THE MACKENZIE AGREEMENT:

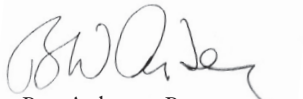
A Shared Vision and Strategy, and a Proposal for a Mackenzie Country Trust

Upper Waitaki Shared Vision Forum

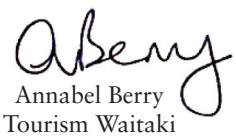
Cover photo: Bev Bell

THE MACKENZIE AGREEMENT

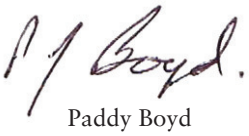
The signatory parties agree that we wish to form a long-term, co-operative relationship, working together to implement our shared Vision and Strategy for the Mackenzie Country. We affirm that support for the development aspects of our Strategy are inseparable from the establishment and funding of the Mackenzie Country Trust, and vice versa. We acknowledge that in the current fiscal circumstances it may be difficult for the Government to fund the Trust in financial year 2012-13. However, we urge the Government to commit to funding the Trust for the following years, and in the meantime, to legislate for its establishment. For our part, regardless of any Government decisions taken in the meantime, we commit to maintain our relationships, and to work together to achieve our agreed Vision and Strategy for the Mackenzie Country over the years ahead.



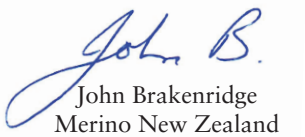
Ben Aubrey - Benmore
Range Residents Association



Annabel Berry
Tourism Waitaki



Paddy Boyd
Existing irrigators



John Brakenridge
Merino New Zealand

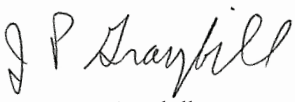
Phil Brownie - Mackenzie
Tourism & Development Trust

Bill Chisholm
Ohau Protection Society

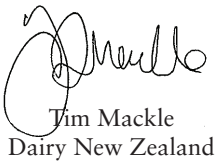
Elaine Curin - Lake
Pukaki Wildling Trust

Robin McNeill
Federated Mountain Clubs

Cathy Ferguson
Ahuriri Community Board



Jay Graybill
Fish and Game

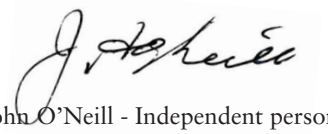


Tim Mackle
Dairy New Zealand

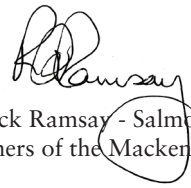
Doug McIntyre - Benmore
Irrigation Company

Mike Britton
Forest and Bird

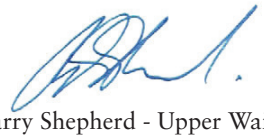
John Murray
Mackenzie Federated Farmers



John O'Neill - Independent person
appointed by Mackenzie District Council

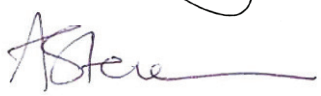


Rick Ramsay - Salmon
Farmers of the Mackenzie



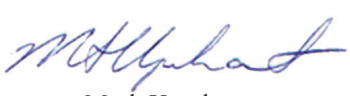
Barry Shepherd - Upper Waitaki
Water Applicants Group

Rosalie Snoyink
Mackenzie Guardians



Anne Steven - High Country
Landscape Group

Nicola de Wit
Environmental Defence Society

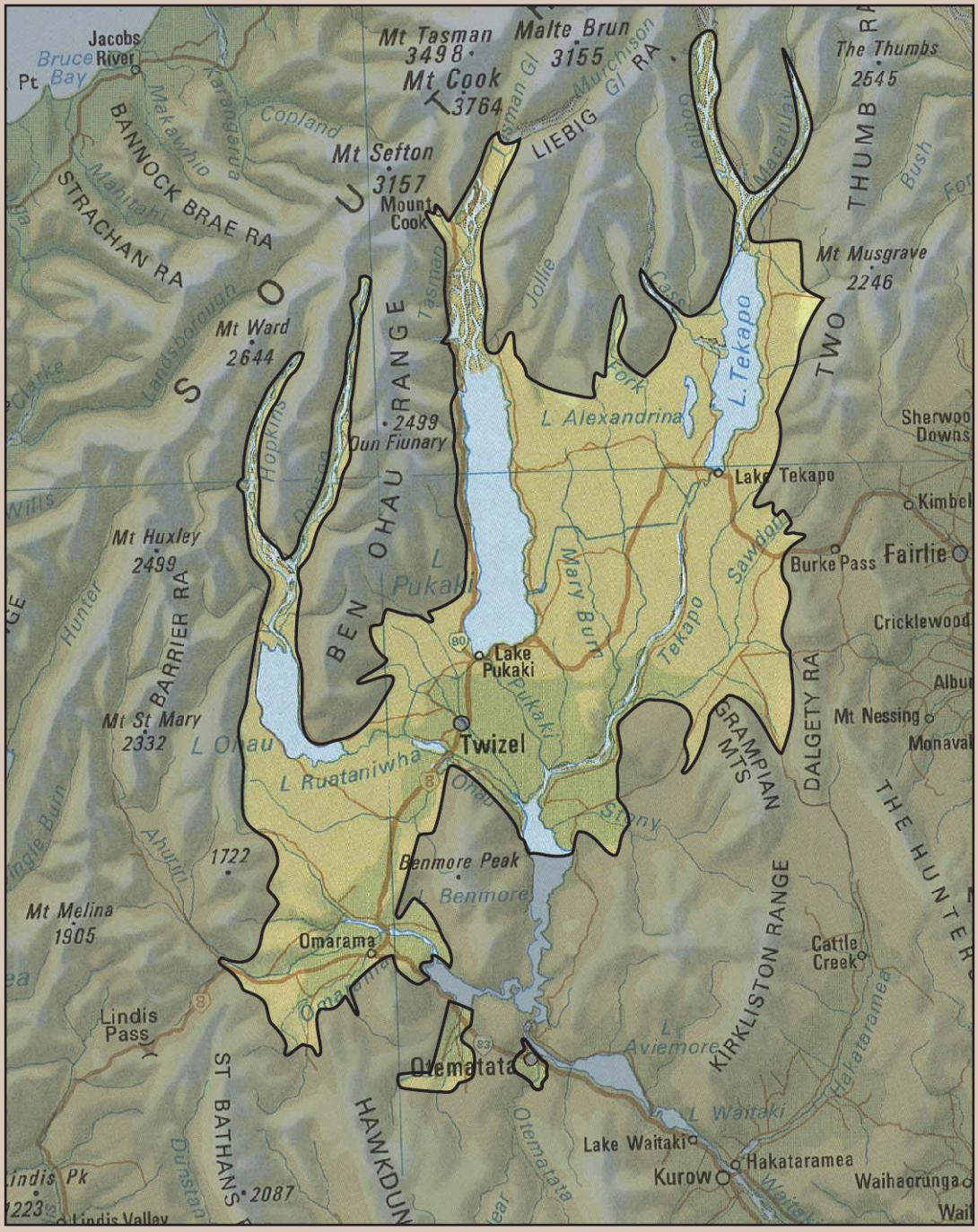


Mark Urquhart
Mackenzie Irrigation Company

Simon Williamson - Otago High
Country Federated Farmers

Contents

Why the Mackenzie Country matters



The map highlights the lower-lying ground on the basin floor of the Mackenzie Country. While the surrounding mountains are to a large degree protected, there are conflicting land uses and values on the lower ground. This is the area which this report focuses on.

The Mackenzie Country is one of New Zealand's most distinctive and well-known areas. There are probably four reasons for this.

- Heritage of pastoralism: The dry grasslands of the Mackenzie Country have been extensively farmed in large "sheep stations" since the earliest days of European settlement in the South Island interior. This represents an unbroken continuity of pastoral settlement, practices and lifestyles stretching back over 150 years. Today, the Mackenzie Country provides a living sense of connection to the roots of New Zealand as a farming nation.

- Iconic landscape and environment: The Mackenzie Country comprises an extensive intermontane basin, ringed with mountains, studded with beautiful lakes, and characterized by seasonal climatic extremes. The basin is unique in New Zealand in its size and naturalness, in its detailed expression of glacial landforms, and in its endowment of biodiversity. It presents the last major remaining opportunity for conservation of dry tussock grassland ecosystems and landscapes.

- Electricity generation: The Upper Waitaki power scheme including the canals and Lake Benmore was an early triumph of New Zealand hydro-engineering. It remains of central importance to the nation's electricity system, especially in providing most of the storage capacity in the system.

- Tourism: The Mackenzie is one of New Zealand's most visited tourism and recreation destinations, due partly to the presence of Mount Cook/Aoraki, and partly to the lakes and the many other scenic and recreational attractions.

Our Vision for the Mackenzie Country

We see the future of the Mackenzie Country in these terms:

- A land use pattern which includes a mix of irrigated and dryland agriculture, tourism-related development, and land actively managed for biodiversity and landscape purposes, with integration of these wherever practical;

- A balanced and prosperous local community;

- New Zealand's recognition of the Mackenzie Country as an iconic area, accompanied by an enhanced and tangible sense of shared responsibility for restoring and maintaining its natural assets.

In the next sections, we consider how agriculture, tourism and conservation could each contribute to this vision.

Agriculture in the Mackenzie Country

The current situation

The traditional meat and wool businesses have experienced volatile returns but overall low profitability. This situation limits both the capacity for farm development, and the ability to manage land effectively to protect and restore biodiversity, landscape, soil and water values.

Opportunities

There is a wide recognition of the need for change to achieve these objectives. Agricultural landholders and investors are currently promoting two important strategies which involve greater use of irrigation. The first strategy is to use relatively small areas of irrigation to enhance the viability of large pastoral properties. This extends an existing practice. The second strategy, being advanced on five sites, is to develop large-scale proposals for intensive irrigated livestock farming, mainly in dairying.

In relation to conservation and recreation assets such as biodiversity, landscape and freshwater values, there are both possible adverse effects, and possible enhancements through restoration activities.

Small-scale irrigation on existing sheep and beef properties, for example, can enhance conservation of dryland vegetation through a range of pathways:

- Well designed and managed irrigation can increase revenue and decrease risk in farm businesses;
- This could enable rabbit and wildling pine control to be restored to desired levels, and the fencing of sensitive habitats to be provided;
- Stock could also be removed from sensitive vegetation during droughts;
- Stock on irrigated properties don't graze dryland pastures as hard, as they are well-fed.

The overall scale of the proposed developments is relevant. Of the total area of 269,000 ha of flat and easy country, there is:

- 7,500 ha already developed for irrigation;
- 7,500 ha proposed for relatively small scale irrigation on 29 large sheep and beef properties;
- 9,600 ha proposed for large scale, intensive livestock farming on 5 properties.

While these proportions are relevant, the Forum is also interested in the dimensions of impact of the proposed developments on other values, such as:

- The extent to which freshwater values would be adversely affected, or alternatively, protected and restored. We note this issue will be addressed through existing statutory processes, which may themselves limit or reduce the proposed areas for irrigation.

- The extent to which views from the main tourist roads would be changed – both adversely, through any loss of existing distinctive character, and positively, through the possibility of enhancements such as tussock restoration, including plantings. This issue is being addressed through the current Mackenzie district plan process, although not at this stage in the Waitaki district plan. We see scope for further addressing this issue through the proposed Trust discussed in a later section of this report.

- The extent to which sites of high biodiversity value would be adversely affected, or alternatively, protected and restored. This is a major outstanding issue which we also propose to address using the proposed Trust mechanism.

In principle, the Forum can see potential in irrigation strategies, but their acceptability would depend on establishment and funding of the Trust.

Challenges

There are two principal challenges of land management in the Mackenzie Country. The first is to protect water quality from the adverse effects of land use intensification. This will be dealt with through the existing statutory processes which establish limits to protect water quality and require resource consents to take and use water.

The second challenge is to maintain a healthy vegetation cover on the land, through managing the ever present threats of animal pest and weed invasion and windblown soil loss. The costs of managing weeds and pests on some land can exceed the income from that land. This is why, as discussed later in this report, a new approach to resourcing conservation land management is a key element of our strategy for the future of the Mackenzie.

Tourism in the Mackenzie Country

The current situation

Visitors to the Mackenzie Country comprise domestic visitors, mainly from Canterbury, and some international tourists, about half of whom are from Australia[1]. The area has traditionally provided a relatively low cost holiday environment for New Zealanders, and has harvested revenue from tourists passing through the Mackenzie Country en route to destinations like Mt Cook and Queenstown. Modest growth is forecast in these markets, which will remain valuable.

There has been a recent dip in visitors attributable to the Canterbury earthquakes, but this is expected to be temporary in nature.

Opportunities

In addition to the growth described above, some have identified that the Mackenzie Country is a potentially world-class destination in its own right which, if developed on the basis of a good understanding of its target market, could tap higher overall revenues from a similar number of visitors.

Two strategies are needed to capture this higher value opportunity. One strategy is to encourage visitors to stay longer, by broadening the range of attractions (which has already been occurring) and, in particular, by ensuring these attractions come to the attention of international visitors at the planning stage of their visits.

The second strategy is to build and market world-class facilities and services targeted at a higher-paying segment of the market. The Forum is aware of investor interest in the latter concept.

Two linkages are important here. One is the growing integration of agriculture and tourism, reflected in the growing number of farmstays and farm-related tourism activities, and the inherent attraction which is provided by the pastoral heritage of the Mackenzie. The second is the dependence of tourism on the natural environment, its biodiversity, distinctive landscape and fresh, clear waters.

Challenges

The dependence of the Mackenzie recreation/tourism sector on valued aspects of the natural environment raises the question of whether there is an ability to generate funding for environmental conservation from the sector. In recognition of this, representatives of the recreation/tourism sector on the Forum are proposing to develop a mechanism that provides for contributions from the tourism estate to those landowners who enhance these values, via the Mackenzie Country Trust, to be discussed shortly.

---

1. This information is from the Mackenzie District, as Waitaki does not break down its visitor statistics separately for its portion of the Mackenzie Country.

Part of the tourism and recreational value of the Mackenzie Country lies in its character as a place for peace and solitude in a busy world. While solitude is a subjective concept, there is a need to manage destinations in a manner that protects the perception of solitude.

Increasing length of stay and/or frequency of visits means that more diverse recreational opportunities should be facilitated as part of a network or recreation strategy across diverse landscapes. Recreational opportunities are not limited to public conservation land. Besides the natural environment attractions, there are a number of other components of the Mackenzie experience which could be further developed, including the pastoral farming heritage, Maori heritage, the heritage of early tourism dating back to 1879, and the heritage of hydroelectric engineering endeavour.

To accommodate visitor trends, there is a growing need for more facilities and recreation opportunities to be provided close to existing roads. Tourism development will need to be carefully managed to maintain the character of the area.

Indigenous biodiversity, landscape, recreation and other land protection values in the Mackenzie Country

The current situation

- The Mackenzie Country comprises an intermontane basin that is unique in New Zealand in its size and naturalness, its detailed expression of glacial landforms and associated soil types, and in its endowment of biodiversity.
- It is a stronghold for many of New Zealand's rare and threatened species, including 8 threatened bird species, more than 60 plant species and a range of invertebrates and freshwater species, including 3 pencil galaxiads.
- Pollen data, buried charcoal and other information enable us to understand what the vegetation of the Mackenzie Country was like during various phases of the post-glacial period, including the recent changes brought about by Maori and European settlement. This information also provides a valuable basis for guiding ecosystem restoration activities.
- The views across the basin to the fringing mountains are outstanding for their sense of expansiveness and because of the open, brown, semi-arid appearance of the landscape. The distinctive character of the glacial lakes and the clarity of water in the rivers and streams are also memorable features that contribute to an overall outstanding landscape.
- The qualities of healthy soil, and its retention, are highly valued.
- There is a large accumulation of biodiversity survey information and reports which can be used by the Trust and landowners for identifying conservation priority areas.
- There are important recreation values inherent in this landscape, which are grounded in the natural and scenic character of the landscape, its biodiversity, its healthy freshwater ecosystems and its fish and game resources.
- The area is particularly prized by trout and salmon fishers – no other fishery in New Zealand offers the variety of two trout species and two salmon species. The area has heavy angler usage and Lake Benmore is second only to Lake Taupo as the most fished lake in New Zealand.

Opportunities

We seek to achieve two different conservation-related objectives in different parts of the basin:

(A) Ecosystem recovery – the objective on these areas is to achieve restoration of representative examples of the full range of whole ecosystems that were characteristic of past times. This objective is focused on biodiversity including small inter-tussock plant species and non-tussock ecosystems such as grey scrub, wetlands and forest.

(B) Tussock protection – the objective on appropriate areas is to protect, enhance and where possible restore a healthy tussock cover, in order to maintain a distinctive aspect of the Mackenzie's landscape and pastoral heritage; to retain healthy soil and pristine waters; and to preserve options for future generations.

The first objective imposes more stringent requirements on land managers than the second. Considerations applying to each are discussed below. A significant obstacle to both objectives is the invasion of the Mackenzie basin's grasslands by the aggressive, introduced weed Hieracium pilosella, and by wilding trees.

While in recent years there is some evidence of stabilization and even decline of Hieracium, the weed is well-established, and on present knowledge would be difficult to eradicate. Therefore, both objectives (A) and (B) above must realistically focus on sustaining indigenous species in co-existence with Hieracium.

Challenges

For achieving objective A: ecosystem recovery

- This objective appears to be achievable, with the qualifications noted below, but it will require a series of actively managed conservation areas, such as the Lake Tekapo Scientific Reserve. A measurable recovery of the ecosystem in this reserve has occurred in only 20 years, which is a short period in the evolutionary history of the Mackenzie Country.
- Active management on such areas will be needed, and defined on a site-specific basis, with a need for adaptive management. It will normally involve removal of livestock and exclusion of cultivation and topdressing; rabbit fencing and ongoing fence maintenance; fire suppression; and ongoing removal of invasive wildling pines and rabbits. Establishment of such conservation areas commits the landholder to the opportunity cost of excluding grazing and cultivation; the initial capital cost of fencing the area and eliminating pests and weeds; and an ongoing maintenance expenditure of about $10-20/ha/year at current costs.
- Different land forms and soil types have shown different rates of recovery under conservation management. This is evident within the Lake Tekapo Reserve and it has implications across the basin, where variation in the pre-existing states of depletion and climatic factors are also important influencing factors. The Lake Tekapo Reserve is at a mid-range of rainfall.
- The selection of priority conservation areas should consider the following criteria:
  (a) Representation of a full range of biodiversity with particular attention to irreplaceability;
  (b) Vulnerability (areas where opportunities to achieve protection are retreating most rapidly);
  (c) Adequacy of the size of an area to sustain its ecosystems.

- It is notable that some rare and endangered species can only be protected on highly degraded areas. Thus, while for the tussock recovery objective the quality and resilience of tussock cover are important considerations, for the ecosystem recovery objective they are not as relevant as the three criteria above. Single species management (rather than whole ecosystem management) may need to be considered in some situations.

- At present, mountainlands are well represented in protected areas but the basin floor's ecosystems are poorly represented, with protection mainly focused on the higher, wetter areas. 9.7% of the wetter areas are protected, but only 2.1% of the drier area is protected. Lack of active management on the latter areas, their limited extent and the recentness of their establishment means there is insufficient information to answer questions about the prospects for ecosystem recovery on these areas, although conservation trials similar to that in the Lake Tekapo reserve need to begin.

- It is agreed that the area managed for ecosystem recovery should be substantially increased, targeting areas of high biodiversity value on a negotiated basis. This could involve acquisition of land for the purpose by purchase, exchange or tenure review, or by management agreements and covenants on the land title.

For achieving Objective B: tussock protection

- On better soils, over-sowing and/or topdressing can enhance a healthy tussock cover and displace Hieracium, at least in the short term, as well as reduce soil loss; but with over-sowing the inter-tussock species diversity is reduced. This means these areas may be of less value for biodiversity than areas in the previous category. However, the areas may remain valuable for the purposes of Objective (B) above.

- There is some evidence that Objective (B) can be achieved on better soils which are lightly grazed, so this objective may be consistent with providing a financial return to the landholder. However, evidence on the persistence of tussock cover under various treatments suggests there are likely to be limits on the applicable rate and timing of grazing if the tussock vegetation is not to decline over a longer time period. As well, tussock cover appears to decline in the long term (over 20 years) with fertilizer application. Further trials are needed to guide management. Active monitoring of the grazing intensity, tussock cover and environmental conditions, and an ability to adapt management to protect tussock cover, will be important.

- Tussock cover is entirely lost with ploughing or other intensive development. Thus, where soils are suitable for this type of development, the landholder faces the opportunity cost of not being able to undertake more intensive development, especially where irrigation water is available.

- Notwithstanding this opportunity cost, some landowners are voluntarily managing land to achieve a tussock recovery objective. However, once the land is sold, there is currently no mechanism to assure the continued achievement of that objective on these areas. It is agreed that in areas of landscape importance, long term management agreements and covenants should be negotiated with landholders for this purpose.

General land management issues in the Mackenzie Country

(a) Wilding pines:

- Because of widespread seed sources and their exponential rates of spread, wilding pines are a major threat to both production and conservation values across the Mackenzie country.
- Grazing can be helpful for significantly combating wilding spread.
- As a result of recent research advances by DOC and Scion, the costs of wilding pine control are rapidly being lowered. Costs of control are highly variable depending on the size and tree density of the infested area, and other factors.
- Some 201,700 ha of public conservation land (including mountain lands) has been treated for wilding pine control and is now in the maintenance control phase, with over half of this now at the zero population target level. Extensive areas of land outside the conservation estate are being treated through collaborative, co-funded efforts by DOC, ECan and landholders.
- Purposive stands of trees (for timber or carbon farming under the ETS) can and should be effectively managed so that wildling spread does not result. Past experience suggests this responsibility needs active enforcement.
- Overall, wildling pine control in the Mackenzie Country can now be seen as a winnable battle, but it will require continuing vigilance and ongoing active management on a maintenance basis on both conservation land and pastoral land.

(b) Rabbits:

- Rabbit control is a major expense of land management in the Mackenzie Country, and is a responsibility of landholders on all lands. History suggests there are periodic peaks in rabbit infestation which degrade vegetation and soils, and which are difficult to control. It is particularly the cost of rabbit control, compared to low-to-nil returns from grazing, that creates land management liabilities on some categories of land.
- Yet in some cases there are national benefits to New Zealand from rabbit control beyond that justified by land-based production. Where a higher level of rabbit control is needed to achieve objective (A) above, eg through rabbit fencing, this is a specific cost related to achieving effective biodiversity management and the proposed Trust would to contribute to it.

(c) Hieracium:

- Hieracium can be controlled by converting the land to more intensive use, for example through activities such as cultivation, over-sowing, topdressing and/or

irrigation. Where this is not an economic option, or where conservation objectives (A) or (B) above are the preferred land use, other strategies will be needed. In such cases, as noted above, it is accepted that Hieracium is likely to remain part of the conserved landscape to some degree.

- Biological controls have been introduced and are expected, over time, to reduce the competitiveness of Hieracium. In addition, there is evidence that the taller species of Hieracium can be controlled by light grazing. Grazing may therefore be appropriate to achieve conservation objectives in specific locations, but it does not assist the control of the main species of Hieracium present in the Mackenzie, Hieracium pilosella.

(d) Other factors:

- The impact of UV radiation on soil organic matter in areas of bare ground, which develop especially during dry periods, may delay recovery.

- There is evidence that some ungrazed areas (by livestock) do not recover; and that total tussock cover may still be gradually declining over time, despite the recently improved health and vigour of tussocks since the introduction of RCD to control rabbits. Insects such as porina may be a factor. Ongoing monitoring and research is required to fully understand the vegetation trends in the Mackenzie country, and to provide the basis for adaptive management.

- Evidence needs to be considered on the best options for achieving objectives in the particular circumstances of a property and what is sought to be achieved there – including carefully managed grazing; passive management (removal of grazing only); or full exclusion of both farm livestock and rabbits.

- While voluntary agreements are very positive, they need to be forged in a context which provides for secure long term protection of high priority areas/systems throughout the area.

The Proposed Mackenzie Country Trust

The Forum proposes this Trust as the major new implementation mechanism for the integrated conservation and development strategies which we have described for the Mackenzie Country in this report.

Why do we need such a Trust?

We have agreed there are two reasons:

1. There is a range of existing mechanisms and perceptions about land management that have caused conflict within the community of people whose heart is in the Mackenzie Country. This has been damaging to the reputations of those who manage land. There is a need to consider mechanisms that are more collaborative.

2. Beyond the farm business, existing mechanisms fail to provide an ongoing source of revenue for active land management and restoration. In the dryland ecosystems of the Mackenzie Country, new sources of revenue are necessary to achieve greater protection of its outstanding landscape and biodiversity values because the unusually high costs of controlling pests, weeds and windblown soil loss in this environment commonly puts the task beyond the resources of landholders.

Sustaining the viability of existing land management units (farms and DOC) is essential for the ongoing well-being of the Mackenzie Country and provides a foundation for our implementation strategy.

The implementation mechanism we are looking for would seek to generate revenue and in-kind support from private and public sources to foster long-term, active management of landscapes for biodiversity and landscape protection purposes, and to do so in a way that is supportive of viable public and private land management and community prosperity. It should also seek to simplify processes and to reduce conflict.

This would support our desired vision in the wider context, as presented above.

We propose that the Trust would be locally based and broadly focused

- Rather than a narrowly focused, single purpose conservation mechanism, we wish to design a mechanism that integrates tourism promotion and development and embraces wider values as well, in the style of the Waitakeres Heritage Area.

- The aim is to develop an identity for the concept that combines the unique landscape setting, biodiversity assets, and the history and heritage of pastoralism and of Maori occupation, to create a compelling and memorable proposition about this area.

- Rather than constituting a local example of a national mechanism, we would prefer to create a specific, purpose-designed local mechanism.

- The concept should embrace all the basins and lakes from Lindis Pass to Burkes Pass, which we have broadly spoken of as ‘the Mackenzie Country’.

What are the intended functions the Trust would perform?

- The Trust would negotiate with landholders to achieve conservation objectives (A) and (B) above on particular, mutually agreed areas. In selecting preferred areas the Trust would make use of existing and any new information and proposals on biodiversity and landscape. Dealing with each property individually is important.
- The Trust would register agreements by way of covenants or Joint Management Agreements on land titles and would make contributory payments for the ecosystem services provided on those areas.
- Additionally, the Trust would foster some kind of trade-offs between property rights and regulation, such that farms which set aside conservation areas could receive greater development rights. The agreed conservation areas could thus be set in the context of wider land management plans which would also provide for intensified development on areas of properties as a means of helping to support conservation objectives within the context of viable, long term farm businesses. Some combination of both development rights and ongoing payments may be appropriate in some cases.
- Enforcement of covenants and joint management agreements is an issue considered under our draft agreement on the Trust.
- The Trust would also foster ongoing research, monitoring, reporting, field days, education and information sharing about how to achieve conservation, tourism, and sustainable land management objectives in an integrated way. It would aim to motivate landholders to take initiatives. An example of this is the intent of the Balmoral Benchmarking Trust to obtain information and explore land management alternatives to enhance biodiversity.
- The Trust would give the Mackenzie Country a high profile both nationally and internationally in order to encourage visitors and donors, and would actively raise funds, community commitment and in-kind contributions to further its mission. In particular, this could include mechanisms through which tourists visiting the Mackenzie Country could be encouraged to contribute.
- The Trust could develop and provide a "tick" or certification for produce coming from sustainably managed areas within the Mackenzie Country, as part of schemes to achieve a premium for produce marketed on the basis of values protected here.
- The Trust may also have a biosecurity function and promote biological control of weeds and pests.

What are the key success factors for the Trust?

- New sources of revenue to apply to land management for conservation.
- Understanding that the viability and supportiveness of existing farms and landowners is critical to the success of any mechanism, including a better understanding of the value of water for improving overall land management.

- Ability to position Mackenzie/upper Waitaki as a world-class iconic place, with beneficial spin-off both for tourism sector and for the mechanism's capacity to elicit funding.
- Strong relationships with landowners, community and funders.
- Collaborative partnership between community, landowners, tourism sector, and external stakeholders with keen interest in the area.
- Ability to reduce or eliminate conflicts and litigation over land use changes.
- Ability to monitor, measure, and achieve a long-term improvement in ecosystem health and integrity.

How do we propose the Trust would be funded?

- Promoting contributions by tourists to conservation land management;
- Seeking donations from funding sources including community trusts, local and national businesses, and high net worth individuals who have a strong commitment to the Mackenzie Country;
- Commercial sponsorships;
- Biodiversity offsetting and environmental compensation may have a contribution to make if national frameworks for these practices are developed;
- Public funding will play an essential role, in recognition of the national importance of the Mackenzie Country to New Zealanders.

How would the Trust be established and the Trustees appointed?

The Trust would be established in special legislation.

We propose that seven Trustees, including a chairman, should be appointed jointly by the Ministers of Agriculture, Environment and Maori Affairs. These appointments should be made:

- On the basis of governance skills and experience, while
- Having balanced regard for the full range of stakeholder perspectives.

The Forum, in conjunction with the district and regional councils, would like the opportunity to meet and to nominate Trustees.

Relationship of the Mackenzie Country Trust, District Councils and the Crown

In proposing a Mackenzie Country Trust, we are thinking of a new governance framework, as an option for aspects of land use and conservation on rural land in the Mackenzie Country. There are two existing frameworks, neither of which quite fits the bill by itself.

On the one hand, there is the existing RMA framework, expressed through regional and district plan rules and consent requirements. While this has a place in controlling land use development, it is not well suited to achieving biodiversity, recreation and landscape goals in the Mackenzie Country, where the costs of achieving these goals can exceed the revenues from the land.

On the other hand, there are the systems of covenants managed by the Department of Conservation and the Queen Elizabeth II National Trust. Covenants play a valuable role in straightforward conservation situations, for example where the need is to fence off some forest on a permanent basis, and keep it clear of stock and possums. But in the Mackenzie Country, as we have noted, there are uncertainties about the best way to successfully manage the restoration of the tussock grasslands on different sites. We therefore need a framework which allows a learning-by-doing approach to be taken.

Also, the New Zealand tradition of covenants does not involve ongoing payments to landowners. It is desirable that this tradition should remain unchanged insofar as most covenants are concerned. However, in the particular circumstances of the Mackenzie Country, we consider some ongoing funding arrangements will be needed in many cases, as we have already outlined.

After considering the above, we propose to provide, as a third option for landowners, a concept that is neither an RMA rule, nor a covenant. It will involve setting out the framework for an ongoing relationship between the Trust and individual landholders, and we propose to call it a Joint Management Agreement (JMA).

Voluntary Joint Management Agreements

A JMA would cover a whole property, or a part of a property. It would set out landscape and biodiversity conservation objectives and (in some cases) recreation objectives, and would describe how the needed land management for these purposes would be achieved while assuring the ongoing viability of the property as a viable basis of livelihood for the land manager. Ongoing viability might be achieved either by agreed land use intensification or tourism development, or by agreed payments from the Trust, or by or by a combination of these.

We envisage two kinds of JMA. The first would provide for land protection only. This would require approval of the Trust but would not usually require Council consideration as it would involve a permitted activity.

The second type of JMA would embrace both land development and land protection. This may trigger RMA consent and/or notification requirements, but the objectives and

policies under which any consent application was considered would, in accordance with special legislation discussed below, require decision-makers to have particular regard to any agreement reached between the Trust and the landowner. The intention of this provision is to facilitate smoother progress through the land use consenting procedures of the RMA, and lend weight in any appeal. It would thereby provide an additional incentive to landowners to work with the Trust in designing their development proposals.

Both types of JMA would be negotiated between the Trust and individual landowners. At the discretion of the Trustees, a draft JMA may be referred to relevant stakeholders for comment before being finalised. The Trust would maintain an up to date and publicly available work plan.

We propose that JMAs would have the following features:

- Broad consistency with the purposes of the RMA, and especially the matters set out in sections 6(a), (b) and (c) relating to the protection of the natural character of water bodies and their margins; of outstanding natural landscapes; and of significant habitats of indigenous flora and fauna;

- A long term, binding commitment by the JMA parties (landholder and the Trust) to work together toward shared objectives, registered on the land title and binding on successive landholders; together with provision for more detailed, shorter-term land management plans which could be agreed as required between the parties from time to time;

- A relationship-based, learning-by-doing framework in which the Trust and the landowners will work together in a flexible but accountable way to achieve shared objectives, with an emphasis on monitoring, reporting and regular reviewing of what is being achieved, and the ability to negotiate changes in land management to take account of what has been learned;

- Provision for formal public reviews of JMAs conducted once in a generation (25 years), for the purpose of determining whether they are achieving their objectives; whether any adjustments need to be made for this purpose; and whether the payments being made remain appropriate for the next 25 years;

- Provision for anyone to apply to the Environment Court for an enforcement order in the event of a failure of either of the JMA parties to meet their obligations;

- Provisions to the effect that if, despite best endeavours and provision of agreed funding, it was agreed at any point that the purposes of the JMA (for example, tussock retention) could not reasonably be achieved, the JMA land would revert to ordinary private land.

JMAs might be established following reverse auctions, in which landowners who wish to participate make bids to the Trust, and/or by direct approaches and negotiation. In either case the negotiated JMA approach is likely to be more flexible and less costly to the economy as a whole than either land acquisition or RMA zoning procedures to achieve the same objectives.

To achieve the Vision and Strategy, the Trust and all statutory agencies should use their best endeavours under all existing statutory frameworks and across all land tenures. In the case of pastoral leases the Forum asks that the Crown support and facilitate any JMA made between lessees and the Trust.

Proposed legislation

As outlined above, neither the RMA nor the existing legislation providing for covenants address the particular and exceptional needs we have identified in the Mackenzie Country. For this reason, we have agreed to recommend to the Government that it introduce special legislation and special funding to implement these proposals.

We propose a Bill to be called the Mackenzie Country Trust Empowering Bill, which would establish the Mackenzie Country Trust as described in this Agreement. In addition, the Bill would contain three provisions which we believe are integral to its success:

- The Bill would require the Trust to prepare, using a collaborative process of its stakeholders, a biodiversity and landscape strategic plan. This strategic plan would take full account of information about values in the area; it would set out the Trust's biodiversity and landscape objectives and priorities; and it would describe how it would apply its funds to achieving those objectives and priorities. The plan would not contain maps of land identified as being of value for conservation purposes.

- The Bill would empower the Trust to enter into JMAs and covenants; to make payments to landholders in respect of these; to monitor these; and any party would be able to seek enforcement of these. In addition, the Trust would be empowered to lease or own land where it considered this was reasonably necessary or expedient to achieve its objectives.

- The Bill would set out a framework of objectives and policies to which both the Trust, and all persons exercising functions and powers under the RMA, would be required to have particular regard. These objectives and policies would be grounded in secs 6(a), (b), (c) and (f) of the RMA. Their effect would be to ensure alignment between the objectives of the Trust and the relevant councils; to ensure due weight was given to JMAs; and to ensure, as far as practicable, that landholders who had achieved agreement on a JMA would have their applications favourably and expeditiously considered in RMA processes.

RMA requirements relating subdivision and water consents would remain unaffected, and applicants would at all times have the choice of applying for an RMA consent with or without a JMA.

The development of the proposed biodiversity and landscape strategic plan should not proceed until there is adequate funding committed to implement it.

Land warranting protection

There is a substantial amount of available survey data on biodiversity and landscape values, but this information is contested. This reflects the fact that such data embodies value judgments about significance, and because it is always possible to spend more money gathering better data. However a judgment call has to be made and we as a Forum have decided to make the best judgment we can for the purpose of advising the Government of the area on which we consider protection for these values should be funded. Our judgment has been made against the background of the following table of information. We record first the information sources and assumptions made in constructing this table.

Notes and assumptions:

1. All figures refer to the flat and easy country which forms the basin and valley floors in the Mackenzie Country (this corresponds to land types H1, H2, H3 and H4 in the Land Types Classification).
2. The figures are approximate and taken from information available at the time of Forum discussions.
3. Land identified for the tussock protection objective is net of any land already identified for the biodiversity objective.
4. It is assumed that any land released in tenure review for conservation purposes should be subtracted from the total land identified for the biodiversity objective.
5. It is assumed that any land added to the developed total from irrigation applications should be subtracted from the total land identified for the tussock protection objective.
6. While assumptions 3 and 4 are somewhat arbitrary and likely to be not quite accurate, varying them makes only modest differences to the proportional results in the table .
7. Information sources collated in the land identification exercise are as follows:

(a) from DOC:

- SIVs (Significant Inherent Values) from tenure review surveys for individual pastoral leases under Crown Pastoral Land Act
- RAPs (Recommended Areas for Protection) from the Protected Natural Areas Programme ecological surveys
- SSWIs – Sites of Special Wildlife Interest identified by the former Wildlife Service (1980s)
- Conservation land and covenants map (DOC GIS)
- Viewshed from State Highway 8.

(b) from Councils:

- Areas of High Vulnerability to Development – Graeme Densem, Landscape Assessment of Mackenzie District prepared for Mackenzie District Council

- Lakeside Protection Areas – Mackenzie District Plan
- Significant Viewing Areas – Mackenzie District Plan
- Outstanding Natural Landscape and Rural Scenic Zones – Waitaki District Plan

(c) **from Landcare Research:**

- Existing development map as at 2009

Mackenzie Country land types	H1 fluvial valley fill	H1 + H2 valley moraine & outwash	H3 basin moraine	H4 basin outwash	Total (ha) of basin land	%
Total Area (approx ha)	33, 089	9, 031	95, 708	131, 024	268, 852	100%
Tenure:						
• Pastoral Lease	5, 068	1, 348	50, 327	46, 341	106,124	39%
• Freehold/other	23, 107	5, 014	42, 205	82, 143	149, 429	56%
• DOC managed	4, 914	2, 669	3, 176	2, 540	13, 299	5%
					268, 852	**100%**
Proposed Pastoral Lease to DOC	579	-	6, 860	5, 294	12, 733	5%
Total DOC, existing + proposed	5, 493	2, 669	10, 036	7, 834	26, 032	10%
Development :						
A. Already developed	917	952	11, 649	25, 009	38, 527	14%
B. Proposed irrigation	231	525	5, 365	19, 694	25, 815	10%
Total development area (A + B):	1, 148	1, 477	17, 014	44, 703	**64, 342**	**24%**
Protection values identified:						
Already managed by DOC	4, 914	2, 669	3, 176	2, 540	13, 299	5%
C. other biodiversity values	21, 950	3, 235	26, 837	27, 126	79, 148	
D. additional landscape value	1, 808	-	37, 371	43, 673	82, 852	
Total identified as also needing protection management (C+D)	**23, 758**	**3, 235**	**64, 208**	**70, 799**	**162, 000**	**60%**
Land not managed by DOC, nor identified of value for (C) Biodiversity or (D)Landscape (Tussock Protection)	4, 417	3, 127	28, 324	57, 685	**93, 553**	**35%**
					268, 852	**100%**
Future management:						
Forum protection proposal:					**100,000**	**37%**

Note 1. Figures are only estimates based on available mapping.

Note 2. Proposed development, values and protection areas overlap.

The table shows that 162,000 ha of additional land has been identified as being of value for either biodiversity or tussock protection purposes. This figure is approximate only, for two reasons:

- There are gaps in the survey data of values on freehold land, which means total conservation values are likely to have been under-estimated;
- There are opportunities for prioritizing on the land identified for conservation, which means that a smaller total area could still achieve conservation objectives.

In arriving at a figure for the area of land which should be the target for conservation efforts, the Forum has taken into account these points and all the above information, and seeks to apply a collective value judgment in a spirit of collaboration. Given that the conservation objectives have to be achieved using mainly public funds, it has also examined the capacity of its land use intensification strategy to yield the returns needed for delivering conservation objectives, in order to guide the selection of the desired conservation target area.

The 64,000 ha shown in Table 3 as the total development area includes about 26,000 ha of land which under our Vision and Strategy will be intensified either by irrigation or by intensified dryland farming practices. Under mid-range assumptions, this development strategy is capable of generating $100 million/year of additional export production, and an increase in land values of $400 million. The resulting increase in rates payable from this land must exceed $1 million a year, and the tax payable by landholders and employees must exceed $5 million a year – a total of at least $6 million of public revenues. The cost of protecting land under JMAs will vary widely but it seems reasonable to assume an average cost of $50/ha/year. If the target area for conservation is set at 100,000 ha (of which 26,000 is already conservation land, or is in the process of becoming conservation land), then additional land for biodiversity and tussock protection managed under JMAs would cost $3.7 million a year.

After taking into account these points and all the above information, and applying a collective value judgment in a spirit of collaboration, the Forum has agreed that the target area for conservation of biodiversity, landscape, recreation and related values should be 100,000 ha. This target comprises a combination of DOC land and Joint Management Agreements to be negotiated by the Trust.

Recommendations

To the Minister for the Environment:

1. That the Minister receives the report of the Upper Waitaki Shared Vision Forum and notes that it represents a vision and strategy agreed between local community and national organizations with a strong stake in the Mackenzie Country.

2. That the Minister:

    a. Note the consensus achieved over the development and more intensive use of land within the Mackenzie Country;

    b. Note that the land development proposals are part of a balanced and integrated strategy which includes the funding of a Mackenzie Country Trust to protect, by negotiation with landowners, priority areas for biodiversity and tussock restoration purposes;

    c. Introduce legislation to establish and empower the Mackenzie Country Trust along the lines outlined in this report, and funds the Trust at a level sufficient to assure, over the long term, the management of a target of 100,000 ha of land for biodiversity and tussock protection purposes.

To the Mackenzie District Council, Waitaki District Council, and Canterbury Regional Council:

3. That the Council receives the report of the Upper Waitaki Shared Vision Forum and notes that it represents a vision and strategy agreed between local community and national organizations with a strong stake in the Mackenzie Country.

4. That the Council makes provision for its staff to work with stakeholders and with central government to establish the Mackenzie Country Trust and associated legislation as recommended in the report.

Annex A: Scope of Work of the Shared Vision Forum

At its first meeting in February 2011, the Forum agreed that its objective would be:

- to identify issues; and
- to develop a shared vision and strategy for the future management of this area, taking account of economic, social, cultural and environmental values, including those inherent in the land and water resources, and any downstream impacts; and
- to express this vision and strategy in part through an indicative, high-level spatial plan and report; and
- to identify preferred mechanisms (including novel mechanisms) for implementing the vision and strategy.

This work should be aware of the work of the Upper Waitaki Zone Water Management Committee.

The parties enter the collaborative process in good faith. There is a shared agreement that landholders' property rights under existing law will not be affected under this process without their individual consent. Any individual property owner can veto any proposal on or affecting their property rights, but not the Forum's findings.

It was agreed that the geographic focus for the Forum is the Mackenzie, Omarama and Ohau basins. This area collectively forms a large intermontane basin commonly referred to by New Zealanders as "the Mackenzie Country." This term is adopted in this report.

Besides avoiding overlap with the water-related issues being addressed by the Zone Committee, the Forum in its work also sought to avoid cutting across existing statutory processes, which are continuing separately.

Applications for water for irrigation were being considered by a panel of commissioners appointed by Environment Canterbury. Some of these have recently been decided; some have been appealed to the Environment Court; others are awaiting decisions. In addition, there is a separate and ongoing statutory process in the Environment Court involving the Mackenzie District Council's Proposed Plan Change 13.

After considering all these factors, the Forum saw a gap in two main areas, and has focused its work on these. The first is an overall vision and strategy for the Mackenzie Country. The second is a specific and novel implementation mechanism for protecting landscape, biodiversity and related values on private and leasehold land.

Annex B: Individual participants in the Shared Vision Forum, and the organisations they represent

Ben Aubrey – Benmore Range Residents Association

Paddy Boyd – Existing irrigators

Phil Brownie – Mackenzie Tourism & Development Trust

Jessie Chan – Dairy NZ

Bill Chisholm – Ohau Protection Society

Elaine Curin – Lake Pukaki Wildling Trust

Andrew Feierabend – Meridian Energy

Cathy Ferguson – Ahuriri Community Board

Peter Glasson – Dryland farmers

Jay Graybill – Fish and Game

Rebecca Larking – Genesis Energy

Di Lucas – Mackenzie Guardians

Doug MacIntyre – Benmore Irrigation Company

Dave Maslen – NZ Merino Company

Jen Miller – Forest and Bird

John Murray – Mackenzie Federated Farmers

Mike Neilson – Waitaki Development Board

John O'Neill – Independent person appointed by Mackenzie District Council

Richard Peacocke, and later, Murray Valentine – Large irrigation applicants

Rick Ramsay – Salmon farming industry

Kelsey Serjeant – Environmental Defence Society

Barry Shepherd – Upper Waitaki Water Applicants Group

Anne Steven – High Country Landscape Group

Mark Urquhart – Mackenzie Irrigation Company

Simon Williamson – Otago High Country Federated Farmers

Peter Wilson – Federated Mountain Clubs

Richard Thompson, chairman

Guy Salmon, project manager

Annex C: Acknowledgment of those who prepared particular contributions of information or presentations to the Shared Vision Forum

Rob Young, Joy Comrie, Nick Head and Peter Willemse, Department of Conservation
Chris Arbuckle, Ministry of Primary Industries
Dr Jan Wright, Parliamentary Commissioner for the Environment
Dr Melissa Robson, AgResearch
Dr Susan Walker, Landcare Research
Dr Adrian Ward, University of Queensland
Dr Peter Espie, independent scientist
Di Lucas, landscape architect
Graeme Densem, landscape architect
David Campbell, planner for Waitaki Distict Council
Toni Morrison, planner for Mackenzie District Council
Jen Bestwick, Environment Canterbury
Phil Brownie, Mackenzie Tourism and Development Trust
Barry Shepherd and colleagues, Upper Waitaki Canterbury Water Management Strategy Zone Committee
Elaine Curin, Lake Pukaki Wildling Trust
Murray Valentine, irrigation investor
Jessie Chan, Dairy NZ
David Montgomery, rural valuer and farm consultant
Alan Tibby, tourism development entrepreneur
Margaret Austin, Starlight Reserve Trust
Sue Maturin, Forest and Bird
Jay Graybill, Fish and Game
John Murray, The Wolds Station
Jan Omnet, Dean and Associates
Andrew and Karen Simpson, Balmoral Station
Marion Seymour, Ferintosh Station
Peter Wilson, Federated Mountain Clubs
Kees Zeestraten, Ohau Downs Station

Copies of presentations, papers, minutes, and drafts of interim agreements reached by the Forum can be accessed at the following website:

http://www.ecologic.org.nz/?id=9&ncid=1&nid=14

[Note: this is an interim site – a dedicated Mackenzie Country site is being organized]

Annex D: Acknowledgements of those who made financial contributions to the Upper Waitaki Shared Vision Forum:

The main funder of the collaborative process was the Ministry for the Environment. Other contributions were gratefully received from the following organizations:

Environment Canterbury

Mackenzie District Council

Waitaki District Council

Meridian Energy

Genesis Energy

Fish and Game

Forest and Bird

Mt Cook Alpine Salmon Ltd

In addition, an initial scoping study for this collaborative process was funded by Southdown Holdings Ltd.

Participants in the process, or their organizations, contributed their own time.

Annex E: Acknowledgement of the Mackenzie Sustainable Futures Trust

The Trust had overall governance responsibility for the process, raising the needed funds and providing accountability for these.

Trustees:

Jacqui Dean MP (chairman)

Peter Skelton, Commissioner, Environment Canterbury

Claire Barlow, Mayor of Mackenzie

Alec Familton, Mayor of Waitaki

Ben Aubrey, nominee of agricultural interests

Jay Graybill, nominee of environmental and recreation interests

Cathy Ferguson, nominee of other community interests