

2 September 2011

Dear Leaseholder,

UPDATE FROM THE PASTORAL TEAM

On the 26th August Land Information New Zealand (LINZ) staff attended the High Country Accord forum in Omarama. The LINZ team considered the forum was a worthy and informative discussion on pastoral lease management and tenure review.

One of the outcomes of the meeting was that LINZ would follow up on its recent communication on the implementation of Earning Capacity Rents with the supply of information clarifying how the base stock carrying capacity was arrived at.

EARNING CAPACITY RENTS

To partly answer your questions about how the base stock carrying capacity was arrived at for each lease, we enclose a copy of the report "Modelling base stock carrying capacity (BASE) for the Earning Capacity Rent project". This report is also available on the LINZ web site www.linz.govt.nz.

In the next 2 weeks, we will also be providing you with a copy of a map of your lease detailing land use capability (LUC) boundaries and an accompanying table with a summary of carrying capacity in each LUC unit. This information is taking a little longer to collect as we have to work with Landcare Research who developed the maps for LINZ.

FEEDBACK ON BASE CARRYING CAPACITY

The next step once you have all the information is for you to provide feedback on the modelled base stock units assessment for your lease.

LINZ and the High Country Accord will work jointly on the next letter that will include the maps to provide guidance on how to provide feedback. The feedback is important as it will inform the Valuer General who will make rules which may specify tolerances and adjustments to be made when using the base figures from the model.

CURRENT CARRYING CAPACITY

An initial report has been received that uses a GIS based model however more work is planned on the process to assess a farming operation as being average efficient. This work is planned to be undertaken in September.

Yours sincerely

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