

**Federated Mountain Clubs Conference -- Forever Wild?**

**Conservation for prosperity and posterity?  
Commercial use of the DOC estate**

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Thank you for the opportunity to speak at this very significant conference.

This is the first time I have been confronted by so many people who climb mountains – it's a little daunting.

But those of you who have seen coverage of my 1080 report this week will know that I don't frighten too easily, so I shall press on.

The title of my speech today is not quite as in your programme.

It is "Conservation for prosperity and posterity?"

With a question mark.

Can more commercial use of the conservation estate help NZ become more prosperous?

And leave it in good condition for posterity – for our children and grandchildren?

Or is it more like "prosperity or posterity"? One or the other?

Before I get into talking about this, I want to explain my role briefly – because I find it is generally not well understood.

Like the Auditor-General and the Ombudsmen I am what is known as an Officer of Parliament.

This means that while I am a public servant, I do not work for the Government, but for Parliament as a whole, and am not bound to follow the policies of any party.

This means that I am politically independent.

In my role I provide advice to MPs through investigations that result in written reports.

And through other mechanisms such as submissions to select committees.

A report will generally contain recommendations to specific Ministers. And I aim to make those recommendations well reasoned and pragmatic. I have no power beyond the ability to persuade and it is up to the Government of the day as to whether or not those recommendations are taken up.

I am sharing some thoughts with you today. These are only ideas for discussion. If I can persuade you to think on them a little longer then I will have achieved my purpose.

Your conference theme is “Forever wild”.

I was brought up in Christchurch and it would be fair to say that my parents were not outdoor adventurers – they had no experience of wilderness and probably would have feared it.

I remember very clearly that when I started university, I made some new friends who turned out to be trampers.

And I ended up joining them.

So catching the 6 o’clock train to Arthurs Pass on Friday nights and riding back on Sunday afternoon in the back of the butcher’s van – surviving the trip back was harder than the tramping.

One of my most memorable tramps was the Wangapeka -- 42 years ago. The first night we stayed in Cecil King’s hut, an old gold miner’s hut. I believe it is now marked on topo maps as ‘historic’.

I guess that makes me a little historic.

It was the era of frame packs and exceptionally heavy boots – the prevailing belief was the heavier the boots, the better the boots.

One of our party shot a deer – we carried out the venison – I remember following along behind one young man with his shirt drenched in blood – another new experience.

We got lost – several times.

I did my knee in.

But I know that I am very lucky to have a job where I get to draw on those experiences, because valuing and appreciating the world around us is the starting point for much of my work.

In my office we work on all sorts of environmental issues. A number are connected to conservation land.

You will recall well the debate last year about mining on Schedule 4 land. I made a submission on the discussion paper as I am sure many of you did as well.

Last year I also released a report on mining on conservation land that was not on Schedule 4 of the Crown Minerals Act.

We have some copies of that report here.

That investigation got me interested in the broader issue of commercial use of conservation land – not just mining, but the whole range of current and potential commercial uses.

It is my view that the biggest danger to the conservation estate is the onslaught of pests.

By far.

Before my investigation into 1080, like 99.9% of New Zealanders, I had thought of the mammal pest problem in the bush being mainly a possum problem.

It's not. It's possums and rats and stoats.

And only on 1/8<sup>th</sup> of the conservation estate is there any control of these pests which I have come to think of as the evil triumverate.

As my staff will attest, I have developed a particularly visceral hatred of stoats.

On huge tracts of native forests, there is no rearguard battle underway – the invasion of pests has been met with only very limited resistance.

And the result is that those pests are largely winning.

In the main, our native forests and the creatures that live within them are in retreat.

Given the controversy over 1080, I was really surprised by how good 1080 actually is.

How good it is when you step back and test it against the job it is intended to do, and what else you might use instead.

One of its big pluses is that it can deal to all three – possums and rats and stoats.

And if you are interested in finding out more we have some copies of the 1080 report here.

Now to the main focus of my talk -- commercial use of the DOC estate.  
I have not released a report on this subject.  
Nor have I begun an investigation into it, though I am thinking of it as a possible option for future work.

But today I will share some thoughts and questions with you.

I understand there is a new commercial unit within DOC.  
“Conservation for prosperity” is DOC’s new strapline.  
I was inclined to call this a motto, but my communications adviser tells me that strapline is the correct term.

So what does “conservation for prosperity” mean?

The conservation estate already plays a large role in our economy.

When you look at a map of New Zealand, there’s an awful lot of land in National Parks – and National Parks are only 40% of the land managed by DOC.

In total, about a third of the country forms the DOC estate.

It is one aspect of our environment, where our “clean green” image meshes pretty well with reality - and that really helps us market ourselves abroad.

While not all tourists actually set foot on the conservation estate, there can’t be many for whom photos of our stunning landscapes weren’t part of the reason for coming here.

I guess this year may be something of an exception with the Rugby World Cup.

The conservation estate also helps some of our small regional economies through the direct spending of tourists.

But stepping from the economy to commerce.

From the more general role that the conservation estate plays in our economy to its direct commercial use.

It is all too easy to muddle these two, when they are quite different.

And if economy and commerce are muddled, debate on this very important new direction for DOC will become confused.

Focusing then on commerce and the commercial use of conservation land, I mean activities that:

- Create profit for commercial users.
- Generate income for the Crown.
- And of course lead to jobs and other spin-off benefits.

I have no quarrel – in principle – with commercial use of the DOC estate. It is an enormous asset and there is no reason why there should not be a monetary return on that asset.

In fact there is every reason to get a monetary return where there could be an overall benefit to the conservation estate.

I referred earlier to the evil triumverate of possums, rats and stoats.

They are chewing the life out of our forests.

And on only a small fraction of the areas where they thrive is there any control at all.

These pests are not going to pack their bags and go back to where they came from.

Yes – we are saving our special plants and animals on offshore islands – mostly not open to the public.

And in fenced sanctuaries and intensively managed reserves.

But if we are to restore the dawn chorus to our mainland, we need a lot more money.

And most of that is not going to come from taxpayers.

So earning revenue from the DOC estate and using that money to fund more pest control is very appealing to me.

It provides a way ahead.

But – and this is a big but – it must be done well.

It should be based on principles, not done in an ad hoc way.

I suggest one fundamental principle:

Conservation is the priority – therefore – at a minimum -- there should be no net damage to conservation.

Easy to say – far from straightforward to apply.

But that's the nature of principles.

So what revenue is currently earned from commercial activity?

The main mechanism for allowing a commercial use of DOC land is a concession.

As in "I concede that you can.."

The very word "concession" does imply reluctance.

Currently there are nearly 5000 concessions that have been given to various companies.

DOC currently earns about \$13 million per year from concessions.

That's about 3% of DOC's funding.

The top 23 concession holders pay over half of it.

And if "conservation for prosperity" is signalling more commercial use to supplement DOC's funding, we could see a great many more private businesses operating on DOC land.

Because the current revenue from concessions is a bit more than a drop in the bucket, but not a lot more.

Actually the \$13 million paid for concessions is not all the revenue from commercial use – there is also money coming in from mining.

Mines on conservation land do not appear to be dealt with in the standard concessions system.

I took an interest in this in my investigation into mining on non-Schedule 4 conservation land.

And I was really surprised how little money appeared to be paid by companies that were digging up gold and coal and other minerals on DOC land.

Miners with access to many hectares of land are paying access fees in the low thousands.

My staff have been having a look at some of the access agreements for mines.

I am concerned because there is a confusing mish mash of different kinds of payments:

- one-off payments
- \$s per year
- \$s per hectare
- administration cost recovery
- \$s per mature tree killed
- \$s per square metre of vegetation removed
- bonds
- in-kind payments such as track maintenance.

I feel an auditing urge coming on.

I'm particularly interested in what the principles are that underlie the payments made by commercial users.

And are the principles used as a basis for mining payments different from those used as a basis for setting payments for other activities?  
Different from payments for tourism, for telecommunications, for guiding?  
And if so why?

I'm not picking on mining here – it's just seems to be different from the others and I'm curious.

Now another question.

What form should revenue from commercial uses take?

Revenue can be money or it can be paid in-kind – pest control, track provision, track maintenance, hut use...

Money is very attractive because it preserves flexibility – it can be spent in different ways as priorities change.

One small problem though – Treasury will want to take it back if you haven't spent it at the end of the financial year.

So I think there may be a great deal of merit in in-kind payments.

And the kind I'm interested in is pest control.

Let me repeat my mantra – pests are the greatest threat to the conservation estate.

But in-kind payments can be tricky.

I suggest that DOC should get on the front foot – take control of the negotiation, not just respond to an offer made by the company applying for a concession.

With in-kind payments there are two issues – the size of the payment and the nature of the payment.

On the size of the payment:

When it comes to pest control, go for all you can get.

We've got a war to win here.

And it's got to be a lot easier to motivate staff to be hard-headed negotiators if they are fighting for plants and animals than if they are fighting for the Crown accounts.

On the nature of the offer:

Personally I'd probably hold out for 1080 drops – if you read my 1080 report, you'll see why.

A company may prefer much less controversial ground control – much better for PR – even though the bang for the buck is likely to be much less.

Then – one thing I've learned about these pests – we can't exterminate them except on offshore islands.

Even then, constant vigilance is required.

That lone stoat spotted swimming toward Kapiti this year cost \$75,000 to trap.

It could have been a female loaded up with a dozen embryos.

What we can do with these pests is to periodically knock down their populations.

So I would want in-kind payments in the form of pest control to go on – in perpetuity.

And this could be done by putting revenue from commercial uses into a trust.

I'm now going to shift gears again – this time to look at the category of conservation land known as “stewardship land”.

DOC has many different types of land categories – a confusing array. I understand that you – the FMC -- are largely responsible for the creation of one category – wilderness areas.

A big achievement coming out of decades of campaigning.

Not just the creation of the category I understand, but there are now nine wilderness areas.

Stewardship land is very different from all the other categories.

The difference between stewardship land and other categories is much greater than the difference between Schedule 4 land and land that is not on Schedule 4.

Stewardship land has a different status under legislation.

Stewardship land is the only land that can be swapped.

A case recently is the swapping of a mountain side to allow its development into a ski field for a piece of coastal land with a struggling podocarp forest. I'm not commenting on the merits of that particular swap – just using it as an illustration.

And really the term “land swap” is very unsatisfactory.

The conservation estate is not just land – it is trees and birds and tussocks and snails and eels and geckos and mosses.

And it's tramping and camping and kayaking and climbing mountains and just sitting and looking.

Let's roll back time to the reforms of the eighties.

Public lands – it was decreed – were to be for either production or conservation – and never the twain shall meet.

No more mixed use.

Production land is to go to Landcorp and Forestcorp.

Conservation land is to go to DOC.

But wait – there's a problem.

There's a whole lot of land that we're not sure what to do with.

So let's call it “stewardship land”.

And DOC can mind it, be the steward of it.

But that arrangement was meant to be only temporary.

Phillip Woollaston who was Minister of Conservation at the time describes stewardship land as a “statutory holding pen”.

Stewardship land has now been in that holding pen for about 25 years.

Examples are Big Bay at the end of the Hollyford, much of the Southern Alps between Aoraki and Arthur’s Pass, the Mokihinui gorge, a large tract of land east of the Ureweras, and most of Great Barrier Island.

I have heard stewardship land described as an invitation for not just commercial use, but for any kind of development.

It is not legislatively protected in the same way as other DOC land.

So there is a message here – if you think a piece of the conservation estate is really really important to protect, make sure it’s not stewardship land.

If it is, work to get it reclassified.

Your past achievements illustrate that you can make a real difference.

In summary – some thoughts – not set in concrete – just flying some kites.

- Commercial use of DOC land can generate greatly needed revenue.
- It will be a good thing provided it’s done well.
- The approach should be based on principles applied consistently to all forms of commercial use.
- The proceeds should not be used to cut baseline expenditure.
- A lot more resource is needed to control pests – otherwise the great bulk of the DOC estate will deteriorate.
- The best form of payment from commercial users is probably pest control.
- But to ensure the pest control is done well and continues into the future, a trust to manage the funds and the pest control could be set up.
- Check out stewardship land, to see if any special areas are high priority for reclassification. If so, campaign to get them out.

“Conservation for prosperity” – DOC’s new branding - should not come at the cost of “conservation for posterity”.

But “conservation for posterity” – conservation for our children and grandchildren - is already at risk.

The main threat to the conservation estate is not from more commercial use, but from predators that were introduced deliberately or accidentally.

David Attenborough says it beautifully:

*“Most of New Zealand’s birds have still not learned that mammals can be dangerous”.*

They don’t have time to learn – it’s up to us.

Losing kiwi from the mainland within a generation is too frightening a prospect.

Commercial use of DOC land can potentially help in this great battle by providing revenue for battling these invaders.

But we’ve got to get it right, we need to figure out the “whats” and “hows”. What should the guiding principles be – and how should they be applied?

That’s why I hope to release a report on commercial use of conservation land next year.

We have to make sure that prosperity benefits posterity.