

Treasury Report: OIC Review - Cabinet Paper for POL on 23 June

Date:	15 June 2004	Treasury Priority:	Medium
Security Level:	IN-CONFIDENCE	Report No:	T2004/1028

Action Sought

	Action Sought	Deadline
Minister of Finance	Sign attached paper for cabinet policy committee and refer to cabinet office	10am Thursday 17 June 2004
Associate Minister of Finance (Hon Trevor Mallard)	None	None
Associate Minister of Finance (Hon David Cunliffe)	None	None

Contact for Telephone Discussion (if required)

Name	Position	Telephone	1st Contact
Rosemary Cook	Principal Advisor	471 5942 (wk)	Home numbers withheld under s 9(2)(a) – protect the privacy of natural persons
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Enclosure: Yes

15 June 2004

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Land adjoining historic reserves and heritage sites

1. We refer to our report of 11 June (T2004/1006 refers). The attached draft paper for Cabinet Policy Committee has been amended to reflect the inclusion in the regime of land over 0.4 hectares adjoining:
 - land over 0.4 hectares which subject to a heritage order or entered in the register under the Historic Places Act, or proposed to be enter in the register; and
 - land over 0.4 hectares which is an historic reserve classified under the Reserves Act 1977 and which is administered by the Department of Conservation.
2. In summary, coverage has been removed from:
 - land adjoining some reserves, as well as land adjoining the category of public parks, land provided for recreation purposes, or as a private open space, or proposed for any such purpose;
 - land that has an unimproved land value of greater than \$10 million but is otherwise not sensitive; and
 - non-land business assets below \$250 million.
3. This may result in 15 fewer applications only per year on average. However the regime will cover all foreshore and seabed land irrespective of size, and it is not clear how many applications on average this will involve. Thus the effect may be that there is no overall reduction in the number of applications Ministers and the regulator will have to deal with.

Reports back

4. There are several issues covered in the cabinet paper that require further work to be done. If legislation is to be introduced into the House by September or October this year, these reports back will have to be by the end of July, to enable legislation to be drafted in good time. The cabinet paper recommends that:
 - Technical issues arising during drafting be delegated to you;
 - Substantive issues arising during drafting be referred back to POL;
 - Further work on organisational design issues, and any further work on enforcement mechanisms, be reported back to you and the Minister of Land Information by the end of July;

- Further work on the Crown right of first refusal over foreshore and seabed be reported back to you by the end of July; and
 - The outcome of discussions with the Maori Land Court be reported back to POL on 28 July.
5. Further, the Ministry of Fisheries have advised that there may be some further technical issues arising from the interaction of the Fisheries Act and the Overseas Investment Act. To the extent any such issues require legislative attention we will include those in a report back to you by the end of July.

Recommendations

We **recommend** that you **sign** the attached paper for the Cabinet Policy Committee and refer it to Cabinet office by 10am Thursday 17 June.

Rosemary Cook
Principal Advisor
for Secretary to the Treasury

Hon Dr Michael Cullen
Minister of Finance