

Hon Kate Wilkinson  
Minister of Conservation

23 February 2010

Minister

The following 'Briefing for the Incoming Minister' consolidates and updates briefings you have been provided as Associate Minister of Conservation.

### **Financial Overview**

To maintain its current level of delivery, the Department must continuously manage rising cost pressures, in particular operating costs, inflationary impacts and more recently the negotiation and implementation of Treaty Settlements.

Every organisation should continually reassess itself, its business strategy, approach and financial well being. This activity is ongoing in the Department.

A significant 'Strategic & Budget Alignment Review' was carried out in 2008. This review went some way to realign existing resources with changing business needs and existing funding levels.

The 2009 Budget announcement signalled a \$13.5 million per annum reduction in Vote Conservation, commencing in the 2009/10 financial year. The baseline reduction was announced as \$54 million over four years.

This reduction is supportive of the need for greater levels of continuous improvement within the organisation. As such, the 'Prioritising for the Future' programme of work is now well underway. Collaboration throughout the organisation has resulted in six individual work streams that are currently being progressed:

- Commercial Development;
- Procurement;
- Shared Services;
- Information Technology;
- Streamlining Services; and
- Planning.

While the operational and performance needs of the Department are being addressed, significant costs are associated with the Department's contribution (on behalf of the Crown) towards the negotiation and implementation of Treaty settlements. Options for absorbing these costs within existing baselines have been established, for Ministers' consideration.

### **Key Financial Processes**

There is a lot of current activity on financial matters in the Department that will likely require your engagement. To assist with a further understanding of the financials behind Vote Conservation, face-to-face briefings with the General Manager of the Corporate Services Group (Grant Baker) and the Chief Financial Officer (Christeen Mackenzie) are always available to you. The following are some key financial processes that would usually be involved in the Minister of Conservation:

- We work with you and your staff to identify the Budget strategy and help you to prepare for Budget meetings with other ministers, including the Minister of Finance.

- The Department's 'Estimates and Information Supporting the Estimates' for Vote Conservation are published on Budget day. They outline the costs that the government plans to incur on each specified output class for the coming year and how performance will be measured. They require your signature.
- The Department's 'Statement of Intent' (SOI) is prepared in consultation with you, setting out the medium-term strategic goals for the Department, priority actions towards those goals, and performance expectations. There are additional priorities contained in the 'Performance Improvement Actions' (PIAs) being developed to improve efficiency, effectiveness, and alignment of departmental spending to government priorities. The final draft of the SOI requires your signature, usually in March or April.
- During the course of the financial year, there are opportunities to update the Estimates utilising baseline update rounds in the October and February months. These will require your approval and forwarding to the Minister of Finance.
- Cabinet Papers are drafted by the Department and may contain financial impacts, such as to provide the department with additional resourcing. These papers require your approval and, once approved by Cabinet, provide the basis for updating the Estimates in one of baseline update rounds, as described above.
- Financial approvals for expenditure via a number of non-departmental capital funds that are managed - including the Nature Heritage Fund (NHF), Nga Whenua Rahui (NWR) and South Island Landless Natives Act (SILNA).
- Support is provided to you for the Select Committee hearings and debates in the House on the Annual Review and the Estimates.
- You will also be involved with a number of other financial activities, such as the signing of: the Department's return of surplus adjustment; the report on selected Non-Departmental Appropriations; the Department's contingent liabilities, and various other statutory reporting requirements.

### **Changes to Schedule 4 of the Crown Minerals Act 1991 (CMA)**

In 2009, on the direction of the Ministers of Conservation and Energy and Resources, the Ministry of Economic Development (MED) and DOC commenced a stocktake of areas currently listed on Schedule 4 of the CMA.

#### Key issues

- Some of these areas are known to have very high potential minerals value;
- The review will enable consideration to be given to removing some areas from Schedule 4 to allow for mining activity (exploration, mining);
- At the same time consideration will be given to adding a number of areas to Schedule 4;
- You will be asked to seek Cabinet's agreement to release a discussion document for public comment in February/March 2010, and to make decisions on subsequent recommendations mid-year on proposed additions and removals;
- The discussion document and proposals to consider removing areas from Schedule 4 are likely to generate significant public interest.

## **New Zealand Coastal Policy Statement**

The New Zealand Coastal Policy Statement (NZCPS) Board of Inquiry has submitted a recommended NZCPS and report for your consideration. A summary of the comments received from relevant Government departments, ministries and agencies on the Board's recommended NZCPS will be provided to you shortly.

### Key Issues

- An NZCPS is approved by the Governor-General in Council on your recommendation;
- You need to consider the Board's report and recommendations and decide whether to make any changes to the proposed NZCPS 2008, or whether to withdraw all or part of it;
- Before any new NZCPS is issued it must, under the RMA (section 32), be supported by analysis of the appropriateness, efficiency and effectiveness of objectives and policies;
- You will need to report to Cabinet on your decisions regarding the NZCPS.

## **Afforestation programme**

As part of the New Zealand Emissions Trading Scheme, the Government has agreed to Crown partnerships for afforestation on suitable Crown land, including public conservation land. There is potential for carbon farming using indigenous species compliant with the Kyoto Protocol.

Preliminary discussions have been held with a first tranche of iwi: Ngai Tahu, Waikato-Tainui, Te Uri o Hau, Ngati Awa, and Ngati Tuwharetoa (Bay of Plenty). The Minister for the Environment has been leading discussions with iwi leaders. The Department has been working with the Ministry for the Environment.

### Key Issues

- Formal contractual arrangements need to be finalised by the Department;
- The definition of forest compliant with the Kyoto Protocol needs to be confirmed with MAF, and suitable sites for afforestation identified.

## **Treaty of Waitangi Settlement negotiations**

The Department contributes to developing cultural redress in Treaty settlements. The Government has agreed to make best endeavours to reach Deeds of Settlement with all mandated groups by 2014. Cultural redress is gifted to claimants in addition to their financial redress, the quantum. We generally seek to develop cultural redress that is meaningful to claimants, protects conservation values and public interests, and is cost-effective in terms of ongoing impacts on the Department.

### Key Issues

- Ongoing implementation costs of settlements. These can be significant, particularly where formal co-governance/ co-management of public conservation land is developed;
- Specific items of redress. In the course of negotiations your approval of specific items of redress will be sought. Conservation redress should be approved by you prior to the Office of Treaty Settlements submitting the entire package for Cabinet consideration. On occasion you may wish to refer such decisions to Cabinet. New forms of redress may raise specific policy issues and we will report to you on these as they arise.

## **Wai 262 – Treaty of Waitangi claim to indigenous flora and fauna**

The Waitangi Tribunal is due to release its report on the Wai 262 claim in mid 2010. The Department will provide you a briefing on the report and its implications for biodiversity conservation at that time.

## **Tax deductions for farmers to carry out biodiversity conservation on their land**

The Department of Inland Revenue is developing options for Ministers' consideration in 2010, for the use of tax deductions as an incentive for biodiversity conservation on private land. The Department is being consulted.

## **Concessions processing review**

In 2009 the Department reviewed the concessions processing system to improve effectiveness and efficiency. The review, which focused on speeding up concessions processing, is complete and an implementation programme is being developed for your consideration. Once you have signed-off the report, it will be made publicly available.

## **RMA amendment - phase two (RM II)**

The Department is involved in preliminary policy work to identify problem statements and working proposals for the second phase of RMA amendments. Work streams include:

- RM IIA – Aquaculture (see item below);
- RM IIB – Interface with the Building Act 2004;
- RM IIC – Interface with the Conservation Act 1987 (see item below);
- RM IIE – Environmental Protection Authority;
- RM IIF – Interface with the Forests Act 1949;
- RM IIG – Generic;
- RM IIIH – Interface with the Historic Places Act 1993;
- RM IIU – Urban planning;
- RM IIW – Water.

## **RM IIA - Aquaculture**

The Department and other agencies are to provide advice to Ministers on proposals to reform aquaculture laws, including aquaculture provisions in the RMA, Fisheries Act and the Maori Commercial Aquaculture Settlement Act.

### Key issues

- The Environment, Economic Development, and Fisheries Ministers are jointly leading the project. The other Aquaculture Ministers are Conservation, Maori Affairs, Local Government and the Attorney-General.

## **RM IIC - RMA/Conservation Act interface**

Options are being developed to reduce duplication between RMA resource consent processes and concession processes under the Conservation Act. The Department is leading this project, as part of its review of the concessions system (reported on separately, above).

### Key Issues

- Fewer than 10% of concession applications also require a resource consent. Large projects aside, there are generally few problems with duplication between processes. Here, minor changes in practice and amendments to law may be the best way of aligning the two processes;
- For large projects, in particular, those of national significance, time delays with both processes are commonplace, as is duplication. A new process is being designed using the existing RMA Proposals of National Significance process (via a Board of Inquiry) to cover both concessions and resource consents. Separate decisions would still be made under the relevant Acts. This option may be controversial;

## **Review of the Foreshore and Seabed Act 2004**

The Government intends to develop legislation to repeal the 2004 Act and establish a new regime to be introduced into Parliament in August 2010, with enactment in December 2010. The Department is assessing the impact of a new regime on the Minister of Conservation's roles and the Department's ability to carry out conservation management, in particular, of marine mammals.

### Key Issues

- The Minister of Conservation is currently the Crown's representative as landowner in the foreshore and seabed. If this area is to be no longer Crown-owned, it will be important to ensure the transfer of landowner responsibilities to other agencies or parties;
- The Minister of Conservation also has a number of RMA roles representing the national interest in the foreshore and seabed. Analysis is needed to ensure that any new regime has a mechanism to express a national level of interest;

## **Offshore Islands Regional Coastal Plan**

Under section 31A of the RMA, the Minister of Conservation has the responsibilities, duties and powers of a regional council in respect of the coastal marine area of the Subantarctic Islands and the Kermadec Islands. The preparation of a regional coastal plan for these islands is a mandatory requirement under the RMA, and is in train.

### Key Issues

- The Subantarctic and Kermadec Islands have high biodiversity values and, aside from the Auckland Islands (where cats and pigs remain), they are mammalian pest free;
- As part of the planning process, the Department has completed an initial round of information gathering from stakeholders, including fishers, tourism operators, central government agencies, and iwi;
- The main resource management issues are: preventing oil spills, and biosecurity (marine pests and re-invasion of mammalian pests from boats onto land);

- The Department has developed draft rules to address the above, and is working with stakeholders on pragmatic solutions. Currently, all activities in the coastal marine area require a coastal permit;
- The Department aims to notify by May 2010 a draft regional coastal plan for public consultation.

### **National Policy Statement on biodiversity on private land**

The Minister for the Environment has instigated development of a National Policy Statement on Indigenous Biodiversity on Private Land, under the RMA.

#### Key Issues

- Indigenous biodiversity continues to decline and much of New Zealand's threatened biodiversity is found on private land;
- Variable approaches to biodiversity protection have been taken by councils.

### **Intensive dairying in Canterbury/Mackenzie country**

The Department has made submissions on the RMA consent applications for dairying (indoor farming of 18,000 cows) in the Upper Waitaki catchment, and intends to participate in the hearings. At issue for the Department are the effects on freshwater habitats of the water take and discharge applications, if approved.

### **Proposed Regulatory Reform Omnibus Bill**

The Department is proposing two changes to the Conservation Act via this Bill to improve concessions processing. The Bill is proposed by Hon Rodney Hide, the Minister of Regulatory Reform. The aim is to achieve business-friendly and non-controversial reforms.

#### Key Issues

- An amendment to section 48 of the Conservation Act would enable new regulation on timeframes for concessions processing. A second amendment would provide for a concessionaire to continue to exercise a concession which may have expired while applying for a new concession (see item on concessions review, above);
- The proposed Bill is to be discussed by Cabinet in mid-February 2010 and drafting directions are expected to be issued at that meeting;
- You have been asked by the Department to support the inclusion of the proposed amendments in this Bill.

### **Marine Reserves Bill**

The Marine Reserves Bill was submitted for Select Committee consideration in 2002. The Committee received submissions and heard submitters, however, work on this has been deferred, chiefly in response to the foreshore and seabed legislation process.

#### Key Issues

- The Bill is due to be reported back to Parliament in December 2010.

## **Marine Protected Areas**

Under the Marine Protected Areas (MPA) Policy and Implementation Plan, two regional planning forums of local and regional interests have been developing proposals for marine protected areas, for the South Island West Coast and for the Sub Antarctic Islands of New Zealand. The forums have carried out extensive public consultation.

### Key issues

- The South Island West Coast and Subantarctic Islands of New Zealand forums will be reporting to you and the Minister of Fisheries with MPA proposals in due course;

## **Hunting issues**

In 2009 you approved new terms of reference for the Game Animal Council establishment committee, to reflect the National Party's agreement on confidence and supply with United Future.

The Department appointed a national hunting advisor in 2009 to improve the Department's relationships with hunters. This was one of the recommendations of the since-disbanded Wild Animal Control Advisory Committee. These were approved in December 2008 by Hon Tim Groser, as Minister of Conservation.

- The establishment committee has completed public consultation and is due to report to you on a proposal for a Game Animal Council by 30 June 2010;
- The national hunting advisor has found many examples of good relationship management with hunters by DOC Area Offices. These are being shared with Department staff and hunters, nationally, and are being published by hunting magazines.

## **Commercial Business Unit**

The department is in the process of establishing a Commercial Business Unit, with the following objectives and accountabilities.

Principal objectives:

- Improve DoC's ability to deliver positive commercial outcomes;
- Build productive business partnerships that deliver conservation gains;
- Increase net revenue flows; and
- Enable business opportunities consistent with conservation to raise New Zealand's prosperity.

The primary accountabilities of the CBU will be to:

- Act as the lead agent with primary accountability for the identification, development and implementation of key commercial opportunities and activities for DoC ;
- Be accountable for the development of DoC commercial strategy, related policy, financial targets, product development and product and service pricing;

- Be accountable for nationally significant commercial relationships, and provide support to the organisation to manage other commercial relationships as required;
- Be accountable for the delivery of the CBU's key commercial initiatives; and
- Be accountable for raising DoC's commercial capability.

The Unit will be fully operational from the start of the 2010/11 financial year.

Al Morrison

Director-General