

Background and history of development of the conservation estate in New Zealand

A report for
Parliamentary Commissioner for the Environment

Guy Salmon
Ecologic Foundation
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Executive Summary

This report focuses on the period, mainly 1975-1987, during which the contemporary legal and administrative framework for conservation land management was developed. It provides particular focus on the genesis and evolution of the concept of stewardship land.

The Department of Conservation was an institutional outcome of the desire of the native forests conservation movement to create a dedicated department of state focused on the conservation of New Zealand's remaining wild public lands. These lands were previously managed by two agencies, the Forest Service and the Department of Lands and Survey, agencies which both had multiple-objective mandates embracing both conservation and production. Both agencies were key players in the regional political economy of New Zealand at the time, when a resource development ethos was dominant, and there were limited economic or environmental disciplines to constrain the piecemeal encroachment of tree-felling, land clearance, mining, exotic plantings and hydro-electric development into New Zealand's wild lands.

The creation of a Department of Conservation based on permanently protected areas alone would not have curbed this on-going encroachment, nor could the conservation movement have succeeded politically in its mission if it had demanded the permanent protection of all public land not yet developed. Accordingly, a crucial part of its argument always was that much of this land should be held in trust for future generations, without prejudgment as to its ultimate use. This land – a large proportion of the land eventually entrusted to DOC – was called stewardship land. For the conservation movement, a key objective from the outset was to have a clear and sharp organisational boundary between production lands and non-production lands, with the latter embracing both permanently protected lands, and stewardship lands which were simply protected for the time being.

The concept of the Department of Conservation (then called a Nature Conservancy) was first envisaged in the Maruia Declaration, the public charter of the native forest conservation movement, which was launched in the Maruia Valley on 4 July 1975. A long public campaign eventually led to a somewhat vague commitment by the Opposition Labour Party to create something of this kind, and in 1984 a Labour Government was elected. However after the new Government was formed, the conservation movement's agenda was immediately opposed by officials. There followed the 1985 Environment Forum at Parliament and the formation of a Working Party on Environmental Administration, including non-government organisation representatives, which made formal recommendations to Ministers. This was the first phase of a long and difficult process of bringing the new Department into reality along the lines originally envisaged.

Decisions taken by Cabinet in September 1985 created DOC, and at the same time allocated indigenous production forestry lands to the Forestry Corporation (later moved to Timberlands West Coast) and allocated Crown pastoral leasehold land to the Land Development and Management Corporation (later moved to Land Information New Zealand). However this apparently clear division between conservation and production lands was soon called into question. Some influential politicians and officials (especially those from pre-existing departments) were promoting a conception of conservation on public land which included wide discretion for sustained production of timber and other products.

This approach was based on a broad and vague concept of “conservation” and a correspondingly vague mission statement for the department. The approach aimed at maximising the extent of land under the department’s control while providing a wide discretion for managers to allocate land to different uses including productive uses. On this approach, a distinct category of stewardship land, and the protection of this land from exploitative activities, was not favoured; officials made repeated efforts to exclude these provisions from the draft legislation.

The process of defining a clear vision for the Department of Conservation was thus a long and contested one, not finalised until mid-1987. For conservation interests to achieve ultimate success, it proved politically necessary at two separate phases of the policy development process to work closely with the Treasury. This unexpected, informal collaboration reflected convergent interests: a desire by conservationists to preserve wild public land from piecemeal development, and a desire by Treasury officials to curb uneconomic development activities being implemented by Crown agencies on wild lands under their control.

The main result of this collaboration was agreement on a principled approach which ultimately led the Government to confirm a more focused conservation mission for the department, and associated with that, a clear commitment to the stewardship concept. This excluded productive uses from stewardship lands until such future times as proper evaluation and formal decision-making processes had allocated the land to one purpose or another.

When the Department of Conservation was eventually formed, the stewardship category was populated with various lands from the merged departments not previously designated for a specific production or conservation purpose. The West Coast Forests Accord process was influential in advancing the stewardship concept, as well as achieving the agreed allocation of large areas of land to stewardship, at a time when the final form of the Conservation Act had not yet been agreed.

In the final stages of the enactment of the Conservation Act, a challenging legal test was inserted which made it difficult to dispose of stewardship land for production purposes, although this was later softened by a statutory amendment empowering land exchanges. In addition, powers later conferred especially in relation to mining and coastal management enabled exchanges of natural resources, while concepts such as biodiversity offsets and environmental compensation have been promoted and used at various times by the department. However, as briefly discussed in the final sections of this paper, despite growing commercial pressures, DOC conspicuously lacks an adequate policy and governance framework for considering such exchanges.

The concept of holding stewardship lands in trust for future generations has served New Zealand well for a quarter of a century. Today, as needs and pressures evolve and become more complex, there is a need to take a step further and better define how stewardship land (and its equivalent in the coastal marine area) might be managed in a more flexible, transparent and accountable way to advance conservation goals overall.

Introduction

The core of what is now the conservation estate was built up historically from areas which had a happy combination of high scenic values, and no productive value – or at least, no productive value foreseen at the time. In general, such areas also coincided with areas which it was deemed should remain forested for purposes of soil and water conservation. From the 1890s, the scenery preservation movement played an important role in securing scenic reserves during the land clearance era; and some of those reserves later became national parks such as Fiordland. But where lands with potential for grazing or timber resources were involved, as in the proposal for a 20,000 acre national park in Marlborough's Rai catchment, preservation proved to be impossible. It was not until 1952, after a long battle, that commercially valuable lowland forest was set aside for preservation for the first time, in the Waipoua Forest Sanctuary.¹

The 1970s saw a resurgence of the forest conservation movement in New Zealand, and at about the same time, a growing recognition by professional foresters that setting aside scientific reserves was a justifiable use of State forest land: "If we are to have good representative examples of all forest types contained in reserves for scientific purposes, as indeed we should have, most by far must be established within State Forests."² The selection of such areas was pursued through the Protected Areas Scientific Advisory Committee, but the corollary was that areas not deemed as needing preservation for scientific purposes, or for water and soil conservation purposes, were treated as being available for timber harvest, either in the short or longer term. In some cases, such as the proposals for South Island beech forests, large areas were proposed for conversion to exotic plantation forests, or for managed forests "enriched" with exotic species.³ It was the presumption that such uncommitted virgin lands should be used for productive purposes that came to be challenged by the fast-growing conservation movement during the 1970s and 1980s.

The conservation movement found itself in conflict with the political economy of regional New Zealand, where local business and farming interests were accustomed to obtaining timber cutting and land development rights from the government's two multiple-objective land management agencies, the NZ Forest Service and the Department of Lands and Survey. The movement was eventually successful in obtaining the abolition of these two agencies and the creation of a new agency, the Department of Conservation, which had an explicit mandate for conservation of both formally reserved land, and "stewardship" or uncommitted land.

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The Maruia Declaration

On 4 July 1975 the Native Forests Action Council (NFAC) launched both itself, and its founding charter, the Maruia Declaration, at a bonfire ceremony on the snow in the Maruia Valley. The wording of the Declaration had been negotiated among a series of local forest action groups around

¹ See M. M. Roche 1987, *Forest Policy in New Zealand*, Dunmore Press; E. Pawson & T. Brooking (eds) 2002, *Environmental Histories in New Zealand*, Oxford University Press, especially chapter 8.

² A. P. Thomson & J. L. Nicholls 1973, "Scientific Reserves in New Zealand Indigenous Forests" *New Zealand Journal of Forestry* 18(1): 17–22

³ White Paper 1971: Report by the Director-General of Forests on utilization of South Island beech forests, presented to the House of Representatives by leave.

New Zealand and was intended to provide a unifying manifesto as well as a petition to parliament. The petition was eventually signed by 341,160 people, and after the hearing of public and official submissions, it was given a favourable recommendation by the Select Committee which received it. One of its provisions was the following:

4. Our remaining publicly owned native forests should be placed in the hands of an organisation that has a clear and undivided responsibility to protect them. It is too much to expect departments mainly concerned with wood production or land clearance to adequately protect these forests. The organisation we need could be formed by taking the Parks and Reserves division from the Lands Department and the Environmental Forestry division from the Forest Service, and combining these divisions in a new Nature Conservancy charged with safeguarding all our remaining native forests.⁴

Amongst the submissions to the Select Committee which specifically opposed paragraph 4 of the Declaration were those of the Forest Service, Lands and Survey Department, Commission for the Environment, and perhaps surprisingly, the Royal Forest and Bird Protection Society.

On 8 February 1980 the Minister of Forests, Hon Venn Young, wrote to the chief petitioner, Gwenny Davis, and advised her of the Government's decisions on the Select Committee's recommendation. In general, the Government's decisions were not favourable to the prayers of the petition (a position that continued until the change of government in 1984). On the Declaration's paragraph 4 specifically, the Minister noted that "The Government considers that the management of New Zealand's indigenous State forests should remain in the hands of the Forest Service."

Forest and Bird's opposition to any change in the administration of the Crown's natural lands was evidently a major barrier to change, and over the following period this issue was extensively debated within the environment movement. This eventually resulted in a change of leadership at Forest and Bird, and a change of their policy. From that point, it was relatively straightforward for proponents of creating a Nature Conservancy based on breaking up the Forest Service and Lands and Survey to create a formal coalition of the major environment and recreation groups.

Environmental Management in New Zealand: A Strategy

This united front was accomplished when in October 1982 a report with the above title was published by a consortium of environment and recreation groups. The report also picked up on the need to upgrade the Commission for the Environment and served to bundle the two issues together into a broad mandate for reform of environmental administration. The five signatory groups to the Strategy were:

Royal Forest and Bird Protection Society of NZ
Federated Mountain Clubs of NZ
Native Forests Action Council
Environmental Defence Society
Environmental and Conservation Organisations of NZ

The Strategy's summary proposed:

⁴ The first sentence (in bold) appeared in the summary version of the Declaration which was signed by members of the public. The full paragraph was from the full text of the Declaration, which was printed on the back of the petition form.

1. *The replacement of the Commission for the Environment by a Ministry for the Environment with its own Act which would absorb environmental functions from several other Government Departments and would implement environmental policies in an integrated way.*
2. *The creation of a Nature Conservancy with responsibilities for the management of the Natural Lands of the Crown.*
3. *The establishment of a Forestry Commission to carry out commercial exotic forestry activities in a businesslike and profitable manner.*
4. *The strengthening of the independent public interest and advisory roles of the Nature Conservation Council and Environmental Council.*
5. *The creation of an Officer of Parliament similar to the Ombudsman to have responsibility for auditing Environmental Impact Reports.*

This document was then used as a basis for lobbying of the then Opposition Labour Party.

Labour Party's 1984 Election Policy on Environment

The influence of the NGOs' 1982 strategy document was evident in speeches given by Labour's Environment spokesman Dr Michael Cullen on 21 June and 3 August 1983. When Labour's election policy was announced, it envisaged a single Ministry for the Environment with two divisions, for planning and nature conservation:

Labour will:

*(a) Establish a Ministry for the Environment which will operate through two divisions:
(i) Planning and (ii) Nature Conservation;*

(b) Give the Commission for the Environment statutory independence. The Commission will report to Parliament and be responsible for producing environmental impact audits.

While the policy did not mention explicitly any changes to existing departments, environmental interests were reassured by Dr Cullen's address to the Native Forests Action Council in which he said that the Ministry:

...would incorporate within it a number of existing divisions of other departments – most notably those relating to wildlife, water and soil conservation, native forests, national parks and reserves, other forms of reserves, and environmental health.⁵

Accordingly, the five environmental groups decided to support Labour's vision of a single Ministry with two divisions as the best way forward.

Events following the 1984 election

A Labour Government was elected in July 1984 and shortly announced that an Environment Forum would be convened at Parliament in March 1985 to discuss the implementation of Labour's election environmental policy. However, in November 1984 public submissions were invited on

⁵ Dr Michael Cullen, Speech to the Nelson Native Forests Action Council, 21 June 1983

Environmental Administration in New Zealand: A Discussion Paper. This paper, drafted by officials, opposed the idea of restructuring existing departments as a way of creating the proposed new Ministry for the Environment. Further, it opposed the idea that the Ministry should have substantial responsibilities for nature conservation: "We do not see such responsibilities being an appropriate function of the new Ministry... It is of relevance that there is a very strong consensus among the officials in support of this view." The officials position was further underlined by Dr Mervyn Probine, chairman of the State Services Commission, who told the Evening Post on 3 October 1984 that the new Ministry would employ "about the same number of people" as the existing, small Commission for the Environment.

The five environmental groups who had published the 1982 Strategy, with the addition of Greenpeace to form "The Group of Six," responded in January 1985 with a 23-page publication of their own entitled *Environmental Administration in New Zealand: An Alternative Discussion Paper*. This was accompanied by a colourful illustrated pamphlet entitled *Hey Mr Lange – Don't let the bureaucrats hijack your environment policy* which was distributed to thousands of members of the six environmental organisations. It sought to popularise the abstract concepts of environmental administration and to mobilise public support for reform.

Among the statements in this pamphlet were the following:

Each big agency has its environmental people – but they don't get a lot of say in what happens. They're just a little green dot inside each big bureaucracy.

We need good environmental scientists and planners able to spend time, produce competent work and advocate it effectively to the highest levels of government. It's hard for this to happen under the little green dots system.

In the little green dots, there are no real pathways to the top of the bureaucracy for your ideas, your influence and your career. The top jobs are dominated by people who think quite differently... Down in the green dots, horizons are limited and morale is low.

The result is that the whole government system lacks the effective, creative environmental inputs that it should have.

The way out of this deadlock is to move the "green" professionals into a department of their own, with their own channel of influence to the highest levels of government.

The environmental input into government decisions... would be brought into the open... so that citizens, and our elected political leaders, could see what was happening and could consider the different viewpoints.

The other main theme of the pamphlet was that not just the green dots in terms of personnel, but also the land administered for "green" purposes, should be brought into the new Ministry. The pamphlet concluded by noting that Labour's policy for the new Ministry for the Environment originally promised two divisions – planning and nature conservation – and said: "We need them both."

The overall effect of these two documents was that the environmental NGOs were able to set the agenda ahead of the Environment Forum which the new Government convened at Parliament on 7-9 March 1985. The NGOs also had a series of meetings with a number of sectoral leaders and politicians during the run-up to the Forum.

Environment Forum at Parliament

This widely-representative gathering was convened at Parliament on 7-9 March 1985 and opened by the Acting Prime Minister, Geoffrey Palmer. It comprised over 150 participants, including five Ministers, with 50 officials in attendance as observers. A series of discussion groups and plenary sessions served to distill views and helped to build a considerable degree of consensus and momentum behind the Government's environmental administration agenda. However, while there was broad support for some kind of nature conservation agency, the questions of what lands it should be responsible for, where it should be located in the new structure of environmental administration, were left open.

Report of the Working Party on Environmental Administration in New Zealand

In an unusual set-up for the time, the Working Party established to continue the work of the Forum comprised five officials and seven non-governmental representatives⁶ (backgrounds of the latter as noted in brackets are mine):

Simon Arnold, State Services Commission (chair)
Bing Lucas, Director-General, Department of Lands and Survey
Michael Moriarty, Treasury
Ken Piddington, Commissioner for the Environment
Tony Town, Director of Town & Country Planning, Ministry of Works and Development

George Cunningham (mining)
Sian Elias (law)
Ann Graeme (environmental)
Bob Priest (catchment authorities)
Prof Jim Ritchie (Maori Studies, University of Waikato)
Guy Salmon (environmental)
Aila Taylor (Te Atiawa)

Under "Terms of Reference" the following is recorded:

The Working Party was formally a sub-group of the interdepartmental committee set up by the Cabinet Policy Committee under SSC chairmanship in November last year to examine the policy and machinery matters arising from the Labour Party's pre-election policy statement on environmental administration, the discussion paper and the public response in the form of the submissions and the Environmental Forum; the implications in terms of costs, timing and likely comparative effectiveness of the proposed options and any alternative; and to recommend the appropriate functions for a Ministry for the Environment and the scope of legislative changes required.

The executive summary of the report singles out five principles which guided the deliberations of the working party:

1. The ethical shift from the historic emphasis on development to the integration of conservation and development and protection for the nation's heritage should be reflected in the new system of environmental administration.

⁶ Environment 1986. Report of the Post-Environment Forum Working Party. State Services Commission June 1985

2. Public perceptions of conflicts and inconsistencies in the roles and functions of existing Government agencies responsible for the planning and management of resources must be considered when rationalising those roles and functions.

3. Environmental administration cannot be based on rigid centralised directives. It relies on a set of broad principles; public processes whereby decisions on the use of allocation of resources are made with regard to their full value and the full implications of their use or allocation; informed, aware and responsible decision-makers at all levels; and adequate policy as well as simple economic and protective mechanisms.

4. The Maori environment, and the relationship of Maori to it, deserve special recognition.

5. The process whereby the Crown or delegated authorities plan or allocate resources must be broadened, to allow all the interested public to participate, streamlined to remove complexities and difficulties to the extent possible, and better aimed at building consensus rather than producing adversarial confrontation.

Part of the focus of the Working Party was on the creation of the Ministry for the Environment and Parliamentary Commissioner for the Environment, aspects which are not relevant to the current report.

In addition, the Working Party recommended the establishment of a department called Heritage New Zealand which would draw together the conservation-oriented activities of the Department of Lands and Survey and NZ Forest Service, together with the Wildlife Service and Historic Places Trust from Internal Affairs, marine reserves from MAF, wild and scenic rivers from the Ministry of Works and Development, and the management of the foreshore and seabed from the Ministry of Transport. It would act as "the focus and champion" of conservation interests. It would also include the survey, mapping and land information services of the Department of Lands and Survey. Associated with the new department would be two quangos, a National Parks and Nature Conservation Commission focused on protected areas, and a Crown Estate Commission. The latter would advise on resource use and preservation of the uncommitted parts of the Crown estate.

The recommended mission for Heritage New Zealand was:

To promote the conservation of the nation's natural and historic heritage; to manage protected areas and other parts of the Crown estate for which no end use has been determined or which are leased; and to provide and maintain integrated systems of survey, mapping and land information to meet overall Government needs.

There were recommended sub-missions for protection, stewardship, survey and land information, corporate services, and research. The sub-mission for Stewardship read as follows:

To manage public lands for which no end use has been determined, including those where resource use is permitted, to conserve their ecological and other values, and as appropriate advise on their end use; and to administer Crown leases and allied public land.

The working party also made recommendations on the establishment of commercial agencies for lands and forests, on a Ministry for the Environment, and on a Parliamentary Commissioner for the Environment.

Events following the Report of the Working Party on Environmental Administration

The Treasury, albeit represented on the Working Party, subsequently wrote a submission to the Minister of Finance, proposing certain changes to its recommendations.⁷

Treasury supports the broad thrust of the working party's proposals to establish Heritage New Zealand to group the conservation, recreation and other non-commercial resource management activities currently spread through a number of departments with multi-purpose roles. Not only will this provide clear focus for conservation issues but it will also contribute significantly to clarifying the objectives of other agencies that will give up their presently conflicting roles. However, we are concerned that some aspects of the working party's proposals are themselves inconsistent with the overall direction of separating conflicting development and conservation objectives... We are also concerned that while the proposals provide a satisfactory starting point for the division of Crown lands between preservation and development, the proposals do not allow for future changes of use as community values, knowledge and technologies change. (para 13)

Developing this line of thinking, the Treasury recommended the creation of a Department of Survey and Land Information separate from Heritage NZ, and also recommended that leasehold land should be administered not by Heritage NZ but by the Land Corporation:

We do not consider that land leased by the Crown should be held by the stewardship function. Such land is leased principally to provide an economic return to its owner, consistent with any conditions on its use (environmental or otherwise) contained within the lease. It is critical that this return is obtained in the most effective manner possible, since leased Crown land comprises about 25 percent of New Zealand's total land area, and so has major importance for the New Zealand economy as a whole. As we have argued elsewhere this effectiveness is best achieved by subjecting the Crown lands managers to commercial disciplines... In addition, administration of leasehold land would introduce a conflicting commercial objective for the conservation-oriented department. (para 17)

The Treasury noted that land held in the stewardship function will ultimately be allocated either for protection or for development; and it placed great emphasis on the careful consideration of future uses of land placed within this category. It saw the role of the proposed Crown Estate Commission as "critical" because of the financial implications of using large areas of land for either conservation or development, and urged that the Commission should be independently serviced by a secretariat with technical and investigating capabilities. Further, the Commission's recommendations should be made jointly to the Ministers responsible for Heritage NZ and the Land Corporation.

After receiving the report of the Working Party on Environmental Administration, and departmental reports including the Treasury report, the Cabinet accepted the recommendations to establish a Ministry for the Environment and a Parliamentary Commissioner for the Environment, but decided to allow a further two months for further public consultation on the proposal for a Nature Conservancy or Heritage agency.⁸

While the Cabinet's June decision achieved the environmental groups' objective of creating a Ministry for the Environment, it also made clear that there were substantial political difficulties in

⁷ T M Berthold for The Treasury, *Report of the Working Party on Environmental Administration in New Zealand: The Proposed Ministry for the Environment and the Proposal to Establish a New Natural Resource Management Department (Heritage New Zealand)* T62/62 31 May 1985

⁸ Rt Hon David Lange, Press Statement: Government Decisions on Environment Administration 18 June 1985

the way of achieving a nature conservancy. In particular, the voice of those who wanted to maintain a single Forest Service covering both commercial and non-commercial forests appeared to be gaining influence within the Government; this position was supported by the so-called Top Tier group of Federated Farmers, Employers' and Manufacturers' Federations, as well as by the Public Service Association, the timber and mining industries and their unions, and local government interests. A national forum was convened by the Forests and Lands Minister, Hon Koro Wetere, at which 50 of 61 groups associated with his two portfolios rejected the idea of a separate nature conservation agency.⁹ At a series of 22 regional meetings the Minister for the Environment reportedly "learned the depth of opposition to the heritage concept."¹⁰ The Forest Service produced a competing proposal under which both itself and Lands & Survey would continue to manage both commercial and non-commercial landholdings, but with greater internal separation, and would rely on the proposed Crown Estates Commission to advise on land allocation between conservation and production.¹¹ This was later expanded into a joint position with the Lands and Survey Department.¹² Responding to this the Environment Minister, Russell Marshall, indicated the chances of the nature conservancy proposal going ahead were 50-50,¹³ and later suggested that some kind of nature conservancy body might be established in Wellington only, leaving the existing regional and local structures intact.¹⁴

Foreseeing the risk that the political momentum for its Nature Conservancy proposal might be lost, the Native Forests Action Council focused on building support on the Cabinet's political Right, especially with Hon Richard Prebble who had earlier been Labour's environment spokesman, and on working with his advisers in the Treasury. At a public seminar in Wellington on 3 August 1985 NFAC presented papers examining the economic and environmental performance of the Forest Service. The economic paper in particular¹⁵ created a lot of interest amongst politicians, policymakers and the news media. Major points from the paper were:

- Forest Service accounts purport to show surpluses but these arise because no interest is charged on capital employed
- The actual rate of return on capital employed was low, between 2 and 3 percent
- Cash flows from the business by 1984 had fallen short of 1981 estimates by \$614 million and large annual losses were forecast as trees already planted were harvested
- This situation was arising because growing costs on marginal land in many regions were exceeding the export price of logs
- The decision-making structure of the Forest Service had provided a framework for both economic and environmental decline. Many of the department's environmentally unacceptable activities, especially those involving native forests and marginal lands, are also economically unjustifiable.

The paper concluded by stating:

The problem revealed therefore is not so much the cliché dilemma of balancing conservation against development. Rather the problem is one of separating the decision-making

⁹ TV One News 16 August 1985

¹⁰ "Environmental Battle Turns Into a Paper War" *NZ Herald* 15 August 1985

¹¹ "Forest Service suggests three different functions" *The Press* 6 July 1985

¹² "Alternative Plan to Heritage NZ" *NZ Herald* 17 August 1985

¹³ "More Jobs, More Local Say With New Department" *Greymouth Evening Star* 19 July 1985

¹⁴ "Heritage Plan May Be Diluted" *NZ Herald* 29 July 1985

¹⁵ P S Grant, *The Structure of the Forest Service and its Economic Performance*. Native Forests Action Council, Nelson 1985.

structures for these two objectives so that greater accountability and effectiveness can be achieved in the pursuit of each.

An allocation problem then emerges in deciding on the best use of land at the margin between the two institutions. This needs to be dealt with by a more transparent and thorough review process than in the past, in order to avoid making more poor investments in the afforestation of marginal land.

A key point about this critique lies in its implication for stewardship land. While such land was held by the Forest Service, which had long been viewed by provincial elites as a key source of regional economic development, it tended to be used for uneconomic projects sought by regional interests. This was a feature of political economy across a range of government agencies under the Muldoon Government and earlier, argued the Joint Campaign on Native Forests:¹⁶

Government departments like the Ministry of Works and Development, Lands and Survey, Forest Service and State Mines have become major channels for the diversion of taxpayer funds into uneconomic, pork barrel resource projects in the regions. The real obstacles to growth lie in the attitudes of those who believe that land and resources should be developed regardless of the cost... There is a constituency of natural resource developers who depend for their wealth on State-subsidised developments obtained by political pressure. These people are the beneficiaries of cut-rate royalties and subsidies for resource exploitation, and of pork barrel contracts handed out by the loss-making State trading enterprises.

Mr Prebble saw a key opportunity here to drive forward the establishment of State-Owned Enterprises through an alliance with environmental interests. On 16 September 1985, the Cabinet agreed:¹⁷

(i) That a separate Department of Conservation having the following responsibilities should be established:

- National parks
- Reserves and protected natural areas
- Protected indigenous forests
- Protected inland waters
- Wild and scenic rivers
- Wildlife
- Historic places
- Forest parks and other multiple use State forestry areas not used for wood production
- Some aspects of foreshores and coastal waters
- Unalienated Crown land;

(ii) That the following separate agencies should be established:

- A Land Development and Management Corporation, having responsibility for land development by the Crown and and Crown leasehold land;
- A commercial forestry corporation
- An office of Survey and Land Information.

¹⁶ Guy Salmon address in the Ngaio Lecture Series, reported in "Conservation movement's political influence" The Press 4 September 1985.

¹⁷ Cabinet Minute CM 85/34/13

An Ad Hoc Ministerial Committee was established to oversee the detailed implementation and phasing of the changes involved, comprising the Minister of State Services (Hon Stan Rodger), Minister for the Environment (Hon Russell Marshall), and the Minister of Lands and Forests (Hon Koro Wetere).

The Treasury's recommendations were adopted in part:

- A separate agency for Survey and Land Information was agreed to;
- Crown leasehold land was not allocated to the conservation agency as recommended by the Working Party, but was allocated to Landcorp as recommended by the Treasury;
- However, the Cabinet minute contained no explicit reference to stewardship land, and did not establish the recommended Crown Estate Commission to make decisions on the future use of such land.

The decision to allocate Crown pastoral leasehold land to the profit-making Land Development and Management Corporation continued to be controversial with the conservation movement, which eventually succeeded in getting it moved to a more 'neutral' agency, the Office of Survey and Land Information (now Land Information New Zealand). The Cabinet's decision not to place Crown pastoral lease land with the Department of Conservation (DOC) did, however, reflect the principled view that large areas of land being used for commercial purposes did not belong within DOC.

An important aspect of the reaction to these decisions, and of the debate throughout 1985, was that the opposition National Party refrained from supporting those provincial and business interests who had sought to retain the old agencies. As the NZ Herald's political reporter noted:

The former Minister of Energy and National Development, the Hon Bill Birch, declined an invitation to criticise the measures, while the National Party environment spokesperson, Mr Simon Upton, actually attacked them on the grounds that they had not gone far enough.¹⁸

Public debate following the Cabinet decision to create a Department of Conservation

The Ad Hoc Ministerial Committee continued work to define more precisely the roles and functions of the proposed Department. In a detailed press statement in November 1985 its chairman, Hon Stan Rodger, announced a series of decisions. In defining DOC's role, the statement confirmed that the stewardship function, although not mentioned as such, had not been lost sight of:

The promotion of conservation values in the management of New Zealand's natural resources and historic places together with the application of these values to the management of the protected and other resources entrusted to it. This role clearly embodies the advocacy role for conservation and protection as well as management of a wide range of resources for which it will be responsible to ensure, among other things, that future values and uses are not prejudiced.

The listed activities of the new department were to include:

Consistent with the principles of conservation and any legal protective status, to manage for productive purposes, the resources vested in the department.

¹⁸ Russell Hill, "Political Pendulum Swings To Environment" *NZ Herald* 21 September 1985

However the statement did not define what “the principles of conservation” were, and it appeared to provide for the department to manage for productive purposes any land not actually given legally protected status. This provision gave rise to a long-running public argument between the conservation movement and the Ministers and officials responsible for the reform, which was not resolved prior to the Conservation Bill being introduced to Parliament, nor for some months after.

Following growing public criticism of the Government’s apparent intentions,¹⁹ the Parliamentary Undersecretary for the Environment, Philip Woollaston, suggested in a speech to Forest and Bird’s annual meeting that the Department of Conservation would not itself conduct any logging, but said: “It is my view that the department’s stewardship role in respect of non-commercial values should clearly apply to sustained yield indigenous State forests... the underlying tenure and responsibility for the public’s rights [would] remain with the department while vesting the commercial rights in another agency.”²⁰ This proposal appeared similar to the existing situation in which the Forest Service had responsibility for the land and for consultation of the public, while commercial contractors commonly undertook the actual logging. Conservationists feared that this would change the culture of the new department. In any event, Mr Woollaston’s proposal was rejected by a resolution of the Forest and Bird annual meeting the same day, with the incoming president, Dr Alan Mark, saying that “areas of native forest zoned for sustained yield management should be allotted to the Forestry Corporation with appropriate conditions.”²¹ Mr Woollaston was insistent however in worrying that the “profit-making” Forestry Corporation “would not look after the forests as well as DOC, which would have a conservation ethic.”²²

On 9 June 1986 the Joint Campaign on Native Forests²³ wrote to the Government expressing concern that the Government’s draft Bill was based on a definition of “conservation” that was “based on the concept of sustained use, which would be more appropriate for MAF or the Forestry Corporation.” The Joint Campaign saw three functions for the new department - protection, preservation and stewardship – and proposed definitions for each of these. The issue of stewardship lands was also prominent at this time. In a detailed article about the concept in Forest and Bird magazine, NFAC president Gwenny Davis lamented that:²⁴

The original intention to promote stewardship has been eaten away by officials within the government. When the legislation establishing the Department of Conservation is introduced into Parliament... it seems likely that the concept of stewardship will have disappeared entirely.

She made clear the high priority which the conservation movement placed on the concept:

To draw a line around the “stewardship lands” and safeguard them from piecemeal encroachment and development was the most important idea behind the environmental re-organisation. It was a major departure from the frontier policies of the existing departments

¹⁹ See for example, Tim Pankhurst, “Conservationists get logging job” *NZ Times* 27 April 1986; Suzanne Green, “New bodies ‘lost mission’” *Evening Post* 19 May 1986; “Upton has fears for forests” *Waikato Times* 31 May 1986; Professor John Morton, “Conservation Department was ‘Hijacked at Birth’” *NZ Herald* 4 July 1986

²⁰ “Woollaston issues warning on environment” *Nelson Evening Mail* 23 June 1986

²¹ “Key questions put on conservation” *Nelson Evening Mail* 23 June 1986

²² Nikitin Sallee, “Backing off in the name of consensus” *National Business Review* 25 July 1986

²³ The Joint Campaign on Native Forests was a coalition comprising Native Forests Action Council, Royal Forest and Bird Protection Society, Federated Mountain Clubs, and Environment and Conservation Organisations (ECO).

²⁴ Gwenny Davis, “Stewardship – an idea whose time has come” *Forest and Bird*, May 1986 pp 34-36

of Forest Service and Lands and Survey, which recognised only two land uses, preservation and production, and zoned for the latter whenever possible.

The article concluded with the following statement:

It is the stewardship role that must be recognised among the central purposes of the statute, if our public land allocation decisions are to be orderly and transparent, and are not to become once again the private affair of powerful departmental resource managers. Most important of all, a stewardship role would formally recognise that not all our land allocation decisions need to be made or biased right now, using only the limited information and technologies we presently have and the values of the present generation of power holders.

Stewardship is a mark of respect for generations to come, and a reserving of certain powers of decision to them.

It was unclear why there was resistance to focused definitions around the purposes of the department, and a corresponding reluctance to clearly define stewardship areas and restrict land uses on these areas. One factor appeared to be a degree of resentment by officials at statutory constraints on their freedom to manage land. An argument deployed at the political level, was the threat that unless the new department could show it was producing something from the land, there would be pressure from the Treasury for it to be sold off. This argument did not sway the conservation movement, since in the medium term at least, most stewardship lands seemed to be threatened not so much by their potential attractiveness for purchase by commercial businesses, but rather by continuing political pressure at the regional level to provide employment in uneconomic resource exploitation activities.

In October, Peter McKelvey, a retired professor of forestry, mounted a detailed public case for giving DOC “the discretionary authority to manage [certain native forests] for the sustained yield of timber.”²⁵ His concern was that substantial areas of “merchantable” native forests were headed for an “administrative limbo,” with the Forestry Corporation’s establishment board not wanting to take them, DOC not being allowed to continue to harvest them, and a threat he perceived that Treasury would “liquidate” them and use the revenue to help fund the conservation department. In a response to McKelvey, NFAC’s Guy Salmon relied strongly on the concept of stewardship “as a new legal category” within DOC:²⁶

In general, these are lands where no economically and environmentally sound development proposals exist. The land is to be retained in its existing state for the time being, leaving options open for the future. Consistent with that, the attrition of remote natural areas by piecemeal developments, such as the forest service’s controversial burnoffs behind Karamea, will be prevented. Statutory provision will exist for land to be removed from stewardship, either for commercial production (by another agency) or for permanent preservation. In either case a public process will be required, with opportunities for objection, so that the decision is a deliberate and well-considered one...

The reformed setup that confines production by requiring it to be commercially profitable, and empowers only preservation and stewardship functions over the rest of the native

²⁵ Peter McKelvey, “Avoiding state forestry’s oversimplification trap” *National Business Review* 24 October 1986

²⁶ Guy Salmon, “A balance between conservation and wood production,” *National Business Review* 5 December 1986

forests, is therefore a major step forward from the viewpoint of both environmental and economic considerations.

How Treasury carried forward the debate within the Government

By mid-1986, it had become obvious to the conservation movement that no progress could be made on these matters with conservation officials and their Ministers. Accordingly, conservationists again worked behind the scenes with the Treasury, this time in a bid to get greater clarity around the new department's intended functions. Within the bureaucracy, the issue then developed as a struggle between conservation officials and the Treasury over competing visions for the new department.

On 16 June 1986, in a report on the draft Conservation Bill, the Treasury recommended that the Bill "should be altered to clearly represent the three distinct roles of the proposed Department of Conservation; these being the preservation, protection and stewardship of certain Crown resources..." The Treasury amplified its conception of the stewardship function as follows:²⁷

Stewardship

The third role of DOC is for it to operate as a "land bank", so that areas which cannot necessarily be justified for reserve status and which are perceived as having production potential are in the meantime managed for protection. Stewardship should be seen to be broad enough to accommodate external commercial pressures (such as the passage of a gas pipeline across a beach), but once an area is managed primarily for commercial purposes which substantially alters the nature of the area, it should be removed from the management of DOC.

On 17 June 1986 the Cabinet Policy Committee adopted revised policy decisions closely reflecting the Treasury recommendations. These included a series of tight and focused definitions for "conservation," "preservation," "protection" and "stewardship," together with more restricted powers regarding what the Minister could do with stewardship areas. However by 27 November 1986 the Treasury was concerned that these instructions were not being followed in the drafting of the Bill:²⁸

The latest draft of the Bill fails to define any coherent goal for the department, and key definitions are so vague and generalised (for example "conservation") that the mission could apply equally to any land use department.... The new definition reduces "conservation" to a vague concept involving the sustainable utilisation of any resource... We have considerable difficulty with... the far-reaching changes made to the central functions of preservation (now removed as a distinct function from the Bill), protection (redefined) and stewardship (now undefined).

In a briefing note to its Minister, the Treasury noted that 11 of 17 departments commenting on the Bill had specifically commented adversely on the key definitions. Notwithstanding this, the Cabinet Legislation Committee approved the Bill on 4 December 1986. In a further report the following day, the Treasury recommended that the full Cabinet rectify the situation:²⁹

It is crucial that a clear legislative statement be made about the Department's role because confusion has persisted as to whether the appropriate model is as a conservancy of natural

²⁷ Treasury Report 7031

²⁸ Treasury Report 9064

²⁹ Treasury Report 9134

and historic resources or as a department of sustainable resource use. The first draft Bill prepared by Department of Conservation officials tended toward the second model which envisaged the Department using (according to conservation principles), selected parts of the Crown's estate for production... Cabinet subsequently amended the draft Bill to ensure the focus of the Department was on the preservation, protection and stewardship of resources... We are concerned that the redrafted Conservation Bill strays away from the Cabinet model and back towards the ill-defined department of sustainable resource use. This would allow the Department to act as a multiple objective department in a similar way to its predecessors, the Department of Lands and Survey and the Forest Service. As drafted presently, the Bill would appear to place forestry or farming activities within the ambit of the Department.

Very similar concerns were expressed by the conservation movement after seeing a draft of the Bill. In a letter faxed on 1 December 1986 to Mr Woollaston, Parliamentary Under-Secretary for Conservation, the Native Forests Action Council again called for reinstatement of tight definitions, including for stewardship land, and the specification of clear objects for the Bill.

While the Cabinet finally agreed that a definition of "stewardship" should be reinstated to the Bill, the other major definitional and directional issues were unresolved when the Bill was introduced to Parliament on 12 December 1986, leading to a negative reaction from the conservation movement. The debate over the Conservation Bill is discussed further below. In the meantime however, the land allocation process on the West Coast had picked up the idea of "stewardship areas," with large areas of land being allocated to the category, as discussed in the next section.

West Coast Forests Working Party

Following the decision to establish a Department of Conservation, the land held by the NZ Forest Service and Department of Lands and Survey had to be divided up between the new DOC and its new, commercially-oriented counterparts, the Forestry Corporation and Landcorp. The most contentious area was tackled first, namely the West Coast. On the recommendation of Andy Kirkland, the outgoing Director-General of the NZ Forest Service, it was decided to attempt a consensus-building process for this purpose. The new chief executive of the Ministry for the Environment, Dr Roger Blakeley, was mandated to implement this, with a brief from Cabinet seeking advice on "the area of land to be set aside for the maintenance of a viable exotic and indigenous sawmilling industry on the West Coast, a small-scale sustained yield beech scheme, and appropriate reserves, taking into account the environmental, economic and social implications for the West Coast."³⁰ Stewardship land was not mentioned.

A meeting of all interested parties subsequently elected a West Coasts Forests Working Party, chaired by Dr Blakeley, to find a solution and report back. The Working Party developed a discussion document with three options. After receiving more than 3,500 public submissions, and further deliberations, the Working Party achieved a consensus amongst its members, which included representatives of the West Coast United Council, West Coast Timber Association, NZ Forest Service, Department of Conservation and Joint Campaign on Native Forests.

³⁰ Cabinet Policy Committee decision of 29 July 1986, acting under authority from Cabinet, and reported in West Coast Forests Working Party, *West Coast Forests: Integrating Conservation and Development. Final Report of the West Coast Forests Working Party*. Secretary for the Environment, Wellington, 31 October 1986.

The Working Party's strategy involved (a) establishing a network of reserves and national park additions; (b) allocating enough timber cutting areas to support the existing sawmilling industry at its current rate of cut until exotic timber plantings came on stream; (c) establishing a sustained yield beech scheme; (d) specific provisions for mining; and (e) allocating the balance of land to DOC to be held as stewardship areas. The relevant recommendation on the latter point read as follows:

*That all remaining State forest outside of reserves, protection zones, and production areas be classified as stewardship areas and be allocated to the Department of Conservation.*³¹

The timber cutting areas allocated to the Forestry Corporation (and later allocated again to Timberlands West Coast Ltd) comprised a mixture of exotic plantations and indigenous production forests. In the case of the exotic forests, small areas of non-productive indigenous cover adjoining or enclosed within exotic forests (such as riparian margins and gullies) were allocated to the Forestry Corporation.

In order to achieve agreement on the proposed national park and reserve additions, the Working Party was obliged to accept that *existing* mining operations within proposed new reserve areas would be allowed to continue. However, these were of minor extent within the proposed reserves and had relatively short lifetimes. In respect of proposed *new* mining areas, the only recommendation agreed by the Working Party was that the Pike River coal field development (an underground mine proposal) could proceed, on the basis that any surface developments or transport of coal within the proposed Paparoa National Park would be of low environmental impact, and subject to environmental assessment procedures. Consistent with the above strategy, the Working Party prepared maps of its recommended land allocation, and its recommendations were adopted in their entirety by Cabinet in November 1986.

West Coast Forests Accord

Arising from the acceptance by all parties of the land allocation recommended by the West Coast Forests Working Party, a legally binding agreement was drawn up and signed by the following parties:

Signatory:

Phil Goff
Athol McGeady
Guy Salmon
Alan Mark
Arnold Heine
Lionel Gillions
Roy Beadle

On behalf of:

The Crown Through The Minister for the Environment
West Coast United Council
Native Forests Action Council
Royal Forest and Bird Protection Society of NZ
Federated Mountain Clubs of NZ
West Coast Timber Association
Westland Timber Workers Union

The Accord had four main provisions:

- Allocating agreed areas for additional national parks, reserves and protection zones
- Allocating agreed production areas to the Forestry Corporation
- Allowing for the development of the Pike River coal field, and for existing mining operations
- Allocating the balance of land in the following terms:

³¹ West Coast Forests Working Party, p46

That all remaining State forest outside of reserves, protection zones, and production areas be classified as stewardship land and allocated to the proposed Department of Conservation.

Land allocation in the remainder of New Zealand

During the following year, a series of exercises allocated land to DOC and its commercial counterparts in the remaining areas of New Zealand. This was carried out by officials in consultation with conservation groups and others, using the same approach as developed by the West Coast Forests Accord Working Party, notably: (a) all national parks and reserves, regardless of their original statutory basis, were allocated to DOC; (b) exotic forests regarded as having future economic potential, together with small enclosed or adjoining areas in indigenous cover such as riparian strips, were allocated to the Forestry Corporation; (c) farmland, together with minor enclosed and adjoining indigenous areas, was allocated to Landcorp; (d) all other land was allocated to DOC as stewardship land; (e) mining operations were dealt with on an ad hoc basis outside this basic framework.

The Conservation Bill

This Bill, introduced on 12 December 1986, was produced by officials working to the Ad Hoc Ministerial Committee established in September 1985. Despite the prolonged gestation, the Bill's language reflected the failure to properly resolve the competing visions for the Department's mission described earlier, including the extent to which productive activities should be accommodated within the Department of Conservation. On its introduction, the Opposition conservation spokesman Simon Upton criticised the definition of "conservation," saying it did not mention anything about protecting and preserving the environment for its own sake; he was concerned that the Bill allowed continued commercial exploitation of many environmentally-sensitive areas which people had fought hard to save.³² The Joint Campaign on Native Forests said the Bill was weighted with baggage from the past – the same philosophies which provoked public opposition to the Forest Service, many of whose officials had been appointed to senior positions within DOC: "It is terribly important that these people make a new beginning, and the Bill is crucial because it can define what the community expects of them. The tragedy of this Bill is that it encourages ex-Forest Service staffers to continue their old ways and their old attitudes."³³

The February 1987 issue of *Bush Telegraph*, the publication of the Joint Campaign on Native Forests, provided an analysis of how the Bill had departed from the 17 June 1986 decisions of the Cabinet Policy Committee, referred to above, including:

- The replacement of a clear definition of "conservation" by an extremely vague one that was consistent with sustainable harvest of natural resources;
- The word "preservation" was replaced in the long title of the Bill by "public use... of resources;"
- The Minister was given a broad power to dispose of any natural resources, other than land, which he considered were not required for conservation purposes;
- The original requirement that conservation parks should be managed "to protect or preserve indigenous ecosystems" had been deleted, and replaced with a vague requirement that "inherent character is largely maintained."

³² "New department an advocate for conservation" *The Press* 17 December 1986

³³ "Bill not what conservationists had hoped for" *Nelson Evening Mail* 15 December 1986

These provisions appeared to reflect the vision expressed earlier by Mr Woollaston. However the Bill did now contain provisions for stewardship areas, and a definition of stewardship. Stewardship areas were recognised as a residual category of land which was not held for other specific purposes under the Act, while the definition of stewardship, in relation to a natural or historic resource, meant “the management of the resource in such a manner that its inherent character is largely unaltered.”

Following submissions, the Select Committee considering the Conservation Bill made extensive changes. On the one hand, a tighter and clearer definition of “conservation” was adopted:

conservation means the 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.

This was identical to the submissions of the Joint Campaign on Native Forests,³⁴ except that the words “and stewardship” after “protection” were dropped. On the other hand, and contrary to the submissions of the Joint Campaign, the concept of stewardship areas was effectively changed by the Select Committee to one of fully and permanently protected land, through three steps. First, the Bill’s definition of “stewardship” was dropped, leaving these areas without a clearly defined purpose, or any suggestion that they were being held only for the time being. Second, the management requirement was tightened: “Every stewardship area shall so be managed that its natural and historic resources are protected.” Third, the original concept that stewardship areas might be released for other purposes in future was strongly restricted, by a requirement that the Minister may not dispose of any stewardship land that is adjacent to other conservation land unless “satisfied that its retention and continued management as a stewardship area would not materially enhance the conservation or recreational values of the adjacent conservation area or land or, in the case of any marginal strip, of the adjacent water, or public access to it.” Public notification provisions apply and the Minister’s decision could then be reviewed in court.

A legal opinion subsequently provided to the Secretary for the Environment noted as follows:³⁵

The Act does not specifically define stewardship, or otherwise give a clear statement of the concept. The dictionary meaning, which matches the concept of stewardship as reflected in various ways in the common law, embodies the concept of holding property, both real and personal (sic), in trust for another and/or for some subsequent determination of its ultimate use. This notion of stewardship, as a form of trusteeship to maintain the status quo in the meantime, may have been what was contemplated in the conceptual stages of the Act i.e. as a mechanism to create a holding pen to allow time for detailed determination of ultimate use. That is not the concept or notion conveyed by the scheme of the Act...

Section 26(2) places an onus on the Minister in considering disposal to establish the conservation values or lack thereof of the stewardship area as a precondition to determining whether its retention and management as such would not “materially enhance” the conservation or recreational values of adjacent conservation areas etc. It is difficult to see how in many cases that onus could be discharged as much of the land in stewardship is so for the very reason that it has those values. Likewise such areas may be regarded as having an inherent locational value to adjacent conservation areas, as buffer zones.

³⁴ Joint Campaign on Native Forests, *Supplementary Submissions on Conservation Bill* 4 March 1987

³⁵ Neil Watson, Office Solicitor, Ministry for the Environment, “Stewardship Areas – Conservation Act 1987” File MEU 16/2, undated

In summary, the Act's notion of stewardship is not that of simply holding land in vacuo. Stewardship areas are a subset of conservation purposes, with the protection/preservation thrust inherent in that, as reflected in the onus to establish that such areas have little if any conservation values before they can be disposed of.

Subsequent changes and their effects

These are only briefly considered here. The Conservation Law Reform Act 1990 partially restored the original concept of stewardship land, by providing that such land could be exchanged for other land provided that the Minister was satisfied that the exchange would enhance the conservation values of land managed by the department and promote the purposes of the Act. However no public consultation is required for the exercise of this power, only a consultation of the local conservation board. Only a vague policy framework been developed for guiding such exchanges.

The 1990 legislation also introduced extensive management planning provisions under which policies and strategies were developed for the consideration of commercial activities that might conflict with conservation purposes, effectively following an effects-based framework similar to that of the Resource Management Act. This legislation, and subsequent enactments, also conferred on DOC a range of additional responsibilities which tended overall to create increased potential for conflicts between conservation and production values in the land and resources it manages, for example, marginal strips, freshwater fisheries, coastal and marine area management. These are areas in which multiple uses, including reclamations, jetties, outfalls and demands for clearance of riparian and mangrove forests, created stronger conflicts with conservation than normally arose in most stewardship land. In addition, throughout the period since the original enactment of the Conservation Act, access for mining and prospecting activities on conservation land (including stewardship land) has been considered outside its framework, initially under the Mining Act and since 1991, under the Crown Minerals Act.

The overall effect of all these provisions is to empower the management of land within the conservation estate for a considerable range of commercial purposes, albeit still a narrower range, in the case of stewardship land, than was enabled for such land under the former Forests and Lands Acts. As well, over the 25 years since the Conservation Act became law, there has been significant growth in tourism, telecommunications, mining and coastal developments, all placing greater commercial pressure on conservation land generally. The upshot is that the policy framework for resolving these matters appears increasingly inadequate to the task.

As well, and despite the growth of commercial pressures, stewardship land has not been systematically reviewed to establish whether parts of it should be formally reserved for the purposes of permanently preserving its specific values. At the same time, the distinction between stewardship land and reserve land has been further blurred by the designation as formal reserves of areas of logged-over, former Timberlands forests, which had previously been described as degraded. It is likely that some areas thereby designated as reserve land would better be classified as stewardship land.

The future of stewardship land

In public discourse and practice over stewardship land issues, two contrasting approaches can be discerned. The first approach involves a defensive emphasis on protecting the intrinsic values of all stewardship land as though it were formally reserve or national park land; but of course the law still requires concession and mining applications to be considered. Decision-making then becomes something of a black box, often driven by political considerations.

The second approach continues to recognise a single conservation objective for management, but would implement it more flexibly. It would address applications for concessions and mining applications by seeking to negotiate a transparent, overall net gain for conservation. Depending on the policy framework, this gain may lie in provision of alternative land or resources, or new conservation services. The power to say 'no' is integral to such a negotiation, but the net conservation gain approach also requires flexibility, transparency and accountability around achievement of the conservation objective. This approach requires an adequate policy framework, and adequate data on conservation values.

The former approach has become embedded to some degree in the Conservation Act, and in departmental culture and practice. Nonetheless, in reality departmental officers have felt obliged to issue many concessions and mining access arrangements; and seeking evidence of a net conservation gain has increasingly become a factor in their consideration of cases.

For proponents of an explicit, net conservation gain approach, the challenge is to develop a coherent and principled policy and governance framework for the management of stewardship land and its resources, which could credibly advance conservation values in a flexible way.

Meanwhile, much of the focus of New Zealand's conservation efforts has shifted toward habitats in the lowlands, and in coastal and marine environments, which are increasingly recognised for their importance for biodiversity but are often in private ownership. Sometimes such sites are more valuable to protect than areas which are already within the public conservation estate. Related trends are increased interest in the restoration of diminished habitats, and in various exchange concepts such as net conservation benefit, biodiversity offsetting and environmental compensation.

These exchange concepts are potentially useful to consider in future, in the context of both existing stewardship lands, and equivalent lands in the coastal marine area. The concepts are consistent with the original vision for stewardship areas as described in this paper, which focused on protecting future options on the land. However, they raise a series of policy challenges, especially around governance aspects, including:

- How to measure, compare and prioritise conservation values associated with land and/or resources in a manner that is widely acceptable
- How to ensure that stewardship land is appropriately classified as such, including whether some existing stewardship land ought really to be removed to a specially protected category
- How to establish a secure baseline of funding for DOC rolling forward, so that asset exchanges or environmental compensation arrangements with the private sector do not become a substitute for pre-existing public funding
- How to make decision-makers accountable, to whom, and against what criteria.

There is currently a focus on simplifying decision-making processes for resource management, including proposals for merging processes under the Conservation Act and Resource Management Act. Such proposals would appear to blur the different roles and responsibilities of landholder and regulator, and as a result, would hamper conservation exchange negotiations and attenuate the accountability of Conservation Act decision-makers for conservation outcomes. Before going down this path, it would seem important to take a closer look at the potential for dealing with development pressures through exchange mechanisms.

The concept of holding stewardship lands in trust for future generations has served New Zealand well for a quarter of a century. Today, as needs and pressures evolve and become more complex,

there is a need to take a step further and better define how stewardship land (and its equivalent in the coastal marine area) might be managed in a more flexible, transparent and accountable way to advance conservation goals overall.