eight months for land values to be assessed, and for the National Panel to develop recommendations. More than one region may be considered at any one time as there are two panels.
6. For the Western South Island, a Ngāi Tahu-appointed mana whenua panel has been established to work alongside the National Panel to provide information on mahika kai, mātauranga Māori, and Ngāi Tahu interests on stewardship land within their takiwā.
7. DOC staff will speak with mana whenua in other regions to understand how they wish to participate in the stewardship land reclassification process when it takes place within their rohe / takiwā.
8. National panel recommendations for the Western South Island were notified for public consultation on 27 May 2022 – a copy of the overview of recommendations is attached (Appendix A) .

Workstream 2 legislative change (the subject of this RIS) – progress to date

9. As noted, Cabinet agreed in principle, subject to reporting back to Cabinet with detailed analysis, that the Conservation Act be amended to improve the process of reclassifying conservation portfolio stewardship land [CBC-21-MIN-0045].
10. Subsequently DOC undertook in-house analysis of the regulatory processes to reclassify stewardship land and developed detailed options that could address barriers to reclassification arising from legislative processes. This analysis was set out in a public discussion document, *Stewardship land in Aotearoa New Zealand Options to streamline processes for reclassification and disposal*, November 2021 (the discussion document).
11. The discussion document included:
 - a problem definition relevant to legislative change
 - objectives for legislative change
 - legislative change options (the seven options to support streamlining the legislative process for reclassifying and disposing of stewardship land),
 - a description of non-regulatory work, and
 - a cost recovery impact statement (CRIS).
12. The discussion document was considered by Cabinet in October 2021 and approved for public consultation [ENV-21-MIN-0060].
13. The DOC Regulatory Impact Analysis (RIA) Panel reviewed the discussion document and confirmed that it could substitute for an interim RIS.
14. Public consultation was open from 18 November 2021 to 18 March 2022, a four-month period allowing for the summer holiday period.
15. Some 166 submissions were received from tangata whenua; whānau, hapū and iwi, environmental non-government organisations (ENGOS), recreation non-government

³ Refers DOC operational regions.

organisations (recreation NGOs), businesses and business organisations, local government and other statutory bodies including conservation boards, and individuals. Ninety-four of the submissions were from individuals and the remaining 72 from tangata whenua and organisations.

16. The summary of submissions from consultation is due to be published on the DOC website by mid-2022⁴.

The scope of this RIS – Workstream 2 legislative change

17. This RIS and accompanying Cabinet paper:
 - A. describes the problem definition underpinning the stewardship land reclassification project which has two workstreams; the use of expert National Panels develop advice on reclassification and changes to legislation to support the implementation of reclassification. This RIS is about the legislative change.
 - B. discusses objectives for the legislative change proposals – these are also used as criteria to evaluate options
 - C. presents five legislative change options preferred by DOC and agreed by the previous Minister of Conservation.
18. The legislative change options address distinct regulatory steps so each are discussed in turn in terms of status quo, the change option, analysis against the objectives and discussion of feedback from consultation.
19. There were two legislative change options in the discussion document that DOC does not propose to progress, these were: the ability to decline a hearing, and an option to clarify concessions on stewardship land continue via a legislative amendment. These options are discussed below (refer below Section 2: What scope will options be considered within). Only the five legislative change options proposed to progress are subject to a full assessment in this RIS - the two legislative change options not being progressed have a shorter assessment in Section 2 (refer below).
20. Three non-regulatory options are noted, as covered in the discussion document.

What is the policy problem or opportunity?

21. The legislative workstream has looked at the status quo regulatory processes and found that due to the complexity and age of much of the legislation related to reclassifying stewardship land, some of the requirements within the legislation could be simplified and modernised to create a streamlined approach – without compromising the stringent oversight required to give confidence that stewardship land is being assessed and reclassified appropriately.
22. Streamlining the legislative process would achieve considerable economies of scale in reclassifying all 2.5 million hectares of remaining stewardship land. This would significantly reduce the time, cost and complexity of progressing large scale stewardship land reclassification.
23. More reclassification of stewardship land is expected to come from the National Panel process, but without the proposed streamlining of relevant legislation, it is likely that the recommendations, final decisions and actual reclassifications and disposals regarding stewardship land will be subject to unwarranted complexity, lengthier time frames and greater expense than could otherwise be achieved. This is at odds with the Government's intent that stewardship land reclassification be progressed quickly and at

⁴ Refer: <https://www.doc.govt.nz/get-involved/have-your-say/all-consultations/2021-consultations/streamlining-the-stewardship-land-reclassification-process/>.

scale. It also means that negative impacts associated with current arrangements will continue for longer.

What objectives are sought in relation to the policy problem?

24. Objectives were developed as part of the in-house analysis at DOC and were tested in the discussion document. There are five objectives:
 1. enabling a more efficient process for reclassifying stewardship land
 2. delivering clarity for everyone on the status of the land, the appropriate level of protection / use and the reclassification process
 3. ensuring DOC meets its wider obligations under conservation legislation and the Conservation General Policy (such as section 4 of the Conservation Act 1987)
 4. ensuring conservation values are adequately protected
 5. enabling the National Panels to carry out their work efficiently and effectively, to make recommendations to the Minister of Conservation.
25. The objectives are discussed with each option (as relevant) and have been developed to support the National Panel processes and government focus on the reclassification of stewardship land, balanced with DOC's other regulatory roles and commitments.
26. The objectives are unweighted as DOC considers them equally important, however some objectives may not be relevant to every option. If an objective is not discussed with an option, it is because DOC considers there is a neutral impact if comparing the status quo and change option, and / or that it does not apply. Objective one is about overall efficiency of legislative processes, regardless of who is providing reclassification advice, and objective five is about enabling the panels to operate in a more efficient way.
27. At consultation submitters were most concerned about 'efficiency', associating it mainly with speed, and considering there could be trade-offs with a thorough process. Overall, DOC does not consider that efficiency will reduce the appropriate safeguards for the protection of conservation values and public participation. The removal of two options that were in the discussion document may also mitigate some concerns.

Section 2: Deciding upon an option to address the policy problem

What criteria will be used to compare options to the status quo?

28. The objectives in this case will also serve as the criteria. As noted above, they are designed to balance the goals of achieving reclassification of stewardship land via the National Panel process, with DOC's other regulatory roles and commitments.
29. The change options were assessed using the objectives in the discussion document - key points are repeated here, with the addition of feedback from the consultation stage.
30. The objectives / criteria are unweighted and have equal status, but not all are relevant to every option.

What scope will options be considered within?

31. The scope of options addresses these features of the current legislative framework:

- Options 1 and 2: public notification, submission and hearing requirements and processes (including responsibilities) for reclassification or disposal of stewardship land (section 49 of the Conservation Act and section 119 and 120 of the Reserves Act)
 - Option 3: the process and responsibilities for classifying stewardship land as a national park (section 7 of the National Parks Act)
 - Option 4: statutory steps related to reclassification or disposal - land allocated to DOC when the department was first formed is managed as stewardship land (section 62 of the Conservation Act), and how other land is acquired and declared to be held for conservation purposes (section 7 of the Conservation Act)
 - Option 5: the disposal of stewardship land with very low or no conservation value (section 26 of the Conservation Act as well as the Conservation General Policy) and how the proceeds of sale of this land are dealt with (section 33 of the Conservation Act)
32. The system for concessions on public conservation land, including stewardship land (part 3B Conservation Act), was in scope and options provided in the discussion document, but this option was removed following consultation (refer below).

The ability to decline a hearing (option consulted on, but not to progress)

33. The status quo is that any submitter must be allowed a reasonable opportunity to be heard⁵. The requirement to enable hearings even when parties are appearing in support of proposals may add significant time to a reclassification process. The discussion document presented an option to enable the National Panels to decline to hold hearings.
34. During consultation, nearly all submitters who addressed this topic were opposed to the change option⁶ and preferred the status quo right to be heard. Submitters said hearings:
- enable questions and answers and a more thorough understanding of issues and conservation and other values (supports objectives 2 and 4)
 - enable local knowledge and input (supports objectives 2, 3 and 4)
 - provide opportunities for those who may express themselves better in a face-to-face context (supports objective 3)
 - enable face-to-face / kanohi ki te kanohi communications which may be preferred by tangata whenua (although noting that mana whenua could expect to be engaged earlier in decision-making processes) (supports objective 3).
35. DOC does not propose to further analyse or progress this option in view of the positive role of hearings to reach more robust panel advice that consultation raised, as well as strong opposition from nearly all stakeholders. There is an existing mitigation that 'reasonable opportunity' may already provide if hearings are requested in a way which

⁵ Reserves Act Section 120 (1)(c), and Conservation Act Section 49(2)(c).

⁶ Only 10 of the 91 who submitted on the topic were supportive. No tangata whenua submitted in support and no ENGOs.

could cause significant delay. The option could have supported objectives one and five for a speedier process, but at the cost of excluding the public from decision-making and losing the role of participation in ensuring that conservation values are identified (so they can be protected) – and potential damage to relationships and trust. Several submitters supported the trend towards online hearings, and DOC will consider this as an operational matter.

Clarifying that concessions can continue in the case of reclassification – by legislative amendment (option consulted on, but not to progress)

36. The status quo is that if reclassification is proposed, any concession on the land will be managed on a case-by-case basis but generally can continue as per its terms.
37. There are many concessions on conservation land, including beekeeping and grazing noted in the discussion document. During consultation other activities and their importance to concession holders and the wider New Zealand public were noted. These activities include the location of energy assets, water concessions for local government, communications assets, mining (under the Crown Minerals Act), quarrying, farming, and recreational concessions. Submitters noted the rigor that goes into the establishment and managing the terms and conditions of concessions.
38. The discussion document proposed two options, continuing the status quo case-by-case approach, or a change option to amend legislation to clarify that existing concessions on stewardship land can continue under agreed terms regardless of reclassification.
39. There were several submitters who did not support either option, wanting concessions to be reviewed and potentially stopped if inconsistent with a reclassification. Others addressed the topic without expressing a clear preference.
40. Following consultation, DOC considers the status quo provides flexibility that allows for concessions to be dealt with on a case-by-case basis:
 - if DOC and the concessionaire can agree to an appropriate solution in cases where concessions are inconsistent with the new classification, this can enable better conservation outcomes as well as certainty for that concessionaire (objective 4).
 - the rights of concessionaires are still protected – noting that suggestions by submitters that concessions should not continue would contravene the Legislation and Design Advisory Committee’s guidelines against retrospective legislation.
41. Given the status quo allows more flexibility and both options allow concessions to continue, DOC consider there is no strong argument for legislative change. There has also been further analysis of concessions for the Western South Island, and timeframes that concessions are valid for are reasonable to phase in any changes (refer Appendix A). There was some support for legislative change from businesses and concession holders, but it was considered more relevant to meet contractual obligations and to consider the nature of the concession activity, as well as the conditions and mitigations already in place, and the proposed reclassification. Several submitters suggested a matrix approach to analyse each case (for example, listing and providing guidance on types of activity and types of classification).

Non-regulatory options considered and in progress:

42. The discussion document covered three non-regulatory options that may reduce costs and streamline reclassification. These are briefly outlined below. For further information refer to the discussion document:

- Clarifying survey requirements: Reclassification may require land surveying under requirements are set out in the Rules for Cadastral Survey 2021 (CSR 2021).⁷ DOC and Land Information New Zealand are working to agree situations where surveys might not be required – and associated time and cost savings.
- Ensuring operational arrangements between DOC and the Ministry of Business, Innovation and Employment (MBIE) are fit for purpose: DOC and MBIE have had an operational agreement to share information about intended reclassifications of stewardship land – providing MBIE with an opportunity to assess land for important mineral values which may affect the desirability of the reclassification. This could add significant time and complexity and does not align with the intent that the National Panels make independent recommendations to the Minister of Conservation. DOC and MBIE are in the process of dissolving the Memorandum of Understanding that sets out the operational agreement. Instead, MBIE will be able to provide any information relevant to the reclassification of an area of stewardship land to the National Panels during their assessment process.
- Bundling Orders in Council for reclassification of stewardship lands: Reclassifying land to national park, wilderness areas, sanctuary areas, nature reserves and scientific reserves requires an Order in Council (OIC) by the Governor-General on recommendation of the Minister of Conservation.⁸ OIC processes take several months. Removing the requirement is discounted because the OICs must be approved by Cabinet and therefore provide for consideration of wider government interests, and the interests of tangata whenua: iwi, hapū, and whānau in decision-making for land classifications that involve long-term protections that would potentially limit land use. To save time and costs, DOC intends to bundle OICs as each region is assessed.

Non-regulatory options considered and not recommended

43. These options were considered and discounted:

- Increasing DOC resources to work within the current system. On its own, this would not achieve the objectives. Regulatory changes are needed to achieve the efficiencies necessary to progress large scale stewardship land reclassification within the desired timeframe, and to enable the National Panels to make their recommendations on reclassification to the Minister of Conservation.
- That DOC carry out reclassification (rather than National Panels). This option would remove the need for regulatory options that enable National Panels to conduct assessments and reviews. However, this option is not favoured because of the current issues that hinder land reclassification, for example the lengthy process, and the Government's expectation that stewardship land reclassification be accelerated.

⁷ Cadastral Survey Rules 2021 (CSR 2021) Implementation webpage on the Toitū Te Whenua Land Information New Zealand website at: www.linz.govt.nz/land/surveying/cadastral-survey-rules-2021-csr-2021-implementation

⁸ Sections 7 and 12 of the National Parks Act, Section 18AA Conservation Act, Section 16A Reserves Act .

What options are being considered?

44. Each option is stand-alone and could be agreed as a discrete option. There is also only one change option for each status quo. Each change option and status quo is discussed in turn, including; consultation, assessment against the relevant objectives / criteria, and analysis about the preferred option.

Change option 1 shorten the minimum period for public submissions to 20 working days

Status quo: 40 days	Change option 1: 20 days (preferred)
<p>The section 49 of the Conservation Act sets out public notification, submission and hearing requirements for various conservation processes. These include that the Minister of Conservation must publicly notify proposals to reclassify stewardship land or dispose of stewardship land and allow 40 working days for anybody to make a written submission on the proposal.</p> <p>The status quo is a minimum consultation period of 40 days.</p> <p>Part 3(e) of the Conservation General Policy provides that people and organisations interested in public conservation lands and waters should be consulted on proposals that have significance for them.</p>	<p>The change option is to amend the <u>minimum</u> submission period to be 20 working days (instead of 40). Considerations are:</p> <ul style="list-style-type: none"> • the Reserves Act offers a 20-working day minimum • the status quo predates internet communications and relates to a postal system • engagement with tangata whenua prior to and independently of notification, and • an expectation of longer time periods for complex cases or where many parcels are notified at once.
<p>Consultation</p> <p>One hundred and twenty-six submitters addressed the option; 24 in support of a 20-day minimum period, and 102 expressed support for the status quo. Support was relatively higher amongst business and statutory bodies. Of the iwi, hapū and whānau who submitted on this option, three were in favour (subject to mana whenua being part of assessment and making recommendations) and two were against the proposal.</p> <p>Support for the 20-day option was conditional to:</p> <ul style="list-style-type: none"> • tangata whenua views being considered earlier in the assessment process • early engagement with concession holders, and • extended time periods for more complex areas. <p>Those who did not support the 20-day option considered it was not enough time for DOC to engage thoroughly and for submissions to be prepared. There was concern for NGOs, those who work out of range for periods of time (for example, professional hunters, recreation tour guides). Several said it was not long enough for Boards to meet and consider a draft submission – especially voluntary organisations – and that it would disadvantage those with less resources, while the well-resourced may respond more quickly.</p> <p>Submitters also considered it could increase legal challenges in a context where complexity is the issue, not the consultation time, and that despite intentions a minimum could become the default.</p>	

Objectives / criteria analysis

Objectives relevant to the change proposal (other objectives neutral or no impact)	Commentary
Objective 1: enabling a more efficient process for reclassifying stewardship land	A shorter time could reduce the overall time periods for reclassification, cumulatively taking months or even years off reclassification timeframes – subject to how often it was used. There would be time and related cost efficiencies.
Objective 3: ensuring DOC meets its wider obligations under conservation legislation and the Conservation General Policy (such as section 4 of the Conservation Act 1987)	Objective 1 and Objective 5 need to be balanced with requirements to consider all parties affected by reclassification, with an interest in land, and especially tangata whenua under section 4 of the Conservation Act.
Objective 5: enabling the National Panels to carry out their work efficiently and effectively, to make recommendations to the Minister of Conservation.	A shorter time-period will enable the National Panels to report to the Minister earlier in any given region, reducing timeframes.

Analysis and preferred option

DOC consider that submitter concerns could be managed operationally. As noted with information on National Panels (Appendix A), DOC intend to speak with mana whenua in each region to understand how they wish to participate in the stewardship land reclassification process when it takes place within their rohe / takiwā – this would be prior to assessment work in a region, and prior to public consultation. Complex cases would require more time as would cases where multiple parcels are considered at once.

The reclassification of the Western South Island (about a third of all stewardship land) is taking place prior to legislative change and includes the greatest number of parcels of land. Elsewhere in the country there may not be as many parcels requiring reclassification, and a 20-day period, or interim period like 30 days could be more appropriate. The 20-day period has been workable under the Reserves Act and is used in other contexts, including the Local Government Act 2002.

Risks associated with progressing the option are the potential for increased legal challenges and possible detriment to stakeholder relationships. These could be managed with judicious use of the 20-day period as a minimum time only, and to sustain relationship management and engagement outside of formal consultation periods.

The change option may enable the National Panels to report up to a month faster in each region and support objectives 1 and 5. The 20-day minimum does not impede objective 3, which can be managed operationally alongside a minimum period. The impact of the change will depend on how often the shorter time period is used potentially one month off the overall timeframe for assessment in an area. **DOC prefer the change option to make the minimum period for submissions 20 days.**

Change option 2 enable the National Panels to carry out the public notification and submission process for public consultation

Status quo: DOC manages consultation	Change option 2: enable National Panels to manage consultation (preferred)
<p>DOC carries out the public notification and submission / and hearing process required by Conservation Act s49, the Reserves Act s119 and s120.</p> <p>DOC will notify draft recommendations of the National Panels and manage the submission process, including the management and administration of submissions and hearings.</p> <p>Refer Appendix A, DOC is managing to notification process for the Western South Island 27 May 2022 to 27 July 2022) and any subsequent hearings.</p> <p>The Reserves Act allows the relevant notification and hearing powers to be delegated to the National Panels, but the Conservation Act does not.</p>	<p>Amend the Conservation Act to enable the National Panels to carry out the public notification and submission process.</p> <p>This would sit alongside the ability for DOC to carry out the public notification and submission process, so either DOC or the National Panel could undertake this aspect of the process of developing recommendations.</p>
<p>Consultation</p> <p>Fifty-six submitters addressed the option; 27 in support of National Panels managing consultation and 29 preferring the status quo. Of the iwi, hapū and whānau who submitted on this option four were in favour and one was not.</p> <p>Submitters in favour of this option highlighted that this option could:</p> <ul style="list-style-type: none"> • reduce double-handling and speed up decision making • enable more direct contact between submitters and the panel, • improve good faith discussion and reduce opportunity for institutional bias • enable more independence and any conflict of interest for DOC, and • enable costs to be better identified. <p>Submitters considered appropriate resourcing would be required for the National Panels, and to ensure they did not become bogged down in process.</p> <p>Concerns expressed by submitters included:</p> <ul style="list-style-type: none"> • the National Panels not being subject to the requirements under the Official Information Act 1982 (OIA) or the Privacy Act 2020; • allowing the National Panels to carry out this role could lead to the bias of members of the National Panels influencing the reclassification process; and 	

- the composition of the panels leading emphasis on conservation values at the cost of economic values, or
- won't make a difference, and
- risks giving work to an ad hoc and unknown entity.

Objectives / criteria analysis

Objectives relevant to the change proposal (other objectives neutral or no impact)	Commentary
Objective 2: delivering clarity for everyone on the status of the land, the appropriate level of protection / use and the reclassification process	The change option could deliver more clarity about the reclassification process. The National Panels have been tasked with providing recommendations to the Minister of Conservation, and it could be confusing for submitters to be engaging with DOC in consultation, and not the panels directly.
Objective 4: ensuring conservation values are adequately protected	The change option would ensure the National Panels interact with submitters, leading to improved understanding of conservation values. The panels will meet directly with submitter
Objective 5: enabling the National Panels to carry out their work efficiently and effectively, to make recommendations to the Minister of Conservation.	The change option would meet this objective, to enable the National Panels, subject to appropriate resourcing.

Analysis and preferred option

DOC consider that the change option could reduce any confusion about the role of the panels and make the independence of the National Panels clearer. It would also enable more interaction between the National Panels and submitters – hearing from submitters first hand may allow the National Panels to better understand the conservation values present on the land, ensuring those values are then adequately protected.

The National Panels would be subject to the Privacy Act as they fall within the definition of a public sector agency for the purposes of the Privacy Act.

OIA implications

Preliminary legal advice is that the National Panels may not be subject to the OIA. However, DOC is subject to the OIA, so any communication, advice, or information provided from DOC to the National Panels or from the National Panels to DOC or the Minister of Conservation would be subject to the OIA.

This would still potentially leave the public submissions to the National Panel out of the scope of the OIA creating a potential loss of transparency around submissions.

DOC consider that the transparency of advice from the panels to the Minister of Conservation should mitigate risks, combined with the freedom submitters have to publish the submissions they make. The National Panels could also choose to support

transparency, by telling submitters they will publish submissions, and making them publicly available.

Any potential bias of the National Panels is not in scope of the legislative change – although the National Panel’s Terms of Reference establish clear criteria for the panels around values to consider, and conflicts of interest are considered in Cabinet appointments and established management processes.

Key risks of this option are around resources for the work, and a lack of support for change from some key stakeholders.

DOC prefer the change option to enable the National Panels to manage consultation.

Change option 3 National Panels assume primary responsibility for making recommendations⁹ on the reclassification of stewardship land as national park

Status quo: NZCA make recommendations for national parks	Change option 3: enable National Panels to make national park recommendations
<p>Under the National Parks Act 1980 section 7 (2) the Governor General may by Order in Council, on the recommendation of the Minister of Conservation, declare land to be National Park. The Act further specifies that the Minister shall not make any recommendation under it has first been recommended by the New Zealand Conservation Authority / Te Pou Atawhai Taiao O Aotearoa (NZCA) after they have consulted with any relevant Conservation Board.</p> <p>This means that recommendations about National Parks that National Panels wish to make, will need to also be considered by the NZCA who would then make a recommendation to the Minister of Conservation.</p> <p>Other features of the status quo:</p> <p>Before any recommendation is made, the NZCA must fulfil consultation requirements under the National Parks Act and the General Policy for National Parks, the NZCA must consult the local Conservation Board, and tangata whenua within whose rohe the land is located and should seek out</p>	<p>Amend the National Parks Act to enable National Panels to assume primary responsibility making recommendations to the Minister of Conservation for reclassification of stewardship land into national parks, in consultation with tangata whenua, the NZCA and relevant Conservation Boards.</p> <p>This option would enable the National Panels to make recommendations to the Minister of Conservation for all reclassifications of stewardship land into national parks, subject to appropriate consultation, and the Minister would be able to act on the recommendations under the National Parks Act without a further consideration by the NZCA.</p> <p>New national parks and additions would continue to be implemented through the Order in Council process which brings in wider considerations with the whole Executive Committee (all Cabinet members) involvement.</p> <p>The considerations and criteria that National Panels needed to use could be aligned with criteria the NZCA currently use, in</p>

⁹ To the Minister of Conservation

the views of any relevant territorial authority and Fish & Game New Zealand council.

New national parks and additions are implemented through Order in Council¹⁰ (OIC) on the recommendation of the Minister of Conservation. Part 6 of the General Policy for National Parks sets out the policy considerations for new National Parks and additions that the NZCA must consider.

legislation or through amendment to the national panel Terms of Reference.

Consultation

Forty-five submissions addressed this option; nine supported the change option (one or two of each submitter type) and 37 supported the status quo. Of the iwi, hapū and whānau who submitted on this option two were in favour and two were not.

The NZCA wrote to the previous Minister of Conservation (30 March 2022) to express concerns about the stewardship land reclassification project, including this option. The NZCA considers that *“as the only body with national level oversight of national parks and land status, the Authority is of the view that there is no other entity able to apply the same rigour to proposals to add land to national parks.”* If this proposal is progressed, it would change the NZCA’s role in the reclassification project, which may impact DOCs relationship with the NZCA.

Conservation boards also expressed concern about this option. The Nelson Marlborough Conservation Board, Southland Conservation Board and the Canterbury Aoraki Conservation Board, considered that the National Panels would not possess the same experience as the NZCA and may not have the same local context.

Submitters who supported the change option highlighted that it created a consistent and efficient process and incorporated the various expertise of Panel members. They also considered alignment between the National Panel and NZCA assessments would be likely. Whānau, hapū, and iwi who supported this proposal did so subject to tangata whenua being fully included in the making of recommendations. In their feedback, Ngāi Tahu raised objection to any additions to national parks within the Ngāi Tahu takiwā, given the more stringent protections and restrictions on activities within national parks.

Submitters noted that national parks must be administered and maintained so that they are preserved as far as possible in their natural state. Designation as a national park would mean a greater range of existing rights would either be impaired or confiscated. Related to this, submitter concerns included that a shift away from status quo could lead to National Park recommendations that do not undertake the current levels of rigorous analysis and incorporate wider social, economic, cultural, and environmental considerations under the policies the NZCA must consider.

¹⁰ An Order in Council (OIC) is a form of secondary legislation to give effect to government decisions that need legal force. An OIC must be approved by the Executive Council, comprised of all Ministers of the Crown.

Government announcements about ‘no new mines’ on conservation land were also mentioned with concern about the status and development of policy, and potential for National Park designations to be used in lieu of clear policy about no new mines.

Submitters also noted that in areas like South Westland every aspect of life is intrinsically and strongly linked to land use; community and economic activity should be considered as communities could be destroyed depending on reclassification. This view came through from Federated Farmers, concessions holders (regarding historic grazing runs dating to the 1800s), mining companies and Councils on the West Coast of the South Island.

It was also proposed that other options to National Parks be considered when conservation values are high, for example, QEII protection.

Objectives / criteria analysis

Objectives relevant to the change proposal (other objectives neutral or no impact)	Commentary
Objective 1: enabling a more efficient process for reclassifying stewardship land	National Park recommendations could be progressed directly following National Panel assessment. Advice from either process still needs to be through an OIC process to be considered by all members of the executive / Cabinet.
Objective 2: delivering clarity for everyone on the status of the land, the appropriate level of protection / use and the reclassification process	Change would more clearly place the assessment and recommendations for all of the reclassification of stewardship land with the National Panels. However, current processes are also known and clear.
Objective 3: ensuring DOC meets its wider obligations under conservation legislation and the Conservation General Policy (such as section 4 of the Conservation Act)	Wider obligations need to be met under either option, for example, the Minister of Conservation will need to be satisfied that appropriate engagement has taken place under section 4 of the Conservation Act prior to progressing an OIC.
Objective 4: Ensuring conservation values are adequately protected	Conservation values must be considered under either option. The current criteria under Part 6 of the Conservation General Policy are broader than the current Terms of Reference of the National Panels.
Objective 5: enabling the National Panels to carry out their work efficiently and effectively, to make recommendations to the Minister of Conservation.	National Panels would be able to focus on making recommendations for all stewardship land, and not need to treat recommendations differently for national parks. The National Panels would need to consult with the NZCA, tangata whenua, and relevant conservation boards before making a recommendation.

Analysis and preferred option

If the National Panels can make recommendations directly to the Minister of Conservation, it will mean that there is one approach to the reclassification of stewardship land.

In the status quo recommendations would need to go to the NZCA, who would likely need to complete their requirements under the General Policy on National Parks, prior to making a recommendation to the Minister, creating a double recommendation process – where some consultation and analysis steps may be repeated.

DOC consider the change option is the most appropriate to create a streamlined and consistent process for reclassification of all stewardship land. The status quo, with the panels having been established by government, sets up two systems for reclassifying stewardship land as national park, and scope for delays, for example if the NZCA did not proceed with the recommendation of the National Panel, then that stewardship land would need to be reconsidered by the National Panels to be reclassified.

Under the change option Conservation Boards and tangata whenua: iwi, hapū, and whānau would have an opportunity to advise or challenge the National Panels directly on their analysis and recommendations, without going through the NZCA. Each National Panel has broad expertise, appointed by the Minister of Conservation to be made up of non-partisan representatives with technical expertise in ecology, earth sciences, landscape, recreation, heritage and mātauranga Māori. There are also public consultation processes, to bring in local knowledge through submissions and hearings.

However, the change option would remove the NZCA as a check on the National Panels. It is important to recognise the NZCA has considerable expertise in this area and has already developed recommendations, in response to previous requests, for the reclassification of stewardship land, and this work should not be lost. It should also be noted that the members of the NZCA come from a range of organisations, ensuring a broad range of views are considered. Even though the National Panels would have to consult the NZCA, the recommendation of the NZCA would not be binding on the panels.

DOC consider that consultation processes could be suitable to bring in the expertise of the NZCA. A further check and balance will be that recommendations from the National Panels need to be considered by the Minister of Conservation, and subject to an OIC process or legislative process (as in the status quo for NZCA recommendations). This will provide for wider government consideration and consultation. The status of recommendations would not change, and the criteria used by the National Panels to develop them could be aligned with criteria used by the NZCA. National panels will be taking draft recommendations through consultation with submission processes and hearings.

If the change option is progressed, there will be two processes for national parks – one for stewardship land and one for other types of public conservation and other land purchased.

DOC considers objectives 1 and 5 would be supported in the change option, efficiency and enabling the National Panels. Under either option, wider obligations can be met, and conservation values protected (objectives 3 and 4). Under either option there will need to be clear communications about the reclassification process and respective roles of the panel, the Minister of Conservation and the NZCA (objective 2).

The key risks of change are ongoing lack of clarity if roles are not clearly demarcated and discussed, and lack of stakeholder buy in if there are perceptions of a lack of rigor and / or of bypassing status quo checks and balances on the creation of national parks given the

relatively greater level of protection that comes with national park status, and limited activities allowed in national parks.

DOC recommends proceeding with the change option to support the objectives of a more efficient process and enabling the panels.

Risks will need to be monitored and managed through the development of effective working relationships between the NZCA, Conservation Boards and tangata whenua; whānau, hapū and iwi. Subject to change progressing, the Terms of Reference of the National Panels need to be amended and reassessed for transparency about criteria for national parks.

The General Policy on National Parks (GPNP) is premised on the NZCA as the body who makes recommendations in relation to national parks. If the option is progressed there would be inconsistencies between legislation and the GPNP as well as certain National Park Management Plans – however, this does not prevent legislative change. The GPNP cannot derogate from legislation so to the extent that it is inconsistent with legislation it will not apply.

DOC propose that the inconsistency be noted and managed for the duration of the stewardship land reclassification project, with no amendment to the GPNP. The GPNP will continue to apply to NZCA recommendations for National Park which may arise from other classifications of public conservation land and new purchases. The Terms of Reference for the National Panels would need to be amended following legislative change and reference to the GPNP may be added to support consistency between the recommendations of the National Panels and the NZCA.

Change option 4: declare all stewardship land under section 62 of the Conservation Act to be held for conservation purposes

<p>Status quo: declare land to be held for conservation purposes under Conservation Act section 7 (parcel by parcel)</p>	<p>Change option: declare all stewardship land under section 62 of the Conservation Act to be held for conservation purposes (by legislative change)</p>
<p>Stewardship land is held by DOC under the Conservation Act section 62 and under these provisions is ‘deemed’ to be for a conservation purpose. Before section 62 stewardship land can be reclassified or disposed of, it must go through a process where it is ‘declared’ to be held for conservation purposes under the Conservation Act section 7.</p> <p>Section 7 covers how land can be acquired and declared to be held for conservation purposes. Any land newly acquired and declared to be held for conservation purposes under section 7 has the status of stewardship area unless it is reclassified in accordance with other provisions in the</p>	<p>The status quo could be changed with a legislative amendment to ‘declare’ all stewardship land held under section 62 of the Conservation Act to be held for a conservation purpose via a legislative change.</p>

Conservation Act 1987 (or other conservation-related legislation).

Declaring land to be held for conservation purposes requires the Minister of Conservation or DOC to make a declaration via Gazette notice, including a description of the relevant piece of land. DOC would need to go through this process for all stewardship land – some 3,000 parcels.

Consultation

One hundred and one submitters addressed this topic, 31 in support of change, and 70 were not. The lack of support was mainly from individual submitters (54 of the 61 individuals who commented). The main reason was because they thought it would make the disposal of conservation land easier, especially land that might have lower conservation value but high access or recreation value.

Amongst other submitter groups there was relatively more support for the option than not. Seven of the ten businesses who expressed a view were in support, and 10 of the 11 and statutory bodies who expressed a view on this topic. Those in support thought it would streamline processes and create efficiency, remove an unnecessary step, and reduce unnecessary bureaucracy.

A handful of ENGOs were in support, but some thought that DOCs legal interpretation was incorrect, and that the declaration was only needed for disposal, and not for reclassification. Recreation NGOs were concerned about access and disposal risks.

Several submitters mentioned a risk that some land could become classified as conservation land indefinitely when other uses may be more appropriate, and a conservation classification may not have been intended or be appropriate. In 1987 the category of stewardship land was in good faith understood to be a temporary holding with protections, while a full process was undertaken later – so a one size fits all approach now negates the previous understanding. At minimum it would be reasonable to check land held under grazing licence.

Alternatives were suggested: bundling the Gazette notices required, Gazetting all 3,000, or repeal of section 62 as an alternative.

Objectives / criteria analysis change option 4

Objectives relevant to the change proposal (other objectives neutral or no impact)	Commentary
Objective 1: enabling a more efficient process for reclassifying stewardship land	The change option removes a regulatory step that does not have a clear purpose or function - making classification faster saving the time taken to go through the process, staff time, and direct costs.
Objective 3: ensuring DOC meets its wider obligations under conservation legislation and the Conservation General Policy (such as section 4 of the Conservation Act)	No impact likely from removing the legislative steps. Reclassification consultation remains, and Order in Council processes and criteria for disposal.
Objective 4: Ensuring conservation values are adequately protected	More efficiency can lead to more reclassification and appropriate protection.

Analysis and Preferred Option

While consultation showed concerns it would make it easier to sell land, there are strong protections in the Conservation General Policy¹¹ - section c only land with “no or very low” conservation values may be disposed, and section d conditions where land disposal should not be undertaken apply. “Conservation” is defined in the Conservation Act.

Land will continue to be subject to appropriate protections based on conservation values. In the case of disposal, the Order in Council and Gazette processes would remain.

A perception that land with high access or recreation value (but not conservation value) could be disposed of more easily is not accurate as the definition of “conservation” is broad under the Conservation Act section 2 (1) “*preservation and protection of natural and historic resources for the purpose of maintaining their intrinsic values, providing for their appreciation and recreational enjoyment by the public, and safeguarding the options of future generations*”.

DOC can also note that draft recommendations from the National Panels for the Western South Island, now under consideration, have recommendations to investigate disposal of 0.01 percent (66 ha of 644,016ha) of land under consideration (Appendix A).

The status quo creates an extra step for any reclassification or disposal that is simply not needed, and DOC consider there are no risks to removing the step. Savings from removal of the step include:

- time in the reclassification process for the step to take place
- staff time to prepare 3,000 Gazette notices
- the direct cost of Gazette notice content (based on a recent example, at Department of Internal Affairs fees of \$0.77 per word) can be estimated at \$57.75 (based on 75 words for a short notice), so potentially \$173,250 for 3,000 notices.

¹¹ Made under the Conservation Act 1987.

- costs and opportunity costs of time involved in the Gazette process – for DOC, other agencies, the Minister of Conservation, and the public.

While stakeholders have raised some alternative legal views, DOCs Chief Legal advisor has concluded that declarations under section 7 are needed for both reclassifying and disposing of stewardship land under section 62 (noting this advice is subject to legal and professional privilege).

DOC prefers the change option to remove the regulatory step to declare land.

Removal of this step would strongly support objectives 1 and 4, efficiency and streamlining to support reclassification.

Risks of reduced protections, or excess protection, and alternative uses of land should be considered as part of the wider considerations for reclassification, and not under this step. It is an unnecessary administrative burden in the status quo.

Option 5 enable the proceeds of sale of stewardship land to be directed to DOC to fund reclassification work

Status quo: proceeds of sale to Crown trust account	Change option: enable an amount equal to the proceeds of a sale of stewardship land to be redirected to DOC
<p>Disposal could mean use in a Treaty Settlement or land being offered to a former owner or sale. In the case of sale, the status quo is for funds to return to the Crown trust account (Conservation Act s33 and Public Finance Act Part 7 refers).</p> <p>Costs of preparing land for sale are met from DOC baseline budgets. The costs can be high, assessing values, notification, surveying, and are non-recoverable. Costs would require reprioritising resources from conservation work. The attached Cost Recovery Impact Statement (Appendix A) estimates the cost of preparing for a sale as \$53,200.</p>	<p>Amend the Conservation Act to enable an amount equal to the proceeds of a sale of stewardship land to be redirected to DOC so it can be used for the further reclassification or statutory land management activities.</p> <p>The Reserves Act section 82 allows the Minister to direct an amount equal to the proceeds of sale for work managing, protecting and improving reserves.</p>
<p>Consultation</p> <p>Seventy-three submitters addressed this topic, 35 in support of the change option and 38 not in support. Of the iwi, hapū and whānau who submitted on this option four were in favour and two were not - support was qualified that any proceeds should be for use in the same local area as the sale.</p> <p>Those who supported the option consider it would mean reclassification work does not take away from other DOC priorities. In terms of risks, they considered there are other suitable checks and balances, with the Minister of Conservation held to account by Cabinet and Parliament. The independence of National Panels was also noted as a mitigation.</p>	

Most of those who did not support the option were individuals, 26 of the 38. Lack of support from individuals, and from others, was based on a perception of risk that DOC could end up in a position of needing to sell conservation land to fund business as usual. Others not in support also considered there could be high value sales, and other Crown use priorities.

Objectives / criteria analysis change option 5

Objectives relevant to the change proposal (other objectives neutral or no impact)	Commentary
Objective 4: Ensuring conservation values are adequately protected	The change option would support reclassification and therefore protection. Less risk of taking resources from other conservation work.
Objective 5: enabling the National Panels to carry out their work efficiently and effectively, to make recommendations to the Minister of Conservation.	Panels could keep their focus on the appropriate reclassification, or if investigations for disposal were appropriate. Otherwise, knowing that DOC would incur the costs of sale without getting any revenue, could cause concern for the panels (i.e. a recommendation could mean a loss for DOC as the cost of preparing for sale may need to come from DOC baseline funding).

Analysis and Preferred Option

This option would have fiscal implications for the wider Crown as it would not receive the proceeds of sale. Parcels deemed eligible for disposal must follow the Crown property disposal process, which includes obligations under the Public Works Act 1981 as well as the Māori Protection Mechanism¹², the Sites of Significance processes, and any right of first refusal contained in a relevant Treaty of Waitangi settlement. Therefore, it is difficult to estimate the proportion of land eligible for disposal that would be sold on the open market. Directing proceeds to DOC would only partially recover costs of reclassification work, as most land assessed and reclassified would not be disposed of and therefore would not generate any income.

A Cost Recovery Impact Statement (CRIS) was prepared and provided as part of the discussion document. A copy is attached, with notes following consultation. The indicative cost for any disposal is around \$53,200 per parcel, and using this estimate, sales of 50 to 150 parcels would cost \$2.5 million to \$8.6 million.

While it is not possible to state a cost-benefit of the change with so many unknowns (how much land will be proposed to investigate for disposal, and how much of that land would progress to sale), the costs of preparing land for sale are significant in any sale, and these costs will fall on DOC baseline funding that might not be recouped if the proceeds of any sale are not returned to DOC. In this way the reclassification of stewardship land could have a perverse outcome of detracting from DOCs other purposes. The financial outcomes from

¹² Protects Māori interest in Crown owned land that has been identified for disposal

the change option for DOC are uncertain, but it provides a better opportunity that costs will be covered relative to the status quo.

DOC do not consider the risks could eventuate (about incentives to sell land); considerations are:

- stringent criteria that apply to the sale of any conservation land under the Conservation Act and Conservation General Policy section c and section d (refer Option 4 above, the same risk / consideration is discussed),
- the independence of National Panels (who will make any recommendations to investigate the disposal of land),
- parliamentary process, and
- requirements for any recommendation to dispose of land to have its own public consultation process.

DOC prefer the change option and consider the change option will support the overall aims of the project and strongly support objective 4 and objective 5.

How do the options compare to the status quo/counterfactual? What option is likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?

The structure used in this paper has already set out comparison of change options to the status quo – the following table provides a summary overview.

Key: ✓ = supports objective / criteria, X = does not support objective / criteria,

- = DOC considers there would be no impact / neutral for this option

Objectives / criteria	1 a more efficient process	2 deliver clarity	3 meet other obligations	4 protect cons. values	5 enable National Panels
Option / status quo					
Change option 1: Public submissions period to 20 working days	✓	-	Qualified ¹³	-	✓
Status quo: 40 working days and hearings	X	-	✓	-	X
Change option 1 supports efficiency and enable the National Panels relative to status quo. Obligations can be equally managed in both options. 20 days could be sufficient to prepare					

¹³ Depends on pre-engagement by the panel with mana whenua and other interested parties – status quo needs same approach, but risks reduced with two-month period.

Objectives / criteria Option / status quo	1 a more efficient process	2 deliver clarity	3 meet other obligations	4 protect cons. values	5 enable National Panels
information on conservation values, combined with ability to provide longer time periods for complexity.					
Change option 2: Enable National Panels to manage submission and hearing process	-	✓	-	✓	✓
Status quo: DOC manages	-	✗	-	Qualified	✗
Change option 2 can provide clarity and enable National Panels relative to status quo, conservation values could be better protected if the panels hear directly from submitters, but they could hear directly if DOC are managing processes, it just won't be clear to submitters that panels are independent. Obligations can be equally managed in both options.					
Change option 3: National Panels make national park recommendations in consultation with tangata whenua, NZCA, and relevant Conservation Boards	✓	✓	-	✓	✓
Status quo: NZ Conservation Authority (NZCA)	✗	✗	-	✓	✗
The change option can be more efficient, clear, and enable National Panels – subject to clear communications, and amendment of panel Terms of Reference as required. Conservation values can be equally protected in both options. There may be inconsistencies with the General Policy for National Parks.					
Change option 4: Remove statutory step requirement	✓	-	-	-	-
Status quo: Statutory step required, “deemed” to “declared”	✗	-	-	-	-
The change option will be more efficient and mean recommendations can be implemented more easily. Regarding other aspects the change is neutral.					
Change option 5: Enable proceeds to DOC for offsetting costs	✓	-	-	✓	✓

Objectives / criteria	1	2	3	4	5
Option / status quo	a more efficient process	deliver clarity	meet other obligations	protect cons. values	enable National Panels
Status quo: Proceeds to Crown Trust Account	X	-	-	X	X
The change option is more efficient, will lead to better protections and enable National Panels.					

What are the marginal costs and benefits of the option?

45. There are no additional costs with options one to five relative to the status quo. The options relate to savings; for example, from shorter consultation times (option 1) and from not needing to complete Gazette notices (option 4). Options 2 and 3 would result in a transfer of work and could save costs by avoiding duplication.
46. Change option five has identifiable costs discussed in the CRIS (Appendix A). The costs of the status quo to DOC could be significant during reclassification, depending on the sale of land, value of land, and costs associated with each sale (for example, meeting survey requirements).

The costs and benefits of reclassifying stewardship land

47. Reclassification recommendations are being developed as an operational matter, and the approach has not been considered through a RIS process where costs have been analysed. It is known that cases about the status and use of specific parcels of stewardship land can have significant costs (see examples below). While these are unpredictable, they may be significant over time. The legislative options to streamline reclassification assessed in this RIS will enable more reclassification – and contribute to mitigate the costs of uncertainty. The legislative changes will have an incremental effect alongside the National Panel processes.
48. The legislative proposals are intended to make the reclassification of stewardship land easier. In this context, it may contribute to the wider benefits of reclassification.
49. Costs of the National Panels, to be met from DOC baselines, were previously identified at around \$250,000 plus travel and resources [Cabinet paper refer CAB-Min-21-0045].
50. The status quo costs include uncertainty over the use of land with some businesses having a perception that stewardship land is ‘open for business’ and the potential loss of conservation value if stewardship land is not managed appropriately to protect conservation values. There may also be opportunity costs as land that might be more suitable for commercial use is not available for this use.
51. The cost of uncertainty and a perception that stewardship land may be open for business is harder to identify. The report by the Parliamentary Commission for the

Environment (PCE), *Investigating the future of conservation: The case of stewardship land*, August 2013¹⁴ covered some of the costs and issues through these case studies:

- Mōkihinui River: Stewardship land can be subject to applications for concessions and for land swaps. Where the land does not have clearly identified values that come with a classification, stewardship land can take some effort to defend in terms of why DOC might not consider a commercial use or exchange appropriate. In 2008 DOC spent some \$1.4 million¹⁵ to prepare for an Environment Court hearing when Meridian applied for a hydro-electric power development that would involve a dam on part of the Mōkihinui River. Meridian had noted the land did not have national park status or ecological reserve status and noted the river did not have a water conservation order. The case was challenging (for DOC to argue against the development) because when an exchange was offered, DOC was not able to consider the value of the 'river' but only the land offered for a swap. Submitters in the current process again noted the outstanding conservation value of the Mōkihinui River, including exceptional recreational value and scenic value, and concern land might not be adequately protected for these values. The Mōkihinui River case provides an indicator of the kind of uncertainty and costs that can be avoided if a greater proportion of land were reclassified.
 - Crystal Basin: Another case highlighted in the PCE report was a case of land swap that saw land purchased by the Nature Heritage Fund proposed for exchange with alternative coastal land (Crystal Basin case).
52. DOC manages stewardship land in a very similar way to other public conservation land, so the costs of management are unlikely to change with reclassification.

Section 3: Delivering an option

How will the new arrangements be implemented?

53. It was initially proposed to progress amendments in a stand-alone Stewardship Land Bill.
54. The Conservation Management and Processes (CMAP) Bill also seeks to amend the Conservation Act as well as the National Parks Act and the Reserves Act. The CMAP Bill, on planned timeframes, is due to be considered by the Cabinet Legislation Committee on 10 November 2022, a very similar timeframe as the Stewardship Land Bill. DOC propose to combine the bills at the drafting stage to ensure efficient use of Parliamentary Council Office (PCO) drafting time as well as House and Select Committee time.

How will the new arrangements be monitored, evaluated, and reviewed?

55. A successful outcome for this project would be that most of the 2.5 million hectares of stewardship land is appropriately reclassified or disposed of within the next five years. The overarching aim will be to ensure reclassification protects conservation values more effectively, while disposing of land with very low or no conservation values where appropriate.

¹⁴ Parliamentary Commissioner for the Environment, *Investigating the future of conservation: The case of stewardship land*, August 2013, Accessed from [stewardship-land-web.pdf \(pce.parliament.nz\)](#), 11 May 2022.

¹⁵ Cited in PCE report, p 66.

56. It may be difficult to evaluate the effect of the regulatory changes on the scale and rate of stewardship land reclassification, as DOC intends to increase reclassification activities regardless of regulatory change. The legislative changes are intended to support operational work to reclassify stewardship land, and the effectiveness of the legislative changes depends on ongoing operational work – either through the National Panels or other ways. If the operational reclassification work loses priority, then the legislative amendments could still make reclassification of stewardship land easier to implement in the future.
57. There is a low baseline level of stewardship land reclassification to use as a basis for comparison and any increase in reclassification will be a success. Outcomes will be easy to measure, in terms of the quantity of land reclassified – but as noted, this will be through operational work, facilitated in part by the legislative changes and the success of the legislative changes alone would be harder to see.
58. One way to observe the success of legislative measures would be to see how long it takes to implement National Panel recommendations for the Western South Island (likely to progress under the status quo settings) compared to in future (with streamlined processes).
59. All processes where a legislative power is exercised are subject to judicial review if a party has cause to challenge. DOC expects some reclassification and disposal decisions will be challenged for various reasons, not necessarily related to options discussed in this document.
60. For reclassified land, DOC will monitor and maintain the conservation values of that land as appropriate for its new classification, as per its current requirements. The NZCA and Conservation Boards monitor conservation outcomes from DOC activities and provide feedback to the Minister of Conservation. For land that is disposed of, DOC does not intend to monitor or evaluate future uses, as it has no mandate.

Appendix A: National Panels

Copy of <https://www.doc.govt.nz/about-us/our-role/managing-conservation/stewardship-land/reclassification-national-panels/>

Stewardship land reclassification – National Panels

National Panels of independent experts assess stewardship land areas and provide recommendations on land classification to the Minister of Conservation.

Scope of the panels

The National Panels were announced in May 2021 by the Government as part of measures to streamline the [stewardship land reclassification process](#).

Starting in the Northern and Western South Island, the panels will carry out technical assessments of the conservation and cultural values of stewardship land areas. This includes taking into consideration any commitments to international agreements, such as stewardship land areas being within World Heritage Areas.

They will provide recommendations on future land classifications of stewardship land to the Minister of Conservation.

Each panel is made up of non-partisan representatives with technical expertise in ecology, earth sciences, landscape, recreation, heritage and mātauranga Māori.

Members are appointed by the Minister of Conservation and have an advisory role. They hold no statutory decision-making powers.

It will take the panel eight months per region to commence their process and provide recommendations to the Minister of Conservation on the revised land classifications.

There will be opportunities for the general public to provide feedback on draft reclassification recommendations through a public consultation process.

The panel's work programme will be adjusted should businesses apply to carry out mining activity on stewardship land. The panels will assess the land being applied for to ensure DOC has the most up to date ecological and cultural information about the sites. This will help inform the processing of the application.

Tangata whenua involvement

A Ngāi Tahu appointed Mana Whenua Panel has been established to provide information on mahika kai (natural resources practices), mātauranga Māori (knowledge) and Ngāi Tahu interests in relation to stewardship land within its Takiwā.

The Mana Whenua Panel will work alongside the National Panels to support them to make recommendations on revised land classifications for stewardship land areas.

DOC staff will speak with tangata whenua – iwi, hapū and whānau in other regions to understand how they wish to be involved in the stewardship land reclassification process when it takes place within their rohe.

Panel members

The first two panels will assess land in the Western South Island and Northern South Island.

Western South Island

Chairperson (acting): Mr Neil Clifton

Members:

- Dr William (Bill) Lee
- Ms Jo Breese
- Ms Katharine Watson
- Mr Philip Blakely
- Dr Marama Muru-Lanning

Northern South Island

Alternating chairperson: Hon Christopher Finlayson and Hon Philip Woollaston

Members:

- Mr William Shaw
- Mr Geoff Canham
- Ms Laura Coll McLaughlin
- Ms Di Lucas
- Ms Mary O'Keefe

Ngāi Tahu Mana Whenua Panel

Chairperson: Mr Francois Tumahai, Chair of Te Rūnanga o Ngāti Waewae

Members:

- Mr Paul Madgwick, Chair of Te Rūnanga o Makaawhio
- Mr Maurice Manawatū, Te Rūnanga o Kaikōura Cultural Pou
- Ms Gail Thompson, Representative of Te Rūnanga o Ngāi Tahu

Western South Island Draft Recommendations and Concessions, Notified 27 May 2022

Extract from public notification, www.doc.govt.nz/news/media-releases/2022-media-releases/public-feedback-sought-on-proposed-land-classifications-for-the-west-coast/, 27 May 2022

National Panel recommendation	Sum of GIS area (ha)	Percentage
Conservation Park	347,748	54%
Historic Reserve	182,300	28.31%
National Park	77,440	12.02%
Scenic Reserve	11,965	1.86%

Stewardship	7,927	1.23%
Ecological Area	7,261	1.13%
Local Purpose (River Conservation) Reserve	4,601	0.71%
Wildlife Management Area	3,808	0.59%
Local Purpose (Ngāi Tahu) Reserve	505	0.08%
Recreation Reserve	262	0.04%
Local Purpose (Other) Reserve	127	0.02%
Disposal	66	0.01%
Government Purpose (Government Buildings) Reserve	3	0.00%
Amenity Area	2	0.00%
Grand Total	644,016	100.00%

Summary of current permissions on stewardship land on the West Coast

Permission type	Number of permissions	Permission duration
Access arrangement	125	Linked to permit under Crown Minerals Act, timeframe varies
Grazing concession	175	Up to 10 years
Easement concession	56	Up to 30 years in most cases, may be up to 60 years
Beehive concession	4	Up to 10 years
Structure concession	66	Up to 30 years
Gravel extraction concession	46	Up to 10 years
Guiding concession	4	Up to 10 years

Aircraft concession	4	Up to 10 years
Telecommunications sites	38	Up to 10 years
Accommodation concession	46	Up to 30 years, may be up to 60 years
Storage concession	1	Up to 30 years
Wild animal control	10	Up to 10 years
Total	575	

Appendix B: Cost Recovery Impact Statement

Option 5: Directing proceeds from disposal (by sale) of stewardship areas to fund DOC's ongoing reclassification and statutory land management work.

Status quo

A description of the activity and why it is undertaken:

- Stewardship areas (referred to as stewardship land) are public conservation land managed by the Department of Conservation that are not yet classified into formal land protection based on conservation values. This category of land covers 2.5 million hectares or approximately 9% of Aotearoa's land area.
- The government intends to improve processes by which stewardship land is assessed for conservation values and subsequently reclassified or disposed if eligible.
- Stewardship land with very low or no conservation values may be disposed by sale, if it is no longer required for conservation purposes. While the administration and efforts required to assess values and prepare land for disposal are funded through Vote Conservation, proceeds from disposals are paid to the Crown trust account (section 33 of the Conservation Act).

What policy outcomes will the activity achieve?

- The reclassification of stewardship land will improve the management of public conservation land and ensure conservation values are properly protected. However, it will also identify land with very low or no conservation values, and these become eligible for potential disposal. Land that is disposed no longer requires management and administration by DOC.

What is the rationale for government intervention?

- The government administers stewardship land. Reclassifying this land is set out in the Conservation Act 1987, the Reserves Act 1977, and the National Parks Act 1980, while disposal is set out in the Conservation Act. There are 3236 stewardship areas to be assessed. The rationale for reclassification is to ensure land is managed appropriate to the conservation values that it has; land with very low or no conservation purposes can potentially be disposed of.
- Under the status quo, there may be the option to direct some of the proceeds of sale of stewardship land to DOC without legislative change. However, this would only extend to the cost of readying and disposal. Obtaining the cost of readying land for sale, under the current process, would require joint agreement of the Minister of Conservation and the Minister of Finance. Therefore, if the Minister of Finance declined the application, DOC would not be able to offset the cost of disposal. This affects DOC ability to prioritise statutory land management operations.
- By way of contrast, section 82(1)a of the Reserves Act 1977 does allow the Minister of Conservation to direct proceeds from the disposal of reserves to activities that enable management and purchase of reserves generally. There is no apparent reason for the difference between the two acts, though the scale of land protected under the Conservation Act is much larger and the potential for large transfers is therefore greater.

What are the relevant policy decisions that have been made?

- The main decisions are to make progress with stewardship land reclassification so this large amount of land is properly classified and managed and to use expert panels to coordinate the reclassification process and make recommendations to the Minister of Conservation. Additional changes to legislation are sought to improve the efficiency and process to undertake reclassification.

What is the statutory authority to charge ie, the Act that gives the power to cost recover?

- The Conservation Act 1987 gives the authority to dispose of stewardship land, but does not give the authority for proceeds of sale to be directed to the costs of overall administration of land (whether that be future management or ongoing processes to reclassify or dispose of).

Is this a new or amended fee?

- This is a change in process. The current process directs proceeds from disposal to the Crown trust account. The change would enable such proceeds to be directed to Vote Conservation (DOC) for the purposes of further reclassification and statutory land management activities.

Policy Rationale: Why a user charge? And what type is most appropriate?

Why is cost recovery appropriate for the activity (over and above the legal authority to charge) - ie why should it be third-party funded rather than funded by the Crown?

- DOC will need to fund the bulk of activities to reclassify stewardship land. However, where there are lands eligible for disposal, the proceeds from disposal could offset some of the costs to DOC. The nature of this cost recovery depends on there being land eligible for disposal, and willing buyers in the market for these lands.

What is the nature of output from the activity (the characteristics of the good or service) – eg public/private/club goods?

- The goods are public conservation lands that no longer have a conservation purpose and that are sold to other kinds of land ownership (depending on the context, available buyers, etc.). Public land becomes private property.
- The output from directing the funds to further reclassification and management activities will be more resources to enable these activities and therefore more likelihood they will be undertaken and progressed.

Is full or partial cost recovery being proposed? What is the rationale for proposing full or partial cost recovery?

- Directing proceeds to DOC would only partially recover costs. For any individual piece of land put up for disposal, the cost recovery would depend on the market for that land and could vary from partial recovery of costs to returning profits. Occasionally land is sold at a loss where cost-benefit analysis indicates that keeping it would be more expensive in the long term.

What type of charge is being proposed? – eg fee, levy, hourly charge? What is the rationale behind selecting this type of charge?

- No change in charge is proposed from the status quo, the proposal is to enable the Minister of Conservation to direct proceeds to DOC rather than to the Crown trust account.

Who will pay the cost recovery charges?

- The charges are paid by whomever is the willing buyer for disposed land. This is likely to be highly variable groups of private individuals, tangata whenua (iwi, hapū, whānau and associated organisations), businesses and councils. Until land is assessed for values and those are found to be very low or none, it is not eligible for disposal; we cannot ascertain interest until that point.

High level cost recovery model (the level of the proposed fee and its cost components)

What are the estimated charge levels?

- The charge levels are the same under status quo and proposed change – depending on the nature of the land for disposal and the market of willing buyers. The effect of the proposed change does not affect any of the cost-recovery factors; it would just directly offset the costs of reclassification and statutory land management (compare to s82(1)a of the Reserves Act 1977).
- While the overall Crown financial position is not affected, the proposal would increase funding available to land classification and statutory land management and decrease funding available for other Crown priorities. The range of consequences will depend on the value of the land that is disposed. Examples provided on the next page show the range of recent disposals is \$3,500-\$852,000, but the effect will depend on the decision by the Minister to direct revenue from disposal to DOC; the change will not automatically direct all disposal revenue so the Minister will have discretion.

What are the main cost drivers of the activity? What are the outputs of the activity and the business processes that are used to produce those outputs?

- The overarching process of reclassifying 2.5 million hectares will yield a small proportion of land for disposal.
- The land will be in various sized packages; most will be 1-10 hectares, a few could be thousands of hectares. Disposal preparation, valuation, listing and transaction costs will be similar and will be affected by time on market and other land disposal factors.
- The user charge is the market price of the land paid by a willing buyer, with a potential valuation process setting expectation on that market prices. The user charge is not itemised to any costs.

What are the estimates of expenses and revenue for the activity?

- For reclassification resulting in disposal, DOC’s Statutory Land Management team provided the table below. The items are consistent to each disposal process, though the costs are only indicative based on recent disposals and may vary over time depending on demand, inflation etc. Starred items may vary depending on the characteristics of the land being disposed of. The additional expenses associated with **each** disposal include:

<i>Item</i>	<i>Purpose</i>	<i>Indicative cost \$ ex GST</i>
DOC staff costs – 40 hours	Coordinate disposal activities	5,200
LINZ agents	Crown land services and survey (fee for service)	18,000

Survey Plan*	Survey documentation (fee for service)	15,000
Valuation*	Establish value (fee for service)	3,500
Processing fees (legal, conveyancing, <i>Gazette</i>)	Compliance services	1,500
Land agent and marketing*	Listing and coordinating sale process	10,000
Total Indicative costs		53,200

- While difficult to predict final amounts, the approximate costs of disposal will be approximately \$1.-1.1 million for every 20 areas that fit the criteria and which can be prepared for disposal, assuming only one valuation and market listing is needed to achieve disposal each time.
- For example, if 50 stewardship areas are disposed of, this will cost approximately \$2.5-2.8 million, if 150 areas are disposed of, this will cost approximately \$7.5-8.6million.
- We have no way to model revenue until we know which areas are eligible for disposal. It is feasible that some land that is disposed of will generate one-off revenues that exceed the cost of preparing for its disposal, but unlikely that revenues overall will cover the costs of reclassifying all stewardship land, including land that is not disposed of.
- Recent disposal revenues (ex GST) include:
 - \$22,500 for 5.1078 hectares in Westland District in 2016
 - \$200,000 for 5.0585 hectares in Selwyn District in 2017
 - \$3,400 for 0.0331 hectares in St Bathans in 2019
 - \$852,000 for 0.0207 hectares in Auckland in 2021.

How will changes in the underlying assumptions affect financial estimates?

- The costs are affected by the size of the land – larger areas have higher valuation and survey costs, and agent costs can be higher because land is on the market for longer or requires multiple listings to generate a sale. However larger areas are also less likely to be eligible as they are more likely to contain conservation values or to meet criteria for protection under a different classification. Where conservation values vary across a large area, the area could be broken into parcels so some parcels with very low or no values could be disposed.

Consultation

The consultation process and results are noted in detail in the RIS. There was support for the option from a range of submitters, but also concerns about incentives or perceived incentives for DOC to sell land. DOC do not consider the risks could eventuate; considerations are:

- the independence of National Panels (who will make recommendations to investigate the disposal of land),
- parliamentary process
- stringent criteria that apply to the sale of any conservation land under the Conservation Act and Conservation General Policy, and
- requirements for any recommendation to dispose of land to have its own public consultation process.