South Island High Country

Our vision
Kiwis value clean air, clean water, open spaces and our remarkable natural landscapes. The South Island high country has all of these values.

The Crown currently owns about 1.5 million hectares of pastoral lease land in the high country, on behalf of all New Zealanders. Pastoral leases are perpetual and cover some of our most treasured and iconic landscapes. This land comprises mountainous terrain, high country lakes, tussock grassland, and large water catchments.

Historically, farmers have run sheep and other stock on pastoral leases. In more recent years, there has been some diversification into economic activity that may be more profitable (e.g. tourism, game parks), or into lifestyle purposes. The tenure review process has allowed farmers to give up land with high conservation values, in exchange for freeholding land more suited to farming (including more intensive than pastoralism) or other activities.

Large areas of former pastoral lease land have been added to the public conservation estate through tenure review. This has preserved natural values and made this land accessible to ordinary Kiwis. There have also been direct Crown purchases. These include the largest pastoral lease – the magnificent 78,000 hectare St James station – purchased in 2008.

There are now 11 conservation parks in the South Island high country. These were all created through the actions of the last Labour government. Economic benefits result from these parks and other new conservation land. Local communities see increased visitor numbers. Protected tussock grasslands provide valuable water retention for urban water supply, irrigation and power generation.

Labour believes the benefits of tenure review have now been substantially achieved, and that the process has run its course. Inappropriate intensification of land use in the high country can be directly protected by Crown pastoral leases. These should be retained, while high country farming that is environmentally sustainable and economically viable should be encouraged.

Labour will therefore stop the tenure review process. Additional pastoral lease land required for the conservation estate will be acquired by direct purchase instead.

The ‘drylands’ nature of the Mackenzie basin is changing due to increasing dairying pressure and irrigation. Labour is committed to protecting low-altitude habitats and landscapes in the basin. Labour proposes a 50% expansion of Aoraki/Mt Cook National Park, and will also explore the creation of a low-altitude ‘drylands’ conservation park.

Labour believes that high country pastoral rents should be fair and reasonable for lessees while the Crown, on behalf of the public, obtains a fair financial return on this land. Labour will address affordability in cases where farmers cannot afford the rent.
Future of tenure review

About 30% of the original 2.1 million hectares of Crown pastoral lease land has now been freeholded or added to the conservation estate. Of the original 303 pastoral leases, 212 remain. Just over half of these are in tenure review, and the remainder not.

Tenure review has been running for over a decade. Labour strengthened and improved the process so that highly desirable landscape, such as lakefront, was protected against inappropriate development. National has removed these protections and is freeholding land that should have become public conservation land. This could forever change the face of this land.

In any case, Labour believes that the benefits of tenure review have now been substantially achieved. The core of a network of high country parks is in place. Tenure review has been completed for properties that would more obviously benefit from it. The cost of the tenure review process is no longer justified. The process has run its course.

There are rising concerns about inappropriate intensification of land use in the high country. While land is in pastoral lease, the uses to which it can be put are basically limited to low intensity pastoralism. The Crown as owner can directly protect landscape values and limit environmental impacts. Relying on the Resource Management Act to do so once land has been freeholded is, in practice, problematic.

Labour believes that pastoral leases should be retained. High country farming that is environmentally sustainable and economically viable should be encouraged.

Labour believes that most of the 212 remaining pastoral leases should remain as such indefinitely. The focus will shift to how best to manage them. High country farming that is environmentally sustainable and economically viable will be encouraged.

Labour will therefore stop the tenure review process. Additional pastoral lease land required for the conservation estate (for example, completing high country parks) will be acquired by direct purchase instead.

Labour will stop tenure review; and will acquire land required to complete the high country parks network by direct purchase.
Mackenzie basin

“Greening” of lower altitude tussock landscapes is occurring in parts of the Mackenzie basin, and increasing dairying pressure and irrigation is raising water extraction and quality issues. The drylands character of the basin is changing. Labour is committed to protecting low-altitude habitats and landscapes in the Mackenzie basin.

Labour’s policy of stopping tenure review will provide an opportunity for forward thinking on the future of the basin.

Labour wants to see the current collaborative community and stakeholder process continue in the Mackenzie basin. However, we will make clear that this is a unique part of New Zealand – and that there are some fundamental conservation principles to be included in any plan for protection, management and development of the Mackenzie basin.

Labour will promote a collaborative process to agree a plan for protection, management and development of the Mackenzie basin.

Labour will protect the Mackenzie basin from inappropriate water use and irrigation.

Aoraki/Mt Cook National Park overlooks the Mackenzie basin. The Park is a world heritage area in recognition of its outstanding natural values. Land to the southeast is also of national park quality, and adding this to the Park would expand its size by 50%. The addition would come from existing conservation land, including lower altitude land provided by finalised tenure reviews.

Labour will ask the New Zealand Conservation Authority to formally investigate making an addition to the southeast of Aoraki/Mt Cook National Park.

Further south – and to the east of Lake Pukaki – there is scope also for the creation of a low-altitude ‘drylands’ conservation park.

Labour will explore the creation of a drylands conservation park in the Mackenzie basin.

Enhancing public access

Public access between privately-held blocks of land in the high country and existing or new public conservation land is often unclear. This can prevent people enjoying the full range of walking experiences our natural landscape has to offer.

Labour will identify public rights of access through high country land by identifying unformed legal roads and marginal strips alongside waterways.
**High country rents**

Labour believes that high country rents should be fair and reasonable for lessees while the Crown, on behalf of the public, obtains a fair financial return on these land assets. However, National is legislating on high country rents in a way that will undermine these objectives, to the detriment of Kiwi taxpayers.

National wants to introduce a complex rent setting system to charge rent on the productive capacity of the land, while ignoring the right to exclusive possession that lessees enjoy and which (in association with location) contributes to the land value. Under National, high country rents would be disconnected from the market value of the land, and in many cases taxpayers will effectively be required to subsidise high country farmers.

No other land in New Zealand (farm, commercial, or residential) is leased on that basis (with the exception of income-related state house rents). Labour believes that the Crown should retain its current right to a fair return on the full value of the land. Labour will therefore stay with the existing system of charging annual rent based on 2% of the land value exclusive of improvements (LEI).

It is clearly unfair for the Crown (and public) to receive no financial benefit from the exclusive possession/location aspect of pastoral leases, given that this aspect contributes significantly to the market prices paid for pastoral leases.

Nor should lessees who are essentially high country lifestylers or investors for capital gain be subsidised, given that location and lifestyle values are now making up much of the market value of pastoral leases.

The existing rent setting system may give rise to issues of affordability for genuine pastoral farmers. Labour will address affordability in cases where such farmers cannot afford the rent.

The best way of dealing with affordability is to explore ways of providing for reduced rents in return for lessees providing benefits to the Crown. These could include better public access (e.g. accessways to lakes and rivers on public conservation land) or improved protection for conservation values.

Labour will retain the existing system of charging pastoral lease rents, i.e. 2% of the land value exclusive of improvements (LEI) annually.

Labour will offer lower rent to lessees in exchange for public access or improved protection for conservation values, for example for enhanced land husbandry (such as pest and weed control) beyond what they are currently obliged to do.