

Crown Pastoral Land Tenure Review

Lease name: KYEBURN

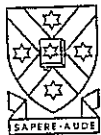
Lease number: PO 197

Public Submissions - Part 1

These submissions were received as a result of the public advertising of the Preliminary Proposal for Tenure Review.

August

06

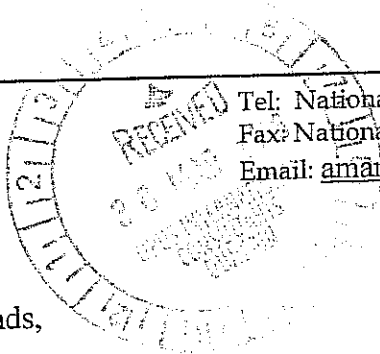


Department of Botany

University of Otago
Te Whare Wananga o Otago

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NEW ZEALAND

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March 31, 2005.

The Commissioner of Crown Lands,
c/o Opus International Ltd.,
Private Bag 1913,
DUNEDIN.

**SUBMISSION ON PROPOSED TENURE REVIEW:
KYE BURN PASTORAL LEASE**

Dear Sir,

Thank you for sending me a copy of this proposal and I appreciate the opportunity to comment on it, based on my good knowledge of the area, gained over many years of ecological research on and around this property.

I have read this proposal carefully and generally approve and endorse it, bearing in mind that, of the total area of 6586.3 ha, the entire Run Block of some 4677 ha, plus another 40 ha of the Home Block, a total of 4717 ha (71.6%) of the property, is proposed for restoration or retention in full Crown control as conservation areas (CA1 and CA2).

I strongly support the proposal for Conservation Area 1 and endorse the detailed case made in the report for its formal protection and eventual inclusion in the St Mary's Range Conservation Area which it bounds. The proposed **Grazing Concession** to allow for a 3-year phasing-out period for continued grazing with the stock limit as specified (6000 ewes for three months between January and April) is also supported but I recommend that the proposed **Recreation Concession** be reduced from ten years to five, as being a more reasonable period.

I endorse the proposed Conservation Area 2 of 40 ha on the Home Block, given the diversity of indigenous shrub species, particularly the *Carmichaelia* spp., it contains, and also support the proposed rabbit-proof fencing of its entire perimeter. I assume a stile would be built to provide for public access once the area becomes formally protected.

I also endorse the continuation of the existing easements granted in favour of Otago Net Ltd. For accessing the existing transmission lines on the property.

I thank you for the opportunity to comment on this proposal.

Sincerely,

Alan F. Mark FRSNZ Emeritus Professor.



FEDERATED MOUNTAIN CLUBS OF NEW ZEALAND (Inc.)
 P.O. Box 1604, Wellington.



6 April 2006

The Commissioner of Crown Lands,
 c/- Opus International Consultants
 Private Bag 1913
 Dunedin

Dear Sir

Re: Preliminary Proposal for Tenure Review: Kyeburn Pastoral Lease.

I write on behalf of Federated Mountain Clubs of NZ Inc. (FMC) which represents some 13,000 members of tramping, mountaineering, climbing and other outdoor recreation clubs throughout NZ, and indirectly represents the interests and concerns of many thousands of private individuals who also enjoy recreation in the back country.

On their behalf, FMC aims to enhance and have formally recognised, the recreation opportunities on leases under review, to protect significant inherent values, and to ensure public access on high country pastoral leases through the tenure review process.

FMC fully supports the objectives of tenure review as set out in the Crown Pastoral Land (CPL) Act 1998, "*to promote the management of reviewable land in a way that is ecologically sustainable..... to enable the protection of the significant inherent values of the reviewable land.....and to make easier the securing of public access to and enjoyment of reviewable land.*" FMC also supports the more recently stated government objectives for the South Island high country especially the following:-

- to promote the management of the Crown's high country in a way that is ecologically sustainable.*
- to protect significant inherent values of reviewable land by the creation of protective measures; or preferably by restoration of the land concerned to full Crown ownership and control.*
- to secure public access to and enjoyment of high country land.*
- to ensure that conservation outcomes for the high country are consistent with the NZ Biodiversity Strategy.
- to progressively establish a network of high country parks and reserves.

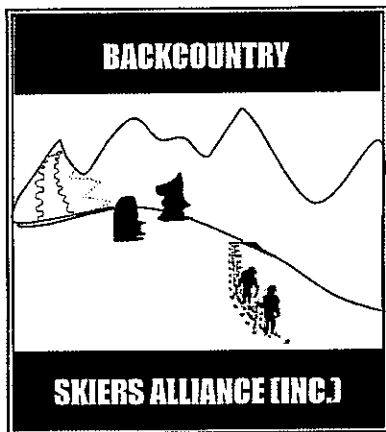
[EDC Min (03) 5/3; CAB Min (03) 11/5 refer]

FMC is grateful for this opportunity to comment on the preliminary proposal for Kyeburn Pastoral Lease.

THE PRELIMINARY PROPOSAL

The following designations and protective mechanisms are included in the proposal:-

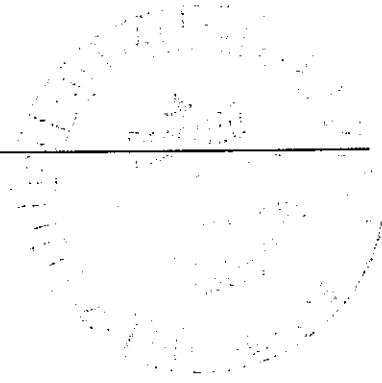
- (1) 4677ha (*approximately*) to be designated as land to be restored to or retained in full Crown ownership and control as a Conservation Area under Section 35 (2) (b) (i) Crown Pastoral Land Act 1998, subject to Qualified Designations, being a Grazing Concession and a Horse Trekking Concession.
- (2) 40ha (*approximately*) to be designated as land to be restored to or retained in full Crown ownership and control as a Conservation Area under Section 35 (2) (a) (i) Crown Pastoral Land Act 1998.



Backcountry Skiers Alliance
PO Box 168
Alexandra
Email: backcountry@xtra.co.nz

11 March 2006

Opus International Consultants Ltd
Box 1913
Dunedin
Attn: David Payton



SUBMISSION ON KYEBURN PASTORAL LEASE TENURE REVIEW

Our members are pleased to see the creation of CA1 in the proposed Kyeburn Station Tenure Review. This area offers many recreational opportunities including backcountry skiing, mountain biking, horse trekking and of course tramping. We look forward to this land being included to eventually achieve a contiguous Public estate along the Hawkdun-Ida-Kakanui ranges.

As part of the Review we suggest that adequate signage be installed at the bottom of the Mt Buster Rd (generally the end of the 2WD access) plus a small area be allowed for car parking.

We have no issue with the grazing concession as stated so long as the 3 year term is adhered too.

BSA supports non-motorized recreation in our high country. We have no problem with the Horse Trekking concession so long as it doesn't impact on members of the Public who also use the area.

Thank you for the opportunity to comment on the proposal. We look forward to our suggestions being incorporated in the final settlement.

Yours Sincerely

A handwritten signature in black ink, appearing to read "John Robinson", is written over the "Yours Sincerely" text.

John Robinson
Sec. BSA



OTAGO CONSERVATION BOARD

Our ref: SBC-08-34

19 April 2006

Commissioner of Crown Lands
 c/- Opus International Consultants
 Private Bag 1913
 DUNEDIN



Dear Sir

SUBMISSION ON TENURE REVIEW OF KYEBURN PASTORAL LEASE

Thank you for the opportunity to comment on the Preliminary Proposal for the tenure review of the Kyeburn Pastoral Lease.

The Otago Conservation Board supports the following aspects of the preliminary proposal:

- the designation of about 4717 ha as land to be restored to Crown control as conservation areas;
- the "expected" creation of marginal strips along the margins of Spec Creek in the Home Block following tenure review.

The board believes that the proposal should be changed as follows:

- the creation of marginal strips along the margins of Spec Creek in the Home Block should be listed as a definite outcome of the tenure review rather than an "expected" outcome, if the waterway qualifies. (To refer to a recent precedent, the establishment and public use of a marginal strip along the Fern Burn following the tenure review of Alphaburn Station might have been much more straightforward if it had been more clearly identified as a specific outcome at the public notification stage.)

We appreciate the opportunity to provide comment on this proposal and we are willing to elaborate on any of the issues we have raised.

Yours faithfully

Maclark

P P

Fergus Sutherland
 Chairperson

TENURE REVIEW re KYEBURN STATION

This Pastoral Lease has been in the care of the Mackenzie Family since 1875, first as a partner then as full ownership since 1883 .

It has over the years been reduced in size by several major subdivisions , the last following the first World War in 1919 . It is essential to take the reduction in size into account when considering Tenure Review .

It is also necessary to consider the manner in which properties in the Maniototo rely on summer run off to supplement the home units for balanced production .

The property began to make real progress when Mr Nick Mackenzie took over the management in 1968 .

The implementation of a Run Plan in conjunction with the Waitaki Catchment Commission enabled Run 574 to be subdivided and a better control of grazing and as the higher areas (some 5400 hectares) were retired and a much better stock control was achieved .It has all contributed to making the whole a well balanced unit , but the whole is dependent on a complete unit not a fragment .

It is also worthy of note that the only burning on this run since 1953 was a accidental fire caused by campers .

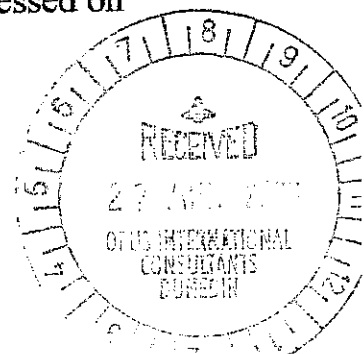
The Mackenzie family and the neighbouring Syndicates have a record of allowing public access which is well documented and the pride they have in the property they are willing to share with others .

The historic Buster gold workings are a good example but sadly this is not always reciprocated . They requested assistance from D.O.C. for signage and although agreed to 4 years ago has never been done so he had signs made at his own expense .

The dogmatic approach to this Tenure Review and the misleading way it was advertised is beneath the dignity of the Lands Department I had the privilege of serving for a number of years as a member of the Land Settlement Committee . Section 2 gives the impression of a continued Grazing Concession when in fact it is only a 3 year phase out .

In discussion with Mr Mackenzie it appears that the bogey of market rents was raised but in fact he still has 4 years before his next rent review and a further 11 years before the renewal of his lease which is perpetual .

It is set out very clearly in the 1998 Land Act that the rent is assessed on Land Exclusive of Improvements not Capital value.



The contribution of the Mackenzie family in the voluntary retirement of the major part of Run 574 (5400 hectares) which has allowed the establishment of the St Mary's Range Ecological District must also be considered as part of the overall picture, not just conveniently ignored. Another factor that must also be taken into account is that many people have been able to enjoy the beauty and serenity of this area because in conjunction with the lease holders of Run 362b (the Mt Ida Syndicate) track access has been provided and maintained over the last 40 years.

I personally have been the booking agent if you like and there is scarcely a weekend in the November - May period each year when there has not been someone in or travelling through this area. The attached letter I have just received is an excellent example.

I know that this is part of the object of Tenure Review but it is already happening at no cost to the Crown or the Department of Conservation. I believe like the DOC that there are many areas in the Otematata Catchment that are of significant value but the reason they are still there and of value reflects very well on the excellent management of the property by the Mackenzie family which hopefully if sanity prevails will carry on in future generations and we all LINZ, DOC, the public in general and the Lessee be able to share that enjoyment.



C L J Inder QSM.

Mandeville Country Club
Flour Mill Road
RD 6
Mandeville

16 March 2006

Mt Ida Syndicate
C/- C. L J Inder
"Launceston
RD
Ranfurly

Dear Mr Inder

On behalf of the Mandeville Country Club, I would like to take this opportunity to thank you for the privilege of going through your property on our recent four wheel drive trip.

It is amazing country and it is only through the generosity of people such as yourselves that others can see and appreciate it.

The trip was one that was totally enjoyable and will be talked about for a long time.

If you are ever down our way please call in and see us.

Once again thank you so much.

Yours sincerely

Kathy Perry
Secretary/Manager

Dave Payton

From: Bruce Mason [brucemason@ihug.co.nz]
Sent: Saturday, 29 April 2006 20:19
To: Dave.payton@opus.co.nz
Subject: Submission - Kyeburn Tenure Review

Submission - Kyeburn Tenure Review

The preliminary proposal is silent in regard to public recreation over the proposed licence for grazing on CA1. There should be an express provision in the licence stating that there is no right of occupation, and that the public is free to recreate over the entire conservation area at all times.

Bruce Mason
RD 1
Omakau 9182
Central Otago

brucemason@ihug.co.nz



58 Kilmore Street, PO Box 345, Christchurch

General enquiries: 03 365 3828

Customer services: 03 353 9007

Fax: 03 365 3194

or: 0800 EC INFO (0800 324 636)

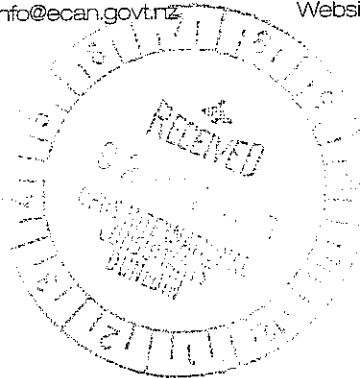
Email: ecinfo@ecan.govt.nz

Website: www.ecan.govt.nz

28 April 2006

The Commissioner of Crown Lands
 c/- Opus International Consultants Limited
 Private Bag 1913
 DUNEDIN

Attention: David Payton
 Tenure Review Contract Manager



Dear David

**KYEBURN PASTORAL LEASE
 SUBMISSION ON PRELIMINARY PROPOSAL FOR TENURE REVIEW**

Thank you for advising Environment Canterbury of the release of the Preliminary Proposal for tenure review of Kyeburn Pastoral Lease. We appreciate the opportunity to review the proposal and make a submission in relation to the future management of this land.

Environment Canterbury has statutory responsibilities under the Resource Management Act 1991 (RMA) for the sustainable management of natural and physical resources of the region, including soil conservation, water quality and quantity and ecosystems, and for maintenance of biodiversity. In addition, Environment Canterbury also has statutory responsibilities under the Biosecurity Act 1993 for the management or eradication of animal and plant pests in accordance with regional pest management strategies. These responsibilities are entirely compatible with achievement of the objectives of Tenure Review, specifically to "promote the ecologically sustainable management of High Country land" and protecting land with "significant inherent values" by retaining it in Crown ownership.

The Canterbury Regional Policy Statement 1998 (CRPS) provides an overview of the resource management issues of the region, and sets out how natural and physical resources are to be managed in an integrated way to promote sustainable management. Key to the management of soils is the maintenance or restoration of a vegetative cover over non-arable land that is sufficient to prevent land degradation or the onset of erosion (Ch7 Objective 1). Sustainable management of water resources requires safeguarding the life-supporting capacity of water, including associated aquatic ecosystems and significant habitats of indigenous fauna and vegetation (Ch9 Objective 3). Policy 11 in Chapter 9 promotes land use practices which maintain or enhance water quality. Large landscapes are a feature of the Canterbury high country and the CRPS recognises the importance of protecting both the interconnectedness of landscape components and the vast, open nature of these landscapes.

Environment Canterbury has recently notified its Proposed Natural Resources Regional Plan (NRRP) to address the resource management issues identified in the CRPS and to provide more specific standards and methods, including rules, to achieve the objectives. The NRRP recognises the close relationship between land and water ecosystems by promoting the integrated management of soil and water resources across the region. In particular, the provisions of the plan emphasise the links between land use practices and the management of water quality.

Our Ref: PL5C-103; AG5T/150
Your Ref:
Contact: Cathie Brumley

The Soil Conservation chapter (Ch8), Objective SCN1 seeks to: "...maintain soil quality and an intact and resilient vegetation cover sufficient to minimise the risk of induced erosion, safeguard the life-supporting capacity of the soil, and prevent, as far as practicable, the movement of soil into water bodies." The objective contains specific guidelines for intact and resilient vegetation cover. Policy SCN1 provides options to restore such a cover where it has become depleted.

Policy WQL5 of the Water Quality chapter includes a range of regulatory and non-regulatory methods to manage the riparian margins of rivers to maintain or improve water quality.

The Canterbury Regional Pest Management Strategy (2005) [which is a revised combination of the former CRPMS (1998) and the Canterbury Regional Pest Management Strategy Biodiversity Pests (2002)] identifies a number of species of plants and animals for control or management as pest species.

In line with these statutory responsibilities and documents, and Section 24 of the Crown Pastoral Lands Act (1998), Environment Canterbury technical and planning staff have reviewed the Preliminary Proposal for Kyeburn Pastoral Lease to assess the impacts, if any, of this proposal on the sustainable management of the land, including pest management, indigenous biodiversity protection, recognition and protection of significant landscapes, public access opportunities, soil conservation and the integrity of the water bodies. Our comments and recommendations are listed below.

General comments

The Kyeburn pastoral lease includes land lying within the Canterbury and Otago regions.

The hill country Run Block straddles the boundary between the two regions with all land in the Guffies Creek, Green Gully and Hut Creek catchments lying within the Canterbury region. The Little Kyeburn catchment at the southern end of the Run Block and the lower altitude Home Block both lie within the Otago region.

Environment Canterbury has limited its submission to commenting on that part of the lease lying within the Canterbury region.

Much of the land in the Run Block is Class VII land with severe limitations for pastoral use. Extensive fencing for soil conservation and stock management (cattle proofing) was erected under a former Land Improvement Agreement put in place by the Waitaki Catchment Board. The area is characterised by broad plateaux dissected by steep incised valleys. Sunny faces often have depleted vegetation cover and extensive areas of bare ground.

Guffies Creek, Green Gully and Hut Creek feed into the Otematata River and Lake Aviemore. They are generally of high water quality and inherently low nutrient status. Any land use activities that increase the risk of soil erosion and sedimentation would impact significantly on the values of these water bodies.

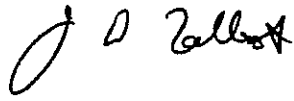
The Conservation Resources Report identifies the Run Block as having high significance for its landscape values, and as an integral link between the expansive Hawkdun/Ida plateau and the St Marys Range landscapes. The significance of this landscape is due in large part to the retention of the indigenous vegetation cover and the lack of development of the area.

Recommendations

Environment Canterbury supports the Preliminary Proposal for tenure review of the Kyeburn pastoral lease as it relates to land in the Canterbury region. The proposal to designate all of the Run Block as land to be retained in Crown control as a Conservation Area will provide a very good outcome for soil and water conservation in the headwaters of the Otematata river catchment and for the protection of the highly significant inherent natural values identified for the area. In particular it will contribute to the protection of the water quality of the lower Otematata catchment and Lake Aviemore and will maintain the interconnectedness of the extensive natural landscapes of the Hawkdun, Ida and St Marys Ranges.

Thank you for the opportunity to comment on this Preliminary Proposal.

Yours sincerely

A handwritten signature in black ink, appearing to read "John D. Talbot". The signature is written in a cursive style with a large initial "J".

John D Talbot

DIRECTOR OF POLICY AND PLANNING

Dave Payton

From: Tim Dennis [tim.dennis@wa.ckl.co.nz]
Sent: Wednesday, 3 May 2006 08:11
To: Dave.payton@opus.co.nz
Subject: Kyeburn Pastoral Lease-Tenure Review

David,

Just wondering how the public might gain access to area CA1 up on the Kyeburn plateau ?. There appears to be no provision within this proposal. Is there some other access ?.

I note in other tenure reviews where access is via another adjoining lease that the option is retained to gain access should the adjoining property not go through tenure review.

Regards
Tim Dennis
Engineer

CKL Surveying and Planning Ltd
82 Brownston Street
PO Box 713
Wanaka

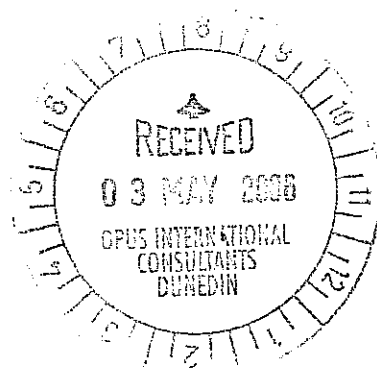
Ph: 03 443 5577
Fax: 03 443 5533

3/05/2006

Submission; Kyeburn Station Tenure Review

From: *Clark M. Scott*
M. Appl.Sci (Grassland Ecology)
R.D 2 Omakau

To: *The Commissioner of Crown Lands*
C/- Opus International
Private Bag 1913
Dunedin



General Issues:

The Kyeburn Station pastoral lease (Po 197) has been in the care of the Mackenzie family since 1875 firstly as a resident managing partner and then as sole owner from 1883. Since this period it has been substantially reduced in size by several major subdivisions much of which now remain in freehold title. Any further reduction in size of this property not only reduces the ability of the lessee to farm effectively and sustainably, but also puts unprecedented pressure on conservation values remaining within the freehold portion of the property. Indeed this effect is yet to be widely recognised as an outcome of tenure review throughout the South Island, as recently freeholded lands, many of which retain significant conservation values, (e.g. lower altitude short tussock grassland/shrubland) are exposed to increased grazing pressure and/or agricultural development. From a sustainable pastoral management point of view tussock grasses provide the ecological stability in arid grassland communities and their transformation to more meadow like pastures should be seen as degradative. It is important to note that elsewhere in this district and other ecological districts there is a hasty assault to agriculturally develop tussock grassland and shrubland on freehold land in fear of impending restrictions.

The tenure review of Kyeburn station has been a very long and stressful process for the lessees, undoubtedly made more difficult by the enigmatic approach of some of the main stakeholders. Had the lessees been approached in an amicable way and been informed of the importance of the several significant inherent values to the nation, shown to exist on this property, an outcome may have been achieved within a few meetings.

Indeed the lessees of Kyeburn Station have always shown a willingness to protect and safeguard both the ecological and cultural/historical values, which exist on this property. Mr and Mrs Mackenzie on returning as managers to this property in 1968 have undertaken a lifetime's work in rehabilitating degraded grassland (photos of degraded tussock Buster face) and have requested in the past *D.O.C* assistance in protecting the historic Buster gold workings from human and vehicular damage through the erection of appropriate signage and gates. A request, which was ignored. More significantly the lessees pre-empted the retirement of approximately 5030 hectares of Po 197 in 1979 for the purposes of soil and water conservation as part of the Waitaki catchment commission run plan. A nil stock limitation was set for this retirement area. Grazing has continued

unabated since that time by neighbouring stock. In light of this I seriously question the ability of the administrators of that land (*D.O.C*) to effectively manage further land acquisitioned by this tenure review.

The lessees have accommodated nearly all requests for public access to their property, and have only been known to limit public access for issues surrounding extreme fire risk. The importance of this gatekeeper role is now only being recognised as 4WD and motorbike access over newly acquired crown lands and conservation areas are proving detrimental to the overall goal of protecting ecological values.

The ecological debate:

40 ha Conservation area;

"The vegetation cover includes scattered matagouri shrubs with native broom species interspersed. A distinctive feature of the vegetation is the predominance of dwarf brooms, (Carmichaelia spp.)"

"It is proposed to fence the entire area CA2 with rabbit proof fencing"

It appears from the description in the preliminary proposal that any disturbance from grazing including rabbits will be removed from this area. I therefore wish to point out the role of cushion or prostrate plants in community succession and the likely fate of these species under the proposed management.

Dwarf broom species perform a similar ecological function as other cushion and mat forming vegetation including scabweeds and mouse ear hawkweed, *Hieracium pilosella*. They depend on disturbance preventing taller vegetation from overshadowing these plants with prostrate life forms. In the presence of continued grazing cushion plants tend to expand as more upright and palatable species are removed.

Removal of grazing allows grasses to develop through the cushions and begin to overgrow and suppress them. This is a natural process of succession from a stage at the lower end of the degradation gradient to a more ecologically stable and efficient vegetation type. If an objective of conservation is to protect these species for biodiversity reasons then a particular level of grazing or some kind of equivalent disturbance needs to be maintained. Equally further succession of taller shrub species, both natural and exotic will also likely result in a demise of prostrate broom species from this site. Aside from the protection of dwarf broom species, the overall modification of this shrubland and the ingress of woody weed species leads me to further question the significance of this area to conservation. The cost of rehabilitation and ongoing management would appear excessive.

4677 ha conservation area;

The Kyeburn Station run block can be separated into three distinct blocks recognised through changes in landform and/or vegetation. The front half of the run block including the Little Kyeburn block and the south plateau contain a diverse range of intact native flora and notably a significant area of slim snow tussock, (*Chionochloa macra*) at higher

altitude. It was considered in an earlier ecological report commissioned by the lessees (Scott *et al.*, 2005) that due to the lower productivity of this *C. macra* grassland and associated species, notably blue tussock (*Poa colensoi*), that *C. macra* may be exposed to damage by grazing and therefore should be considered fulfilling a soil and water conservation function instead. However acknowledgement was awarded to the lessees as in the majority of cases such stands of *C. macra* are severely degraded.

Below this higher altitude community a large plateau with narrow-leaved snow tussock (*Chionochloa rigida*) interspersed with areas of red tussock (*Chionochloa rubra*) or a hybrid exists. A notable feature of this grassland is the lack of false Spaniard (*Celmisia lyalli*) and golden spaniard (*Aciphylla aurea*), evidence that there has been very little burning and overgrazing for many decades. Conservative grazing management of this grassland could be considered beneficial for the rejuvenation of tall tussock grassland and in the long term eliminate the requirement for more drastic management such as burning. A *D.O.C* representative suggested to the lessees such management as possible on the 25th March 2003. In my opinion burning has far greater and detrimental consequences on the stability of grassland ecosystems.

One other wetland area surrounding the Buster gold workings was also considered for conservation management rather than pastoral use because of the abundance of comb sedge *Oreobolus pectinatus*. In its natural state comb sedge could be expected to be found alongside small streams or around the edges of larger wetland areas where there is a transition to more dry grassland vegetation. However, comb sedge has the ability to spread into wetland areas as the vertical structure of the wetland is reduced. Similar to other plants with cushion and mat forming growth habits it protects the soil from erosion. However, the tough low cushions of comb sedge have considerably lower water holding capacity than that of the original sphagnum, sedge and rush dominated vegetation which preceded it. The ecology of comb sedge is often misunderstood, as many believe these cushion bogs to be a natural state. However from the point of view of ecosystem stability this process represents degradation associated with desiccation of the wetland. An objective of conservation management may be to reverse this process through the re-establishment of the original vertical structure and water holding capacity of the wetland. Human damage is consistent with that of trampling of stock. It was considered that this area adjacent to the Buster workings be protected in conjunction with the historical site. The leaseholders were willing to encompass these findings.

The northern end of the plateau (Greens Gully) has more modified vegetation with tall and short tussock still being the physiognomic vegetation but with a substantial amount of mouse ear hawkweed, *Hieracium pilosella* filling the inter-tussock space. Indeed, on sunny north facing aspects and along Guffies creek *Hieracium* forms a near complete ground cover. This condition reflects an imbalance between resource use and renewal. Up until 1972 wethers were wintered on this block, as it was low altitude and relatively snow free. This year round use meant there was little opportunity for recruitment of plants or rejuvenation. Continued removal of biomass resulted in the expansion of mat forming plants. The heavier the grazing the denser the mats become.

Evidence obtained from exclosures within the Kyeburn retired ground (Scott, 2002) confirms the slowness of recovery in depleted grassland communities in this district. The cover of *Hieracium* on the lower slopes is relatively new (since 1980s) and still dense and compact, not yet showing signs of breaking. Remnants of tussock are frequent and in some cases elimination of browntop through defoliation has not been completed. In these areas recovery under protection from grazing could occur relatively quickly.

In the most degraded areas where tussock are in the form of stumps and there are no other species present apart from *Hieracium*, natural recovery is likely to be a more difficult and long-term process. Soil losses from erosion as dense mats of *Hieracium* degrade, increase the instability of the ecosystem and the difficulty of new plants establishing. Available bare ground is first occupied by sorrel *Rumex acetosella* and king devil hawkweed *Hieracium praealtum*. These species initiate the process of regeneration, which, in the retirement ground was shown to be incredibly slow. Meantime moribund tussocks are likely to die lacking both nutrients and moisture.

When natural communities reach such a stage of degradation it is very unlikely that they can return to a natural state under any conditions. As the conditions no longer exist for the regeneration of new tussock plants rehabilitation of tussock grassland is confined to those remaining tussock plants. I proposed to the lessees an active management programme of conservative inputs of fertiliser and legumes for conservation purposes to rejuvenate dying tussock plants and bring some bio-diversity to areas totally covered with *Hieracium*. After a period of spelling grazing could be initiated to control the ingress of exotic grasses, in this case browntop, and re-establish a tussocky appearance. The use of such inputs was not intended to be long term or ongoing as the economics of such a programme would be prohibitive. A one off treatment was espoused purely to initiate a recovery and halt impending soil loss.

The lessees understood the importance of such management to protect soil and water and were willing to spell the land for the necessary period and apply the inputs. In this degraded state even accidental grazing by a few animals can prevent the initiation of a recovery. The lessees expressed concern over the number of stock entering this block from neighbouring runs and the effect this would have on any rehabilitation project undertaken. Those in the D.O.C and Opus who critiqued my management plan for Kyeburn Station dismissed such a plan. I still believe the leaving it to nature approach advocated by them is optimistic.

Summary:

Kyeburn Station is one of only a few pastoral properties that can trace its continuous tenure for over 130 years.

The current managers have contributed significantly to the rehabilitation and conservation of large areas of native flora within this property.

The lack of adequate management to prevent grazing of previous retired areas of Kyeburn Station has caused anguish and embarrassment to the lessees. Still today these retired lands are grazed and mustered on an annual basis.

In light of the current management of previously retired Kyeburn Station lands I seriously question the ability of the administrators of that land to effectively manage further land acquisitioned by this tenure review.

The protection and maintenance of dwarf broom species in a proposed 40 ha area will require active management and ongoing disturbance of some kind to ensure their survival.

Extensive modification of this existing shrubland may mean the cost of any restoration may be excessive.

Two communities on the Kyeburn Run (*Chionochoa macra* and *Oreobolus pectinatus*) have ecological significance and do not have the ability to sustain ongoing pastoral use.

Other grassland outside of this area on the south plateau and Little Kyeburn could sustain conservative pastoral use.

A shrubland including totara is regenerating adequately in a gorge area of the Little Kyeburn block. Natural barriers to stock access assure this.

Depleted grassland with *Hieracium pilosella* on the north plateau require active management to prevent impending soil loss and to rejuvenate moribund tussock grasses.

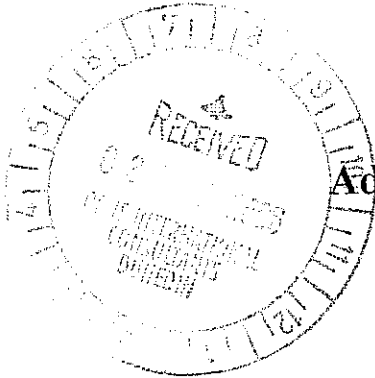
A leaving it to nature approach may be wishful in terms of practical land management.

An understanding of ecosystem or community dynamics is vital for understanding likely consequences of any future management including conservation. Assessments provided in *D.O.C* resources report are based purely on botanical data.

Only ecosystem information including the understanding of community dynamics makes it possible to identify criteria and requirements for sustainable management.

Kyeburn Station enlisted help to develop a management plan based on this approach.

Such an approach allows future generations not only livelihood options but also the opportunity of pursuing purely conservation objectives should they desire.



Addition Fish and Game Resources Report for the Kyeburn Pastoral Lease.

Prepared by the
Otago Fish and Game Council

Introduction

The purpose of this report is to advise the Commissioner of Crown Lands on the sports fish and game values present on the land included in the Kyeburn Crown pastoral lease.

This report is in addition to the original Otago Fish & Game resources report and based on information gathered since the submitting of the original report.

A large number of anglers and other recreational users access the Kyeburn Run Block and neighbouring properties via the Mount Buster road annually. It is our understanding that most anglers and other recreational users have permission from the runholders to use the Mount Buster Road.

To our knowledge, the Mount Buster Road, is the only current legal access available to the upper Otematata River catchment. Access to the Otematata River from the Waitaki Valley is restricted by landowners closing access to recreational users.

The Otematata River and its tributaries contain habitat for spawning, juvenile rearing and adult sports fish. Rainbow trout are the dominant sports fish present with lesser numbers of Brown Trout. Rainbow Trout are known for their fighting ability and are prized as a sport fish species by anglers. The area contains good numbers of trout weighing three to four pounds with some fish reaching six to eight pounds. The Otematata River is located in a unique backcountry region favoured by anglers and hunters alike for its remoteness and the wilderness type experience.

Chukor and California Quail are present on the Kyeburn property, neighbouring properties, and throughout the Otematata catchment. The area offers a unique high-country hunting experience, which is becoming rare in Otago.

Statutory managers of freshwater sports fish, game birds and their habitats

Otago Region

Cnr Hanover & Harrow Sts, PO Box 76, Dunedin, New Zealand. Telephone (03) 477 9076 Facsimile (03) 477 0146

www.fishandgame.org.nz

Fish and Game Perspective

This area has high recreational use, and to our knowledge, is the only access point where there are legal roads, and generally unrestricted access. Given this, and the loss of other traditional access points, we consider it is imperative that vehicle access is maintained for anglers and game bird hunters.

If the formed track does not follow the legal road alignment, then the track should be deemed legal road.

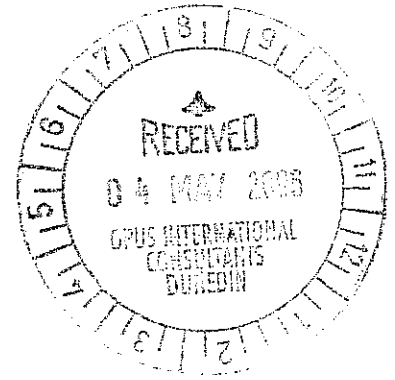
We note that there may be problems over winter with access due to the altitude of the property. However, for angling and game bird hunting purposes access is required over the summer only (October to April inclusive).

Dated: 1 May 2006

Signed

A handwritten signature in black ink, appearing to read "John Hollows". The signature is written in a cursive, slightly slanted style.

John Hollows
Environmental Officer
For: The Otago Fish and Game Council



**Commissioner of Crown Land
c/- Opus International Consultants Ltd**

SUBMISSION REGARDING THE TENURE REVIEW OF
KYEBURN STATION

Submitted by:

Alistair D Scott
Swinburn Back Road
Kyeburn
3 RD
Ranfurly
CENTRAL OTAGO

KYEBURN STATION TENURE REVIEW

It is disappointing this land will be lost to productive use, both for the farming community and nationally. Conservation Parks will not return the benefits this land can if left in the private sector.

My main concern is the loss of access to vehicle traffic and therefore the majority of the population. I would like public road status to remain, with the road to be maintained at the Crown's expense. To expect local rate payers to maintain a so called 'national asset' with no external funding loads costs unfairly on a small community.

If the tenure review process extends around all the surrounding run country this community will lose a large rateable area and end up paying to control weeds and pests spreading from Crown land.

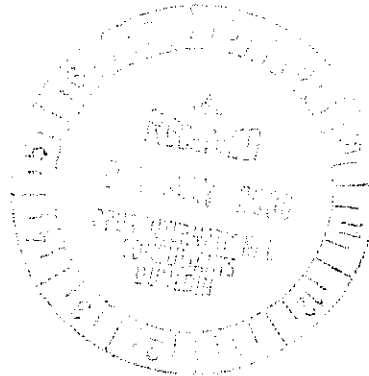
The trail over the Buster along the legal road and along Guffies Creek is an historic droving route. I wish for an easement to allow movement of stock and associated personnel and vehicles to the grazing land in the Waitaki catchment.

ALISTAIR D. SCOTT

3 May 2006

Tenure Review Contract Manager
Opus International Consultants Limited
Private Bag 1913
DUNEDIN

Attention: Davis Payton



Dear David

**KYEBURN STATION PASTORAL LEASE
TENURE REVIEW SUBMISSION BY CROWN MINERALS**

The Commissioner of Crown Lands has invited public submissions on the tenure review of Kyeburn Station Pastoral Lease which occupies an area of some 6,586 hectares in Otago.

An assessment of the area has shown that the lease area, and much of the surrounding land, is prospective for a range of metallic minerals and coal and is currently overlain by granted prospecting permits.

Please find enclosed a written submission on this tenure review proposal.

Yours sincerely

A handwritten signature in black ink, appearing to read "Rob Robson".

Rob Robson
Manager, Petroleum and Minerals Policy

3 May 2006

Commissioner of Crown Lands

**KYEBURN STATION PASTORAL LEASE
TENURE REVIEW SUBMISSION BY CROWN MINERALS**

Background

1. The Commissioner of Crown Lands has invited submissions on a preliminary proposal for tenure review to Kyeburn Pastoral Company Limited as lessee of the Kyeburn Station Pastoral Lease ("Kyeburn Station").
2. The Crown Pastoral Land Act 1998 provides a framework for tenure review of high country land in the South Island. In order to gain ownership of the land leaseholders may request that their lease be considered for tenure review.
3. The Kyeburn Station tenure review involves a total of some 6,586 hectares comprising the Home Block (1,909 ha), located on the Maniototo Plains some 4 km southeast of Naseby, and the Run Block (4,677 ha) on hill country adjacent to the Ida Range, 10 km northeast of Naseby.
4. It is proposed that 4,677 ha be designated as land to be restored to or retained in Crown control as Conservation Area subject to Qualified Designations, 40 ha to be restored to or retained in full Crown control as Conservation Area, and 1,869 hectares to be passed into freehold ownership subject to an existing easement.

Crown Minerals

5. Crown Minerals is the government agency that manages New Zealand's state owned oil, gas, mineral and coal resources known as the Crown mineral estate. Crown Minerals is responsible for the efficient allocation of prospecting, exploration and mining rights, the promotion of the mineral estate to investors, and ensuring that the Crown receives a fair financial return on the mineral estate.
6. The Crown (on behalf of all New Zealanders) owns all in-ground petroleum, gold and silver and approximately half of the in-ground coal, non-metallic and other metallic minerals including industrial rocks and building stones.

Tenure Review

7. The Associate Minister of Energy and Crown Minerals have previously registered their concern to both the Minister of Land Information and LINZ officials that the land tenure review process gives little consideration to the land's mineral value and potential for mineral development and that it does not recognise that existing mineral permit and licence holders have an interest in the land. As a consequence

of the ongoing review of pastoral leases, some land that is highly prospective for mineral development is passing into the Conservation estate, or into private ownership, where it may become more difficult, if not impossible in some cases, for individuals and companies to gain access to this land for the purpose of exploration and mining. This represents a significant loss of economic development opportunity.

8. The objectives of tenure review are set out in section 24 of the Crown Pastoral Land Act and include "*enabling reviewable land capable of economic use to be freed from the management constraints (direct and indirect) resulting from its tenure under reviewable instrument*".
9. The economic benefits from mineral development can be substantial and should not be overlooked. If the land has high mineral potential and/or significant mineral content, then consideration should be given to the mineral value when determining future ownership and use of such land.
10. The purpose of this submission is to bring to your attention the known and potential mineral wealth of the land subject to the Kyeburn tenure review and to request that this be taken into consideration when making a final decision on the review.

Regional Geology

11. The regional geology of the area is comprised of quartzofeldspathic metamorphic rocks (schist) of the Rakaia Terrane. The Rakaia Terrane forms part of the larger Torlesse composite terrane and is the basement rock within the North Otago area.

Local Geology

12. Within the Kyeburn Station Run Block are localised sequences of conglomerate gravels and sandstones (Hogburn Formation). This formation rests unconformably over the weathered schists and are part of sedimentary lithology sequences formed within the Maniototo basin. The localised occurrences of the gravels are of Eocene age, with the gravel derived from the older schist material. The occurrences of these gravels on the schist ranges in the Run Block is due to tectonic uplifting and are possibly remnants of localised in-faulting of the alluvial deposit.

Known Mineralisation

13. The Hogburn Formation are inland sedimentary sequences and have been a focus of historical alluvial gold workings dating back to 1863. The occurrence of alluvial gold within the Hogburn Formation is due to the dynamic erosion of the Rakaia Terrane, which hosts zones of mineralised gold bearing veins. The Hogburn Formation has concentrations of alluvial gold which was a focus of historical workings within the tenure area such as the Clarks and Mt Buster Diggings.
14. In 1896 the Mt Buster Mining Company Ltd was registered and produced 2,263 ounces of gold between 1901 and 1904. The latest exploration of the area was completed by BHP Ltd in 1988-1989. BHP estimated a resource potential of

approximately 2 million m³ at grades between 200-300 mg/m³. This is an inferred resource estimate.

Current Activity

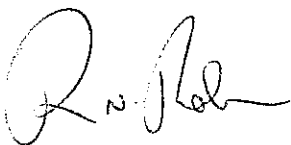
15. At the present time there is a granted prospecting permit 39 266 (Australasia Gold Limited) overlapping a large proportion of the Kyeburn Station lease. In addition, the eastern and southern edges of the Home Block are subject to granted prospecting permit 39 299 (Glencoal Energy Limited), and a large prospecting permit application 39 322 (Glass Earth Limited). An attached map shows the relationship between Kyeburn Station and these prospecting permits, and copies of prospecting permits 39 266 and 39 299 are also attached.
16. The purpose of a prospecting permit is to allow for a relatively brief reconnaissance for minerals over a large area using low impact work methods. The object being to undertake preliminary investigations or studies aimed at identifying land likely to contain mineral deposits. If successful, exploration and mining may follow.
17. Australasia Gold Limited is an Australian registered gold exploration and mining company that is actively working on both sides of the Tasman. The company listed on the Australian Stock Exchange on 18 January 2006 and has a portfolio of New Zealand prospects centred on the Otago region. Prospecting permit 39 266 was granted on 1 June 2004 to prospect for gold and silver over an area of 459 km² for an initial term of two years. Australasia Gold is undertaking the following work over the permit area in accordance with the permit's work programme:
 - compilation of all known existing geo-technical data into a GIS database;
 - geochemical sampling; regional scale mapping;
 - regional scale mapping;
 - interpretation of geology and production of prospect scale geological maps; and
 - input of new geo-technical data into GIS database.
18. Prospecting permit 39 299 was granted to Glencoal Energy Limited, a wholly owned subsidiary of the Fonterra Group, on 11 August 2005 to prospect for coal over an area of 558 km² for an initial term of 18 months. To power their South Island milk processing facilities, Fonterra consume more than 4.5M GJ of coal per annum and access to local coal resources is an important consideration in its business planning. Glencoal is undertaking the following work over the permit area in accordance with the permit's work programme:
 - review of all relevant geotechnical information and compile into a digital database;
 - geological mapping and coal sample analysis;
 - topographic and geological modelling; and
 - identification of target areas for work under subsequent exploration permits.
19. Glass Earth's prospecting permit application 39 322 covers 19,420 km² targeting a wide range of metallic and non metallic minerals over the area.

Comment

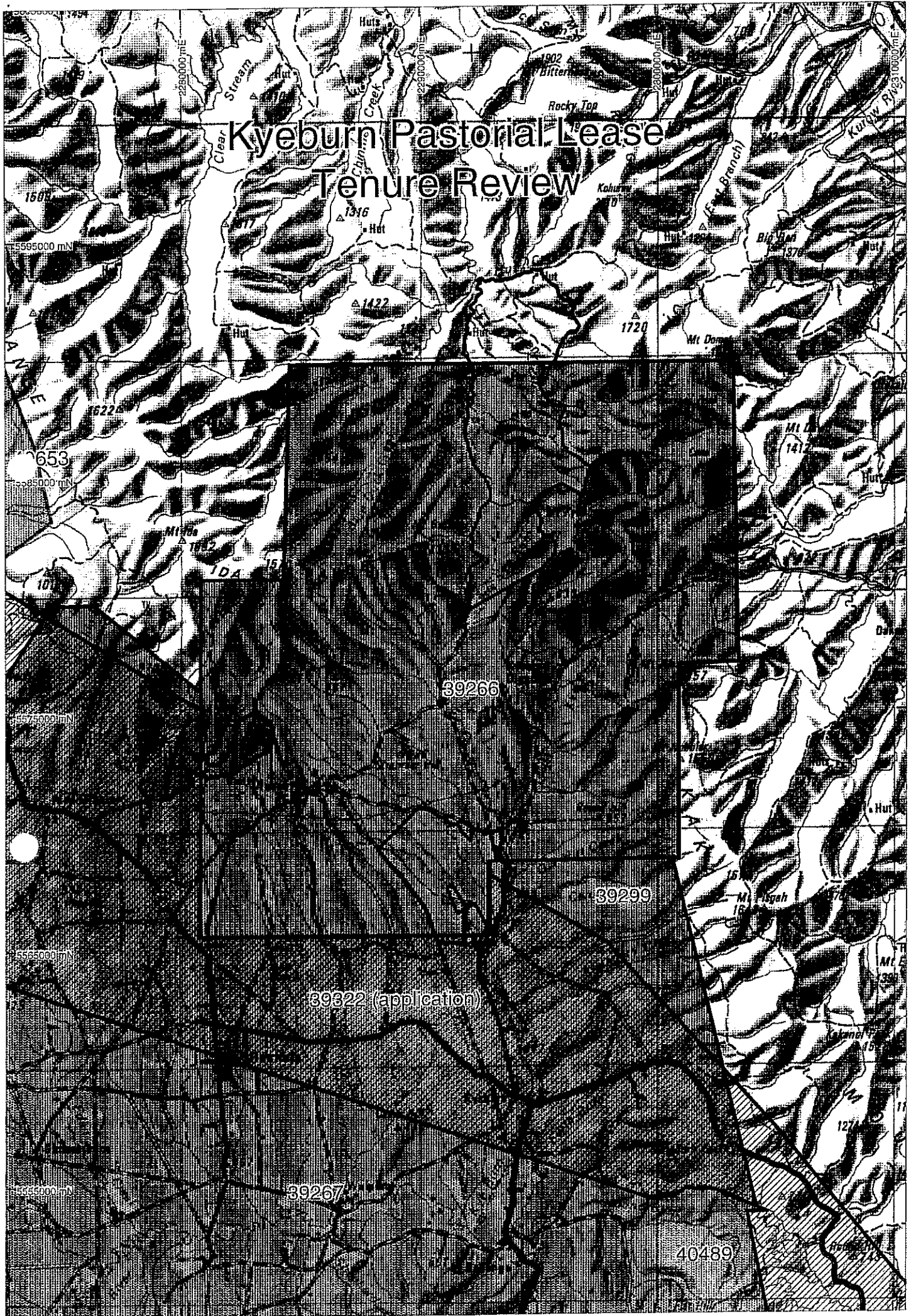
20. Prospecting is a relatively high risk business and the very nature of mineral prospecting and exploration means that a company starts with a large area of land and with time it reduces the area after eliminating areas of no interest. Where early reconnaissance work under a prospecting permit justifies further exploration expenditure, a company will apply for an exploration permit. Progressively the size of the area will be reduced to only a fraction of the original area and more often than not, a company will fail to identify economic mineralisation and the ground will be surrendered or the permit allowed to expire. Modern day prospecting and exploration techniques present little threat to the environment and yet the ultimate outcome of exploration can be the development of a mine with numerous economic spin-offs for the local economy.
21. Crown Minerals acknowledges that the transfer of the Run Block to the Department of Conservation ("DOC") does not preclude access to the land for the purpose of prospecting, exploration and mining. Permit holders can apply to DOC for an access arrangement under section 61 of the Crown Minerals Act 1991. However, because the Minister of Conservation's consideration of an application for access largely relates to conservation objectives, it is fair to say that it becomes more difficult for an exploration or mining company to secure a workable access agreement on conservation land.

Conclusion

22. The current and proposed prospecting activity by Australasia Gold, Glencol Energy and Glass Earth, highlights the new interest being shown to assess the mineral potential of Kyeburn Station and the surrounding area, and testifies to the economic mineral potential of the area.
23. Kyeburn Station should be recognised as being prospective for minerals. To further assess the mineral potential of the area it is critical that exploration and mining companies get ongoing access to this land. Whatever the outcome of the tenure review, Crown Minerals would want to see provision made to allow for mineral prospecting activities to continue to be undertaken.
24. Crown Minerals requests that the Commissioner of Crown Lands takes notice of the mineral potential of the Kyeburn Station Pastoral Lease. Consideration should be given to some form of transitional provisions to ensure that future explorers and developers have a right to access to Crown and freehold land on reasonable terms for the purpose of carrying out exploration and mining activities and also any exploration or mining permit activities under subsequent permits granted in accordance with section 32 of the Crown Minerals Act.



Rob Robson
Manager Petroleum and Minerals Policy
Crown Minerals



**PROSPECTING PERMIT 39 266
CROWN MINERALS ACT 1991**

PERMIT HOLDER: Australasia Gold Limited
13 Woodland Close
Aldgate
SOUTH AUSTRALIA 5154


NOW THEREFORE: I, ROBERT SMILLIE, Manager, Exploration and Mining Services Unit acting under delegated authorities of 2 February 2004, do

HEREBY GRANT to the Permit Holder a prospecting permit for the duration of 2 years commencing on the date hereof

WHICH HEREBY gives the exclusive rights to prospect for gold and silver as defined in the Minerals Programme 1996, in the land described in the First Schedule and delineated on the plan attached hereto

UPON THE CONDITIONS specified in the Second Schedule hereto and subject to the Crown Minerals Act 1991 and any regulations made thereunder.

DATED AT Wellington this *1st* day of *June* 2004


.....
Manager, Exploration and Mining Services Unit

SCHEDULE 1

Prospecting Permit Application 39 266

Land District: Otago Region

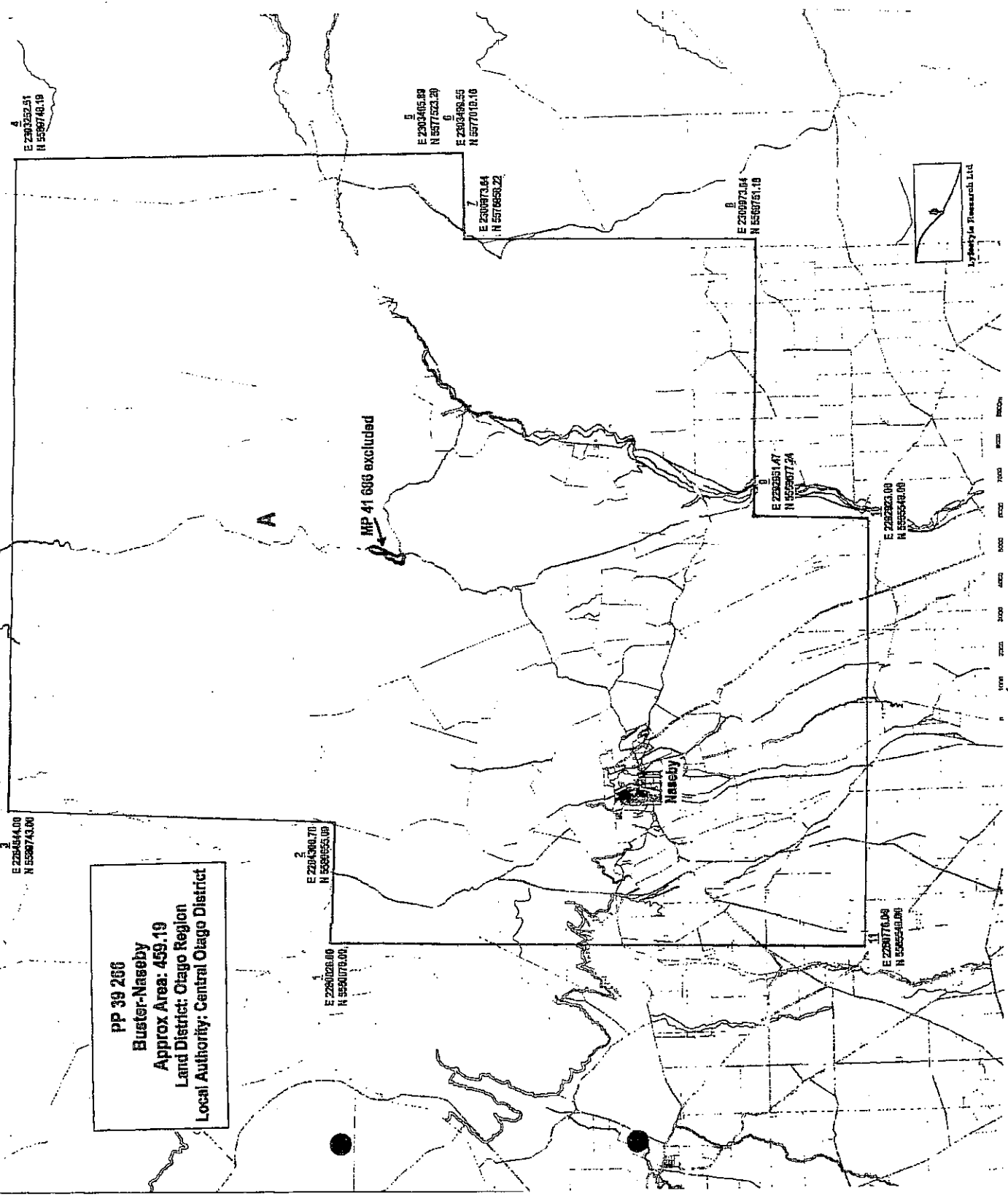
Local Authority: Central Otago District

Area: 459.19 Square Kilometres

All that area of land containing 459.19 square kilometres, shown as 'A' on the attached map.



Graham Cullen
Crown Accredited Supplier
Lifestyle Research Limited
30/03/2004



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E 2303252.51
N 5536748.19

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E 2303405.89
N 5577523.29

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N 5577010.18

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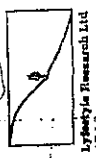
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PP 39 266
Buster-Naseby
Approx Area: 459.19
Land District: Otago Region
Local Authority: Central Otago District



0 1000 2000 3000 4000 5000 6000 7000 8000 9000

SECOND SCHEDULE CONDITIONS OF PROSPECTING PERMIT 39 266

Work Programme

1. The permit holder shall make all reasonable efforts, to the satisfaction of the Chief Executive of the Ministry of Economic Development (the Chief Executive), to prospect the permit area in accordance with good industry practice, so as to clearly define the potential of the mineral resource to which this permit applies.
2. The permit holder make all reasonable efforts, to the satisfaction of the Chief Executive, to complete the following minimum work programme;
 - (a) Within 24 months of the commencement date of the permit:
 - i Compile all existing and suitable geo-technical data held or acquired by the company into a digital database;
 - ii Complete the proposed geochemical sampling;
 - iii Conduct regional scale mapping;
 - iv Interpret geology and produce prospect-scale geological map or maps of prospects identified and selected for further exploration; and
 - v Input new geo-technical data into the GIS database.
3. In accordance with Section 38 of the Crown Minerals Act conditions 2(a) i, ii, iii, iv & v must be completed to have achieved substantial compliance with the work programme.

Reports

4. The permit holder shall report in accordance with prescribed regulations.

Fees

5. The permit holder shall pay any prescribed fees that apply to this permit.

**PROSPECTING PERMIT 39 299
CROWN MINERALS ACT 1991**

PERMIT HOLDER: Glencol Energy Limited
c/- Fonterra Co-Operative Group Ltd
Corporate Centre
Princess Street
AUCKLAND

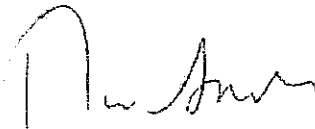
NOW THEREFORE: I, ROBERT WILLIAM SMILLIE, Manager, Exploration and Mining Services Unit, Crown Minerals, acting under delegated authority of 2 February 2004 and in accordance with section 25 of the Crown Minerals Act 1991, do

HEREBY GRANT to the Permit Holder a prospecting permit for the duration of 18 months commencing on the date hereof

WHICH HEREBY gives the exclusive rights to prospect for coal as specified in the Minerals Programme for Coal in the land described in the First Schedule and delineated on the plan attached hereto

UPON THE CONDITIONS specified in the Second Schedule hereto and subject to the Crown Minerals Act 1991 and any regulations made there under.

DATED AT Wellington this 11th day of August 2005



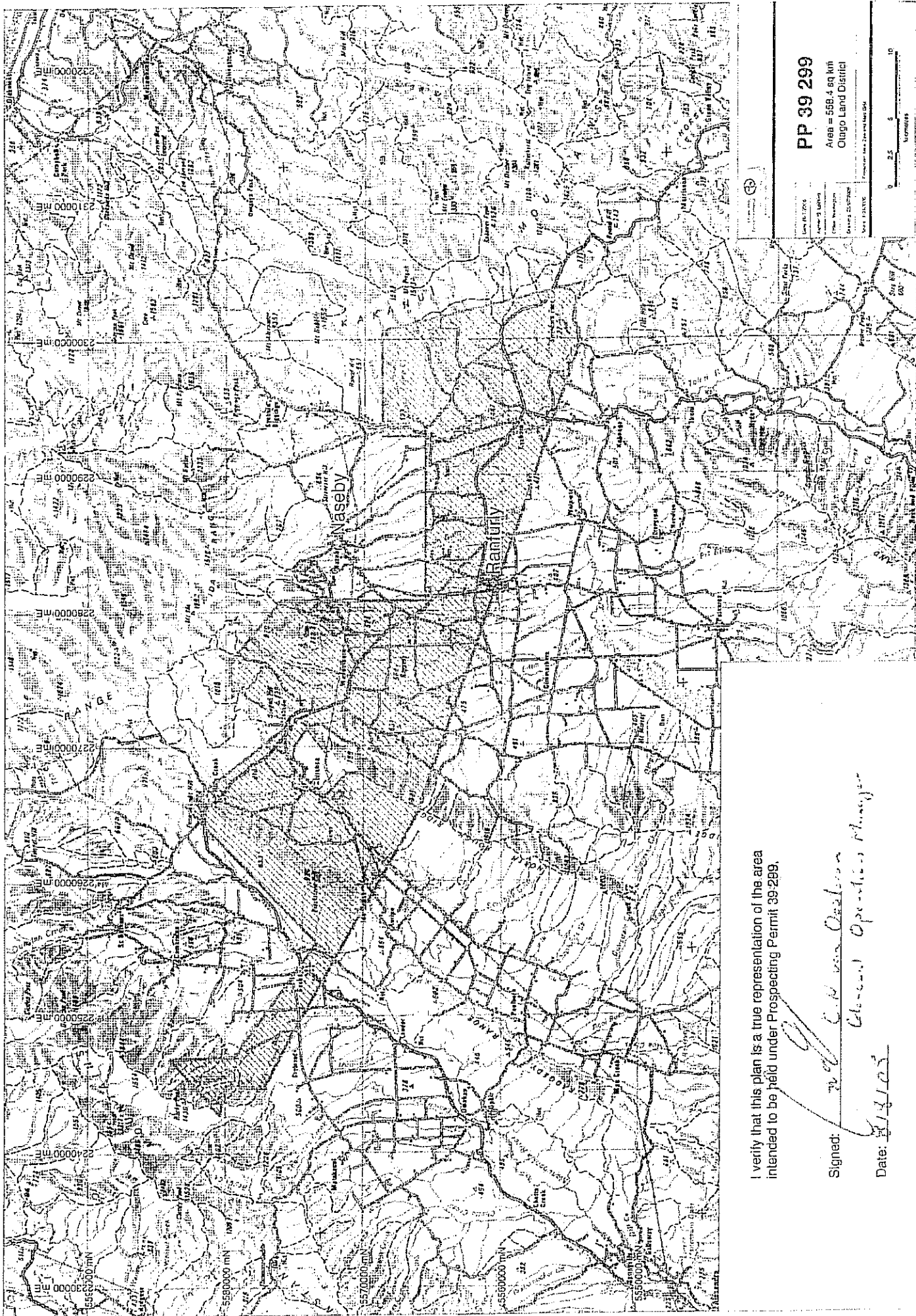
.....
Manager, Exploration and Mining Services Unit, Crown Minerals

**FIRST SCHEDULE
PROSPECTING PERMIT 39 299**

AREA: 558.40 square kilometres
LAND DISTRICTS: Otago
LOCAL AUTHORITY: Central Otago District Council

DESCRIPTION OF PERMIT AREA:

All that area of land as is shown, in red outline, on the plan attached.



PP 39 299

Area = 558.4 sq km
Ontario Land District

Scale 1:50,000
 North Arrow
 Contour Interval 20 m
 Projection UTM
 Datum NAD 83



I verify that this plan is a true representation of the area intended to be held under Prospecting Permit 39-299.

Signed:

W. G. van Oosterhout
General Operations Manager

Date:

2/1/05

SECOND SCHEDULE CONDITIONS OF PROSPECTING PERMIT 39 299

Work Programme

1. The permit holder shall to the satisfaction of the Chief Executive of the Ministry of Economic Development (the Chief Executive), prospect the permit area in accordance with good industry practice, so as to clearly define the potential of the mineral resources to which this permit applies.
2. The permit holder shall to the satisfaction of the Chief Executive, complete the following minimum work programme;
 - (a) Within 18 months of the commencement date of the permit:
 - i Review all relevant geotechnical information and compile into a digital database;
 - ii Undertake programmes of geological mapping and coal sample analysis;
 - iii Undertake topographic and geological modelling;
 - iv Identify targets areas for work under subsequent exploration permit(s);
and
 - v provide the Chief Executive with a report detailing the work completed, including submission of digital data.
3. Conditions 2(a) i, ii, iii, iv & v must be completed to have achieved substantial compliance with the work programme.

Reports

4. The permit holder shall report in accordance with the prescribed regulations. All digital data generated during the term of the permit shall be submitted in accordance with the format outlined in the regulations.

Fees

5. The permit holder shall pay any prescribed fees that apply to this permit.