

Crown Pastoral Land Tenure Review

Lease name: RIVERSLEA

Lease number: PO 178

Public Submissions

- Part 1

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



5 February 2009

Commissioner of Crown Lands c/- DTZ New Zealand Limited P O Box 27
ALEXANDRA

DTZ ALEXANDRA
5 - FEB 2009
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Dear Sir

RIVERSLEA PASTORAL LEASE TENURE REVIEW SUBMISSION BY CROWN MINERALS

The Commissioner of Crown Lands has invited public submissions on the tenure review of Riverslea Pastoral Lease which occupies an area of some 1,590 hectares in the Maniototo District 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 is currently overlain by a granted prospecting permit and a prospecting permit application for lignite, diatomite and peat.

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

Yours sincerely

Barry Winfield

Senior Analyst, Petroleum and Minerals Policy

Crown Pastoral Land Act 1998 Tenure Review Preliminary Proposal

Lease name: RIVERSLEA

Lease numbers: PO 178

Submission by Crown Minerals Ministry of Economic Development

February 2009

RIVERSLEA PASTORAL LEASE PRELIMINARY PROPOSAL FOR TENURE REVIEW

SUBMISSION BY CROWN MINERALS TO COMMISSIONER OF CROWN LANDS

BACKGROUND

- 1. The Crown Pastoral Land Act 1998 provides a framework for the review of high country land in the South Island. In order to gain ownership of the all or part of the land leaseholders may request that their lease be considered for tenure review.
- 2. An invitation to undertake tenure review has been accepted for Riverslea pastoral lease and the review has reached the stage where the Commissioner of Crown Lands has put a preliminary proposal to S H Andrews and Sons Limited as lessees of Riverslea. The Commissioner of Crown Lands has invited public submissions on this preliminary proposal for tenure review.
- 3. Riverslea comprises some 1,590hectares of land located on the western slopes of the Rock and Pillar Range behind Waipiata township in the Maniototo District.
- 4. It is proposed that 810 ha be designated as a Conservation Area (subject to a qualified designation) and 780 ha to be passed into freehold ownership (subject to a number of protective mechanisms and a qualified designation).

CROWN MINERALS

- 5. Crown Minerals, a group within the Ministry of Economic Development, 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 for the use of its 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.

LAND TENURE REVIEW

7. The Minister of Energy and Crown Minerals have previously registered their concern to both the Minister for 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 existing mineral permit and licence holders 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 Riverslea review and to request that this be taken into consideration when making a final decision on the review.

REGIONAL GEOLOGY

- 11. The Haast schist is the basement rock of the area. It is a quartzo-feldspathic schist metamorphosed to Chlorite Sub-Zone IV (Greenschist facies). The economic basement is at the base of the Hogburn formation. The base of the Hogburn formation consists of fine, angular quartz gravels in a sand matrix. Records indicate that gold is located at the base of this formation. The Hogburn Formation grades up into sandstone and a white clay.
- 12. The Hogburn Formation has been overlain by the younger Naseby Formation, Wedderburn Formation, Waipiata Basalt and Pleistocene colluvium/alluvium. Where the auriferous Hogburn Formation is near the surface, it has been worked out by gold mining. Elsewhere it is deeply buried beneath the full Tertiary sequence and overlying Pleistocene and Recent deposits. The Naseby Formation consists of greywacke cobbles in a sandy silt matrix. The Wedderburn Fomation is similar to the Hogburn Formation with beds of white clay, sand and fine quartz gravel. Pleistocene material consists of gravel which is not as weathered or cemented as the gravels in the Naseby Formation.

KNOWN MINERALISATION AND CURRENT PERMITS

- 13. The northern sector of the Riverslea area is immediately adjacent to the Hamiltons diggings. Gold was discovered at Hamiltons in 1863, with the workings producing 80,000 oz of gold in the first 18 months before the shallow ground was quickly worked out and production declined rapidly. The mine was sluiced until 1900 but was abandoned when easily mined material was exhausted and water became increasingly scarce because it was required for irrigation.
- 14. Exploration in the northern area has identified that the easily mined gold in the basal Tertiary gravels of the Hogburn formation has been essentially worked out. There may be gold-bearing quartz gravels in basal Tertiary sediments that are believed to underlie the Waipiata Basalt. However, any potential gold-bearing deposits are deeply buried under a thick sequence of Naseby Formation, Wedderburn Formation and Waipiata Basalts comprising several hundred metres of overburden. Exploration would require deep drilling which is relatively uneconomic.

- 15. The area is currently covered by one prospecting permit held by Glass Earth (New Zealand) Limited, and subject to a prospecting permit application by Featherston Resources Limited.
- 16. Glass Earth (New Zealand) Limited's prospecting permit 39322 covers 12,790 square kilometres of the Otago region. An airborne geophysical survey was completed over the entire permit area in 2007, with areas for more detailed exploration activities yet to be delineated. An extension of duration application to the permit is currently being considered.
- 17. The prospecting permit application by Featherston Resources Limited is for lignite, diatomite and peat. Resources for these commodities have not been previously identified in the Riverslea area.

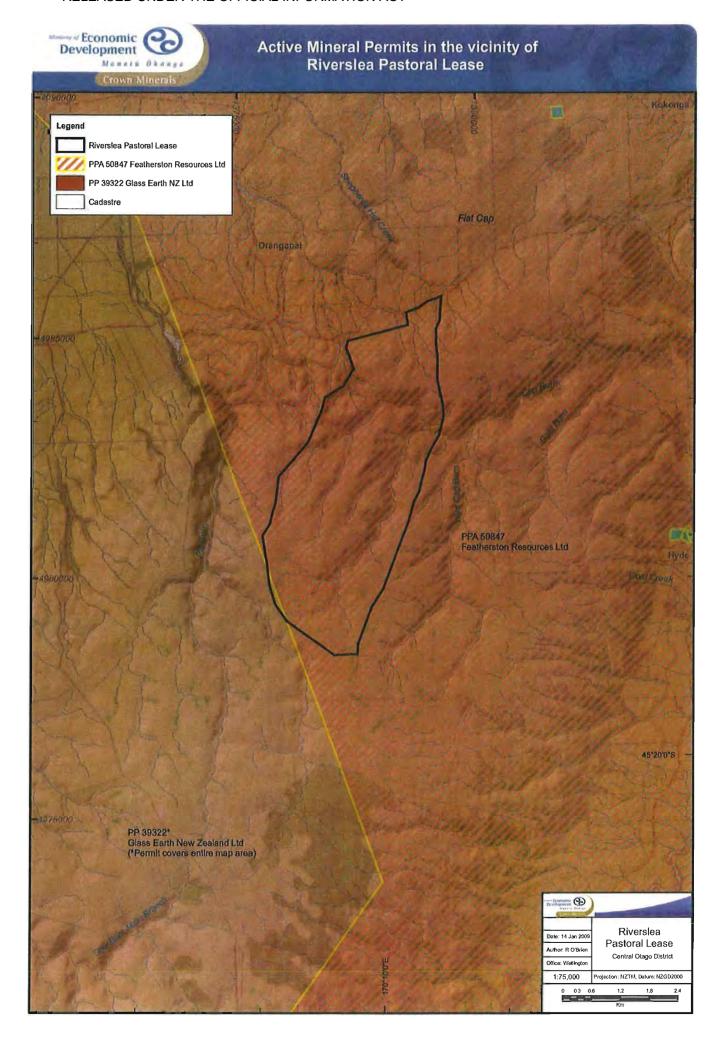
COMMENT

- 18. 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 will be 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.
- 19. Crown Minerals acknowledges that the transfer of areas of the Riverslea lease to both the Department of Conservation ("DOC") and private ownership does not preclude access to the land for the purpose of prospecting, exploration and mining. Permit holders can apply to DOC and the private landowner 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

- 20. The current and proposed prospecting activity by Glass Earth, highlights the new interest being shown to assess the mineral potential of the Riverslea lease area and the surrounding region, and testifies to the economic mineral potential of the area.
- 21. The Riverslea pastoral lease area 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 this review, Crown Minerals would want to see provision made to allow for mineral prospecting activities to continue to be undertaken.

22. Crown Minerals requests that the Commissioner of Crown Lands takes notice of the mineral potential of Riverslea 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 prospecting and exploration activities and also any development activities under subsequent permits granted in accordance with section 32 of the Crown Minerals Act.





Department of Botany

University of Otago Te Whare Wananga o Otago

Division of Sciences PO Box 56, Dunedin NEW ZEALAND Tel: National 03 479 7573 International 64 3 479 7573 Fax: National 03 479 7583 International 64 3 479 7583 Email: amark@otago.ac.nz

DTZ ALEXANDRA

5 - FEB 2009

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January 30, 2009.

Manager, DTZ New Zealand Ltd., PO Box 27, ALEXANDRA.

SUBMISSION ON PROPOSED TENURE REVIEW: RIVERSLEA PASTORAL LEASES

Dear Sir,

Thank you for sending me a copy of this document and I appreciate the opportunity to comment on it based on my good knowledge of the Rock & Pillar Range, including the area involved.

The general thrust of this proposal, to return to full Crown ownership and management control, the entire top block of ~810 ha, as a conservation area (labelled CA on the plan), with the balance of the land being disposed of with freehold title, is endorsed.

The area proposed for conservation is relatively intact indigenous vegetation with much of its natural character of snow tussock grassland merging above into alpine herbfield with occasional prominent schist tors. The area would justify being included in any future Rock and Pillar Conservation Park, as indicated in the Otago Conservation Management Strategy. A stone cairn type of trig point is a special historical feature within this area. The landscape values and recreational potential of this area are also relatively high. I could also predict, on the basis of our research findings further south on the Range (Kinvara Station), that the ability of the area to provide an important present and continuing ecological service in the form of relatively high water yields, ranks it as very high for non-intervention conservation management.

The proposed "Qualified Designation", in the form of a grazing concession, according to the terms and conditions in the draft document, is acceptable, provided it is not allowed to run on beyond the four years provided for the phasing out of sheep grazing at the maximum rate specified of 1500 sheep for up to 10 weeks over summer. I also note (and approve) that this stocking rate is to be significantly reduced by year 4. The proposed "Easement Concession" for stock access for farm management purposes, being on-going use of the existing track for stock management purposes, is also approved.

I trust that this response and recommendations will be given serious consideration and I thank you again for the opportunity to assess and comment on these proposals for tenure review.

Yours sincerely,

Alan F. Mark. FRSNZ Professor Emeritus

10 Smacks Close Papanui Christchurch 8051 DTZ ALEXANDRA

11 FEB 2009

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Re: Riverslea Tenure Review,

Dear Sir,

Why do you fail to place the other intriguing aspect of this property under Crown control.

The headwaters are in the Conservation area but so to should be the entire upper valley system of Cap Burn.

Look at the tight twisting valley and it's tributaries, the folds of the land, the hidden and changing micro-climates. Due to the landform these gully's and folds of the hills would be forever changing the mood and charm of the area, as the angle of the sun rose and declined, contrasting with the more open area of the upper Conservation land. This is visible even in photo two of the review.

By not including the entire upper valley system in the Conservation area, you are basically halving the lands potential enjoyment. What's the point of it? Vegetation shouldn't be the only relevant issue.

In other reviews a statement such as it gives depth is part of the whole...gives scale.....would be used to justify the land being placed into a Conservation area. Not only would it help to protect the historic buildings but it would help create the effect of remoteness, isolation, that former shepard's and gold miners endured. If the upper land forms contain wetlands, then the lower land would show the changing vegetation of altitude. I realise that some of it is moderfied.

It is stated in the review that the CA has significant inherent values associated with recreation resources, so to does the lower valley system of Cap Burn.

The boundary should be the ridgeline on the northern side of Cap Burn and end at the boundary of the property at the 966m a.s.l. on the western side.

Regards Geoff Clark.

DTZ ALEXANDRA

2 3 FEB 2009

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Riverslea Crown Pastoral Lease Tenure Review

NEW ZEALAND

Submission from Otago Fish & Game

The Otago Fish & Game Council (Fish & Game) wish to make the following submission regarding the advertised preliminary proposal for the Riverslea Property.

We note that the objectives of this covenant are to provide for freedom of access to the public for the appreciation and recreational enjoyment of the land. We support these objectives.

While the proposal goes someway to fulfill the above statement, some of the easement clauses restrict recreational access to the conservation land, particularly for upland game bird hunting. Fish & Game have proposed some wording amendments that will more adequately facilitate a wide range recreation uses, including upland game bird hunting, and prevent the area becoming the domain for the very fit and able bodied.

Easement conditions

Point 12 — The provisions regarding the transfer of hunting dogs and guns over the easement to the conservation area are generally acceptable. However point (b) states that dogs may be taken on to the conservation area provided the permit allows for it. We see this clause as relevant to areas where there may be species such as kiwi but not for this property.

Proposed Amendments:

Remove point (b) from the document as there are no species present on the Riverslea property that may be affected by dogs and no reason for the Department of Conservation (Department) to restrict their access.

Point 13 - This provision only allows vehicle access between December 1st and April 15th and then at the discretion of the Department of Conservation area manager.

Upland game bird hunting occurs from the first Saturday in May and runs through to the end of August each year and falls outside the proposed December to April time frame. The proposal essentially removes this type of recreational opportunity from the property and restricts all but a minority of hunters. We see this as unacceptable for access to public land.

In addition, Fish & Game are concerned with the 'at the discretion of the Department of Conservation area manager" access wording. While we accept that at time weather may

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

make the track vulnerable to damage this should not result in a blanket shutting up of the land and all efforts should be made with regard to maintenance to keep the track passable to vehicles.

Proposed Amendments:

- (a) Public vehicle access shall only be restricted for lambing (October 1st to 15th November 15th).
- (b) Include provisions in the proposal that ensure the track is kept in good navigable condition during the period (November 16th to September 30th).

Point 14 – Fish & Game consider the proposal to allow keys for access from the Department during working hours as acceptable provided it is administered properly. If such an approach is used then we consider that keys need to be able to be posted out as not all people are able to be in Alexandra during working hours. This could work is a similar manner as forestry company which issue keys for weekend hunting. Alternately we are aware of areas of Conservation land where a numerical code for a padlock was issued via phone to facilitate access (e.g. Blue Mountains).

Fish & Game Access for Management Purposes

Fish & Game may on occasions need to access land for the management of sports fish and game bird species. We understand that we have the same access rights for management as the Department although this has not been formally confirmed. In the interim we request that wording be added to the proposal which confers the same access rights to Fish & Game as the Department with regard to management access. Alternately a letter from the Department or LINZ confirming that Fish & Game have the same management rights would meet our concerns.

John Hollows

Environmental Officer

18 February 2009

(Jol (Hollow)

RELEASED UNDER THE OFFICIAL INFORMATION ACT

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DTZ ALEXANDRA

The Commissioner of Crown Lands C/o DTZ Ltd., PO Box 27 Alexandra

Attention: Phil Murray

2 3 FEB 2009
RECEIVED

FOREST & BIRD Dunedin Branch

> PO Box 5793 Dunedin

> > 21.2.09

Dear Sir,

I enclose these submissions on the preliminary proposal for Riverslea Pastoral Lease on behalf of the Dunedin Branch of Forest and Bird.

Thankyou for the opportunity to make submissions on this proposal and for arranging permission for us to inspect the lease.

Yours sincerely

Janet Ledingham

For the Management Committee of the Dunedin Branch, Forest and Bird Protection Society

Email jledingham@xtra.co.nz

622 Highgate, Maori Hill, Dunedin 9010.

Jant Lealigh.

Phone 03 467 2960

Submission on the Preliminary Proposal for Riverslea Pastoral Lease

On behalf of the Dunedin Branch Forest and Bird Management Committee.

This submission is written on behalf of the Dunedin Branch of the Forest and Bird Protection Society which has approximately 565 members, many with strong interests in the High Country values and recreational opportunities as well as in botany and natural history in general. Many of the members enjoy active recreation in the back country and are very aware of the need to ensure the protection of natural values, vegetation and landscape, historical sites and to improve public access through the tenure review process.

The submission is written with reference to the objectives of tenure review as set out in the Crown Pastoral Land (CPL) Act 1998, and the 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.

Introduction

The Riverslea lease is at the Northern end of the Rock and Pillar Range. It contains a number of significant inherent values including high landscape values. The tor/tussock country on the proposed Conservation Area is a marvellous area for walking/tramping, botanizing and enjoying the scenic views and also provides opportunities for other forms of recreation. It will be a worthy addition to the present Rock and Pillar Conservation Area and ultimately part of a Rock and Pillar Conservation Park.

The proposal:

Land to be restored to Crown Control

CA. An area of approximately 810 ha (labelled CA on the designations plan) to be restored to Crown control as a conservation area pursuant to Section 35(2)(b)(i) Crown Pastoral Land Act 1998, subject to qualified designations.

The proposed CA covers the entire top block of the lease and ranges in altitude from about 1000-1200m. As stated in the proposal:- 'The area incorporates the headwaters of the Cap Burn and consists of a tall tussock grassland and wetland mosaic. Native plant communities are generally intact with only small areas at lower altitude with a high component of Hieracium pilosella.'

We would agree with the statement in the proposal that 'the proposed conservation area retains much of its natural character and is considered to be typical of the pre-human landscape in the region. The natural character is derived from the intact landscape patterns and the visual coherence that arises from the homogeneous and intact nature of the original tall tussock grasslands and herbfields. Notable are the wide spaced high points which frequently culminate in tors. The unit is

considered an integral part of the wider and more expansive high country landscape of the Rock and Pillar Range'.

We would agree with the statements that 'In general the proposal is characterised by ecological communities with a high degree of naturalness. Increasing woodiness and improved wetland and grassland condition is expected in the absence of pastoral use. Wetland communities within the headwaters of the Cap Burn are well developed. There are areas of high species richness which make a disproportionate contribution to biodiversity on the Rock and Pillar Range'.

We note that, the proposed conservation area CA contains a number of rare or threatened species including *Myosurus* and *Myosotis*. and that almost the entire proposed conservation area is considered an 'under protected' land environment and therefore warrants protection.

It is largely the outcome that we hoped for when we made submissions at the early warning stages of the process.

We also note that a stone cairn trig is located within the proposed conservation area. Such trigs are unusual and considered a characteristic feature of the Maniototo area. Minor parts of historic water race systems associated with 19th century gold mining are also present and are certainly worthy of protection.

Recreational values are high for a range of activities including botanical tramping, tramping, and mountain biking.

The proposed CA will be a valuable addition to the Rock and Pillar Conservation Area and eventually, we hope, will be a part of a Rock and Pillar Conservation Park.

Recommendation

We fully and enthusiastically endorse the return of this area to full Crown Ownership and Control as a Conservation Area, CA, to be added to the Rock and Pillar Conservation Area.

Qualified Designation — Easement Concession for farm management purposes
The area is to be designated subject to the granting of an easement concession to SH Andrews and
Sons Ltd. for access for farm management purposes pursuant to Section 36(1)(a) Crown Pastoral
Land Act 1998.

Recommendation

We have no objection to the above designation

Qualified Designation - Grazing Concession

The area is to be designated subject to the granting of a grazing concession to SH Andrews and Sons Ltd for pursuant to Section 36(1)(a) Crown Pastoral Land Act 1998, on terms and conditions as per the draft document.

Recommendation

We have no objection to the above grazing concession which is to be in force for 4 years, but would oppose renewal of the grazing concession beyond that time.

Qualified Designation - continuation in force of an existing easement

That where land within the proposed Conservation Area is currently subject to a Deed of Easement to convey water together with incidental rights in favour of Ian Fraser and Owen McDonald there will be a continuation in force of this of this easement pursuant to Section 36(3)(c) Crown Pastoral Land Act 1998.

Recommendation

We have no objections

Land to be freeholded

Land to be disposed of by freehold disposal to SH Andrews and Sons Ltd, pursuant to Section 35(3) Crown Pastoral Land Act 1998, subject to protective mechanisms and a qualified designation. Area 780 ha approximately and labelled FH on the designations plan.

This area consists of the lower sunny hill country above the Shepherds Hut workings and the lower to mid-altitude hill country in the middle of the lease, mostly below 900m. This land has a LUC Class VI land classification and therefore should be capable of being managed in a way that is ecologically sustainable.

We note, however that there are some remnant shrublands in gullies of the mid Cap Burn in the proposed freehold area which are likely to be enhanced by removal of grazing and ask that some of these should be considered for protection by covenant (Figure 1). We appreciate that because of heir location it may have been thought too difficult to devise protective covenants.

Recommendation

We do not object to the proposal to freehold the land designated as FH but ask consideration be given to the protection of some remnant shrublands in the mid-Cap Burn by creation of Conservation Covenants

Protective Mechanism:

Proposed Conservation Covenant

An area of approximately 15 ha marked CC on the proposed designations plan, to be subject to a Conservation Covenant pursuant to Section 40(1)(b) and 40(2)(a) Crown Pastoral Land Act 1998.

This covers an area of high historical value adjacent to the Shepherds Hut Diggings which are already under Historic reserve and certainly warrant protection by Covenant.

Recommendation

We strongly support the creation of this Covenant over the part of the Shepherds Creek Diggings on the Riverslea lease.

Proposed Easement for Public and Conservation Management access.

It is proposed that the route shown as "a-b-c" and "b-d" on the proposed designations plan be subject to an easement for public access pursuant to Section 40(1)(b) and 40(2)(b) Crown Pastoral Land Act 1998. and for Conservation Management access pursuant to Section 40(1) (b) and 40(2)(b) Crown Pastoral Land Act 1998.

On our inspection trip at the time when early warning submissions were called for we travelled up the track at the eastern boundary which was adequate access, however we agree that the route now proposed up the western boundary is feasible and acceptable to us for public access by motorised and non-motorised means.

Recommendation

We have no objection to this designation

Summary of recommendations

- 1. Proposed Conservation area CA. We fully and enthusiastically endorse the return of this area to full Crown Ownership and Control as a Conservation Area, CA, to be added to the Rock and Pillar Conservation Area.
- 2. Qualified Designation Easement Concession for farm management purposes We have no objection to the above designation
- 3. Qualified Designation Grazing Concession
 We have no objection to the above grazing concession which is to be in force for 4 years, but would oppose renewal of the grazing concession beyond that time.
- 4. Qualified Designation continuation in force of an existing easement to convey water We have no objections to the above designation.
- 5. Land to be disposed of by freehold labelled FH on the designations plan. We have no objections other than a suggestion that areas of shrubland in the mid Cap Burn be considered for covenanting.
- 6. We strongly support the creation of the Conservation Covenant (CC) over the part of the Shepherds Creek Diggings on the Riverslea lease.
- 7. We support the proposed Easement for Public and Conservation Management access.

We would like to thank DTZ Ltd, for arranging access and the runholder for permission to inspect the property. We thank the Commissioner of Crown Lands for the opportunity to comment on the Preliminary Proposal of this pastoral lease.

Janet Ledingham, For the Management Committee of the Dunedin Branch, Forest and Bird Protection Society.



Figure 1. View into the mid Cap Burn with scattered shrublands and tussock in the proposed freehold area. Taken from GR 86652 43995.



OTAGO CONSERVATION BOARD

Our ref: SBC-08-34

20 February 2009

DTZ ALEXANDRA

2 3 FEB 2009

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Commissioner of Crown Lands c/- DTZ New Zealand Ltd Land Resources Division Box 27 ALEXANDRA 9340

Dear Sir

SUBMISSION ON TENURE REVIEW OF RIVERSLEA

Thank you for the opportunity to comment on the Preliminary Proposal for the tenure review of Riverslea.

The Otago Conservation Board supports the Preliminary Proposal as advertised.

Yours faithfully

Hoani Langsbury Chairperson

Box 5244, Dunedin, New Zealand

Phone: (03) 474 6936

Fax: (03) 477 8626

Email: mclark@doc.govt.nz 401181