

## **Crown Pastoral Land Tenure Review**

**Lease name : TWINBURN**

**Lease number : PO 198**

### **Due Diligence Report (including Status Report)**

This report and attachments results from a pre-Tenure Review assessment of the pastoral lease for the purpose of confirming land available for Tenure Review and any issues, rights or obligations attaching to it. The information is gathered from files and other sources available to the LINZ contractor.

Part of the information relates to research on the status of the land, resulting in a Status Report that is signed off by a LINZ approving officer. The remainder of the information is not analysed for relevancy or possible action until required, and LINZ does not guarantee its accuracy or completeness as presented.

The report attached is released under the Official Information Act 1982.

July

05

**DUE DILIGENCE REPORT  
CPL PRE TENURE REVIEW ASSESSMENT STANDARD 6:**

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**File Ref:** CON/50241/09/12496/A -ZNO      **Report No:** QVV 55      **Report Date:** 03/04/2001  
**Office of Agent:** CHRISTCHURCH      **LINZ Case No:**01/      **Date sent to LINZ:**

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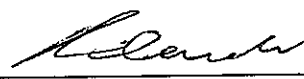
**RECOMMENDATIONS**

1. That the Commissioner of Crown Lands or his delegate **note** this Due Diligence Report which has been prepared in accordance with the Pre Tenure Review Assessment Standard;
2. That the Commissioner of Crown Lands or his delegate **note** the following incomplete actions:
  - (a) Creation of an access easement over the Dunstan Peaks Pastoral lease in favour of Twinburn to allow operation of the gates to the irrigation system that supplies water from the Omarama and Little Omarama Streams.
  - (b) Creation of an access easement in favour of ECNZ over the existing track as appropriate.
3. That the Commissioner of Crown Lands or his delegate **note** that no potential liabilities have been identified as a result of the file search.

**Signed by Sub – Contractor:**

  
\_\_\_\_\_  
Name: D. McGregor  
McGregor Property Services Limited  
Accredited Agent

**Signed by Contractor**

  
\_\_\_\_\_  
Name: B. Dench  
Team Leader for Tenure Review  
Quotable Value (Valuations)

**Approved/Declined (pursuant to a delegation from the Commissioner of Crown Lands) by:**

\_\_\_\_\_  
Name:  
Date of Decision:     /     /

**1. Details of Lease:**

**Lease Name:** Twinburn.  
**Location:** Between Runs Road – approximately 19 kilometres from Omarama.  
**Lessees:** Dunstan Peaks Limited.  
**Tenure:** Pastoral Lease pursuant to Section 66 and registered under Section 83 of the Land Act 1948.  
**Term:** 33 years from 1 July 1991 (expires 30 June 2024).  
**Annual Rent:** \$3450.  
**Rental Value:** \$230,000.  
**Date of Next Review:** 30 June 2002.  
**Land Registry Folio Ref:** CL OT386/90 (Otago Registry).  
**Legal Description:** Run 201F situated in Hawkdun and St Bathans Survey Districts.  
**Area:** 7861.0186 hectares.

**2. File Search**

***Files held by agent Knight Frank (NZ) Ltd on behalf of LINZ:***

File Reference	Volume	First Folio Number	Date	Last Folio Number	Date
<i>Po 198-SDN-01</i>	1	183	13/9/1939	267	25/06/1971
<i>Po 198-SDN-02</i>	2	268	16/07/1971	396	16/06/1982
<i>Po 198-SDN-03</i>	3	397	28/06/1982	471	25/02/1986
<i>Po 198-SDN-04</i>	4	472	07/03/1986	557	29/06/1984
<i>Po 198-SDN-05</i>	5	558	05/04/1990	630	26/09/1995
<i>Po 198-SDN-06</i>	6	1	26/09/1995	53	30/06/2000
<i>CON/50213/09/12496/A-ZNO</i>	1	1	01/07/2000	8	Current

***Files held by agent Q.V. Valuations on behalf of LINZ:***

File Reference: CON/50241/09/12496/A-ZNO-01  
Volume: 1  
First folio: 1  
Date: 6 November 2000.  
Last folio note: –  
Date: Current

**3. Summary of Lease document: (Copy of Lease CL OT386/90 attached as Appendix 1)**

**3.1 Terms of Lease**

A 33 year term from 1 July 1991 at the Annual rental of \$3450 based on the Rental Value of \$230,000.

**3520 sheep**

*Commencement Date:*

1 July 1958. Renewed for a term of 33 years from 1 July 1991 by Memorandum of Renewal of Lease No. 889472 registered on 21 August 1995.

*Other Provisions:*

There are no other relevant provisions in the lease.

**3.2 Area adjustments**

There have been no area adjustments to the lease since issue.

**3.3 Registered Interests**

*Land Improvement Agreement*

Land Improvement Agreement 650024 registered 27 January 1986.

*Mortgages*

881904.11 to New Zealand Guardian Trust Company Limited (registered 11 May 1995).

951713.4 to Reid Farmers Limited and Reid Farmers Finance (Otago) Limited (registered 27 July 1998).

**3.4 Unregistered Interests**

*Recreation Permits*

A search of available records did not reveal the existence of any Recreation permits.

*Easements*

Rights of access to operate gates on Dunstan Peaks to the irrigation system that draws water from the Omarama and Little Omarama Streams.

See also Clause 8.1.

Access easement (?) over NZED (now ECNZ) access track to the top of the Front block.

See also Clause 8.2.

*Unregistered Mortgages / Debts*

None known.

**4. Summarise any Government programmes approved for the lease:**

A Land Improvement Agreement registered as Document 650024 secured a SWC Plan executed on 4 December 1985 between the then lessee and the Waitaki Catchment Commission that included windbreak tree planting, spelling and erosion control fencing and oversowing and topdressing. The requirements of the Agreement apply for 33 years (until 3 December 2018) or as may be mutually agreed between the parties.

This property is not part of a Rabbit and Land Management Plan.

## 5. Summary of Land Status Report:

A Land Status Report undertaken by D McGregor, McGregor Property Services Limited for and on behalf of Q.V. Valuations and certified by the Chief Surveyor, Dunedin on 23 March 2001, confirms the status of the Pastoral lease as Crown Land, leased pursuant to Section 66 of the Land Act 1948 and registered under Section 83 of the same Act.

The land is subject to the registered interests included in *Clause 3.3* above and Part IVA of the Conservation Act 1987 upon disposition.

The minerals remain with the Crown as the land has never been alienated since its acquisition from the original Maori owners under the Kemp Purchase.

The report also noted that:

1. A report dated 25 February 1986 (folio 471 on file) records that no legal access exists to operate gates to the irrigation system drawing water from the Omarama and Little Omarama Streams on the Dunstan Peaks Pastoral Lease that supplies water to both leases (Twinburn and Dunstan Peaks).
2. A routine inspection report (folio 411 on file) indicates that access to the top of the front block is serviced by a good NZED (now ECNZ) track but there is no indication whether or not this is still required and or requires legalisation.

## 6. Review of Topographical and Cadastral Data:

Both maps attached to the Land Status Report show there are no known power or transmission lines, telecommunications or like hilltop facilities, water races or historic sites on the property. The topographical map does however reveal the existence of:

- (a) Two huts adjacent to the Manuherikia River West Branch.
- (a) Two airstrips one at either end of the lease.
- (a) A dam in the vicinity of the Little Omarama Stream.

### *Legal Roads – formed and paper*

There are no intersecting roads on the property. The existing road is legal by Section 110A of the Public Works Act 1928.

### *Fenced Boundaries vs Legal Boundaries*

The topographical map attached shows some minor deviation between the physical and legal situation on the northern and north - eastern boundary of the lower block with the "Dunstan Peaks" Pastoral Lease.

## 7. Details of any neighbouring Crown or Conservation land:

- Eastern boundary - Runs 322E and 684 (Berwen Pastoral lease).  
Southern Boundary - Run 685 (Michael Peak Pastoral lease).

Northern Boundary - Run 201E (Dunstan Peaks Pastoral lease).

**8. Summarise any uncompleted actions or potential liabilities:**

**8.1 Access across Dunstan Peaks Pastoral lease to operate gates to irrigation Scheme.**

Refer Clause 3.4 on Page 4

A report dated 25 February 1986 records that no legal access exists over the Dunstan Peaks Pastoral Lease to operate gates to the irrigation system that supplies water from the Omarama and Little Omarama Streams to both “Twinburn” and “Dunstan Peaks”.

The relevant folio from the file is attached as *Appendix 2*.

**8.2 ECNZ Access**

Refer Clause 3.4 on Page 4

A routine inspection report (folio 411 on file) records that access to the top of the Front Block is serviced by a good NZED (now ECNZ) track and its location and purpose is unknown but it could be to one of the dams in the Manuherikia Valley. There is no indication as to whether or not an access easement is required and / or requires legalisation.

The relevant folio from the file is attached as *Appendix 3*.

**Schedule A – Copy of Land Status Report (minus enclosures).**

**APPENDIX**

**Copy of Lease Document.**

- 2. Copies of folios from file – Access rights over Dunstan Peaks.**
- 3. Copies of folios from file – ECNZ access.**

**SCHEDULE A**

# Q.V. VALUATIONS, CHRISTCHURCH

"RELEASED UNDER THE OFFICIAL INFORMATION ACT"

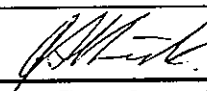

Project Number QVV 54

This report has been prepared on the instruction of Land Information New Zealand in terms of Contract No: 50241 dated 6 November 2000 and is undertaken for the purposes of the Crown Pastoral Land Act 1998.

<b>LAND STATUS REPORT for Twinburn Tenure</b>	LIPS Ref 12496
<b>Review</b>	
Property 1 of 1	

<b>Land District</b>	Otago
<b>Legal Description</b>	Run 201F situated in Hawkdun and St Bathans Survey District.
<b>Area</b>	7861.0186 hectares
<b>Status</b>	Crown Land subject to the Land Act 1948 and subject to a Pastoral lease issued pursuant to Section 66 and registered under Section 83 of the Land Act 1948.
<b>Instrument of title / lease</b>	OT386/90 as varied by Memorandum of Renewal 889472.
<b>Encumbrances</b>	Subject to:- 1) Land Improvement Agreement pursuant to Section 30A Soil Conservation and Rivers Control Act 1941 Document 650024. 2) Marginal Strips as defined in SO 1381 and SO 1386.
<b>Mineral Ownership</b>	Mines and Minerals are owned by the Crown because the land has never been alienated from the Crown since its acquisition for settlement purposes from the former Maori owners under 1848 Kemp Purchase.
<b>Statute</b>	Land Act 1948 & Crown Pastoral Land Act 1998

<b>Data Correct as at</b>	2 March 2001
<b>[Certification Attached]</b>	Yes

<b>Prepared by John Kirk subcontractor</b>	
<b>Crown Accredited Supplier</b>	Opus International Consultants Ltd, Dunedin
<b>Confirmed by Don McGregor for and on behalf of Quotable Value New Zealand.</b>	
<b>Crown Accredited Supplier</b>	McGregor Property Services Limited

## Certification

Pursuant to Section 11(1)(l) of the Survey Act 1986 and acting under delegated authority of the Surveyor-General pursuant to Section 11(2) of that Act, I hereby certify that the land described above is Crown Land under the Land Act 1948 subject to Pastoral Lease OT386/90.

Property Released Under the Official Information Act



**Max Haydn Warburton**  
**Chief Surveyor**  
 Land Information New Zealand, Dunedin.

23 / 3 / 2001

**Notes : This information does not affect the status of the land but was identified as possibly requiring further investigation at the due diligence stage : See Crown Pastoral Standard 6 paragraph 6.**

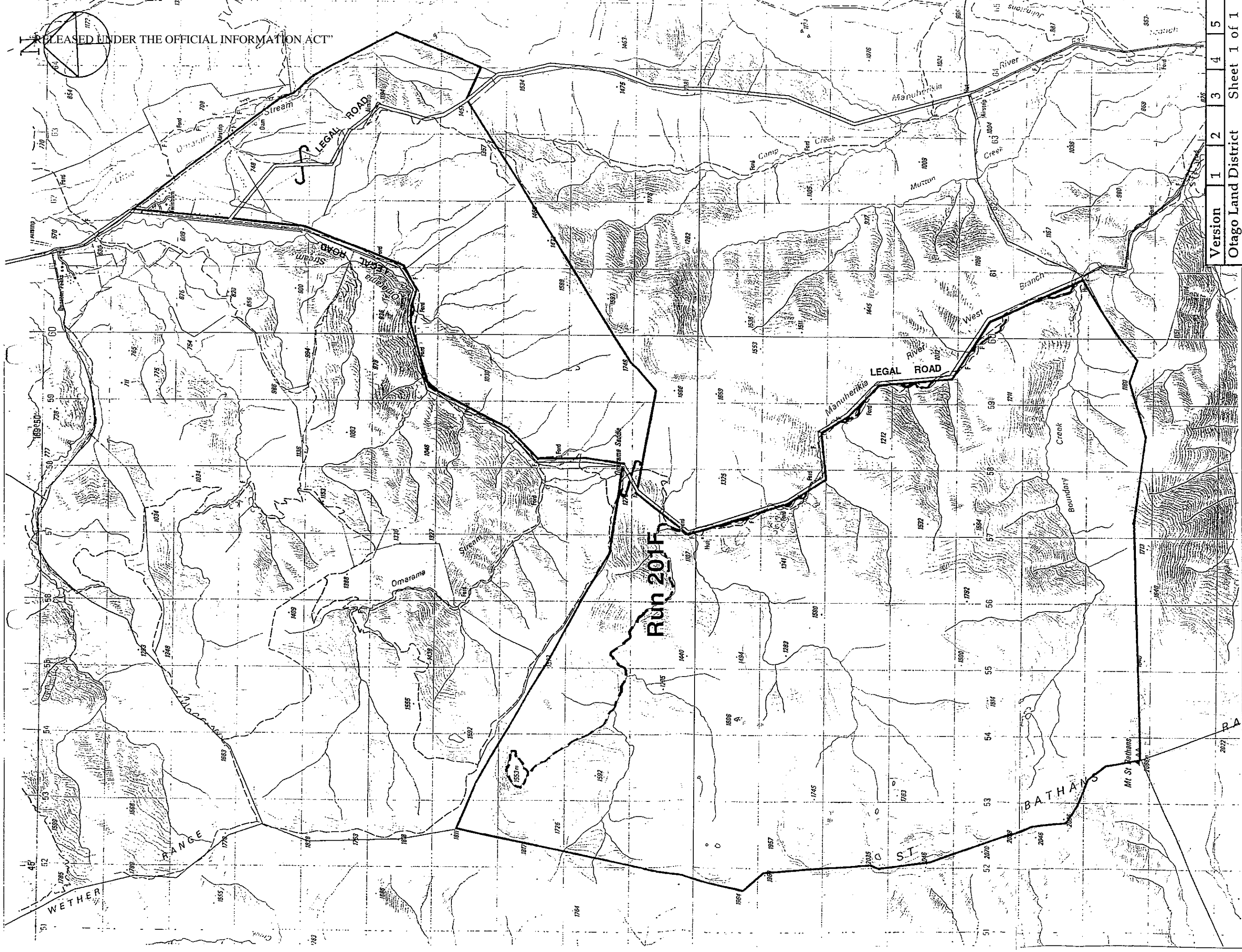
- 1) A report dated 25 February 1986 (*folio 471 on file*) records that no legal access exists to operate gates to the irrigation system drawing water from the Omarama and Little Omarama Streams on the Dunstan Peaks Pastoral lease that supplies water to both leases.
- 2) A Routine inspection report (*folio 411 on file*) indicates that access to the top of the Front block is serviced by a good NZED (now ECNZ) track but there is no indication whether this is still required and / or requires legalisation.

**Research Data:** *Some Items may be not applicable*

SDI Print Obtained	Yes.
NZMS 261 Ref	H40.
Local Authority	Central Otago and Waitaki District Councils.
Crown Acquisition Map	Kemp Purchase.
SO Plan	SO 601- Topographical Plan of Hawkdun SD (June 1884).  SO 1381- Plan of Parts Run 201F, 322E, 322A, 322B, 322D Omarama Runs (October 1915).  SO 1385- Plan of Run 201E Omarama Runs (November 1915), (defines an adjoining Run).  SO 1386-Plan of Part of Run 201F Omarama Runs (November 1915).  SO 1388-Plan of Run 201A Omarama Runs (November 1915), (defines adjoining Run 332A).
Relevant Gazette Notices	N.Z. Gazettes 1948 p 1225 [Proc 5777], 1966 p1025 and 1975 p 231 [Doc 436886] are over an adjacent land:- Run 322A.
CT Ref / Lease Ref	Pastoral Lease OT386/90 pursuant to Section 66 and registered under Section 83 of the Land Act 1984 as varied by Memorandum of Renewal 889472.
Plan Index	Hawkdun SD - copy attached. St Bathans - copy attached.
Legalisation Cards	SO 1381 & 1386 copies attached. These record that this Run is subject to the provisions of Marginal strips pursuant to S.24 Conservation Act 1987.
CLR	Supports Pastoral Lease status.
Allocation Maps (if applicable)	LIPS maps, DOC allocation and Other SOE's searched. Not applicable.
VNZ Ref - if known	VR 26050/10100 and 28241/16100
Crown Grant Maps	Searched. Not applicable.
If Subject land Marginal Strip : a) Type [Sec 24(9) or Sec 58]  b) Date Created c) Plan Reference	a) <ul style="list-style-type: none"> <li>• "A" to "B" on SO 1381 (Section 24(9) &amp; 24(F)) Part of the Omarama Stream.</li> <li>• Lagoon on SO 1386 (Section 24(9) &amp; 24(F)).</li> <li>• "A" to "B" on SO 1386 (Section 24(9) &amp; 24(F)) Part of the Manuherikia River (West Branch)</li> </ul> b) 1-7-1991. c) SO's 1381 & 1386.

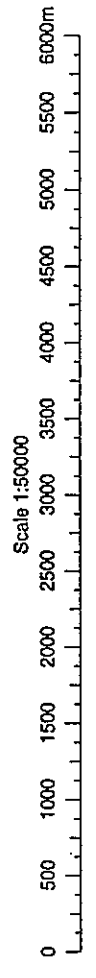
**Research – continued**

<p>If Crown land – Check Irrigation Maps.</p>	<p>Searched . Not applicable.</p>
<p>Mining Maps</p>	<p>Searched. No recorded mining permit within the boundaries of this lease.</p>
<p>If Road                  a) Is it created on a Block Plan – Section 43(1)(d) Transit NZ Act 1989                  b) By Proc</p>	<p>a) SO Plan - Not applicable.                  b) Proc Plan - Not applicable.                  c) Gazette Ref - Not applicable.</p>
<p>Other Relevant Information                  a) Concessions – Advice from DOC or Knight Frank.                  b) Subject to any provisions of the Ngai Tahu Claims Settlement Act 1998                  c) Mineral Ownership                  d) Other Info</p>	<p>a) The Department of Conservation has advised that it is not aware of any concessions on this property. No information was found on the available files to support the existence of any concession.                  There are no current concessions administered by Knight Frank (NZ) Limited.                  b) Searched. Not applicable.                  c) Either <input type="checkbox"/> Mines and Minerals are owned by the Crown because the land has never been alienated from the Crown since its acquisition for settlement purposes from the former Maori owners under 1848 Kemp Purchase.                  d) Not applicable.</p>



Version	1	2	3	4	5
Otago Land District	Sheet 1 of 1				
NZMS 260 H40	Date 17/1/2001				

### Twinburn



Marginal Strip Subject to Sec 24 ( 9 )  
Conservation Act 1987

**APPENDIX 1**



# COMPUTER INTEREST REGISTER UNDER LAND TRANSFER ACT 1952



## Historical Search Copy

  
R. W. Muir  
Registrar-General  
of Land

**Identifier** OT386/90  
**Land Registration District** Otago  
**Date Registered** 01 October 1958 11:02

**Prior References**  
OT230/26

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<b>Type</b>	Lease under s83 Land Act 1948	<b>Term</b>	Thirty-three years commencing the first of July 1958 and renewed for a further period of 33 years commencing on 1.7.1991
<b>Area</b>	7861.0186 hectares more or less		

**Legal Description** Run 201F

**Original Proprietors**  
Dunstan Peaks Limited

**Interests**

- 650024 Land Improvement Agreement pursuant to Section 30A Soil Conservation and Rivers Control Act 1941 - 27.1.1986 at 9.44 am
- 668565.1 Variation of the terms of the within lease - 1.12.1986 at 10.15 am
- 881904.11 Mortgage to The New Zealand Guardian Trust Company Limited - 11.5.1995 at 9.24 am
- 886370 Variation of Mortgage 881904.11 - 7.7.1995 at 9.40 am
- 889472 Memorandum fixing (for the first 11 years) the annual rent at \$3,450.00 calculated on the rental value of \$230,000.00 - 21.8.1995 at 10.12 am
- 951713.4 Mortgage to Reid Farmers Limited and Reid Farmers Finance (Otago) Limited - 27.7.1998 at 9.12 am
- 5006822.1 Variation of Mortgage 881904.11 - 8.8.2000 at 9:11 am

LAND & SEEDS  
*Pastoral Lease*  
*C. C. Clarke*  
 1958 NEW ZEALAND  
 Date: 11.2  
 Fee: 15  
 Abstract No. 57 LAND DISTRICT OTAGO

Registered in the LAND REGISTRY OFFICE BUT NOT UNDER THE LAND TRANSFER ACT.

Entered in the Register-book, Vol. 386, fol. 90  
the 1st day of October at 11.2 o'clock



*11/90*  
*11/90*  
 Ant. Land Registrar.

Issued as a Renewal of (or in Exchange for) Lease  
Former Reference registered in Vol. 230 fol. 25

Image Quality due to Condition of Original

Pastoral Lease of Pastoral Land under the Land Act, 1948  
No. P.198

This Deed, made the 11th day of March, one thousand nine hundred and fifty-eight between HIS MAJESTY THE KING (who, with his heirs and successors, is hereinafter referred to as "the Lessor"), of the one part; and LEONARD ALFRED WILDRON of CHAMBERNAIS in the Dominion of New Zealand, hereinafter referred to as "the Lessee"), of the other part. WITNESSETH that, in consideration of the rent hereinafter reserved, and of the covenants, conditions, and agreements herein contained or implied and on the part of the Lessee to be paid, observed, and performed, the Lessor doth hereby demise and lease unto the Lessee All these pieces or parcels of land containing by admeasurement 194.25 acres more or less situated in the Land District of Otago and being But 201P, Hawkdun and St. Bathans Survey Districts

Diagram on Separate Sheet

(hereinafter referred to as "the said land"), as the same is more particularly delineated in the plan drawn hereon and therein coloured red in outline; together with the rights, easements, and appurtenances thereto belonging. TO HOLD the said premises intended to be hereby demised unto the Lessee for the term of thirty-three years, commencing on the first day of July one thousand nine hundred and fifty-eight together with the period between the date of this lease and the aforesaid first day of July, one thousand nine hundred and fifty-eight. Yielding and paying therefor during the said term unto the Department of Lands and Survey at the Principal Land Office for the said Land District of Otago the clear annual rent of one hundred and twenty pounds (£120. - - -) payable without demand by equal half-yearly payments in advance on the 1st day of January and the 1st day of July in each and every year during the said term. And also paying in respect of the improvements specified in the Schedule hereto the sum of (£ - - -) by a deposit of (£ - - -) (the receipt of which sum is hereby acknowledged) and thereafter by half-yearly instalments of pounds ( £ - - - ) shillings ( - - - ) pence ( - - - ) on the 1st day of January and the 1st day of July in each year in the same manner as rent.

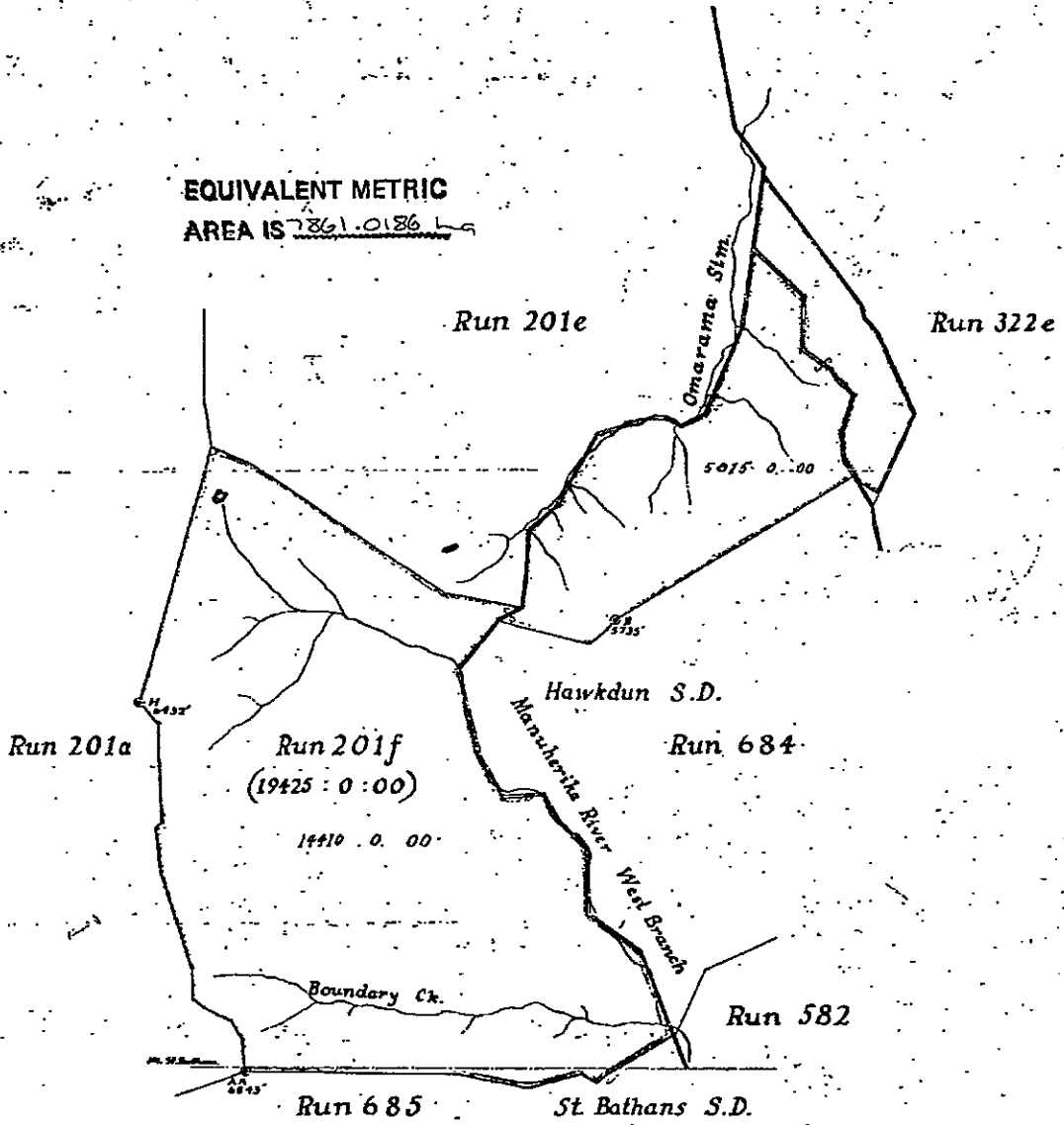
- AND the Lessee doth hereby covenant with the Lessor as follows, that is to say:-
1. THAT the Lessee will fully and punctually pay the rent herebefore reserved at the times and in the manner herebefore named in that behalf; and also will pay and discharge all rates, taxes, assessments, and outgoings whatsoever that now are or hereafter may be assessed, levied, or payable in respect of the said land or any part or parts thereof during the said term.
  2. THAT the Lessee will within one year after the date of this lease take up his residence on the said land, and thereafter throughout the term of the lease will reside continuously on the said land.
  3. THAT the Lessee will hold and use the said land *bona fide* for his own use and benefit and will not transfer, assign, sublet, mortgage, charge, or part with possession of the said land or any part thereof without the previous approval of the Land Settlement Board: Provided that such approval will not be necessary in the case of a mortgage to the Crown or to a Department of State.
  4. THAT the Lessee will at all times farm the said land diligently and in a husbandlike manner according to the rules of good husbandry and will not in any way commit waste.
  5. THAT the Lessee will throughout the term of his lease to the satisfaction of the Commissioner of Crown Lands for the Land District of Otago (hereinafter referred to as "the Commissioner") cut and trim all live fences and hedges, clear and keep clear the said land of all noxious weeds, and will comply strictly with the provisions of the Noxious Weeds Act, 1968- 1950.
  6. THAT the Lessee will keep the said land free from wild animals, rabbits, and other vermin, and generally comply with the provisions of the Rabbits Nuisance Act, 1908. Rabbits Act, 1955.
  7. THAT the Lessee will clean and clear from weeds and keep open all creeks, drains, ditches, and watercourses upon the said land, including any drains or ditches which may be constructed by the Commissioner after the commencement of the term of the lease; and will not at any time without the prior consent of the Commissioner alter the channel of any such creek or watercourse or stop or divert the water flowing therein.
  8. THAT the Lessee will at all times during the said term repair and maintain and keep in good substantial repair, order, and condition all improvements belonging to the Crown (including those specified in the Schedule hereto which are being purchased by the Lessee) now or hereafter erected on the said land, and will not, without the prior written consent of the Commissioner, pull down or remove them or any part of them.
  9. THAT the Lessee will insure all buildings belonging to the Crown (including those specified in the Schedule hereto which are being purchased by the Lessee) now or hereafter erected on the said land to their full insurable value in the name of the Commissioner in some insurance office approved by the Commissioner and will pay all premiums falling due under every such insurance policy and deposit with the Commissioner every such policy and, not later than the forenoon of the day on which any such premium becomes payable, the receipt for that premium.
  10. THAT the Lessee will not throughout the term of the lease without the prior consent of the Commissioner, which consent may be given on such terms and conditions (including the payment of royalty) as the Commissioner thinks fit, fell, sell, or remove any timber, tree, or bush growing, standing, or lying on the said land, and that he will throughout the term of the lease prevent the destruction of any such timber, tree, or bush unless the Commissioner otherwise approves: Provided that the consent of the Commissioner as aforesaid shall not be necessary where any such timber or tree is required for any agricultural, pastoral, household, road-making, or building purpose on the said land nor where the timber or tree has been planted by the Lessee.
  11. THAT the Lessee shall not, except for the purpose of complying with any of the provisions of the Noxious Weeds Act, 1968- 1950, burn any tussock, scrub, fern, or grass on the said land, nor permit any tussock, scrub, fern, or grass on the said land to be burned, unless in either case he shall have obtained the prior consent in writing of the Commissioner, which consent may be given subject to such terms and conditions as the Commissioner may deem necessary.
  12. THAT officers and employees of the Department of Internal Affairs shall at all times have a right of ingress, egress, and regress over the land comprised in this lease for the purpose of determining whether such land or any adjoining land is infested with deer, wild geese, wild pigs, opossums, or other animals which the said Department is charged with the duty of exterminating or controlling, or for the purpose of destroying any such animals: Provided that such officers and employees in the performance of the said duties shall at all times avoid undue disturbance of the Lessee's stock.
  13. THAT the Lessee shall exercise due care in stocking the said land and shall not overstock.

- AND it is hereby agreed and declared by and between the Lessor and the Lessee:-
- (a) THAT the Lessee shall have the exclusive right of pasturage over the said land, but shall have no right to the soil.
  - (b) THAT the Lessee shall have no right, title, or claim whatsoever to any minerals (within the meaning of the Land Act, 1948) on or under the surface of the soil of the said land, and all such minerals are reserved to His Majesty together with a free right of way over the said land in favour of the Commissioner or of any person authorized by him and of all persons lawfully engaged in the working, extraction, or removal of any mineral on or under the surface of the said land or any adjacent land of the Crown, subject to the payment to the Lessee of compensation for all damage done to improvements on the said land belonging to the Lessee in the working, extraction, or removal of any such minerals: Provided that there shall be no right of way over, or right to work, extract, or remove any mineral from, any part of the said land which is for the time being under crop or used or situated within the Lessee's yard, garden, orchard, vineyard, nursery, or plantation, or within 100 metres of any buildings or dwellinghouses: Provided also that the Lessee may, with the prior consent in writing of the Commissioner, which consent may be given subject to such conditions as the Commissioner thinks fit, use any such minerals for any agricultural, pastoral, household, road-making, or building purpose on the said land, but not otherwise.
  - (c) THAT upon the expiration by effluxion of time of the term hereby granted and thereafter at the expiration of each succeeding term to be granted to the Lessee the outgoing Lessee shall have a right to obtain, in accordance with the provisions of section 66 (5) of the Land Act, 1948, a new lease of the land hereby leased at a rent to be determined in the manner prescribed by Part VIII of the said Act for a term of thirty-three years computed from the expiration of the term hereby granted and subject to the same covenants and provisions as this lease, including this present provision for the renewal thereof and all provisions ancillary or in relation thereto.

386190

St Bathans & Hawkdun Survey Districts

EQUIVALENT METRIC  
AREA IS 7861.0186 ha



L.A. W. Scale: 80 chains to an inch.

*LA*

386190

- (d) THAT the Lessee shall have no right of acquiring the fee-simple of the said land.
  - (e) THAT the Lessee may, with the prior consent in writing of the Commissioner given subject to such conditions as the Commissioner may deem necessary:
    - (i) Cultivate any portion of the said land for the purpose of growing winter feed for the stock depastured thereon;
    - (ii) Crop such areas of the said land as is sufficient for the use of himself and family and his employees;
    - (iii) Plough and sow in grass any portion of the said land;
    - (iv) Clear any portion of the said land by felling and burning brush or scrub and sow the land so cleared in grass;
    - (v) Surface sow in grass any portion of the said land;
- Provided that the Lessee shall, on the termination of the lease, leave the whole of the area that has been ploughed or cultivated properly laid down in good permanent clover and grasses to the satisfaction of the Commissioner.
- (f) THAT the Lessee shall exercise due care in stocking the said land and shall not overstock and for the purpose of this clause it is hereby mutually declared and agreed between the Land Settlement Board and the Lessee that the maximum stock to be depastured on the said land during the lease shall not, without the prior consent of the Commissioner, exceed *See below*.
  - (g) THAT if the Lessee shall leave New Zealand or abandon the said land or if he cannot be found or if he shall neglect or fail or refuse to comply with the covenants and conditions herein expressed or implied to the satisfaction of the Land Settlement Board or the Commissioner, as the case may be, or make default for not less than two months in the payment of rent, water levy, or other payments due to the Lessor, then the Land Settlement Board may, subject to the provisions of section 146 of the Land Act, 1948, declare this lease to be forfeit, and that without discharging or releasing the Lessee from liability for rent due or accruing due or for any other breach of any covenant or condition of the lease.
  - (h) THAT these presents are intended to take effect as a pastoral lease under the Land Act, 1948, and the provisions of the said Act and of the regulations made thereunder applicable to such leases shall be binding in all respects upon the parties hereto in the same manner as if such provisions had been fully set out herein.

SCHEDULE

IMPROVEMENTS BELONGING TO THE CROWN AND BEING PURCHASED BY THE LESSEE

NIL.

In witness whereof the Assistant Commissioner of Crown Lands for the Land District of *OTAGO* and these presents have also been executed by the said Lessee, on behalf of the Lessor, hath hereunto set his

Signed by the said Commissioner, on behalf of the Lessor, in the presence of—

Witness: *[Signature]*  
Occupation: *Bank Lands & Survey Department*  
Address: *Dunedin*

*[Signature]*  
Assistant Commissioner of Crown Lands.

Signed by the above named as Lessee, in the presence of—

Witness: *[Signature]*  
Occupation: *Postmaster*  
Address: *Karoro*

*R. A. Waldron*  
Lessee.

\*\* (r) THAT the Lessee shall be deemed not to have failed to use due care in stocking, or to have overstocked so long as no ewes are depastured on the said land and the number of other stock depastured on the said land does not exceed 5520 (being an increase of ten per cent on the carrying capacity on which is based the rent hereinbefore reserved) but the Commissioner may by notice in writing permit the Lessee to depasture thereon any greater number should he deem it advisable or expedient so to do. Any permission so granted shall be subject to revocation or amendment by the Commissioner at any time and particularly in the event of a transfer. Any variation consented to by the Commissioner shall not affect the rent payable hereunder.

*9.1.1974*  
Assistant Commissioner of Crown Lands

**DISCHARGED**  
22470 Electricity Agreement with *[Signature]*  
3 Electricity agreement *[Signature]* renewed  
22 December 1973 at *[Signature]*

279579 Transfer to Brian Bernard Waldron of Oamaru Sheep Farmer - 23.11.1964 at 2.59 pm *[Signature]*

279580 Mortgage to The State Holdings Corporation of New Zealand - 23.11.1964 at 2.28 pm *[Signature]*

**DISCHARGED**  
279581 Mortgage to *[Signature]* - 23.11.1964 at *[Signature]* A.L.R.

Variation of mortgage 279580 - 19.3.1975 at 2.16 pm *[Signature]* A.L.R.

*R. A. Waldron*  
Lessee.

**DISCHARGED**  
372230 Mortgage to Dalgety New Zealand - 29.6.1971 at *[Signature]* A.L.R.

Variation of Mortgage 279581 - 19.3.1975 at 1.54 pm *[Signature]* A.L.R.

Variation of Mortgage 279581 - 10.5.1974 at 11.35 am *[Signature]* A.L.R.

448079 Variation of Mortgage 279581 - 9.10.1975 at 11 am *[Signature]* For A.L.R.

THIS REPRODUCTION (ON A REDUCED SCALE) CERTIFIED TO BE A TRUE COPY OF THE ORIGINAL REGISTER FOR THE PURPOSES OF SECTION 215A LAND TRANSFER ACT 1952.  
*[Signature]* A.L.R.

513304 Mortgage to the National Bank of New Zealand Limited - 23.3.1979 at 9.11 am

*[Signature]*  
A.L.R.

564483/5 Transfer to James Kong & Co Limited and Geoffrey Barry Pywell of Oamaru Farmer as tenants in common in equal shares - 28.10.1981 at 10.58 am

DISCHARGED OF MORTGAGE  
564483/6 Mortgage to The National Bank of New Zealand Limited - 28.10.1981 at 10.58 am

*[Signature]*  
A.L.R.

572765 Mortgage to the Rural Banking and Finance Corporation of New Zealand - 25.3.1982 at 12.18 pm

*[Signature]*  
A.L.R.

575360 Mortgage to the Rural Banking and Finance Corporation of New Zealand - 25.3.1982 at 1.54 pm

DISCHARGED  
*[Signature]*  
A.L.R.

578288 Statutory Land Charge pursuant to Rural Housing Act 1939 - 28.6.1982 at 10.14 am

DISCHARGED  
*[Signature]*  
A.L.R.

592516 Variation of Mortgage 572765 - 31.3.1983 at 11.02 am

*[Signature]*  
A.L.R.

638512/1 Mortgage to Trustbank Otago - 8.7.1985 at 2.12 pm

DISCHARGED OF MORTGAGE  
*[Signature]*  
A.L.R.

638512/2 Memorandum of Priority ranking Mortgage 572765 as first mortgage, Mortgage 638512/1 as second mortgage, Mortgage 575360 as third mortgage, Mortgage 564483/6 as fourth mortgage - 8.7.1985 at 2.12 pm

*[Signature]*  
A.L.R.

650024 Land Improvement Agreement under the soil Conservation and Rivers Control Act 1941 - 27.1.1986 at 9.14 am

*[Signature]*  
A.L.R.

668565/1 Variation of the terms of the within lease - 1.12.1986 at 10.15 am.

*[Signature]*  
A.L.R.

668565/2 Transfer of his 1/2 share Geoffrey Barry Pywell to James Kong and Company Limited abovenamed - 1.12.1986 at 10.15 am.

*[Signature]*  
A.L.R.

726331/4 Transfer to Dunstan Peaks Limited - 13.4.1989 at 11.11am

726331/5 Mortgage to the National Bank of New Zealand Limited - 13.4.1989 at 11.11am.

DISCHARGED  
27 JUL 1989  
*[Signature]*  
A.L.R.

881904/8 Variation of Mortgage 726331/5 - 11.5.1995 at 9.24am

*[Signature]*  
A.L.R.

881904/11 Mortgage to The New Zealand Guardian Trust Company Limited - 11.5.1995 at 9.24am

*[Signature]*  
A.L.R.

881904/12 Memorandum of Priority ranking Mortgage 881904/11 as a first mortgage and Mortgage 726331/5 as a second mortgage - 11.5.1995 at 9.24am

*[Signature]*  
A.L.R.

886370 Variation of Mortgage 881904/11 - 7.7.1995 at 9.40am

*[Signature]*  
A.L.R.

889472 Memorandum renewing the term of the within lease for a further period of 33 years commencing on the 1.7.1991 and fixing (for the first 11 years) the annual rent at \$3,450.00 calculated on the rental value of \$230,000.00 - 21.8.1995 at 10.12am

*[Signature]*  
A.L.R.

951713.4 Mortgage to Reid Farmers Limited and Reid Farmers Finance (Otago) Limited 27.7.1998 at 9.12

*[Signature]*  
for DLK

**APPENDIX 2**

"RELEASED UNDER THE OFFICIAL INFORMATION ACT"

OUR FILE: F 198

YOUR FILE:

From A/DFO Alexandra

4

RECEIVED  
MAR 1986

Date: 25 February 1986

To CCL Dunedin

Ref.: Ours/Yours of

Person to consult: V Riepen

SUBJECT: "TWINBURN" - TRANSFER OF LEASE:

1. GENERAL:

I have inspected the property on two occasions recently. On my first visit I inspected the lower valley of the Manuherikia River West Branch and on my second visit, accompanied by A/DFO Taylor, the remainder of the property.

The property is virtually in two geographical portions, being joined together at the Omarama Saddle with two boundaries with rivers being the lower boundary, rising to range crests being the top boundary. The front portion of the property has the Omarama Stream and the Range crest to Trig B (commonly known as "Baldy") for its boundaries. The rear portion of the Run similarly has the West Branch of the Manuherikia River and the Range crest of the St Bathans Range for its boundaries.

The "Back Block" is one large block of 5812 ha. and is fenced along the north, east and south boundaries. A short length of 500m. or so along the eastern boundary is unfenced. The western boundary along the St Bathans Range is unfenced. The front portion of the Run is fenced into three blocks plus 128 ha. of irrigated paddocks which is subdivided into a further 27 paddocks and lane-ways. The first noticeable vegetation cover on the property as you enter through the gate at the rear of the Back Block is a stand of gorse and broom. Presently <sup>the property is</sup> <sup>clean of</sup> <sup>gorse and broom</sup> therefore it is important that those plants are removed.

In the Back Block along the valley floor of the Manuherikia River and up the tributary creek east of the Omarama Saddle, the vegetation cover is consistently strong comprising a fescue short tussock grasslands with exotic grasses such as browntop and sweet vernal occupying much of the inter-tussock space. These areas can sustain moderate grazing levels of around 3 su. on an annual basis. With increasing altitude up to 3500 ft. the exotic grasses become less frequent and give way to blue tussock. It is very noticeable, the effect aspect has on vegetation in this mid-altitude band. The sunny aspect has little other than fescue tussock. There are a few native weeds and herbs growing between the tussocks but these do not amount to much for stock feed or soil conservation purposes. Much of the soil has already been lost. The shady aspects on the other hand, have more soil cover and a little more Poa tussock vegetation. However, most of the poas are eaten down to their crown and the few smaller weed and herb plants that are growing between the tussocks do little to prevent loss of the exposed soil.

At altitudes above 4500 ft. (c.1370m) rock fell material becomes common amongst tussock vegetation. The rock fell material is stable and not actively moving as evidenced by the amount of lichen growth on the rocks. At this altitude rocky outcrops are common, which supposedly is the source of much of the rock fell material. On the rounded ridges running in an east-west direction from the crest of the St Bathans Range down to the Manuherikia River West Branch, the vegetation is dominated by snow tussock. There are many rock clusters present on these ridge brows around which Drapete sp and Dracophyllum sp. dominate. Elsewhere between the tussock such vegetation as Epilobiums, Ranunculus etc., exist. The vegetation cover is slightly depleted in these areas but nothing to the extent where it is of any major concern.

Above c.5000 ft. tussock vegetation becomes more sparse and cushion type vegetation becomes more common. This is especially so in the "wet-guts" at the head of the valleys. Above c.5500 ft. there is little vegetation at all, the country being mainly open rock range top. The top boundary along the St Bathans Range is at 5900 ft. in the north and runs along at a gradual increase in altitude, to 7000 ft. just short of southern boundary at 6850 ft.

Copy to C.P.L.O. Please

7/1/86 *[Signature]* L.F.  
12165G-100,000/2/84MK

On the front portion of the Run the vegetation cover in general is in better health than the Back Block, other than two burnt areas in the Saddle Block "Baldy", (trig B 5735 ft) is. The highest point in the front, as the name would suggest, is void of vegetation as is the country above C.5300 ft. Below 5300 ft. there is ban of sparse tussock cover to C.4500ft where tussock and inter-tussock vegetation improves and is in a healthy condition. Along the lower boundary along the Omarama Stream much of the vegetation is exotic grasses and matagouri. 650 ha. of the lower tussock country on the Front and Hogget Blocks have been oversown and topdressed. The OS&TD appears to be still vigorous and provides good early Spring feed. 128 ha. of the front flats are borderdyke irrigated with water coming from the Omarama and Little Omarama streams. The irrigated land is intensely subdivided with electric fencing and would carry 10-12 su/ha/pa if managed correctly. The water rights for this property are secure and adequate for the requirements of the irrigable area. Worthy of note, however, is the matter of access to operate the gates supplying water to the system which is located on Dunstan Peak Station. No legal right exists to enter on to Dunstan Peaks Station to open these gates. Access historically has been through a goodwill arrangement where providing the manager/owner of Twinburn are on good terms with the Dunstan Peaks owner, access was granted. Should a time ever come where access is denied and water cannot be extracted for irrigation the stock grazing on Twinburn will be severely limited. The owner of Dunstan Peaks does not foresee any problem with Twinburn getting their water provided he is on good terms with Twinburn. Dunstan Peaks Station also uses water from the same stream for stock water and irrigation. Over the last 3 seasons there has been enough water available for the two parties.

## 2. SOILS:

The soils on the irrigated flats are predominantly Glenbrook stony loam with smaller areas of Dalgety stony loams. These soils have a 10cm. cover of topsoil, being coarse greywacke loess on greywacke gravels. The clay content of these lowland yellow/brown earths is not appreciably high, with the clays being predominantly of the hygroscopic mica and vermiculate types. Yellow/brown earths are more leached and their chemical properties reflect this.

On the lower easy hill country in the Hogget Block, the soil type is mainly Meyer Hill soils. These soils have a cover of greywacke loess over a massive stony silt loam. The basement rock is greywacke. These soils have a medium natural fertility and have a good response to sulphur and phosphater fertiliser. These soils lend themselves well to development. The sunny aspect of the Front Block has Tengawai hill soils on the lower altitude hill slopes. These soils are yellow-grey earths derived from greywacke. They have a reasonable depth of friable silt loam topsoil which in its natural state, is considered to have an average nutrient status. They do, however, lend themselves to development, thus their stock carrying capacity can be readily increased, particularly with subdivision topdressing; sowing of suitable strains of clover and grasses (Alsike and cocksfoot) and careful stock management.

Hill slopes on the Back Block have a different soil type, mainly due to the effect that different has had on soil development. The soil type in this area is predominantly Kirkliston and Benmore soils. These two soils are closely related yellow-brown earths. They are derived from greywacke parent material and have a thinner topsoil depth than the above soil. Their natural nutrient levels are considered to be low. However, their response to superphosphate and Molybdenum topdressing is reasonable because of relatively high clay content in these soils which gives them a good cation exchange capacity. The alpine zone on the broad ridgetops in most instances is devoid of any soil cover. In some localised areas, herbfield and cushion vegetation has held shallow soil cover.

## 3. SHELTER:

At present there are limited established trees and shelterbelts on the property. However, some shelter belts have recently been established on the flats around the homestead and adjacent to the borderdyke land. 1.5 km. of shelterbelts have been planted and double fenced along the Berwen boundary and that approximately 5 km. of double fenced pine shelter belts have been established along the borderdyke flats against the boundary with Dunstan Peaks.

The property, as a whole enjoys reasonably good natural shelter from the many main ridges and gullies, with the most blocks having adequate shelter from all directions.

The Back Block concerns me most. There is presently a limitation of no more than 1500 weavers at any one time plus 50 breeding cows from April to June. Judging by the way the palatable tussocks have been chewed out or down to their crowns, suggest that either the present restriction is not adequate, or is not being adhered to. The sunny faces have little or no soil and it would seem that the shady faces will lose much of their soil should the present situation continue to exist.

There are two possible remedies to the situation. One would be to fence along ridges to differentially graze the different classes of country. The second would be to withdraw all sheep grazing for at least 24 months and possibly longer, depending on the seasons. I would be surprised if the new owner would be agreeable to fencing because of the cost and we are unlikely to insist fences be erected therefore a nil sheep grazing limitation plus 100 cows from March to November should be imposed.

Regarding the Front Block, the present level of grazing is suitable other than on the two burnt areas in the Saddle Block. The pertinent question is what is the present level of grazing as I have strong reservations on whether the previous stock limitation was being adhered to or not. I would estimate the following calculations to be safe grazing levels for the front portion of Twinburn Run.

Front Portion:

128 ha. irrigation @ 12 su/ha.	1535 su	
plus brought in summer grazing	500 su	
100 ha. good AOSTD @ 3.3 su/ha.	300 su	
300 ha. ave. AOSTD @ 2.3/ha.	700 su	
250 ha. poor AOSTD @ 1.2/ha	295 su	
500 ha. good native @ \$1 su/ha	500 su	
520 ha. fair native @ 0.4 su/ha	200 su	
250 ha. No grazing	nil	4038 su

Back Portion

100 cattle for 8 months	400 su	400 su
		<u>4440 su</u>
		<u><u>4440 su</u></u>

During summer the irrigation and lower altitude developed land provides a flush of feed that can be utilised best by bringing in grazing. The 4440 su above reflects the present personal limitation on the property of 4280 su.

5. MANAGER:

The above grazing levels have been assumed for an average efficient manager with the present level of development on the property. I understand that Mr Barry Munro is presently working for Graham Wardell on Otamatapaio Station and is to be appointed the new manager of the property. I have not had an opportunity yet to contact Mr Munro although I would suspect he would be suitable having been the son of a pastoral lessee on Twin Peaks neighbouring Twinburn in earlier years and having worked on high country Runs for some time. Should the question of Mr Munro's suitability be an issue regarding the transfer of this lease, I would suggest DFO Sawyer contact Graham Wardell and enquire as to the ability of Mr Munro and I shall personally contact Mr Munro at the earliest opportunity.

6. OWNERSHIP:

During the previous ownership of the lease where Mr Kong was an approved 50% partner in the property, several problems arose, none of which were satisfactorily resolved. This meant the property was being farmed outside Land Settlement Board policy which is not acceptable if LSB policy is to be meaningful and also to the administration of other pastoral leases.

The problems that did arise were -

1. The reliability of the manager to represent the partnership
2. The ownership structure - change without LSB approval
3. Stocking levels. Adherence to limitations

"RELEASED UNDER THE OFFICIAL INFORMATION ACT"  
Point (3) above is very interesting.

Four months or so before the sale of Twinburn Mr K ; queried our concern over stock numbers on the property. The personal limitation in the lease was 4700 sheep and 55 cattle, the figure given by the manager was 5500 sheep and 50 cattle and the figure given by the RBFC and Mr Kong was 6500 sheep. A few months after these reports the property was put up for auction by the partners now advertising sheep numbers to be 7150. These discrepancies in the stock numbers raises obvious questions either about the efficiency of the previous management which Mr Kong is party to or the willingness of the previous partnership to cooperate with this department. Neither of these situations is acceptable to the field administration of this lease. Should this department approve Mr Kong as the owner of this pastoral lease, then I would recommend that a copy of Stock Section of the annual accounts be delivered to this department.

Regarding the LSB policy "Transfer of Lease", I personally find it difficult to make any recommendation as far as Mr Kong is concerned because of the precedent that has been set in the transfer of other leases.

RECOMMENDATIONS:

THAT Mr Kong be approved as lessee of Twinburn Run subject to the following:

1. THAT the Back Block be spelled from all sheep grazing to 1 March 1988 and be limited to 100 cows from 1 March to 1 November on an annual basis.
2. THAT an overall stock limitation be set at
 

3840 sheep stock units; where Ewe	= 1.0 su
Wether/Rams	= 0.8 su
Hoggets	= 0.6 su

plus 100 cattle
3. THAT Mr Barry Munro not be approved as manager until an opportunity to interview him has taken place.
4. THAT the stock trading portion of the annual audited statement of accounts be delivered to this department.

V A Riepen 25-2-86.

V A RIEPEN  
FIELD OFFICER

I agree with the transfer on the grounds that it is accepted LSB policy to appoint transfers to non-incidentals and non-experienced owners on the basis of an approved manager being appointed. I have interviewed the intended manager and am pleased he meets the necessary requirements. Presumably LSB approval to non-residency in terms of Dec 96/98 type Act should be sought. ?

Agree with recommendations.

I strongly support the restriction on the back block forming part of the personal stock limitation. If this is not possible then a reduction in the overall personal limitation would seem appropriate. Recommendation #4 is also essential in this case.

I would further recommend that the FO(RM) review the monitoring on the back block both regards number of sample areas and results to date.

A/DFO  
28/2/86

DJ/DFO  
7/3/86

**APPENDIX 3**

REPORT ON APPLICATION FOR STOCK INCREASE  
AND/OR ROUTINE INSPECTION OF PASTORAL RUN

PART I

LESSEE: G B PYEWELL & J KONG & CO.LTD., RUN NAME: TWINBURN

AREA: 7861 ha. RUN NO: 201F Hawkdun & St Bathans SD's

LOCATION: On..... Berwen Runs.....Road ..19....kilometres from ..... Omarama..... P.Omarama

RAIL: ... Kurow ..... 70 km... SALEYARDS: ..... Omarama..... POWER: connected... SCHOOLS: ...

TENURE:..... Pastoral Lease term..... 33... years from ..... 1 7 58..... A.R. \$ 240.....

COVER AT DATE OF RENEWAL: of Run. Predominantly sparse snowgrass with natural scree on southern pa  
scrub in creekbeds. Lower slopes poor fescue and blue tussock. Native  
Vegetation and soil status on whole Run considered to be below average

DESCRIPTION OF PASTURES AND COVER:

As shown at previous inspection  
8 / 9 / 81

Current Inspection  
11/3/83 and 4/83 (Back Block)

Sown pasture		B/D irrigated	105
Lucerne			
Fallow or feed			
Total area cultivated			
Native grasses	4201 ?		3756
O.S. and/or T.D.			240
Bush, rock or Barren shingle	3560		3560
Other			
Total:	7861 ha	Total:	7861 ha

ASPECT, CONTOUR & BALANCE OF WINTER & SUMMER COUNTRY: Omarama side-N W Aspect; 140 ha.flat  
balance steep. Back Block - E S E aspect; steep contour. The Run is short of winter cour

ALTITUDE RANGE: 600-2135m. ACCESS: (a) To Property: All-weather metalled road  
RAINFALL RANGE: (b) Within: Good NZED track to top of Front Block  
Fair-good 4 whd. track to Omarama  
Saddle. Back Block 4 whd.track from  
St Bathans district.

LEVEL AND QUALITY OF FENCING:  
(a) Boundaries vary from good to poor or nil  
(b) Internal -rapidly improving on Front Block

ANNUAL TOPDRESSING: 19 No previous records  
19 19 82 - 95t. Mo S Super at 312 kg/ha.  
19 Proposed

ANNUAL CULTIVATION: 105 ha. into B/dyke irrigation

DEVELOPMENT COMPLETED SINCE LAST INSPECTION: RUN PLAN OPERATING: Yes/No  
(Comment if necessary)

240 ha.AOSTD; 14 km. fencing erected; house  
shifted on to property; airstrip constructed;  
tracks upgraded. See separate comments

*L.A. Dilo up of tops & radiated floor  
2/10/83*

*2/10  
Df 0  
ED*

CULTIVATION AREA PREVIOUSLY APPROVED: 7.5 ha.

ADDITIONAL CULTIVATION CARRIED OUT: 105 ha. into borderdyke irrigation. A further 32 ha  
are due to be borderdyked in the next year if finance is available.

STOCK LIMITATION IN LEASE: 3200 sheep (incl. - br.ewes) plus 10%  
 - cattle (incl. - br.cows)

SUBSEQUENT INCREASES APPROVED:

Date: .....8-10-81...3200 sheep incl ..... b/ewes ....55 cattle incl .....50 b/cows  
 " .....8-10-81...4700 " " ..1500.. " ....55 " " .....50 "  
 " ..... " " ..2700 M A Wethers.... " " ..... "  
 " Block limitation on Back Block - not more than 1500 wethers, at any time plus 50 "  
 " breeding cows from April to June..... " ..... " " ..... "

SHEEP BREED AND SUITABILITY: ARE TWO TOOTHES BRED FROM?  
 Merino flock, hoggets culled at 2th stage

CATTLE POLICY: Breeding cows, selling all calves as weaners

STOCK ACTUALLY WINTERED (including other land worked with Run)

	<u>Ewes:</u>		<u>Other Sheep:</u>		<u>Total Sheep:</u>	<u>Cattle</u>		<u>Total Cattle:</u>
	<u>2th</u>	<u>Other</u>	<u>Wethers &amp; Rams</u>	<u>Hoggets</u>		<u>Breeding Cows</u>	<u>Other Cattle:</u>	
19 57			2950	650	3600			
19 68			2952	568	3520			
19 73			2800	466	3266			
19 81			2489	489	2978			
19 82		1500	2500	600	4600			
Normal for 1983 proposed	450	1250	3020	1100	5820	50	5	55(5210)

ACTUAL PRODUCTION: Wool Av. 3.7 kg Death Rate 6% wethers 10% ewes (serious storm losses) Lambing 53% Calving 87.5%

EVIDENCE OF OVERSTOCKING:

OTHER LAND WORKED WITH RUN AND ESTIMATE OF CARRYING CAPACITY OF RUN ON ITS OWN:  
 No other land

GENERAL: (Including comments on management and the following points):  
 (a) effect of present stock concentrations (b) amount and condition of Class VII and VIII country (c) possible means of eliminating grazing on the country (d) desirability and possibility of withdrawing this country from the lease (e) noxious animals, pests and weed (f) erosion and reversion (g) potential (h) have all ploughable areas had C.C.L. consent? (i) is a Marginal Lands or Land Development Loan (S.A.C.) operating and what is the effect? (j) Condition of improvements (k) Suitability for reclassification (l) Impression of property as a whole; and accompanied by a plan of property showing (i) fencing (ii) T/D & O/S (iii) cultivation (iv) block names with grazing chart (v) tracks and other features.

Probably the most effective management for recovery would require complete destocking for, say, 2 years, then a gradual reintroduction of stock as recovery allows. Mr Pyewell is not prepared to entertain any such policy and indeed is opposed to any reduction in stock numbers.

There is another alternative - that of development to provide a level of grazing sufficient for the stock carried and to fence sunny from shady to enable spelling of depleted areas. Mr Pyewell is interested in this possibility but would be unable to finance even a part of such a proposal.

Amount and Condition of Class VII and VIII Country:

Classes III & IV	...	21 ha.	
Class VI	...	1277 ha.	16%
" VII	...	2815 ha.	26%
" VIII	...	<u>3748 ha.</u>	48%
		<u>7861 ha.</u>	

*WCBA*

These are the figures provided by the Waitaki Catchment Commission. However, they differ quite considerably from the information in the N W A S C O Land Use Resource Inventory worksheets (see plan attached). This information indicates the following:

Approximate only -

Class IV	150 ha.	1.9%	<i>NWASCA LRI</i>
Class VII	3911 ha.	50%	
Class VIII	<u>3800 ha.</u>	48.1%	
	<u>7861 ha.</u>		

I suggest that the first analysis is the more accurate.

**Class VII:** In the "saddle", "back blocks" and "front block" this class varies from well covered snow tussock with minor sheetwash and wind erosion, to moderate to severely depleted areas on steeper slopes, particularly on burnt sunny faces.

**Class VIII:** Apart from a band of land at 1200-1500m. within the "saddle" and "front" blocks, all of the Class VIII country is in the high, mainly easy mountain top of the St Bathans Range. Much of this land has no soil or vegetation remaining, being mainly screes and bluffs.

Elimination of Grazing:

The run plan provides for spelling and block limits to be placed on the eroding VII and VIII land in the "Front" and "Saddle" Blocks, once a mid.altitude contour fence is erected. This protection should be adequate. The "Back Block" has no subdivision at present nor is any planned. I consider that the ungrazeable Class VIII land would be marginally better off, fenced out and not grazed although the extreme lack of grazing there now means that very few stock actually use the area. The more important protection would be on the lower Class VII country which is heavily grazed at present and on which I have already commented.

Noxious Animals:

Some rabbits exist but appear to be adequately controlled.

Weeds: The main ones of significance are briar and matagouri.

Erosion and Reversion:

I have already commented on erosion. Reversion to matagouri and briar is being hampered by burning carried out in recent years.

Cultivated Areas:

The C.C. L. approved area is 7.5 ha. 137 ha. have been cultivated to date and this should be the new approved area.

Gen 11:

Ownership:

The farming partnership of Messrs Pyewell and Kong has been unable to obtain sufficient finance from the Rural Banking and Finance Corporation to cover either the development they were already committed to or development under their new run plan. As a result, the present day financial situation of the partnership is not good and Mr Kong has had to provide further finance. Mr Pyewell, the management partner, now has a reduced share of 38%. The financial difficulties will result in the development of the property being slower than anticipated and stock numbers are likely to be kept as high as possible in an effort to maximise short-term returns.

Effects of Present Stock Concentrations:

Stock concentrations on Front and Saddle Blocks are slightly higher than would normally be acceptable with vegetation depletion occurring on the higher Class VIIe and Class VII slopes. However, the run plan which is presently being implemented provides for altitude subdivision of the more erosion-prone land from the lower areas which provide most of the grazing. When this fencing is completed along with associated across-contour subdivision and OS&TD of the lower slopes, stock concentrations will be more acceptable.

Stock concentrations on the Hogget Block and the flats are also high but the excellent OS&TD and borderdyke irrigation development recently completed is adequate to meet these stocking rates. The main area for concern, therefore, is the Back Block. The block limit on this land is:

"Not more than 1500 wethers at any time plus 50 breeding cows from April to June" (1275 stock units).

A thorough inspection of this block shows moderate to severe depletion of revegetation at lower altitudes particularly on the sunny faces which were burnt in 1981. On these bare slopes, inter-tussock species are struggling to survive with much bare soil showing and even the snow tussock is being trimmed off as soon as it comes away in the burnt crown. Comparison of this block with other similar land which is being grazed at a good balanced level would indicate a maximum carrying capacity of around 900-1000 stock units. The stock numbers which are being placed into the Back Block are:

1700 wethers from about 20 April to 20 December and 2500 wethers from 20 December to early April. This converts to 1489 stock units on an all-year basis.

It appears, therefore, that the area is overstocked and this would be additionally serious because of the need for spelling of burnt areas to allow them to recover..

When I had inspected the Back Block I again visited Mr Pyewell to discuss this problem. In defence of his policy he stated the following:

- (a) Lack of boundary fencing and higher quality pastures within the neighbouring Run (V. Waldron, P330/0 64) results in large numbers of wethers straying out of the Back Block. 300 apparently are returned after the winter and up to 600 in the summer. If this is so, then the actual stock numbers carried would equate to around 1250 s u on an all-year basis which is slightly under the present limit but well over what is considered as desirable (1000 stock units).
- (b) Mr Pyewell considers that the present browsing of the snow tussock is temporary and that within 3 years a good snow tussock cover will be present, as browsing ceases when the snow tussock goes into a more unpalatable stage.

I am not sufficiently experienced in matters involving tussock recovery to know if Mr Pyewell's contention is correct but discussion with others more experienced, does seem to support it. However, the likelihood of intertussock species being allowed to recover is much lower. I conclude, therefore, that the Back Block is being grazed at a level that is hindering the recovery from the 1981 burns.

Improvements:

A new house has been shifted from Twizel on to the property. Fencing has been upgraded and an airstrip, dam and borderdyking completed to a good standard. The woolshed is poor. All improvements are located on the pastoral lease.

Reclassification:

Unsuitable for reclassification under present policy. Amended policy could allow for partial reclassification.

General Impression:

A property which was for many years described as uneconomic and suitable only for amalgamation with adjoining properties and complete retirement. Change of ownership has seen rapid progress although stocking rates may now be optimistic.

Comment:

Overall stock numbers are a little high but with good management and completion of the run plan, the only area for concern is the Back Block. We have the choice of -

- (a) Ignoring the situation and hoping that the depleted land will recover as suggested by the lessee.
- (b) Imposing a stock limitation which is less than the present number carried and with a lower block limit on the Back Block.

If this were enforceable then it could be the correct approach although it would result in a serious setback to the financial position of the lessees. I do not believe we could enforce these restrictions reasonably. Firstly, the lessee is highly unlikely to cooperate because of the financial situation he is in. Secondly, if he is not prepared to reduce stock numbers, we would never know unless we request a muster.. The poor state of the boundaries complicates the situation.

- (c) Encourage an extension to the run plan to provide altitude and aspect fencing and oversowing to assist with rehabilitation of the cover. I believe that this would be a positive step and one which the Catchment Commission (or Board) should be keen to be involved in. The problem arises that the lessee cannot afford the landholder's share of any scheme. This would therefore require this department to provide that share under Section 88 of the Land Act

I am unaware if such assistance for protection of the Crown's asset is within present policy but feel that this is the only method that will achieve good results, without reducing the stock and block limits and then going to extreme lengths including confrontation with the lessee, to enforce those limits.

The Waitaki Catchment Commission has been verbally informed that the lessee is exceeding his stock limitation and block limit.

Recommendations:

1. THAT the approved cultivation area be increased to 137 hectares.
2. THAT the stock limitation be increased to 5820 sheep and 55 cattle including 50 breeding cows.
3. THAT the block limit on the Back Block remain as is.
4. THAT the possibility of the Crown providing finance for the "owners" share of a Run Plan extension in the Back Block, be investigated.

*For Rayton* As discussed. Please arrange sitting up monitoring trial pre. Dec '83 following W.S.C. visit. JFO 2/8/83

*J C Allen*  
J C ALLEN  
A/D F O

Recommendation 1 only approved. I do not support recommendations 2, 3 or 4. Please write and explain to Pyreall that unless he is prepared to agree to a reduction in his 'Block limit' over the 'Back Block', and slide by cattle, then we will not approve his increase in stock limitations. Any increase he makes will be without this department's authority and he must be prepared to face the consequences. Advise him that the W.S.C. will inspect the property as soon as practical (Spring/Summer), hopefully accompanied by the C.P.A. Pyreall must accept that he is leaving the land from the Crown under P.1's tenure. This is not the first occasion for which he has blatantly abused his rights. JFO 25/8/83 Please let me see letter. Robert member B.C.C.