



Standard for administering rent reviews for South Island high country pastoral leases

LINZS45005

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Terms and definitions

For the purposes of this standard, the following terms and definitions apply.

Any reference to a section in this standard is a reference to that section of the Crown Pastoral Land Act 1998 unless stated otherwise.

Term/abbreviation	Definition
Act	Crown Pastoral Land Act 1998
base carrying capacity	as defined in s 2 of the Crown Pastoral Land Act 1998
carrying capacity	either base carrying capacity or current carrying capacity or both
CCL	Commissioner of Crown Lands
computer register	as defined in s 4 of the Land Transfer (Computer Registers and Electronic Lodgement) Amendment Act 2002 and created by the Register-General of Land under ss 7 to 14 of the Land Transfer (Computer Registers and Electronic Lodgement) Amendment Act 2002; formerly known as certificate of title
Crown assessor	as defined in s 2 of the Crown Pastoral Land Act 1998
current carrying capacity	as defined in s 2 of the Crown Pastoral Land Act 1998
expert determiner	as defined in s 2 of the Crown Pastoral Land Act 1998
lessee's assessor	as defined in s 2 of the Crown Pastoral Land Act 1998
LINZ	Land Information New Zealand
operator	a person either employed or contracted by LINZ to carry out services in the rent review process under Part 1A of the Crown Pastoral Land Act
rent review date	as defined in s 2 of the Crown Pastoral Land Act 1998
Rules	LINZS30302: Rules for Assessment of Carrying Capacity of Crown Pastoral Land (Rents For Pastoral Leases)
RGL	Registrar-General of Land
Standard	Standard for administering rent reviews for South Island high country pastoral lease rents
VG	Valuer-General

Foreword

Introduction

The Commissioner of Crown Lands (CCL) is the statutory owner and administrator of Crown land held under the Land Act 1948. This includes pastoral leases administered under the provisions of the Crown Pastoral Land Act 1998 (Act).

The Crown Pastoral Land (Rent for Pastoral Leases) Amendment Act 2012 amended the Act to establish a new process for setting rents for pastoral leases. This process is based on the productive capacity of the land when used for pastoral farming. This replaces the previous system where rent was a percentage of the land value of the pastoral lease, excluding any improvements made by the lessee.

Purpose of standard

The purpose of the standard is to set out the requirements of the CCL when undertaking the rent review of a pastoral lease in accordance with Part 1A of the Act. Part 1A was introduced with the passage of the Crown Pastoral Land (Rent for Pastoral Leases) Amendment Act 2012.

Brief history of standard

This standard supersedes the interim standard published on 21 December 2012.

References

The following documents are necessary for the application of this standard.

- Crown Pastoral Land Act 1998
- Land Act 1948
- LINZ 2012, *LINZS30302: Rules for Assessment of Carrying Capacity of Crown Pastoral Land (Rents for Pastoral Leases)*, Office of the Valuer-General, LINZ, Wellington

1 Scope

The standard sets out the procedures to be followed to enable the CCL to undertake a rent review of a pastoral lease under the Act.

The standard applies only to the rent review of any pastoral lease and not any other tenure of pastoral land, eg pastoral land held under a special lease.

This standard does not cover the requirements for assessors and expert determiners under the Act. These requirements are specified in the *LINZS30302: Rules for Assessment of Carrying Capacity of Crown Pastoral Land (Rents for Pastoral Leases)* (Rules).

2 Intended use of standard

The standard must be used by operators when undertaking rent reviews of pastoral leases under the Act.

3 Commencement of rent review

3.1 Advice to lessee

- (a) Not more than two months before a Crown assessor is appointed, the operator must advise the lessee:
 - (i) of the CCL's intention to appoint a Crown assessor to inspect the land and formulate an initial assessment of carrying capacity, and
 - (ii) the proposed timeframe for the Crown assessor's inspection of the land.
- (b) Where the lessee holds information that the CCL is required to provide to the Crown assessor, the operator must:
 - (i) ask the lessee to provide the information specified to the CCL, or make it available to the Crown assessor,
 - (ii) advise any deadline for provision of the information requested, and
 - (iii) advise that if the information is not provided or made available by the deadline the assessment of the carrying capacities will continue.

3.2 Appointment of Crown assessor

- (a) The operator must make a recommendation to the CCL to appoint a Crown assessor within the timeframes set out in ss 23C(1) and 23C(3) of the Act.
- (b) On appointment, the operator must provide the Crown assessor with:
 - (i) the information required by rules 1.1.1, 2.1.1, 3.1 and 4.1.1 of the Rules, and
 - (ii) written authorisation from the CCL under s 26 of the Land Act 1948 for the Crown assessor to inspect the pastoral lease.

4 Initial assessment

4.1 Provision of initial assessment to lessee

Before giving the lessee an initial assessment the operator must:

- (a) review the Crown assessor's initial assessment of carrying capacity to ensure that it meets all of the requirements of s 23D of the Act,
- (b) complete the form specified by the Valuer-General(VG) under s 23D(3)(f) of the Act, and
- (c) prepare a letter, for execution by the CCL, that:
 - (i) advises the lessee of the provision of the initial assessment, and
 - (ii) requests that the lessee respond by completing the form within the required timeframe.

4.2 Acceptance by lessee

4.2.1 Advice to lessee

If the lessee accepts the initial assessment, or does not respond, the operator must:

- (a) acknowledge receipt of the lessee's response or failure to respond,
- (b) advise the lessee that the carrying capacity assessed in the Crown assessor's initial assessment has become the carrying capacity for that pastoral lease, and
- (c) confirm to the lessee, if the rent is specified in the initial assessment, the:
 - (i) yearly rent calculated for that pastoral lease under s 23B of the Act,
 - (ii) date that the yearly rent will take effect, and
 - (iii) arrangements for payment of that rent.

4.2.2 Recording of carrying capacities

- (a) If the initial assessment specifies a base carrying capacity, the operator must submit a notice in the form in [Appendix A](#) to the CCL for execution, requesting that the Registrar-General of Land (RGL) note a memorial specifying the base carrying capacity for the pastoral lease on any relevant computer register.
- (b) The operator must update all relevant files and electronic records to record the base and current carrying capacity, as soon as possible after they have been accepted, and to record any rent set.

4.3 Rejection by lessee

If the lessee rejects the initial assessment, the operator must, within four working days of receiving the lessee's rejection letter:

- (a) acknowledge receipt of the lessee's response,
- (b) ask the lessee who they intend to appoint as an assessor under s 23F(1)(b) of the Act,
- (c) advise the lessee of the expert determiner that the CCL proposes to appoint,
- (d) seek the lessee's agreement to the appointment of that person, and
- (e) advise the lessee that if the CCL and lessee are unable to agree within the specified period, the CCL will appoint an expert determiner nominated by the VG.

5 Dispute resolution

5.1 Advice to Crown assessor

The operator must:

- (a) advise the Crown assessor of the lessee's rejection of the initial assessment, and
- (b) instruct the Crown assessor to participate in the dispute resolution process.

5.2 Appointment of expert determiner

5.2.1 Agreement on appointment

Where the CCL and lessee have reached agreement on the expert determiner:

- (a) the CCL must appoint the expert determiner, and
- (b) the operator must, as soon as possible, advise the Crown assessor, lessee and lessee's assessor of the appointment.

5.2.2 Non-agreement on appointment

Where the CCL and lessee have not reached agreement on the expert determiner, the operator must:

- (a) send a written request to the VG, requesting that the VG nominate a person to be appointed expert determiner,
- (b) request that the CCL appoint the person nominated by the VG as expert determiner, and
- (c) as soon as possible, advise the Crown assessor, lessee and lessee's assessor of the appointment.

5.2.3 Information for expert determiner

The operator must provide the expert determiner with:

- (a) a copy of the initial assessment given under s 23D(3) of the Act, and
- (b) written authorisation from the CCL under s 26 of the Land Act 1948 to enter the land for the meeting under s 23F(3) of the Act.

5.3 Actions following dispute resolution

5.3.1 Recording of carrying capacities

- (a) If the agreement or determination from the dispute resolution specifies a base carrying capacity, the operator must submit a notice in the form in [Appendix A](#) to the CCL for execution, requesting that the RGL note a memorial specifying the base carrying capacity for the pastoral lease on any relevant computer register.
- (b) The operator must update all relevant files and electronic records to record the base and current carrying capacities and any rent set, as soon as possible, after they have been accepted.

5.3.2 Calculation of rent following dispute resolution

The operator must:

- (a) calculate the rent, in accordance with s 23B of the Act, as soon as possible after the expert determiner has recorded the base and carrying capacities for the pastoral lease under s 23I(3) of the Act, and
- (b) advise the lessee in writing of:
 - (i) the yearly rent calculated for that pastoral lease under s 23B of the Act,
 - (ii) the date that the yearly rent will take effect, and
 - (iii) arrangements for payment of that rent.

Appendix A: Notice to Registrar-General for recording of base carrying capacity

[Date]

Registrar-General of Land
Land Information New Zealand
Private Bag 5501
WELLINGTON 6145

Advice of base carrying capacity for [name] pastoral lease

Under the Crown Pastoral Land Act 1998 if the Commissioner of Crown Lands becomes aware of a base carrying capacity not rejected by the lessee, or notice of base carrying capacity from the expert determiner, the Commissioner must advise the Registrar-General of Land of the base carrying capacity (s 23I(6)) and the Registrar-General must note a memorial on any relevant computer register (s 23I(7)).

I can advise that the base carrying capacity has been determined for the following pastoral lease:

**[name] pastoral lease,
computer register [CR ref],
base carrying capacity = [number] stock units.**

Please arrange for the computer register to be noted with a memorial setting out this amount.

If you have any questions please contact [Portfolio Manager] in LINZ's Christchurch Office (contact details).

Yours sincerely

[name]