

BEFORE THE HEARINGS COMMITTEE

IN THE MATTER

**of hearings on
submissions concerning
the proposed One Plan
notified by the
Manawatu-Wanganui
Regional Council**

**SECTION 42A REPORT OF GREG JOHN CARLYON
ON BEHALF OF HORIZONS REGIONAL COUNCIL**

1 INTRODUCTION

My qualifications/experience

1. My full name is Greg John Carlyon. I have a Bachelor of Resource and Environmental Planning degree from Massey University. I have been practising as a planner for over fifteen years. This has included working as conservancy planner for the Department of Conservation (Tongariro-Taupo Conservancy) and more latterly with Horizons Regional Council. I have held the position of Policy Manager, which included initiating and leading the One Plan project, and subsequently became the Group Manager – Regional Planning and Regulatory where I have overall responsibility for the Policy, Science, Consents and Compliance teams. The One Plan remains a key strategic priority for the organisation and is managed from this group. Of relevance to the hearing proceedings, I was the Group Manager responsible for designing and leading the Sustainable Land Use Initiative (SLUI), which included advocacy with Government to acknowledge and fund sustainable land use change in hill country.
2. I have read the Environment Court's practice note 'Expert Witnesses – Code of Conduct' and agree to comply with it.

Scope of evidence

3. My evidence is limited to providing background and context to SLUI, summarising the development process and who was involved, outlining how SLUI was promoted (to the regional community, land managers, and central government), and summarising the process by which central government was engaged with around the issue of hill country erosion and funding support of SLUI. My evidence should be read in conjunction with the other SLUI expert witness reports which provide detail on many of the steps summarised in my report. In particular, the research, economic assessment, tool development and implementation phases of SLUI.

2 EXECUTIVE SUMMARY OF EVIDENCE

4. SLUI is the Manawatu-Wanganui region's response to the devastating storms of 2004 and the widespread issue of hill-country erosion and downstream impacts that result. Development of the project was led and shaped by community leaders representing all parts of the region (farmers, urban dwellers, science community and local government), with Horizons tasked with coordinating project development.

5. Since its development, SLUI has been successfully presented to local and national communities. As a result, there was widespread support for the introduction of a special, and not insignificant, increase to the region's rates in the 2006-07 Annual Plan to fund SLUI implementation.
6. In December 2007 the Ministry of Agriculture announced its support for SLUI and funding of almost \$6 million over four years towards SLUI implementation. This announcement was the culmination of several years of negotiations with various ministries, including Treasury, to raise the profile of hill country erosion as an issue, and to secure funding.
7. Not only does SLUI address the issues of hill country erosion, degraded water quality, resilience to major storms, and lowland flood protection in the Manawatu-Wanganui region, it is also being held up as a model for integrating/giving effect to several major central government initiatives/policies e.g. Integrated Catchment Management, Climate Change policies, carbon sequestration, water resource management, and lowland community flood protection and avoidance.

3 SLUI CONTEXT AND BACKGROUND

8. In this section of my evidence, I outline the catalyst for land use change in the region, development of the SLUI programme, the process by which the regional community and central government were engaged with around SLUI.

2004 Storm Event

9. In February 2004, the Manawatu-Wanganui region experienced one of the largest, most widespread and destructive storms in its history. Many of the region's rivers experienced floods with return periods greater than 100 years, extensive areas of the region's lowlands and many houses and townships were flooded and or cut-off by floodwaters. Road and rail links and essential services such as power, water, sewerage and telecommunications were cut for extended periods to much of the population. Significant areas of the region's hill country experienced extensive slipping which in turn disrupted farming operations, roads, and released large volumes of silt into waterways.

10. Fortunately no one was killed or even seriously injured in this event. However, the region's community, economy and environment were seriously damaged. Some key facts to emerge from the storm aftermath include:
- 70% of the region was affected by the storm
 - the direct economic impact of the storm to the region was \$300 million
 - slipping occurred across 120,000ha of hill country, with 30,000ha experiencing severe erosion
 - 200 million tonnes of soil was lost from the region
 - the lower Manawatu and Rangitikei River schemes experienced significant silt deposition in their lower reaches, and consequent reduction in flood protection levels
11. The immediate recovery following the storm event took many months, but the effects of the storm are still evident in the slip-scarred hill country, the quick-to-dirty rivers following rain, and the silt build-up along our lowland rivers.

Community Response

12. It was during the initial recovery phase that questions were first raised within Horizons and by the community as to the wisdom of accepting this storm event as a one-off, and whether effort should be put into preventing the impact of future events. Particularly given future climate change scenarios indicate an increase in both the frequency and magnitude of future storm events for this region.
13. At a meeting of community leaders in September 2004 it was agreed that the 2004 storm event would be a catalyst for change, especially around the issue of land/hill country management. It was generally agreed that the issue of hill country erosion could not be ignored, and the current level of Horizons/farmer erosion protection was insufficient. A significant lift in activity would be required to address the current and future problems.
14. At this meeting (attended by local government representatives, mayors, community leaders, farmers, farmer representatives, non-government agencies, rural consultants and Crown Research Institutes) there was broad agreement around the following issues:
- hill country erosion is a natural process, but that accelerated hill country erosion is not
 - emphasis needs to be on sustainable development, not just erosion protection
 - farmers need good information to make good decisions

- whole farm plans are a critical component to the success of any future land use change initiative
 - forestry is an important tool for controlling erosion, but that people do not want blanket afforestation
 - there are significant capacity shortages within the rural/land use sector
 - land use change economics must stack up for the landowner before change will occur
 - farmers want a non-regulatory approach to land use change, and
 - hill country erosion is a regional issue with national implications so should be funded from national, regional and landowner shares.
15. It was resolved that Horizons would be the lead agency in developing a sustainable land use programme, and that individuals/groups would be shoulder-tapped for involvement in either the Steering (overall governance) Group and/or technical working parties. These groups were tasked with developing a programme and funding proposals.

Governance Group and Working Party

16. In December 2004 the Governance Group (comprising Horizons Regional Council councillors and staff, district council mayor and chief executive, Federated Farmer representatives, a Farm Forestry representative, and farming leaders) was established. At this same meeting the group agreed the purpose and general content of the land use change package – the Sustainable Land Use Initiative was formed – along with the Working Party participants, deliverables and timelines.
17. The Working Party (comprising representatives from Horizons Regional Council, district councils, Federated Farmers, Farm Forestry and Crown Research Institutes) was tasked with developing a sustainable hill country land use change package by March 2005 that was:
- well informed and nationally compelling to generate support and funding
 - able to be delivered on a farm by farm basis via whole farm plans in priority areas
 - sustainable economically and environmentally – indicating land use change and areas of native vegetation reversion
 - capable of addressing landowner barriers to participation
 - includes a structured communications plan, and
 - contains science that is readily understandable and applicable at the farm gate.

18. The deadline was set by a desire to begin engaging with: (1) the regional community, and (2) central government around the proposal and its potential inclusion with the government's 2005-06 budget.
19. The Working Party met on several occasions between December 2004 and March 2005 with the purpose of:
- collecting base information e.g. scale of the erosion issue and financial impacts of the storm and the proposed programme
 - agreeing implementation methods e.g. the farm plan process, and
 - determining programme timelines, costs, and funding/resource requirements
20. The proposed SLUI programme was presented to the Governance Group in March 2005 and after several iterations was endorsed in April 2005 for release to a wider audience. The work of the Working Party is covered in more detail in Dr. Alec McKay's evidence. The Working Party was disbanded once the proposal was endorsed, but the Governance Group continues to meet and now oversees implementation of SLUI.

Engaging the Regional Community

21. Critical to the delivery of SLUI was the need to raise awareness of the hill country issue, and the proposed SLUI programme and how it works, amongst the regional community. This was needed for understanding/support of the programme and to ensure introduction of a SLUI Uniform Annual Charge against each rateable property within the region via the 2006-17 Annual Plan would be supported by ratepayers.
22. Awareness of SLUI was raised through a variety of means, including television (Rural Delivery programme), radio (various interviews of key people involved with SLUI), print media (Across the Region, press releases, feature articles), website, meetings (shed meetings, One Plan meetings, stakeholder holder groups), presentations (e.g. conferences), SLUI specific information (newsletter, information pack, postcard), Central Districts Field-days, and the Green RIG.
23. Promotion of SLUI to the regional community started in April 2005 and continues today, although the emphasis has now shifted to the implementation phase and getting landowners to join the programme.
24. Key messages put across as part of this promotion included:

- Horizons and the regional community are serious about addressing hill country erosion
- That participation in SLUI is entirely voluntary – there is no rules or regulations
- There are considerable benefits to participating in SLUI
- There is considerable assistance, including financial, for those participating in SLUI
- SLUI is taking a 'no blame' approach to the hill country erosion issue

Engaging with, and Securing Funding from, Central Government

25. A second component critical to the success of SLUI was the engagement of central government around the hill country erosion issue and the securing of funding to allow SLUI to progress at a rate required to ensure meaningful change over an acceptable timeframe.
26. This was achieved through a series of visits by the Prime Minister, Hon. Jim Anderton and local Ministers of Parliament between April and June 2005. These visits typically involved a presentation of the SLUI development process (as outlined above), a flight across part of the region to see the impact of the 2004 storm first hand, and sometimes a meeting with an effected landowner. These visits did much to raise the profile of SLUI, and were the starting point for approximately two years of lobbying and negotiations with officials and staff from the Prime Ministers Office, Treasury, and ministries for the Environment, Agriculture, Forestry, Civil Defence, and Economic Development.
27. As a result of this work, hill country erosion became a national priority, with SLUI seen as a solution with national application. The timing for SLUI could not have been better as able to integrate and give effect to a number of new policies being developed/introduced by different ministries, including Integrated Catchment Management, sustainable land use, carbon sequestration and afforestation, water resource management, and lowland community flood protection and avoidance.
28. Funding was allocated to the Ministry for Agriculture to advance their policies, and in 2007 set about developing contestable funds, funding and application criteria. The first fund established was the Sustainable Land Management (Hill Country Erosion) Framework. Horizons Regional Council's SLUI was the first, and with the endorsement of other regional councils, the only organisation to apply for this funding. Additional funds – the Permanent Forest Sink Initiative and Afforestation Grants Scheme have been developed and will be targeted by SLUI in the near future.

29. It was announced in December 2007 that SLUI was successful in securing approximately \$6 million over 4 years from the Sustainable Land Management (Hill Country Erosion) Framework fund.

SLUI Funding

30. In the 2007-08 financial year, the total budget for SLUI implementation is approximately \$1.4 million (funded entirely from a SLUI Uniform Annual Charge), and the year one contribution from the Sustainable Land Management Framework (\$1.1 million). There is also a contribution from landowners to the works being undertaken on their property. Increasingly third parties (such as forestry, honey and carbon sequestration companies) are taking an interest in SLUI and wanting to be involved. These third parties represent a fourth income stream into the wider SLUI programme.
31. The SLUI Uniform Annual Charge (UAC) was introduced in the 2006-07 Annual Plan. This Plan was extensively consulted on, as was the SLUI project (as outlined above). There was overwhelming support for the introduction of the UAC and the SLUI project from submitters. In fact, the only negatives recorded through the submission/hearing process related to Horizons' and the agricultural sectors capacity to deliver on the SLUI work programme and achieve the ambitious targets sought.

Greg Carlyon
26 May 2008

4 APPENDIX 1

Governance Group membership

Name	Organisation
Alec MacKay	AgResearch
Alistair Polson	Special Agricultural Trade Envoy, SLURI director, hill-country farmer
Garry Murfitt	Chairman – Horizons Regional Council
Ian McKelvie	Mayor – Manawatu District Council
Annette Main	Councillor – Horizons Regional Council
David Meads	Councillor – Horizons Regional Council
Michael McCartney	Chief Executive – Horizons Regional Council
Leigh Halstead	Chief Executive – Rangitikei District Council
Ruth Rainey	Hill country farmer, and Federated Farmers president (Manawatu)
Shelley Dew-Hopkins	Dairy farmer, and ex-Federated Farmers president (Manawatu)
Steve Anstis	Hill country farmer, Wanganui Rural Community Board Chairman, and Federated Farmers president (Wanganui)
Don Ross	Chief Executive - Landcare Trust
Angus Gordon	Hill country farmer, farm forester
Dougal McIntosh	Hill country farmer, NZ Farm Forestry Association
George Ross	Hill country farmer, and Federated Farmers president (Taranaki)
Alistair Beveridge, Grant Cooper & Greg Carlyon	Managers - Horizons Regional Council
Jeremy Neild	Agricultural economist

This is the core membership of the early Governance Group – members joined and left the group over the one year SLUI development phase.

Working party membership

Name	Organisation
Ruth Rainey	Hill country farmer, and Federated Farmers president (Manawatu)
Denis Hocking	Farm Forestry Association
Stephen Anstis	Federated Farmers (Wanganui)
Troy Gerbich	Tararua District Council
Alec Mackay	AgResearch (Palmerston North)
Sarah Wilson	Common Ground Consulting
Ian Moore, Alistair Beveridge, Grant Cooper, Lindsay Fung and Greg Carlyon	Managers - Horizons Regional Council
Jeremy Neild	Agricultural economist

This is the core membership of the Working Party – members joined and left the group over the SLUI development phase, and various others were contractor to undertake work on behalf of the Working Party.