

SUBMISSION TO

COMMISSIONER OF CROWN LANDS

LANDCORP FILES: Po250, RPo11
OFFICE OF CROWN LANDS FILE:

13 November 1992

APPLICATION

1. To accept the surrender of Pastoral Lease Po250 under Section 145 of the Land Act 1948 from 31 December 1992.
2. To reserve approximately 4018 hectares under Section 167, Land Act 1948 and transfer this area to the Department of Conservation.
3. To classify approximately 2735 hectares as farmland under Section 51, Land Act 1948.
4. To preferentially allocate 2735 hectares on freehold title without competition under Section 54, Land Act 1948 subject to Conservation Covenants as outlined.
5. To cancel Recreation Permit RPo11 as at 31 December 1992.

PASTORAL LEASE

LEGAL DESCRIPTION Sections 25, 29 and 30 Block VII Cardrona Survey District and Run 629 Cardrona and Cromwell Survey Districts.

RUN NAME Waiorau.

AREA 6,753.6975 hectares.

PASTORAL LEASE DETAILS

<u>Tenure</u>	Pastoral Lease
<u>Term</u>	33 years from 1 July 1960.
<u>Expiry</u>	30 June 1993
<u>Annual Rent</u>	\$590.00
<u>Proposed Rental Value</u>	\$210,000 from 1 July 1993.
<u>Proposed Annual Rent</u>	\$3,150.00 from 1 July 1993.
<u>Crown Improvements</u>	Nil.
<u>Stock Limit in Lease</u>	4400 Sheep (including not more than 1650 ewes).
<u>Personal Stock Limit</u>	5500 Sheep (including not more than 2000 breeding ewes). 300 Cattle (including not more than 180 breeding cows).

RECREATION PERMIT

<u>LEGAL DESCRIPTION</u>	RPo11 over part Run 629 Cardrona and Cromwell Survey Districts.
<u>AREA</u>	4,000 hectares.

LEASE DETAILS

<u>Term</u>	10 years from 1 June 1988.
<u>Expiry</u>	31 May 1998.
<u>Fee</u>	\$1.00 per person paying to use the facilities.
<u>PERMITTEE</u>	Nordic Ski Area Limited.

OTHER LAND HELD

Nil - but right of buy-back over an area of freehold associated with Cardrona Skifield.

LOCATION

Waiorau is situated in the Cardrona Valley 20km south of Wanaka. Waiorau runs east from the Cardrona Valley Road to the crest of the Pisa Range. It is bounded by the freehold property of Mr and Mrs T Scurr to the South, Po 252, Robrosa to the north and Po271/Po272 Mt Pisa to the east.

GENERAL DESCRIPTION

ASPECT	Generally regarded as a cold property lying west through south.
ALTITUDE	470-1900m asl.
CONTOUR	Small area of river terrace at the western end of the property, moderately steep face rising to extensive well dissected rolling tops.
AREA PLOUGHABLE	100 hectares.
RAINFALL	650 to 900 mm per annum.
HOW WATERED	Natural streams and creeks - adequate.
SUBDIVISION	Currently 17 hill blocks plus paddocks. Adequate for stock management.
SNOW RISK	Moderate to high over 60% of property.
SUMMER /WINTER BALANCE	Limited wintering country, became a particular problem during pest control operations in 1990.
SHELTER	Contour only, generally adequate.
REVERSION	Sweet briar has been an ongoing problem. Excellent control has been achieved and maintenance of this will be an ongoing cost.
EROSION	No significant erosion. Some slumping on the front face.
WEEDS & PESTS	Briar as above. Currently very low but increasing evidence of hawkweeds. Broom in vicinity of Cardrona river. Rabbits are at moderate levels on front face. Last poisoned in 1989. Varying numbers of pigs (including Tb animals) on block from time to time.

SOILS	1130 ha	56: Obelisk Soils: Shallow peaty silt loam. Native vegetation fell field/herb field. Very low fertility.
	2111 ha	55cH: Carrick Hill Soils: Shallow silt loams of schist extraction with rock outcrops and rock fragments throughout the profile. Native vegetation snow tussock fescue tussock and blue tussock with <i>Celmisia</i> spp. Low natural fertility.
	810 ha	55c and 55cH: Carrick and Carrick Hill soils. Similar description to above but lower fertility.
	440 ha	55c: Carrick soils. Similar to above with very low fertility.
	1080 ha	57d: Dunstan Steepland Soils on scarps and creek faces. Moderate depth of stony silty loam thinning up slope. Native vegetation - snow tussocks grassland with some sub alpine scrub. Low to very low natural fertility.
	950 ha	9H & 10: Blackstone Hill soils with some areas of Arrow Steepland Soils. Fine sandy loams/loess over schist with some rocky outcrops. Native vegetation was fescue tussock grassland. Medium to high natural fertility.
	232 ha	94a: Eweburn soils recent floodplain soils of moderate depth stony in places. Much of this area has been disturbed by past and present mining activity. Native vegetation fescue/silver tussock and matagouri. High natural fertility.
	6753 ha	TOTAL

LAND USE CAPABILITY

232 hectares	Class IVs	3 %
35 hectares	Class V	1 %
915 hectares	Class VIe	14 %
3749 hectares	Class VIIc & e	55 %
1822 hectares	Class VIIIe	27 %
6753 hectares	TOTAL	100 %

COVER	58 ha	Fair Cultivate Pasture
	1545 ha	AOSTD - requiring further maintenance topdressing
	3000 ha	Unimproved native tussock
	2150 ha	Fell field
	6753 ha	TOTAL

GENERAL

A moderate sized run in the mid to upper reaches of the Cardrona Valley. The property is generally cold and runs to the high point of the Pisa Range. Stock numbers have declined to some extent while the lessee has concentrated on developing first the Cardrona Downhill Skifield and more recently the Waiorau Nordic Ski area and a range of other commercial activities. Fertiliser has been reduced but weed and pest control actively pursued.

PRODUCTION

The property is currently rebuilding numbers following serious stock losses during rabbit poisoning in 1989. Normal stock is expected to be:

1500 Breeding Ewes
930 Mixed Sex Hoggets
2200 Wethers
50 Rams and Killers

4680 TOTAL SHEEP (3858 SHEEP SU)

6 Cattle
100 Goats

TOTAL STOCK UNITS - 4,000

PREVIOUS HISTORY

01/07/60 Issue of pastoral lease to Robert Joseph Lee.
01/10/63 Transfer of pastoral lease to John Allandale Lee.
30/10/84 Application for Recreation Permit for Cross Country Skiing.
28/11/86 LSC Case 85/3 Heard submissions on the application.
22/02/86 CCL Case 86/131 approved a recreation permit subject to certain conditions including surrender of "Land Unsuitable for Grazing" and provision of free public access via the skifield road.
24/03/86 Application for a rehearing from Federated Mountain Clubs.
28/03/86 Application for a rehearing from Mr Lee.
03/04/86 LSB Case 10158 referred applications to executive.
28/04/86 LSB Executive approved a rehearing to both parties.

- 13/05/86 Rehearing conducted, decision of 22/02/86 essentially confirmed.
- 13/05/88 Recreation Permit granted to Nordic Ski Area Limited following legal review. Conditions relating to surrender and public access withdrawn.
- 21/02/91 Transfer of pastoral lease to John Allandale Lee and Mary Helen Lee.
- 22/02/91 Application John and Mary Lee and Waiorau Nordic Ski Area Ltd to "rationalise and extend activities". This was in recognition of constraints within the current recreation permit. It was also an opportunity to formalise other existing and potential uses of the area.
- 22/10/91 CCL Case 91/35 approved in principle to a proposal to exchange Po250 and RPo11 for a special lease subject to lease covenants for the pastoral activity being tailored for sustainable management, a final proposal for public access and detail of negotiated covenants to protect natural values.
- 19/02/92 Discussions with Mr Lee regards the above. DOC suggested the current proposal to Mr Lee and all parties are working towards this end subject to the necessary consents.

CONSERVATION VALUES

The full text of a Department of Conservation report is attached as Appendix I. The specific values relate to RAP A3 Pisa Tops within the Pisa Ecological District, Landscape and historic sites.

The relevance of the history of the area is further expanded in "Gold Mining at Criffel and Roaring Meg, Pisa Range" by Jill Hamel (DOC, November 1991).

Recommendations for the protection/management of conservation values are contained in the DOC report.

PUBLIC COMMENT

The application to extend the recreation permit was advertised for public comment in March 1991. An analysis of submissions is attached. In brief 46 submissions were received. 41 of these favoured the expansion, 4 were generally opposed. In both these situations (plus the other submission) various useful comments were given which contribute to this report.

In addition various proposals were discussed with Bruce Mason prior to his return to university. Adequate public access to land within the higher altitude areas remains the main issue.

This proposal will also require a range of contents within two district councils and the regional council. We believe that there is a further chance to review public comment during this process.

Ken Taylor has had initial discussions with Mr M Garland (Planner) of the Queenstown-Lakes District Council on this topic. We believe there is to opportunity for Landcorp (on the Crown's behalf) to participate in the hearing and obtain public comment in terms of the Land Settlement Policy. The process would involve Landcorp advertising the application concurrently with the District Council and reviewing submissions with the Council prior to and at any hearing. This would have advantages for the applicant, those wishing to make submissions, and the Crown.

The proposal has been discussed with Trevor Howse of the Ngai Tahu Maori Trust Board who has also visited the property. He will provide comment when requested.

DISCUSSION

There are three important aspects to this proposal:

1. To preserve important conservation values on the Pisa Range.
2. To provide an opportunity for public access to and use of an important alpine area.
3. To facilitate a range of commercial activities, developed by far thinking entrepreneur (and his partners) specific to this situation.

The majority of an important RAP will become conservation estate thereby protecting a unique flora (and possibly fauna). One fringe area is covenanted to protect the natural values in a manner compatible with commercial use. A second area is covenanted to protect the history of an important gold mining area.

Public access, a matter of long standing controversy is provided for. Full access up an existing legal road (paper) will be identified and available as of right. Mr and Mrs Scurr who own the adjoining property are agreeable to this event though the route is close to their farm buildings. This leads to the proposed conservation area which will be available to the public. Should parties wish to take the ski area road, access will be available on a commercial basis.

Mr and Mrs Lee have developed a range of uses for the mountain crest including sheep farming, nordic skiing, motor vehicle testing and filming of advertisements and features. A third party operates a self drive skidoo operation under a separate permit. There are also numerous potential uses such as summer mountain biking, guided walks etc. Freehold tenure provides greater opportunity for such proposals, while the controls of the Resource Management Act prevent unreasonable demands on the environment and a conservation covenant protects the broader landscape concerns over a key area.

The proposed licence will provide adequately for low impact use of the conservation area, while protecting important portions and providing for public access. The proposed Conservation Area is also currently utilized by the army for winter training and some helicopter activity. Under this proposal these uses will require DOC consent in terms of the management of the area.

DESCRIPTION OF AREAS

	PROPOSED FREEHOLD	PROPOSED CONSERVATION LAND
AREA	2735 Hectares (approx).	4018 hectares (approx).
ASPECT	Predominantly west to south west.	Predominantly west to south west.
ALTITUDE	470 to 1500m asl.	900 to 1900m asl.
CONTOUR	Limited river terrace, moderately steep facing and rolling ridge top.	Well dissected extensive rolling tops.
PLOUGHABLE	100 Hectares.	Nil.
RAINFALL	650 to 900 mm pa.	800 to 900 mm pa.
SUBDIVISION	17 Hill blocks plus paddocks.	One block.
WATER	Natural.	Natural.
SNOW RISK	Low to moderate.	Moderate to high.
BALANCE	Limited winter country.	Summer country only.
SHELTER	Contour.	Contour.
REVERSION	Sweet briar under control	Nil.
EROSION	Limited slumping.	None significant.
WEEDS & PESTS	Briar and hawkweeds. Limited broom. Rabbits at moderate levels.	Some hawkweeds. Few rabbits. Pigs.
SOILS	103ha 55cH Carrick Hill 440ha 55c Carrick 810ha 55c + 55cH 200ha 57d Dunstan Steepland 950ha 9H + 10 Blackstone Hill and Arrow Steepland 232ha 94a Eweburn 2735 ha	1130ha 56 Obelisk 2008ha 55cH Carrick Hill 880ha 57d Dunstan Steepland 4018 ha

LAND USE CAPABILITY	232ha	Class IV	8%	0ha	Class IV	0%
	30ha	Class V	1%	5ha	Class V	0%
	915ha	Class VI	34%	0ha	Class VI	0%
	1513ha	Class VII	55%	2236ha	Class VII	56%
	45ha	Class VIII	2%	1777ha	Class VIII	44%
	2735ha		100%	4018ha		100%
COVER	58ha	Fair Cultivated Pasture		0ha	Cultivated	
	1545ha	AOSTD		0ha	AOSTD	
	1132ha	Native Grasslands		1870ha	Native Tussock	
	0ha	Fell Field etc		2148ha	Fell Field etc	
	2735ha			4018ha		

GENERAL

The area to be freeholded would maintain a sheep and cattle enterprise, especially as further development is undertaken. Without some form of grazing rights within the proposed conservation area the wether flock could not be maintained. This area also includes the greatest potential for non-pastoral use.

The proposed conservation area has no potential for pastoral use in its own right. There is however potential for extension of commercial recreation. A draft licence from DOC to Waiorau Nordic is attached (Appendix III) which will ensure continuing appropriate use for commercial activities.

A conservation covenant is proposed for two areas within the recommended freehold. A draft of this covenant is attached (Appendix IV).

VALUATIONS

TOTAL PROPERTY AS AT 1 MAY 1992

Lessees Improvements	\$565,000
Land Exclusive of Improvements	\$260,000
Capital Value	\$825,000

PROPOSED FREEHOLD - 2735HA APPROXIMATELY

Lessees Improvements	\$522,000
Land Exclusive of Improvements	\$191,000
Capital Value	\$713,000

PROPOSED CONSERVATION LAND - 4018HA APPROXIMATELY

Lessees Improvements
Land Exclusive of Improvements
Capital Value

Lessees Interest in LEI
Loss of Interest in Freehold due to Covenants

CONCLUSION

This is a proposal which best meets a mix of desires from four important players:

The conservation interest through total control of an important "natural" area with covenants providing the intergrade to commercial use.

The "public" through recognised access to and use of an alpine area not currently available.

A commercial interest through less controls over a valuable asset while a concession provides the intergrade with conservation.

The Crown through facilitating nature conservation, public access and significant commercial development.

RECOMMENDATION

These recommendations should be accepted as a proposal for further public consultation in conjunction with the Resource Management Act hearings.

1. That you accept the surrender of Po250 Waiorau from 31 December 1992 under Section 145, Land Act 1948.
2. That an area of approximately 4018 hectares be reserved under Section 167, Land Act 1948 and transferred to the Department of Conservation at a Book Value of
3. That the balance area of 2735 hectares be classified as farm land under Section 51, Land Act 1948.
4. That the area of 2735 hectares be preferentially allocated to Nordic Ski Area Ltd under Section 54, Land Act 1948 on freehold title for a purchase price of
5. That the freeholding be subject to a conservation covenant over areas "A" and "B".
6. That the proposed reservation be subject to DOC issuing a licence per the draft attached (Appendix III).

7. That the Crown meet all survey costs associated with the proposal and the Company obtain the necessary resource consents at it's cost.
8. That RPo11 be cancelled as at 31 December 1992.

Submission Prepared by:

K R Taylor
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Mike Clare
DEPARTMENT OF CONSERVATION