

Before Queenstown Lakes District Council

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In the matter of            The Resource Management Act 1991

And                            The Queenstown Lakes District proposed District Plan –  
Rezoning Hearing Topic 12 – Upper Clutha mapping

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**STATEMENT OF EVIDENCE OF JOHN MCRAE FOR**

Glendhu Bay Trustees Limited (#583)

Dated 4 April 2017

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**anderson  
lloyd.**

## **Introduction**

- 1 My name is John Lethbridge McRae. I live at am the owner of Glendhu Station and oversee the farming activity on the property.
- 2 I am the third generation of my family to farm Glendhu Station. I was born and raised on Glendhu Station with my two sisters, and now live there with my wife, Emily, and our 2 young children.
- 3 Prior to when I took over the management of Glendhu Station in 2003 I worked on four other South Island high country stations. I have worked closely with my father Bob since then.
- 4 All of the properties I worked on were remote and based in the heart of the New Zealand high country.
  - (a) 1994-96 – I worked at Mount Algidus Station (Near Lake Coleridge) and Flock Hill Station (in the middle of Arthur's pass). I also had a brief experience overseas in Australia on a farm in 1994 that was in severe drought. The significance this climatic event had on its surrounding environment and the people left a lasting impression on me.
  - (b) 1996-97 – I worked at a station called Mount Stalker in Herbert outside of Oamaru located up in the Kakanui range.
  - (c) 1997-1999 – I worked at a Station called The Lakes (named after the 5 different lakes on the property) near Hawarden, Waikari, in North Canterbury.
- 5 Work experience in these stations has helped me understand and respect the environment and the interaction between agricultural production and the special nature of the South Island high country. All of the properties are vulnerable to extreme weather patterns and they also have significant rivers and lakes either on them or surrounding them.

## **Glendhu Station as a farming and tourism operation**

- 6 The Glendhu Station was initially surveyed as Run 334 or "Roy's Run" in 1859, by John Roy of Wellington. The sheep farm was run by Henry Ferris Norman from the original manager's house on the shores of Glendhu Bay.
- 7 John Roy sold his run to Wilkin and Thompson of Wanaka Station in 1862. Under the ownership of Henry Campbell, the Wanaka Station was divided into the five blocks comprising Wanaka, Glendhu, West Wanaka, Mount Burke and Minaret Stations. Glendhu and West Wanaka Stations were sold to Henry Barker in 1897.

- 8 In 1906 Glendhu and West Wanaka Stations were purchased by the Scaife family, who separated West Wanaka and Glendhu Station in 1928. The Scaife families farmed the Stations for 3 generations, until 1969 when my grandparents (Ian and Maise McRae) purchased Glendhu Station.
- 9 Alpha Burn Station was separated from Glendhu Station in 1980, at which time my Uncle and Aunt, Don and Vicki McRae and their family took over the ownership of Alpha Burn Station.
- 10 Glendhu Station was run as a traditional High Country property, running sheep and cattle, for many decades. However, when there was a downturn in farming in the 1980s, my parents looked for ways to diversify incomes from the farm. Increasing Glendhu's stocking capacity was an option but my parents decided against it as you needed significant financial input in order to clear, fertilise and fix the land so it can hold the necessary stock. Instead, they decided to utilise what we already had on the property and to venture into eco-tourism to help support our income and subsidise farming activities.
- 11 In 1998 we formed our own tourism company, Glendhu Station Limited. We started by renting out the cottages on the station and running a B&B. We obtained a recreation permit under the Crown Pastoral Land Act to run tours hosting busloads of visitors for lunches at the homestead, farm tours which included feeding our pets and watching sheepdog trials and a sheep being shorn, walking groups, and garden tours. In 1999 we were granted resource consent for a registered kitchen so we could entertain commercially. The majority of the farm tour/luncheon visitors were Japanese/American/English tourist groups. The majority of visitors to our cottages were New Zealand and Australian tourists.
- 12 In 2005 we bought a marquee and obtained a resource consent to enable us to host weddings and functions in the homestead gardens and use the existing farm cottage for accommodation. The weddings catered for both domestic and international visitors. Weddings are still held on our property, although now that operation is run by an independent company, and we no longer cater ourselves on the property.
- 13 Before tenure review (more detail below), the Station carried approximately 7,000 sheep (not more than 4750 ewes) and approximately 800 cattle (not more than 400 breeding cows). We decided in 2012 to suspend our sheep operation as viable profit was becoming increasingly difficult and focused on looking towards tourism opportunities. This allowed us to deintensify the farming operation to a state more in keeping with our environmental outlook.
- 14 Our cattle herd comprises approximately 400 Angus Cross cows. We breed our own replacement Heifers of approximately 80-100 per year. The remaining calves bred have traditionally been fattened and sold, however as a result of the

recent climatic changes, which have resulted in dryer farm conditions, there is not enough pasture to keep all the stock and sustainably manage the land. This means we now sell calves at weaning time and excess capital stock cows. We are hoping that we will be able to return to fattening again as Glendhu Station suits cattle well. Running the cattle in large mobs on specific areas of the farm allows us to control overgrowth and pasture quality though natural fertilisation, this means we do not need to use the same chemical spray or fertilisation as it occurs naturally. The cattle will be vital in this transformation into a fully holistic management system.

### **Tenure Review**

- 15 In 1995, my parents first began the tenure review process. However, during these tenure review negotiations, the Government changed the Land Act 1948 and all tenure review negotiations were declared null and void.
- 16 In 1999 my parents started the tenure review process again under the procedures and in 2005 tenure review for Glendhu Station was finally completed.
- 17 Prior to tenure review, Glendhu Station was a pastoral lease of 3093.7818ha. As a result of the tenure review process, Glendhu Station is now a 2800 hectare freehold property. The Station is made up of 400ha of flat paddocks and 600ha of rolling hill country with the remaining 1800ha steep to rolling hill country.
- 18 The tenure review process was an incredibly involved process which required lengthy discussions and negotiations about the areas of land to be retained as freehold, public access areas and conservation areas. It has resulted in the disposal of areas of land capable of economic uses, the protection of landscape values and greater public access.
- 19 Public access throughout the site was considered under the tenure review negotiations and was provided where it was considered necessary and there wasn't existing access by way of marginal strip. There was considerable discussion regarding the conflict between farming activities and providing public access at the time the tenure review negotiations took place. Public access easements were provided where this conflict could be kept as minimal as possible.
- 20 During the 10 years that my parents were negotiating tenure review, we allowed our property to be accessed freely by the public. Thousands of people used our property to rock climb at Hospital Flat, walk the Diamond Lake/Rocky Hill walking track and to access the Motatapu chasm.
- 21 The Roy's Peak track was formalised by easement when Alpha Burn Station undertook tenure review in February 2003. As previously outlined, Alpha Burn

Station was separated from Glendhu Station in 1980 and is owned by my Uncle and Aunt, Don and Vicki McRae and their family. This track is closed from 1 October – 10 November for lambing.

### **Sustainability of Traditional High Country Farming Practices**

- 22 Prior to 1900, all the Wanaka stations were predominantly sheep based, with cattle and other stock introduced when they needed to diversify for financial reasons.
- 23 Traditional farming methods in the South Island high country involve maintaining a higher capacity of stock to return as high as possible yield of produce. This contrasts, with organics' we were trying not to focus on yield as much and focus on environmental quality and standards in order to produce as higher quality product as possible.
- 24 In my experience, traditional farming methods on Glendhu Station tend to focus on removing certain parts of the natural life cycle that stand in the way of a high production for example, spraying hillsides with herbicides, pesticides and fungicides to suppress or eradicate weeds. This enables pastures to grow abnormally fast to suit stocking rates and return a higher yield of produce.
- 25 The problem I have found with this method is that the grass is boosted artificially and a lot of the nutrient content stays in the soil. This is because plants are not designed to extract all of the minerals and balance at this fast pace. Animals lack necessary vitamins and minerals they need to maintain a healthy immune system and therefore require assistance in the forms of drenches, dips and vaccines to balance this equation.
- 26 The traditional farming methods do not generally incorporate ecological values such as the protection and enhancement of native vegetation, soil and water quality. It is my personal view that these methods of farming are not sustainable in the long term.
- 27 I became particularly concerned about traditional farming methods following 2 instances of chemical related poisonings in my family. At that time, which was approximately 9 years ago, I was particularly interested in how chemicals used in food production can affect both peoples' health and the environment. This motivated me to gain a better understanding of alternative farming practices.
- 28 As I began to study these issues I came to appreciate more clearly a number of key drivers of sustainable farming and land management that operate alongside the economic drivers. One of the primary drivers which I consider will become more and more important as time goes on is the concept of "eco-consumerism", which is closely allied to that of "branding". There has and continues to be a

change in consumer values. Mainstream literature (for example Television shows, magazines and books) indicates that people are becoming more and more interested in the environmental credentials behind products (including farm products).

- 29 The use of chemicals is one factor in what people look to behind the meat or wool that we might sell. Other important components of "eco consumerism" revolve around farming practices for example working with the QEII Trust to enable the retirement of the marginal productive land and revegetation with natives, and the diversification of land capable of other economic uses for example, recreation and tourism.
- 30 I see this as essentially delivering on our "clean green image". In that sense, high country pastoralism is no different to other businesses these days which have to work hard to satisfy human needs while reducing the impact of their activities on the environment.
- 31 In our case, we have decided to respond to these drivers by pursuing an organic approach to farming the Station and have entered the Biogro organic certification process.
- 32 I have never had anyone say to me that what we're doing would degrade the land. However the reality is that it takes time and capital input. In the short term the returns are not as great, as when you remove the sprays and chemicals from the property the productivity immediately slows down. However, once you have overcome this initial, short term hurdle, the profitability and sustainability of the land is increased and you get a higher quality and higher nutritional value product.

### **The Original Parkins Bay Proposal**

- 33 When my parents explored the idea of further diversifying Glendhu they approached Darby Partners Limited to help them develop a concept. My parents chose Darby Partners because they are a local company who have a reputation of being able to preserve the land as well as develop it. They also have a reputation for delivering what they say they will deliver. My family wanted to remain involved in the process so did not want to sell the land upfront for someone else to develop. Darby Partners allowed us to work with them on the development concept, which was important, as at the end of the day was our vision.
- 34 The Parkins Bay proposal was important as it enabled capital to be released and re-invested in the organic farming model. We also saw the Parkins Bay proposal as an innovative extension to our family's present activities and our past hard work.

- 35 Golf courses are a part of the history of Glendhu Station, the family that owned Glendhu Station before us had a 9 hole golf course that was built in association with the lakeside flats which lay between the original homestead and the existing woolshed (behind where the camping ground is now).
- 36 The development proposal continued our family's history of opening up and sharing part of an iconic landscape with both New Zealanders and international visitors. It also incorporated comprehensive conservation and re-vegetation which I saw as very important components of overall sustainable land management.

### **Integration of the Proposal with the Farming Operation**

- 37 My family spent many years planning the Parkins Bay proposal that was granted consent by the Environment Court. We did our very best to listen to and consider public views. We held three different open days for the public to come and view Glendhu Station and to see the opportunities the proposal has to increase tourism and recreation access in the area.
- 38 The consented proposal has formalised the walking and biking trails around the area by linking the Parkins Bay trails with the Millennium walkway to Glendhu Bay from Wanaka and the Hospital Flat recreational area trails – Diamond Lake and Motatapu River Walkways. The linkage of these walkways is a direct result of our tenure review negotiations with the Crown and will provide a safe elevated link for recreational walkers and cyclists away from the dangerous Bluff section of the Wanaka/Mt Aspiring Road.
- 39 One of our aims continues to be the future protection of the landscape by providing minimal building between the road and the lake. The location of the golf course adjacent to the lake will ensure that the open space is protected into the future. The accommodation residences have been carefully set into the landscape, so they will be very difficult to see from any public areas. Placing the residential dwellings into the hills overlooking the golf course will enable the residential dwellings to maximum views of the lake and mountains, while also protecting the areas of open space adjacent to the lake.
- 40 In order for the public to enjoy a truly unique lakeside experience we opted to locate the Club House / Restaurant / Jetty on the lake front. The location of this building will encourage and provide both pedestrian and boaties the chance to access and enjoy the facilities. The positioning of the Jetty in this stunning location will also provide an additional safety mechanism in this part of the lake.
- 41 Significant revegetation of the area is occurring to ensure the development blends in with the nearby shrub land on the DOC land, the Glendhu Bluffs and the area beyond. We envisage a uniform, unique landscape vegetation that extends

from the covenanted bluffs between West Wanaka Homestead and the Matukituki River, to the covenanted front section of Rocky Hill to the south, through to Hospital Flat, Moonrise Bay and the area of Glendhu Station that borders the DOC land and Emerald Bay, as well as the area of land across the road at Hospital Flat and the conservation area around Diamond Lake.

- 42 It is our aspiration to see a natural and uniform approach taken to revegetation alongside the road corridor, extending from the Alpha Burn (at the eastern boundary of the Station) to Glendhu Bluffs to improve the natural character and amenity of the bay.

### **Farm Diversification Practices**

- 43 We have gone through the process of becoming certified organic for the farm operation and its land. I consider that by moving into organics and incorporating other key elements of sustainability into the management of the station we have created a real point of difference for our farm product while integrating the needs of the community and providing a healthy environment for my family, our community members and visitors/tourists to live in.
- 44 The move into organic agriculture was a big decision for us. Organic farming is not easy and requires a good knowledge of husbandry. It also requires a different approach to management and a different approach to problem solving compared to traditional farming.
- 45 Organic farming is not economically viable compared to high production in the short term, especially in the scale we are trying to achieve. It is also technically difficult in the beginning, particularly with respect to weed control. We had to consider the capital consequences of lowering stock numbers, increasing fencing to control stock movement and the application of organic rather than synthetic fertiliser.
- 46 Faced with these cash flow issues we knew that if we were going to successfully turn things around on the organic front we needed a capital injection from an alternative land use. This is where we relied on the Parkins Bay proposal proceeding. I have gained considerable knowledge in working with Darby Partners on how we can make better use of our land to create a more sustainable living system.
- 47 The most important improvements we have carried out at this time to fully convert to organics are fencing, application of trace minerals and a lot of emphasis on shelter belts to give stock protection from the climate which can turn ugly at times.



- 48 While we produce organic beef, we see Glendhu Station as the perfect environment to produce a range of other possible quality organic and chemical free products including eggs, and fruits, vegetables and possibly even cash cereal crops or dairy products.
- 49 I think having an organic certified abattoir in Wanaka is also great for the community, and this is something our organics' have gained support for. It allows local farmers to create a unique product, that if done right gives more value to their products and makes Wanaka an even bigger tourist attraction. It gives local farming families a brighter future, not only in financial terms, but also by providing a more healthy community relationship.
- 50 Generally I have found by talking to other certified farmers that the process has many hurdles and that it takes 6-10 years to start seeing the organic system working completely in a self-sustaining way. However, if we can achieve this dream successfully I hope it will help other land owners turn their minds to the key drivers of long term sustainability. This to me is the driving passion behind why we want to continue succeeding in organic farming and why we want the Glendhu proposal to proceed.
- 51 We are pursuing this dream not because we ultimately need to but because we want to. We see this proposal as a better way forward but in reality, if the proposed development was overturned I think it would be in our best interests as a family to sell our be-loved property and create our dreams in another community that will support what we think are well founded environmental views.
- 52 What I hope to continue to achieve from this wonderful opportunity is a fully self-sustained community where there would be a farmer / consumer relationship formed by people that are living and visiting the houses in Parkins Bay. They would be able to purchase organic products produced by fully certified local organic farm.
- 53 Organic beef and lamb, eggs, and other products could also be supplied to the clubhouse restaurant and other local restaurants in the area. This would provide any visitors to the area with a unique, and healthy dining experience linked with a fantastic golf/recreation experience that I believe would be unmatched in New Zealand at present.
- 54 If this was achieved here at Glendhu Station other farmers might gain an interest in certifying some land to supply local markets. The other advantage of this system is it will give locals and visitors an understanding where their food has come from and how it has been produced, which is an important factor in "eco-consumerism".

- 55 Although the consented proposal removed approximately 180ha of currently productive land which lowers the current stocking rate, I have kept this in mind in my farm management planning. Over the past 8 years I have worked on building up other areas of the land using organic certified practices, for example the land behind the airstrip was not previously used productively. I have added organic fertiliser and lime to this area to build cover and grass levels and have used existing tussocks for shelter. Proposed native shelter belts will also benefit this area greatly.
- 56 Since the conclusion of the golf course hearing many diverse and interesting directions have been explored at Glendhu. The development of a respected localised egg business occurred. Many methods and systems were explored and a quality and successful certified organic product was produced largely in a local market of Wanaka, and in times of surplus in a regional Otago market. The rapid changes in crop farming, especially of organic grain, meant that sourcing a quality feed product became increasingly difficult and at times meant sourcing grain offshore. This meant that holistic principles and focus on sustainable localised practice was greatly challenged and drove up the cost of production. In order to further research sustainable and more economically viable approaches for this business we are currently taking a break from the egg operation to explore and experiment with the growing of our own organic grain. It is hoped that if successful we can reintroduce the production of an organic egg business fed by our own grain product and continue with our pasture fed operation.
- 57 As the egg business is currently in a redevelopment phase we are once again drawing on our diversification model. We are continuing to move towards more sustainable farming practice and land use management. In order to continue towards the goal of a sustainable and localised model we are once again exploring and developing alternative, low impact land use businesses to support and sustain the current tourism market in the area.
- 58 We are currently upgrading the original farm cottages and workers accommodation to allow for wedding guests and tourists to easily stay on the farm and enjoy staying on the property. We will then apply for resource consent. This compliments the opportunities at the camping ground and means that wedding clients are decreasing their carbon footprint by being able to stay on site for the duration of the preparation before, and after the wedding day. To test the viability of the accommodation we have allowed wedding guests into our homestead for the summer 2017 season. It has greatly increased the enjoyment of their experience and received very complimentary feedback.
- 59 We are continuing to diversify the potential of land use creating new tourism pathways that in turn will both compliment the golf course experience as well as increase the viability of a sustainable and localised food production system.

Providing the opportunity for guests of the farm and golf course to eat produce produced and prepared on the property is still an ultimate aim of ours at Glendhu Station. The development of further low impact activities such as mountain biking, will allow the production of meat and vegetable produce to be a more viable and consistently sustainable business. The development of an onsite butchery and abattoir will greatly assist this but some work needs to go into working through the current legislation around this. Finding smart and affordable solutions to the capital outlay for infrastructure is also important.

- 60 As part of our shift towards a diversified farm income, we have sought and obtained resources consents to establish a building to sell organic produce (RM12051) and to establish a wedding events venue within the woolshed (RM140285). While we were ultimately successful in gaining consent, and implementing these proposals, both involved significant expense and complexity. This has made us very wary and cautious about planning and council processes. The most onerous and disheartening consent hurdles were centred around compulsory and mandatory infrastructure and planning that seem more suited to a condensed urban environment. For example the large development contribution cost for traffic visiting the shop when the large proportion of visitors were already in the area and stopping was merely a bonus to their trip. The requirements to build a building for on farm produce seemed vastly disproportionate for the purpose intended. A cost in excess of \$50,000 to adhere to consent and building requirements for an honesty produce stall does not seem practical.
- 61 We are only interested in creating a world class sustainable operation to compliment a very special and iconic landscape. All our decisions and new directions are made based on supporting and complementing the activities associated traditionally with Glendhu Bay and Mount Aspiring National park, and in the future with the completion of Parkins Bay Golf Course. In the past we have always sort to have a transparent practice with our community, seeking to use public feedback to drive our direction. The current changing expectations around transparent food production means we need to continue to develop systems that are flexible to remain viable in stewardship of this very important New Zealand landscape. Our direction is to continue to be open to flexible and complementary land use which moves away from more rigid and linear farming systems.

### **Glendhu Bay Motor Camp**

- 62 We believe that the demand for lower cost accommodation at Glendhu Bay currently offered by the Glendhu Bay Motor Camp, our neighbours, could be supported and enhanced by expanding camping opportunities in our paddock opposite the camping ground site. We have always sustained a positive relationship with the camping ground operators. During peak times when the camping ground is very full, in December through to March, we could offer non-

permanent visitor accommodation to complement the current camping options. This would allow people to enjoy the lakeside environment despite weather interruptions which can affect tenting visitors. This opportunity would allow the council to work with us on providing much needed infrastructure and amenities for the public visiting the bay and Mount Aspiring National Park. These include toilets, recycling and even possibly showers. This would help to sustain a pristine clean environment and may help to alleviate current freedom camping issues.

### **Conclusion**

- 63 Our family is proud of the Parkins Bay proposal and considers it is an excellent way of providing for the sustainable use and management of the land. It has helped us achieve our vision of an organic farm and also provided ecological restoration and increased recreation and public access to an incredibly beautiful part of this country.
- 64 Personally this proposal is giving me as the third generation a greater ability to care for this wonderful property and a chance to build a bigger picture of eco sustainability and diversify further into tourism. Due to pressures of changing markets it is important that our property continues to move towards more sustainable farming, tourism and land use management practices.
- 65 Organic farming linked with the Parkins Bay proposal was our initial solution for achieving this goal, and now it is apparent that tourism and hospitality at an appropriate scale can further complement that, but what I believe and what truly motivates us has been the need for a change of direction to achieve a truly sustainable use of high country land.

**Dated this 4<sup>th</sup> day of April 2017**

**John McRae**