

Crown Pastoral Land Tenure Review

Lease name : GRAYS HILLS

Lease number : PT 042

Due Diligence Report (including Status Report) - Part 1

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.

April 09

DUE DILIGENCE REPORT

**for
Tenure Review**

GRAYS HILLS

**Prepared by Don McGregor McGregor Property Services
for and on behalf of Q.V.Valuations**

December 2001

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

File Ref: CON 50272/09/12689-ZNO

Report No: QVV 213

Report Date: 20/12/2001

Office of Agent: CHRISTCHURCH

LINZ Case No: 01

Date sent to LINZ: 15/1/2002

TK TR 241

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) Legalisation of the DSIR Seismic Station site and creation of ROW Easement over access as appropriate.
 - b) In accordance with Post - renewal Agreements with the lessee:
 - i) Creation of a ROW (access strip) at the NE boundary of the lease to link up with Haldon Road, and.
 - ii) Transfer of Unformed legal roads and incorporation into Pastoral lease.
 - c) Resolution of Electricorp requirements/DoC responsibilities to facilitate legalisation of leasehold (in Compensation Certificate A50126.1) and lessors interest in lands (including stopped road) to be acquired for Water Power Development and amalgamation of road, as appropriate, to be stopped for incorporation into the lease.
3. That the Commissioner or his delegate **note** that a file search has revealed that a potential Crown (DoC) liability exists in respect of the maintenance of Rabbit Fencing along the Tekapo, Pukaki and Ohau Rivers.

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: GRANT KASPER WEBLEY
Date of Decision: 25/1/02

1. Details of Lease:

Lease Name: Grays Hills.

Location: Situated on Haldon Road approximately 32 kilometres from Fairlie.

Lessees: Grays Hills Limited.

Tenure: Pastoral Lease of pastoral land under Section 66 and registered under Section 83 of the Land Act 1948.

Term: 33 years from 1 July 1984 (expires 30 June 2017).

Annual Rent: \$225.00.

Rental Value: \$10,000.

Date of Next Review: 30 June 2006.

Land Registry Folio Ref: C.L. CB30A/658 (Canterbury Registry).

Legal Description: Run 73 situated in Blocks XII and XVII Pukaki, V VI IX X XIII and XIV Burke, III and IV Gladstone and I Mackenzie Survey Districts, Rural Sections 41614 and 41615, situated in Block XVII, Pukaki and Rural Section 40883, situated in Block X, Burke Survey District.

Area: 10720.1195 hectares.

2 File Search

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

File Reference	Volume	First Folio Number	Date	Last Folio Number	Date
Pt 042-SCH-01	1	1	28/08/1895	178	30/10/1951
Pt 042-SCH-02	2	179	Nov 19510	362	06/07/1984
Pt 042-SCH-03	3	363	07/07/1984	407	05/12/1991
Pt 042-SCH-04	4	-	06/12/1991	-	30/06/2000
Pt 042-SCH-05	5	-	05/08/1959	-	25/08/1986
CON/50213/09/12689/A-ZNO	1	-	01/07/2000	-	Current

LINZ Files held by N.Z Archives:

File Reference	Volume	First Folio Number	Date	Last Folio Number	Date
40/14/4/1/39	1	-	22/08/1980	-	30/06/1983
40/14/4/1/39	2	-	15/07/1985	-	30/07/1997
40/14/4/1/39/1	1	-	05/04/1972	-	05/02/1993

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

File Reference: CON/50272/09/12689/A-ZNO-01

Volume: 1

First folio: 1

Date: August 2001

Last folio note: -

Date: Current

3 Summary of Lease document: (Copy of CL CB30A/658 attached as *Appendix I*).

3.1 Terms of Lease

A 33 year term from 1 July 1984 at the Annual rental of \$225 based on the Rental Value of \$10,000.

Stock limitation in Lease:

4070 sheep (3700 sheep plus 10%).

Commencement Date:

1 July 1984, being a renewal of the now expired lease (33 years from 1 July 1951 - CB529/60), effected by the issue of renewal lease CL CB30A/658 (registered on 9 June 1987).

Rental review was accepted by the lessees and the new Rental value (\$10,000) and Annual Rental (\$225) took effect from 1 July 1995.

Other Provisions:

The reservation to the Lessor all coal existing on or under the surface (pursuant to Section 2 of the Coal Mines Amendment Act 1950) and also to the reservation to the Lessor of the power to grant coal mining rights over the land under Part I of the Coal Mines Act 1925.

3.2 Area adjustments

Compensation Certificate A50126.1 pursuant to Section 19 of the Public Works Act 1981 (registered 6 May 1993) protects an Agreement between the Crown and the Lessee for the acquisition of the lessees interest in 110.8600 hectares of land for Water Power Development. Legalisation action is outstanding.

Part Reserve 184 (those parts now R.S.'s 41614 and 41615) excluded the land for Water Power Development) prior to incorporation into the lease as at 1 April 1983 without alteration to the Annual rental and stock limitation (by Certificate of Alteration 430821 registered 26 April 1983). The legalisation of the balance areas (3.6200 ha) to be set apart for Water Power Development (Areas E and F on SO 15174) is also outstanding.

The nub of the issue is that the registered renewal lease was over the area of 10720.1195 ha while the renewal rent of \$2925 (based on the rental value of \$195,000) was determined on the basis of the **exclusion** of the 110.8600 ha (by agreement with the lessee). It is not clear from the file that this same procedure was adopted for the rent review although given the reduction in the LEI (less than \$1/ha) it is probably immaterial. The effect of this action is that no rental adjustments are to be made to the lease on legalisation.

3.3 Registered Interests

Mortgages

A 403329.1 to Westpac Banking Corporation (registered 5 May 1999).

Compensation Certificate

Compensation Certificate A50126.1 pursuant to Section 19 of the Public Works Act 1981 (registered 6 May 1993) protects an Agreement between the Crown and the Lessee for the acquisition of 110.8600 hectares of land along the Tekapo River margins for Water Power Development.

3.4 *Unregistered Interests*

1 Recreation Permits

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

Seismic Station (DSIR) at Hogget Hill

DSIR (Geophysics Division) has authority by letter dated 25 October 1974 from the then Commissioner of Crown Lands to establish a Seismic Station at Hogget Hill (as part of a network of Stations) using existing farm tracks.

Unregistered Mortgages / debts

None known.

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

There are no current Government programmes approved for the property.

However the file revealed that in the early 1990's a Rabbit and Land Management Programme was promoted but not taken up by the lessee.

5 **Summary of Land Status Report:**

A Land Status Report undertaken by McGregor Property Services Limited for and on behalf of Q V Valuations on 5 December 2001, confirms the status of the land 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 *Other Provision* contained in *Clause 3.1*, registered interests included in *Clause 3.3* above and Part IVA of the Conservation Act 1987, upon disposition.

The report concludes that apart from a small part of the lease formerly held in Freehold title (R.S. 40883) 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 area formerly held in freehold was acquired by HMK in 1927 as Crown land and therefore the Crown is at liberty to invoke the standard Mineral restrictions.

The report notes that:

- 1) CL CB30A/658 contains a notation that the lease is subject to Section 58 of the Land Act 1948, as does S.O. 14069, applying in respect of all rivers and streams in excess of 3 metres in width. **However such strips are "notional" only pending determination on disposition of the land.**
- 2) On 25 October 1974 (*folio 260*) the then Commissioner of Crown Lands advised Seismology Observatory, D.S.I.R. that the Crown had no objections to the establishment of a network of seismic stations (5) including at 'Hogget Hill' on "Grays Hills" Pastoral lease. The facilities were to be installed by the then N.Z. Electricity Department (now Electricorp). In accordance with the Commissioners requirements D.S.I.R. (*folio 261*) confirmed that no new accessways were required as the site was close to existing four wheel drive farm access tracks and no additional service routes would be necessary.

No evidence exists on file as to whether or not the station was ever established. If it was in existence then an easement may be required to legalise the occupation of the site and access.

- 3) On 3 November 1984 the Land Settlement Board approved lease renewal (HOC Case No.1985/42) and including recommendations for post renewal negotiation with the lessees. The renewal lease offer was made and accepted and the lessee's subsequently indicated their agreement to:
 - a) A 20 metre strip parallel to the north east boundary between the undefined legal road that bisects Grays Hill and R.S. 40881 (linking up with Haldon Road via access over R 2917 or Glenrock Pastoral lease) to remain Crown land.
 - b) Transfer of unformed legal roads for incorporation into the lease.
 - c) Exclusion of the land (110.86ha) to be taken for Water Power Development from the renewal lease.

No further substantive action has been taken on (a) and (b) above. The land in © was excluded for renewal purposes.

Copies of relevant papers attached.

- 4) Compensation Certificate A50126.1 protects the Agreement the Crown has with Grays Hills Station Limited for the acquisition of the leasehold estate in 110.86ha of the lease as defined in S.O. 's 15170-15176 for Water Power Development. These surveys demarcate the existing inland road fence constructed by NZED in conjunction with the Upper Waitaki Hydro Project. The Agreement alludes to the intention to stop 80.2000 ha of road. Action is still outstanding to:
 - a) Legalise the acquisition of the leasehold interests and set apart the Lessor's (Crown's) interest in the 110.86 ha for Water Power Development as a prerequisite to fulfilling Governments' sale to Electricorp and the subsequent grant of an Operating Easement to Meridian Energy Limited.
 - b) Legalisation of road stopping and setting apart parts for Water Power Development / incorporation of parts into the lease pending:
 - i. DoC and the other parties (including the Crown) resolving the question of public access /ownership along the Tekapo River margins to the road fence (proposed common boundary), and
 - ii. DOC granting exemptions from the Marginal strip provisions applying to enable the subsequent incorporation of the stopped roads outside the road fence (proposed common boundary) into the lease.

Copies of relevant supporting folios attached.

- 5) Legalise as appropriate the acquisition of interests and resolve the road stopping implications in respect of former Reserve 184 (now part of the lease as R.S.'s 41614 and 41615) in conjunction with the actions in (4) above.

A copy of the Land Status Report is attached as *Schedule A*.

6 Review of Topographical and Cadastral data:

Both maps attached to the Land Status Report show there are no known huts, local power lines, telecommunication or other hilltop installations, airstrips, dams, water races or historic sites on the property. The map (260- I 38) reveals the existence of transmission lines parallel to Haldon Road in the north - eastern sector of the lease. It is likely that this transmission line is legal by virtue of the Electricity Act.

6.1 Legal Roads – formed and paper

The Land Status Report indicates that SO 107 shows the two chain road along the Tekapo River and SO 14069 shows the internal roads and Haldon Road to be legal by Section 110A of the Public Works Act 1928.

6.2 Fenced Boundaries v Legal Boundaries (peripheral):

There are no known boundary discrepancies other than the Crown's requirement to legalise (by Gazette) the acquisition of the Lessees and Lessors interest in the 110.86ha area for Water Power Development, thereby excluding the land from the lease.

7 Details of any neighbouring Crown or Conservation land:

Northern Boundary	Sawdon (Run 75A) and Holbrook (Run 330) Pastoral Leases.
North Eastern Boundary	Part Glenrock Pastoral Lease (Part R.S. 33831 adjoins)
South Eastern Boundary	Whalesback Pastoral Lease (Run 253).

8 Summarise any uncompleted actions or potential liabilities:

8.1 Legalisation of DSIR Seismic Station at "Hogget Hill"

On 25 October 1974 (*folio 260*) the then Commissioner of Crown Lands advised Seismology Observatory, D.S.I.R. that the Crown had no objections to the establishment of a network of seismic stations including at 'Hogget Hill' on "Grays Hills" Pastoral lease. The facilities were to be installed by the then N.Z. Electricity Department (now Electricorp). In accordance with the Commissioners requirements D.S.I.R. (*folio 261*) confirmed that no new accessways were required as the site was close to existing four wheel drive farm access tracks and no additional service routes would be necessary.

No evidence exists on file as to whether or not the station was ever established. If it is in existence then an easement may be required to legalise the occupation of the site and access.

Copies of the relevant folios attached as Appendix 2.

8.2 Post Renewal Agreements – Access strip to Haldon Road and Transfer of Unformed Legal Roads for incorporation into Lease.

HOC (Land Settlement Board) Case No 1985/42 on 15 March 1985 (*folio 371*) approved lease renewal and including recommendations for post renewal negotiation with the lessees on the above. The lease renewal offer was made on 15 May (*folio 373*). On 18 June 1985 (*folio 374/375*) the solicitors acting for the lessees accepted the values and indicated their agreement to:

- a) A 20 metre strip parallel to the north east boundary between the undefined legal road that bisects Grays Hill and R.S. 40881 (linking up with Haldon Road via access over R2917 or the adjoining Glenrock Pastoral lease) to remain Crown land.
- b) Transfer of Unformed roads (*shown on plan under folio 371*) for incorporation into the Pastoral lease.
- c) Exclusion of the land (110.8600 ha) to be taken for Water Power Development from the renewal equation.

The land in (c) was excluded. The formalisation of (a) and (b) above remain outstanding (as summarised in the CCL's file note and summary (*folio 484*)).

Copies of the relevant folios attached as Appendix 3.

8.3 Legalisation of lands to be taken for Water Power Development / Road Stopping etc

Compensation Certificate A50126.1 protects the Agreement (*dated 5 May 1993*) the Crown has with Grays Hills Station Limited for the acquisition including the **leasehold estate** in 110.86ha of the lease as defined in SO's 15170-15176 (approved 14 August 1980) for Water Power Development. These surveys demarcate the existing fenced lease boundaries flanking the road constructed by NZED in conjunction with the Upper Waitaki Hydro Project.

This Agreement alludes to the intention to stop 80.2000 ha of road abutting the Tekapo River (40m wide). As early as 4 December 1980 (*folio 137*) the then Commissioner of Crown Lands (CCL approved closing the road adjoining the lease. At that stage the intention was to exchange road to be stopped / leasehold land for road to be stopped fenced into the lease. Electricorp wished to have control but the Department of Conservation objected because of its desire to retain marginal strips along the river. This impasse had the effect for delaying settlement of compensation until a report to the District Commissioner of Works (DCW) on *15 July 1987 (file 40/14/4/1/39)* led to the lessee being advised on *14 October 1987 (also file 40/14/4/1/39)* that the matter of road stopping and amalgamation would be held in abeyance to allow the compensation to be settled. Compensation was settled on 6 October 1993.

On request from the DCW, the CCL, on *31 May 1983 (file 40/14/4/1/39/1)* also consented to the setting apart parts of the adjoining Reserve 184 as shown Areas E and F on SO 15174 (3.6200 ha) with compensation also being held in abeyance pending resolution of the wider issues. This was in the knowledge that on 26 April 1983 (and bearing in mind that the compensation agreement was being processed) parts of Reserve 184 (now known as RS's 41614 and 41615) were incorporated into the lease (by Certificate of Alteration 43021/1) but excluding the land to be set apart. The District Property Manager on *14 October 1987 (file 40/14/4/1/39/1)* advised the lessee that Areas E and F were in separate tenure (Crown land subject to the Land Act 1948).

On *4 March 1998 (file 40/14/4/1/39/1)* the DCW advised Landcorp of the agreement reached on the schedule of areas to be set apart from leases and Crown land (including Pt Grays Hills and Pt Res 184 and the adoption of a value for the lessors interest of \$2/ha. It was acknowledged that where Marginal strips are involved matters could not be progressed until Electricorp and DoC had reached agreement over control.

Pending resolution of Electricorp requirements core /non –core requirements and DoC's responsibility for such land, action is still outstanding to:

- a) Legalise the acquisition of the leasehold interests as protected by Compensation Certificate A50126/1 and set apart the Lessor's (Crown's) interest in the 110.86 ha for Water Power Development.
- b) Legalise road stopping and acquire parts for Water Power Development / amalgamate parts into the lease.

as a prerequisite to Government completing sale to Electricorp and the subsequent sale and grant of an Operating Easement to Meridian Energy Limited.

Copies of relevant supporting folios attached. as Appendix 4.

8.4 Potential Crown Liability – Maintenance of Rabbit Fencing – Mackenzie Basin

On *18 November 1992, (file 40/14/4/1/39)* following an approach from Director - General of Conservation, the Commissioner of Crown Lands sought a report from DOSLI, Christchurch for comment and providing information that substantiated Electricorp's position (to discontinue maintenance of Rabbit proof fencing).

A copy of a report and supporting information was sent to the Commissioner on 23 December 1992 (*file 40/14/4/1/39*). A copy of the Commissioner's response to the Director General of Conservation dated 1 February 1993 and suggests that he brief Treasury on this matter with particular reference to the Minister of Electricity's letter of 26 March 1969 which leads to the conclusion that DOC has inherited this potential liability. The outcome of this is unknown.

Copies of relevant supporting folios attached. as Appendix 5.

Schedule A – Land Status Report.

APPENDICES

- 1 Copy of Pastoral lease - Appendix 1**
- 2 Copy of relevant folios - Legalisation of Seismic Station – Appendix 2**
- 3 Copy of relevant folios - Post Renewal Agreements - Appendix 3**
- 4 Copy of relevant folios - Appendix 4 Legalisation of lands to be taken for Water Power Development**
- 5 Copy of relevant folios - Potential Liability – Maintenance of Rabbit Fencing - Appendix 5**

Schedule A

LAND STATUS REPORT

**for
Tenure Review**

GRAYS HILLS

**Prepared by Don McGregor, McGregor Property Services Limited
for and on behalf of Q.V. Valuations**

December 2001

CONTENTS

APPENDIX A LAND STATUS REPORTS (and supporting plans)

- **Extract of CLR**
- **Extracts of Allocation maps**
- **DOC Consultation**
- **Information supporting Mineral investigation**
- **Information supporting Notes to Report**
- **Other Information**

APPENDIX B LAND STATUS REPORT (Certified Correct by Chief Surveyor)

**APPENDIX A LAND STATUS REPORT
(and supporting plans)**

Q V VALUATIONS, CHRISTCHURCH OFFICE

APPENDIX A

Project Number QVV 212

This report has been prepared on the instruction of Land information New Zealand in terms of **Contract No. 50272 (as yet undated)** and is undertaken for the purposes of the Crown Pastoral Land Act 1998.

LAND STATUS REPORT for Grays Hills Tenure Review	LIPS Ref: 12689
Property 1 of 1	

Land District	Canterbury.
Legal Description	Run 73 situated in Blocks XII and XVII Pukaki, V VI IX XIII and XIV Burke, III and IV Gladstone and I Mackenzie Survey Districts, Rural Sections 41614 and 41615, situated in Block XVII, Pukaki Survey District and Rural Section 40883, situated in Block X, Burke, Survey District.
Area	10720.1195 hectares.
Status	Crown land subject to the Land Act 1948.
Instrument of title / lease	Pastoral Lease CL CB30A/658 pursuant to Section 66 and registered under Section 83 of the Land Act 1948.
Encumbrances	Subject to: 1. The reservation to the Lessor all coal existing on or under the surface (pursuant to Section 2 of the Coal Mines Amendment Act 1950) and also to the reservation to the Lessor of the power to grant coal mining rights over the land under Part I of the Coal Mines Act 1925. 2. Part IVA of the Conservation Act 1987, upon disposition. 3. A50126.1 Compensation Certificate pursuant to Section 19 of the Public Works Act 1981.
Mineral Ownership	The Mines and Minerals are owned by the Crown over a significant part of the land because it has never been alienated from the Crown since its acquisition for settlement purposes from the former Maori owners under the 1848 Kemp Deed of Purchase. That part formerly held in freehold ownership – R.S. 40883 (formerly Part R.S. 33831) was subsequently acquired in 1927 by the HMK as Crown land subject to the Land Act. This land was not acquired as a public work therefore the Crown is at liberty to invoke the standard Mineral restrictions.
Statute	Land Act 1948 and Crown Pastoral Land Act 1998.

Data Correct as at	5 December 2001.
[Certification Attached]	Yes.

Prepared by Crown Accredited Supplier	Don McGregor, McGregor Property Services Limited, Christchurch For and on behalf of QV Valuations
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LAND ATUS REPORT for Grays Hills Tenure Review	LIPS Ref: 12689
Property 1 of 1	

NOTES: This information does not affect the status of the land but was identified as possible requiring further investigation at the due diligence stage: See Crown Pastoral Standard 6

1) CL CB30A/658 contains a notation that the lease is subject to Section 58 of the Land Act 1948, as does S.O. 14069, applying in respect of all rivers and streams in excess of 3 metres in width. However such strips are "notional" only pending determination on disposition of the land.

2) On 25 October 1974 (*folio 260*) the then Commissioner of Crown Lands advised Seismology Observatory, D.S.I.R. that the Crown had no objections to the establishment of a network of seismic stations (5) including at 'Hogget Hill' on "Grays Hills" Pastoral lease. The facilities were to be installed by the then N.Z. Electricity Department (now Electricorp). In accordance with the Commissioners requirements D.S.I.R. (*folio 261*) confirmed that no new accessways were required as the site was close to existing four wheel drive farm access tracks and no additional service routes would be necessary.

No evidence exists on file as to whether or not the station was ever established. If it was in existence then an easement may be required to legalise the occupation of the site and access.

3) On 3 November 1984 the Land Settlement Board approved lease renewal (HOC Case No.1985/42) and including recommendations for post renewal negotiation with the lessees. The renewal lease offer was made and accepted and the lessee's subsequently indicated their agreement to:

- a) A 20 metre strip parallel to the north east boundary between the undefined legal road that bisects Grays Hill and R.S. 40881 (linking up with Haldon Road via access over R 2917 or Glenrock Pastoral lease) to remain Crown land.
- b) Transfer of unformed legal roads for incorporation into the lease.
- c) Exclusion of the land (110.86ha) to be taken for Water Power Development from the renewal lease.

No further substantive action has been taken on (a) and (b) above. The land in © was excluded for renewal purposes.

Copies of relevant papers attached.

4) Compensation Certificate A50126.1 protects the Agreement the Crown has with Grays Hills Station Limited for the acquisition of the leasehold estate in 110.86ha of the lease as defined in S.O. 's 15170-15176 for Water Power Development. These surveys demarcate the existing inland road fence constructed by NZED in conjunction with the Upper Waitaki Hydro Project. The Agreement alludes to the intention to stop 80.2000 ha of road. Action is still outstanding to:

- a) Legalise the acquisition of the leasehold interests and set apart the Lessor's (Crown's) interest in the 110.86 ha for Water Power Development as a prerequisite to fulfilling

Governments' sale to Electricorp and the subsequent grant of an Operating Easement to Meridian Energy Limited.

b) Legalisation of road stopping and setting apart parts for Water Power Development / incorporation of parts into the lease pending:

- i) DoC and the other parties (including the Crown) resolving the question of public access /ownership along the Tekapo River margins to the road fence (proposed common boundary), and
- ii) DOC granting exemptions from the Marginal strip provisions applying to enable the subsequent incorporation of the stopped roads outside the road fence (proposed common boundary) into the lease.

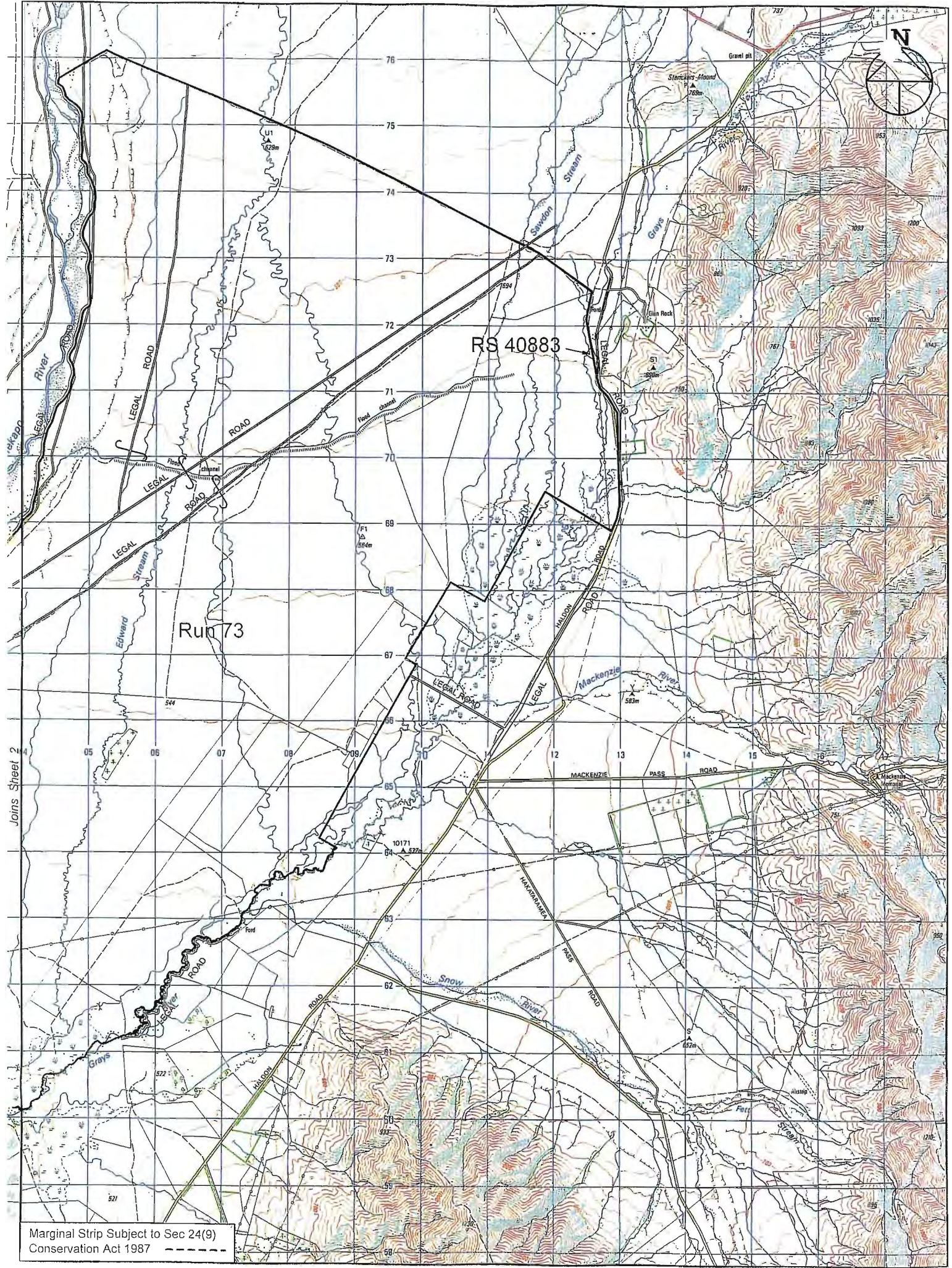
Copies of relevant supporting folios attached.

5) Legalise as appropriate the acquisition of interests and resolve the road stopping implications in respect of former Reserve 184 (now part of the lease as R.S.'s 41614 and 41615) in conjunction with the actions in (4) above.

LAND STATUS REPORT for Grays Hills Tenure Review	LIPS Ref: 12689
Property 1 of 1	
Research Data: <u>Some Items may not be applicable</u>	
SDI Print Obtained	Yes.
NZMS 261 Ref	I38.
Local Authority	MacKenzie District Council.
Crown Acquisition Map	Kemp Deed of Purchase.
SO Plans	<p>SO 107 – Plan of Subdivision of Grays Hills Station – Burke, Gladstone, Pukaki and Mackenzie Survey Districts (Approved circa 1911).</p> <p>SO 10098 – Plan of Plan of RS 33831...and Road to be Closed adjoiningPt RS 33831,..... Run 73, ...Blocks VI, X, and XVI, Burke S.D. (Approved 13 February 1969).</p> <p>SO 14066 – Plan of Run 75A “Sawdon” (Approved 16 July 1976).</p> <p>SO 14069 – Plan of Run 73 “Grays Hills”(Approved 20 July 1976).</p> <p>SO 14542 – Plan of Rural Sections 40880 – 40883 (Approved 9 March 1978).</p> <p>SO 15170 – 15173 - Plan of Pt Run 73 and Road (Approved 14 August 1980).</p> <p>SO 15174 – Plan of Pt Run 73, Res 184 and Road (Approved 14 August 1980).</p> <p>SO 15175 – Plan of Pt Run 73 and Road (Approved 14 August 1980).</p> <p>SO 15176 – Plan of Pt Run 73, Road and Crown Land (Approved 14 August 1980).</p> <p>SO 15869 – Plan of R.S. s 41614 and 41615 (Approved 16 February 1982).</p> <p>SO 17056 – SOE Allocation Plan.</p> <p>SO 17107 – DoC Allocation Plan.</p>
Relevant Gazette Notices	<p><i>Provincial Gazette 1861 pages 1132 and 1133</i> reserved Reserve 184 for ferry and ford purposes.</p> <p><i>N.Z. Gazette 1970 p13 (GN 786330)</i> closed 1.2095 ha of Road adjoining Pt RS 33831, Pt Run 73 and Res 3906 (subsequently incorporated into the lease as RS 40883 by Certificate of Alteration 267313/3).</p> <p><i>N.Z. Gazette 1982 p3625</i> revoked the reservation over Reserve 184 deeming the land to be Crown Land subject to the Land Act 1948. This area was subsequently incorporated into the lease as RS’s 41614 and 41615 by Certificate of Alteration 430821/1.</p>

Lease Ref	CL CB30A/658 pursuant to Section 66 and registered under Section 83 of the Land Act 1948.
Legalisation Cards	Cards for S.O.'s 15170-15176 show that legalisation action still outstanding.
CLR	Confirms Pastoral Lease tenure.
Allocation Maps (if applicable)	<p>Extracts of Allocation Maps I38 (S.O. 17107) show that there are no allocations to DOC within the lease area.</p> <p>The attached SOE (Landcorp) Allocation I38.5 and 6 (SO 17056) was deleted and allocated to the Crown for consideration in conjunction with the lease.</p> <p>Electricorp Allocation of now to grant as Operating easement to Meridian Energy Ltd and now shown on plan under "Other Information".</p>
VNZ Ref - if known	VR 25300/8500.
Crown Grant Maps	Not applicable.
Subject Land Marginal Strip: a) Type [Sec 24(9) or Sec 58] b) Date Created c) Plan Reference	a) See Notes above. b) Not applicable. c) Not applicable.

LAND STATUS REPORT for Grays Hills Tenure Review		LIPS Ref: 12689
Property 1 of 1		
If Crown land – Check Irrigation Maps	Searched – Not applicable.	
Mining Maps	Searched – Not applicable.	
If Road		
a) Is it created on a Block Plan – Section 43(1)(d) Transit NZ 1989	a) Two chain roads along the Tekapo River denoted burnt sienna on Black Map 181, Miscellaneous Roll 277 and as depicted on S.O. 107. Internal roads and Haldon Road shown on SO 14069 as legal by Section 110A of the Public Works Act 1928 (supported by Topo Plans 2T, 20T and 51T).	
b) By Proc	b) Proc Plan Not applicable.	
	c) Gazette Ref Not applicable.	
Other relevant information		
a) Concessions – Advice from DOC or Knight Frank.	a) No current DOC concessions. The only DOC interests are in the Marginal Strips yet to be created. No concessions are administered by Knight Frank (NZ) Limited on the property.	
b) Subject to any provisions of the Ngai Tahu Claims Settlement Act 1998	b) Part 9 of the Ngai Tahu Claims Settlement Act 1998. No Statutory Acknowledgement areas adjoining.	
c) Mineral Ownership	c) <input type="checkbox"/> Mines and Minerals are owned by the Crown in respect of parts of the current lease because the land has never been alienated from the Crown since its acquisition for settlement purposes from the former Maori owners under the 1848 Kemp Deed of Purchase. Part RS 33831 (now RS 40883) was originally part of the adjoining "Glenrock" Pastoral lease prior to its incorporation into Grays Hills in 1979. Reserve 184 (now RS's 41614 and 41615) was subsequently incorporated into the lease in 1983 following revocation of the reserve status. RS 33831 was originally freehold land in CT 99/27 that had issued to The New Zealand and Australian Land Company Limited in 1883. In 1927, as part of a boundary rationalisation exercise, RS 33831 (then held in CT 99/27 by John McIntosh) was transferred HMK by Transfer 179139. The land was subsequently let on Small Grazing Run (CL 409/13) and eventually was consolidated with other Crown land to become part of "Glenrock" Pastoral lease CL CB529/204. R.S. 40883 was surrendered from "Glenrock" and incorporated into "Grays Hills" in 1980. Since the land was not acquired for a public work in 1927, but as part of a boundary rationalisation subject to the then Land Act, the Crown is at liberty to invoke the standard mineral restrictions.	
d) Other Info	d) Plans drawn for the purpose of defining the proposed Operating Easement for Meridian Energy Limited are attached.	



Joins Sheet 2

Run 73

RS 40883

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

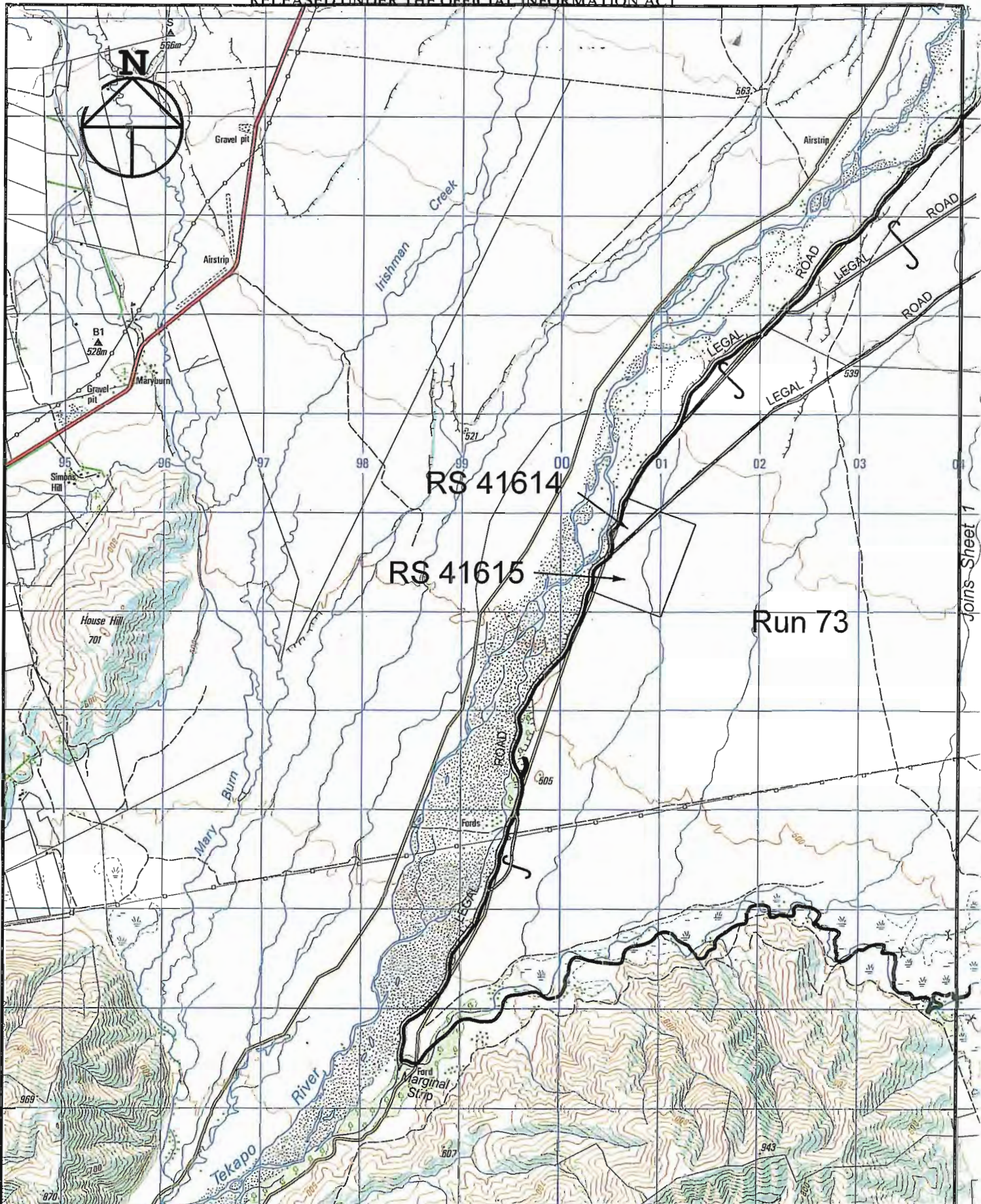


0 500 1000 1500 2000 2500 3000 3500 4000 4500 5000 5500 6000

Grays Hills

Scale 1:50000

Version	1	2	3	4	5
Canterbury Land District					
Topographic Map 260 - 138					
				Sheet 1 of 2	
				Date 09/11/01	

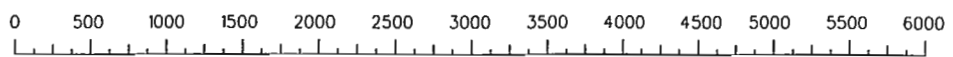


Marginal Strip Subject to Sec 24(9)
 Conservation Act 1987 - - - - -

Version	1	2	3	4	5
Canterbury Land District					
Topographic Map 260 - 138					
Sheet 2 of 2					
Date 09/11/01					

Grays Hills

Scale 1:50000



Joins Sheet 1

**APPENDIX B LAND STATUS REPORT
(Certified Correct by Chief Surveyor)**

LAND STATUS REPORT

Grays Hills

**for
Tenure Review**

**Prepared by Don McGregor, McGregor Property Services Limited
for and on behalf of Q.V. Valuations**

November 2001

Project Number : QVV 212

This report has been prepared on the instruction of Land Information New Zealand in terms of an extension to **Contract No : 50272 (as yet undated)** and is undertaken for the purposes of the Crown Pastoral Land Act 1998.

LAND STATUS REPORT for Grays Hills Tenure Review			LIPS Ref: 12689
Property	1	of	1

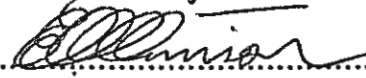
Land District	Canterbury
Legal Description	Run 73 situated in Blocks XII and XVII Pukaki, V VI IX X XIII and XIV Burke, III and IV Gladstone and I Mackenzie Survey Districts, Rural Sections 41614 and 41615, situated in Block XVII, Pukaki and Rural Section 40883, situated in Block X, Burke Survey District.
Area	10720.1195 hectares.
Use	Crown land subject to the Land Act 1948.
Instrument of title / lease	Pastoral Lease CL CB30A/658 pursuant to Section 66 and registered under Section 83 of the Land Act 1948.
Encumbrances	Subject to: 1) The reservation to the Lessor all coal existing on or under the surface (pursuant to Section 2 of the Coal Mines Amendment Act 1950) and also to the reservation to the Lessor of the power to grant coal mining rights over the land under Part I of the Coal Mines Act 1925. 2) Part IVA of the Conservation Act 1987, upon disposition. 3) A50126.1 Compensation Certificate pursuant to Section 19 of the Public Works Act 1981.
Statute	Land Act 1948 and Crown Pastoral Land Act 1998.

Data Correct as at	9 November 2001.
[Certification Attached]	Yes

Prepared by	Don McGregor
Crown Accredited Supplier	McGregor Property Services Limited, Christchurch for and on behalf of Q.V. Valuations

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 subject to the Land Act 1948.



 *E.H. Atkinson* Deputy C.S.
 R Moulton, Chief Surveyor, (Canterbury)
 Land Information New Zealand, Christchurch

Date: 22/11/2001

CERTIFICATION

Report to the Chief Surveyor, Christchurch, for certification of a Status Investigation for the GRAYS HILLS Pastoral Lease Tenure Review.

1. I, Donald McGregor of McGregor Property Services Limited, acting for and on behalf of Opus International Consultants Limited, certify that the status report enclosed for certification is in order for signature.
2. In giving this certification I, Donald McGregor of McGregor Property Services Limited, acting for and on behalf of Opus International Consultants Limited, undertake that the status report has been completed in compliance with all relevant policy instructions and in particular, OSG Standard 1999/05 and the Regulatory Chiefs' Land Status Investigations Guidelines 1999/01.



D McGregor
McGregor Property Services Limited
Accredited Supplier
9 November 2001

APPENDIX 1



COMPUTER INTEREST REGISTER UNDER LAND TRANSFER ACT 1952



Historical Search Copy


R.W. Muir
Registrar-General
of Land

Identifier CB30A/658
Land Registration District Canterbury
Date Registered 09 June 1987 11:54 am

Prior References

CB529/60

Type	Lease under s83 Land Act 1948	Term	33 years commencing on the 1st day of July 1984
Area	10720.1195 hectares more or less		

Legal Description Run 73, Rural Section 40883, Rural Section 41614 and Rural Section 41615

Original Proprietors
Grays Hills Station Limited

Interests

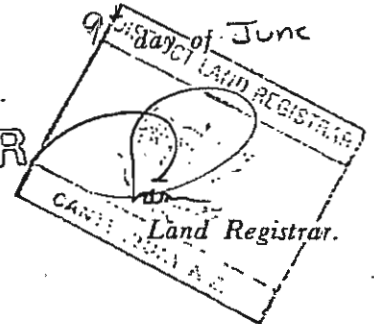
Pursuant to Section 58 Land Act 1948 a strip of land 20 metres in width along the banks of all rivers and streams which have an average width of not less than 3 metres is excluded from the within lease

A50126.1 Compensation Certificate pursuant to Section 19 Public Works Act 1981 - 6.5.1993 at 11.40 am

A403329.1 Mortgage to Westpac Banking Corporation - 5.5.1999 at 9.50 am

1987, at 11 54 o'clock.

REGISTER



No. 30A/658

Pastoral Lease under the Land Act 1948

This Deed, made the 11 day of March 1987 between HER MAJESTY THE QUEEN (hereinafter referred to as "the Lessor") of the one part, and GRAYS HILLS STATION LIMITED at Timaru

(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 and 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 that parcel of land containing by estimation 10720.1195 hectares more or less, situated in the Land District of Canterbury, and being Run 73 (Grays Hills) and Rural Sections 40883, 41614 and 41615 situated in Pukaki, Burke, Gladstone and Mackenzie Survey Districts as the same is more particularly delineated with bold black lines on the plan hereon; together with the rights,

No. 30A/658

casements, and appurtenances thereto belonging to the said premises intended to be hereby demised unto the Lessee for the term of 33 years, commencing on the 1st day of July 19 84, together with the period between the date of this lease and the aforesaid 1st day of July 19 84, YIELDING and producing therefor for the first 11 years of the said term unto the Department of Lands and Survey at Christchurch the annual rent of \$ 2,925.00 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 period of 11 years, and for the next two successive periods of 11 years of the said term a rent determined in respect of each of those periods in the manner provided in Section 66 (4A) of the Land Act 1948. AND, also paying in respect of the improvements specified in the Schedule hereto the sum of \$----- by a deposit of \$----- (which has already been paid) and thereafter by----- half-yearly instalments of \$----- on the 1st day of January and the 1st day of July in each and every year.

AND the Lessee doth hereby covenant with the Lessor as follows:

1. That without derogating from or restricting the covenants contained and implied in this lease and on the part of the Lessee to be performed or complied with the Lessee will not at any time during the said term depasture on the land hereby demised more than 3700 sheep which number shall not include more than ~~breeding ewes nor more than~~ cattle which number shall not include more than ~~breeding cows~~. PROVIDED HOWEVER that the Lessee may with the prior written consent of the Land Settlement Board carry such additional stock on such terms and conditions as may therein be specified subject nevertheless to the right of the Land Settlement Board to revoke or vary such consent at any time.

2. That the Lessee will at all times farm the land hereby demised in a manner to promote soil conservation and prevent erosion and will comply with the provisions of the Soil Conservation and Rivers Control Act 1941.

AND it is hereby agreed and declared by and between the Lessor and Lessee:

THAT pursuant to the provisions of the Noxious Animals Act 1956 officers and employees of the New Zealand Forest Service and other authorised persons 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 goats, wild pigs, opossums, or other animals which the said Service is charged with the duty of exterminating or controlling, or for the purpose of destroying any such animals: Provided that such officers, employees, and other authorised persons in the performance of the said duties shall at all times avoid undue disturbance of the Lessee's stock.

AND it is hereby declared and agreed that these presents are intended to take effect as a Pastoral Lease of pastoral land under Section 66 of 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.

Pursuant to Section 58 Land Act 1948 a strip of land 20 metres in width along the banks of all rivers and streams which have an average width of not less than 3 metres is excluded from the within lease.

~~SCHEDULE OF IMPROVEMENTS BELONGING TO THE CROWN~~

acting Deputy Assistant

IN WITNESS whereof the Commissioner of Crown Lands for the said Land District, on behalf of the Lessor, has hereunto set his hand, and these presents have also been signed by the said Lessee.

acting Deputy Assistant

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

Witness: *Harold Mowbray*
Occupation: *Titles Officer, Lands & Survey* *W. Bradley* Commissioner of Crown Lands

Address: *Christchurch* *acting* Deputy Assistant

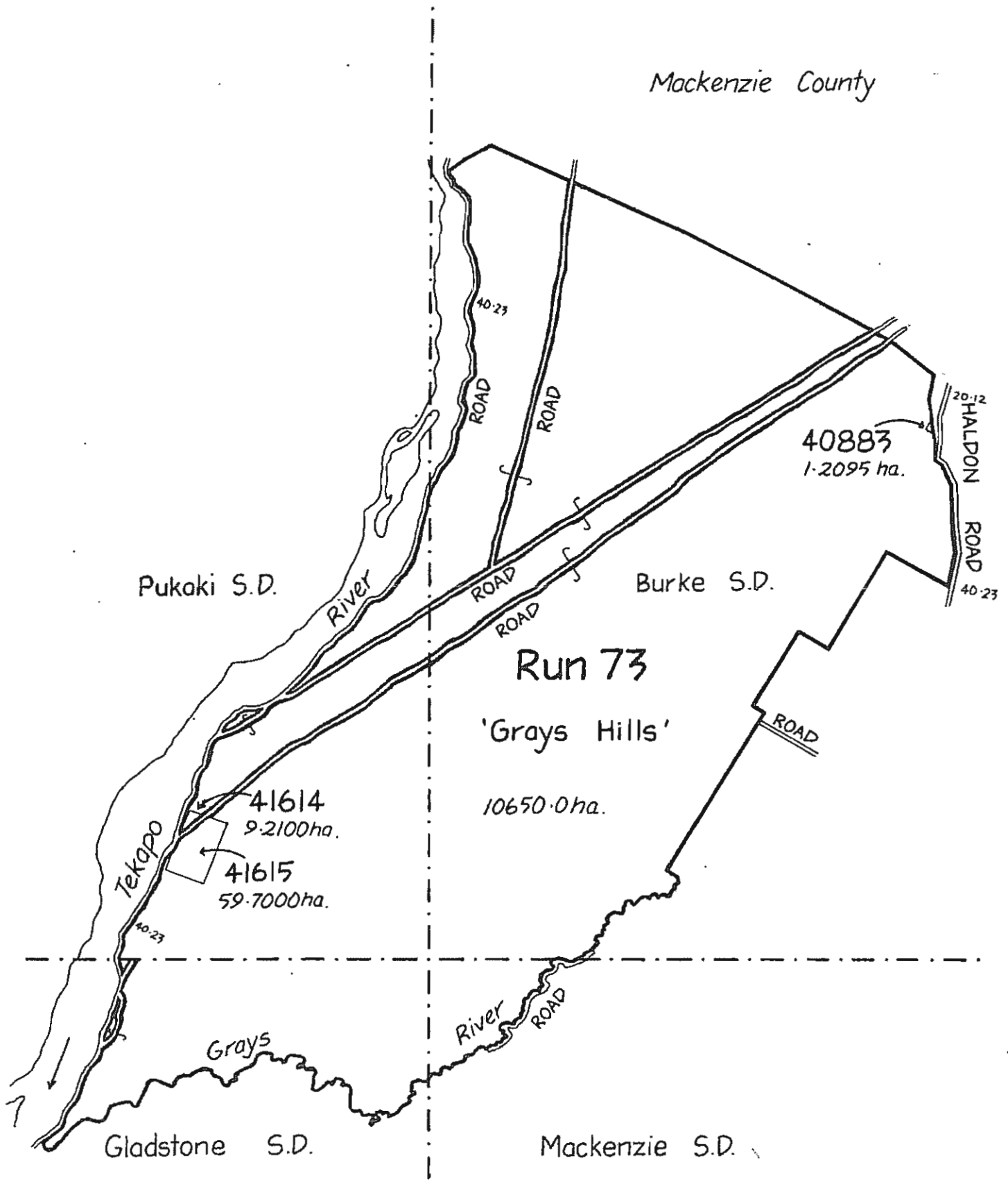
THE COMMON SEAL of GRAYS HILL STATION LIMITED

Signed by the above named Lessee, in the presence of the Commissioner of Crown Lands, was hereunto affixed in the presence of—

Witness: *W. Bradley*
Occupation: *Commissioner of Crown Lands* *B. Maxwell*

Address: _____





Total Area ~ 10720.1195 ha.

- S.O. 14069
- S.O. 14542
- S.O. 15869

10/22
CA

Mortgage 705589 (now) Leslie
Duncan Urquhart, David Urquhart and
the Perpetual Trustee Estate and
Agency Company of New Zealand Limited
in shares - 7.3.1987 at 9.20a.m.
(As varied once subsequently)

[Signature]
for A.L.R.

No.A50126/1 Compensation Certificate
pursuant to Section 19 Public Works Act
1981 - 6.5.1993 at 11.40am

[Signature]

for A.L.R.

No.743461/1 Change of Name of one of the
mortgagees under Mortgage 705589 to AMP
Perpetual Trustee Company N.Z. Limited -
produced 27.5.1988 and entered 11.1.1994 at
10.10am

[Signature]

for A.L.R.

Transfer A90382/1 of its share in Mortgage
705589 AMP Perpetual Trustee Company N.Z.
Limited to David Urquhart, Leslie Duncan
Urquhart and Edward Oral Sullivan -
11.1.1994 at 10.10am

[Signature]

for A.L.R.

No. A142899 Land Improvement Agreement
pursuant to Section 305A of the Soil
Conservation and River Control Act 1941 -
3.11.1994 at 11.09am

CANCELLED
PART 7 Section Act
80 1952

[Signature]
for A.L.R.

A403329.1 Mortgage to Westpac Banking
Corporation - 5.5.1999 at 9.50

[Signature]

for RGL



APPENDIX 2



NEW ZEALAND

M. 8

261

SIR (GPD/7/11)
In replying, please quote these numbers

P42

DEPARTMENT OF SCIENTIFIC AND INDUSTRIAL RESEARCH

GEOPHYSICS DIVISION

P.O. BOX 8005, WELLINGTON.

1 November 1974.

(1) [unclear]
(2) [unclear]
[unclear]

The Commissioner of Crown Lands,
Department of Lands and Survey,
Private bag,
CHRISTCHURCH.

LANDS & SURVEY
CHRISTCHURCH
- 7 NOV 1974
RECEIVED

Upper Wairaki - Seismograph Network

Thank you for your letter (D.2) of 25 October, giving your permission for the installation of the five seismic stations in the Canterbury Land District. I shall pass your comments to the New Zealand Electricity Department.

I can confirm that no new access ways will be formed. The sites are all within a few tens of metres of normal farm access routes for four-wheel drive vehicles, and no additional routes will be needed for the occasional servicing visits that are envisaged. The initial installation is being undertaken with the aid of helicopters, and the disturbance to the surroundings will be minimal.

R. D. Adams

(R.D. Adams),
Superintendent,
Seismological Observatory.

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file on P42

P. 8
L/15

Dobbs

TC

62-549

XXXXX
Private Bag,
CHRISTCHURCH.

25 October 1974

The Superintendent,
Seismological Observatory,
Department of Scientific
and Industrial Research,
P.O. Box 8005,
WELLINGTON.

UPPER WAITAKI - SEISMOGRAPH NETWORK

I refer to your previous correspondence and particularly to your memorandum of 17 July concerning the establishment of a network of seismic stations in the Upper Waitaki. There were five sites located in the Canterbury Land District, namely:

- Bush Stream (Glentanner)
- Mt Mary (The Wolds)
- Gladstone Stream (Fukaki Downs)
- Mt John (Mt John)
- Haret Hill (Gray's Hill).


These are pastoral leases and you have confirmed that you have the approval of the lessees concerned.

In relation to the sites in this Land District there is no objection to the establishment of the seismic stations on the condition that disturbance of the surroundings is kept to a minimum. It is also suggested that the radio boxes should be painted a colour to blend in with the background.

It is presumed that there is no question of fencing access to these sites and would appreciate your confirmation on this point. The Department is concerned from an environmental point of view as regards access tracks in this type of proposal.

It is noted that the installations are being set up by the New Zealand Electricity Department in which case you will be advising me of the conditions of approval and the Department's views on the access question.

G. Mollatt,
Commissioner of Crown Lands.

per: 

Handwritten signature and notes

Commissioner of Crown Lands,
DUNEDIN.

Copy for your information and further to my minute of 28 August.

You will recall that in their letter of 17 July the D.S.I.R. referred to nine sites, five being in this District and four in your District. Enclosed is a copy of later correspondence from D.S.I.R. for your information.

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As you are aware the Nature Conservation Council has no objection to the installation of these stations as advised to you by the Council in its letter of 9 October. Your reference 3/729.

G. Mollett,
Commissioner of Crown Lands.

per: 

Senior Field Officer,
TIMARU.

Copy for your information and referring to your report of 8 October.

G. Mollett,
Commissioner of Crown Lands.

per: 

APPENDIX 3

L. & S.—F. 14A

DEPARTMENT OF LANDS AND SURVEY

OUR FILE: 8/8/107 YOUR FILE: P42

From HEAD OFFICE Date: 19 March 1985

To CCL CHRISTCHURCH


Ref.: Ours/Yours of Person to consult:

Lands and Survey Department
21 MAR 1985
CHRISTCHURCH

SUBJECT: RENEWAL OF PASTORAL LEASE : GRAYS HILLS

Your submission dated 30 November 1984 seeking the approval of the HOC of the LSB to the renewal of the above pastoral lease refers.

The Committee has considered the submission and approved renewal as submitted. Approval was given under HOC LSB Number 85/42 on 15 March 1985. Enclosed is the pink copy of the approved submission together with photographs which were forwarded with the submission.


C G Pemberton
for Director-General

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HEAD OFFICE COMMITTEE

LAND SETTLEMENT BOARD

RENEWAL OF PASTORAL LEASE

FILES: H.O. 8/8/107
D.O. P 42

CASE NO. 84/42

CANTERBURY LAND DISTRICT

LESSEE

GRAYS HILLS STATION LIMITED

LAND HELD IN LEASE

Run 73 (Grays Hills) and Rural Sections 40883, 41614 and 41615 situated in Pukaki, Burke, Gladstone and Mackenzie Survey Districts.

Area: 10609.2595 hectares.

(Area of expired lease is 10720.1195 ha. Area for renewal excludes 110.86 ha. being taken for water power. MOWD confirm that compensation has been settled and ask that area be excluded at renewal. Values have been determined for 10613.9695 hectares, which is close enough).

RUN NAME

"Grays Hills".

LOCATION

Situated on Haldon Road, 32 kilometres from Fairlie, South Canterbury.

PARTICULARS OF TENURE

<u>Tenure:</u>	Pastoral Lease
<u>Term:</u>	33 years from 1.7.51
<u>Expires:</u>	30.6.84
<u>Annual Rental:</u>	\$440
<u>Stock Limit in Lease:</u>	3700 sheep + 10%
<u>Present Stock Increase:</u>	3700 sheep + 10%. (Note: No personal stock increases have been granted since the basic stock limit was set for the lease in 1951).

CROWN IMPROVEMENTS

NIL

OTHER LAND HELD

Freehold 1013 hectares and Canterbury University Endowment Lease 12166 hectares.

PLANS

An illustrative plan of the Run is attached.

PHOTOS

Photos of the Run are enclosed. (Please return).

GENERAL DESCRIPTION

Grays Hills flat is a large open flat adjacent to the Tekapo River, with poor soils and a slightly southerly aspect. Altitude ranges from 490 m to 600 m. Attempts to develop pastures with lucerne on the poorer soils have been largely unsuccessful and improvement could only be achieved on a small area of better soils adjacent to Grays River. Hieracium has infested the whole area and grazing is entirely with wethers for approximately 8 months of the year. The lease is farmed with 1013 hectares freehold and 12166 hectares University lease. There is a small snow risk, however, snow can lie for quite long periods in severe winter conditions.

LAND USE CAPABILITY

<u>Land Class</u>	<u>Area</u>
Class III	2095 ha.
Class IV	610 ha.
Class V	437 ha.
Class VI	5483 ha.
Class VII	2095 ha.
Totals:	10720 ha.

VALUATION

Roll Value as at 1.7.79.

Improvements	27,000
Land Value	185,500
Capital Value:	\$212,500

Valuation for renewal as at 1.4.82 by R.M. Donaldson, District Valuer.

Value of Land exclusive of Improvements	195,000
Value of Improvements	183,000
Capital Value:	\$378,000

Note: The Valuation excludes the area taken for water power.

FIELD OFFICER'S REPORT (Field Officer R.A. Ward-Smith)

1. Variation to basic stock limitation

The present stock limitation in the lease is 3700 sheep. The stock limit should be specified as 3700 dry sheep.

2. Boundary adjustments

Public works - an area of 110.86 hectares of land is being taken from this run for hydro power development along the banks of the Takapo River.

3. Areas to be excluded or protected

(a) Wetlands

A significant swampland developed along the eastern margin of this pastoral lease being fed by numerous streams from the east and the north. Most of this area was freehold in early days and has gradually been drained and developed. All that remains is the margins of the streams and it is desirable that these be protected. The main stream being the Grays River which drains the swamp and flows into the Takapo River at the southern end of the pastoral lease. The lower 10 kms of Grays River bounds the pastoral lease and adequate protection could be given by a Section 58 strip adjacent to the stream. The stream has developed within steep sided high silt banks to form a confined bed,

North of the freehold area which intersects Grays River is an area of approx. 150 ha., a third of which is swampland modified by grazing. The balance is the old flood channels from Sawdon Stream. Due to the impending development of freehold it becomes more important that an upstream water retention buffer remain to assist in containing spring thaw and flood conditions. A covenant to prevent drainage and soil disturbance is all that is required over the area shown "A" on the attached plan.

(b) Access

Two legal roads run diagonally across the pastoral lease plus two roads run north - south, one on the banks of the Takapo River and the other parallel to Edward Stream. Both of these need rationalisation. One road should be retained on the western side of the property adjacent to the land being taken for hydro purposes, and a second road should run diagonally across the lease from the former ferry reserve (R.184) to the Haldon Road adjacent to stock reserve 3843.

(c) Section 58 Land Act reservations

A strip not less than 50 metres wide should be reserved along the bank of the Grays River for protection of the stream. The extra than normal width is needed to protect the adjoining Wetlands running along this side of the stream. The wider Section 58 strip covers the PNA programme survey related to Grays River. It may not cover the whole area considered but this was an area that Reserves Ranger Gould and Field Officer Ward-Smith closely inspected and considered that the wider 50 metre strip right along Grays River was quite adequate and sufficient.

FIELD OFFICER'S RECOMMENDATIONS

Field Officer Ward-Smith recommends that the lease over "Grays Hills" be renewed for a further term subject to the following conditions:

- (i) That the stock limit shown in the lease document be shown as follows:
not more than 3700 dry sheep.
- (ii) That action be taken to transfer the roads coloured yellow on the attached plan to the Crown and incorporated into the lease.
- (iii) That the values be adjusted to account for an area of 110.86 hectares which is to be taken for hydro power development.
- (iv) A Section 58 strip not less than 50 metres in width be laid off along the Grays River south of Rural Section 32649.
- (v) That legal access be retained on the western side of the Run adjacent to land being taken for hydro purposes, including the roads cutting diagonally across the lease from the former ferry reserve (R.184), now R.S. 41614 and 41615, to Haldon Road adjacent to Stock Reserve R.3843.
- (vi) That the Wetlands, comprising 250 ha., situated north of the freehold area bisecting Grays River, be protected by means of a covenant to prevent drainage and soil disturbance.

LESSEES' COMMENTS

The lessees are in agreement with the provisions shown under 2 (boundary adjustments), 3 (areas to be excluded or protected), 3(b) (access) and 3(c) (Section 58 reservation). However, it is understood that a road line would not be proclaimed adjacent to the Takapo River and at the most it would be a Section 58 reserve as discussed with the Chief Surveyor. They had some apprehension about the Section 58 strip along the Grays River being 50 metres rather than 20 metres, however, they generally agreed that it would be satisfactory.

The lessees strongly commented that they would not be in a position to accept a renewal of their lease next year unless the funding of rabbit destruction was finalised. They contend that with the withdrawal of subsidy to pest destruction boards and the increasing cost of pest destruction, that this must reflect on the value of the land and the ability of lessees to pay for these works together with rentals.

It is noted that the values have been set at a time when subsidies for pest destruction were a regular happening and likely to continue, however, thinking by the present government is on a user pays basis and runholders are fearful that the cost of pest destruction could rapidly escalate, however, they would still be paying rental based on a valuation set when subsidies for this work were available.

This Department should be well aware of the effects that changes in pest destruction policy may have on the viability and stability of pastoral run country.

SENIOR FIELD OFFICER'S COMMENTS (P. Washbourn)

SFO supports the Field Officer's recommendations, particularly the provision for an extra width Section 58 strip along the bank of the Grays River.

DISTRICT FIELD OFFICER'S COMMENTS (D.D. Webster)

I agree with the recommendations.

Under the proposed reclassification policy this leasehold could qualify for almost entire freeholding - notwithstanding the fact that pastoral is the correct classification currently. It is therefore desirable to ensure protection of the area "A" to be covenanted, and to reserve the Section 58 requirement.

CHIEF SURVEYOR'S COMMENTS (G. Wilson)

A new plan will have to be compiled excluding areas required for Water Power Development and to include stopped road and hopefully resumed road. R.S. 40883, 41614 and 41615 can also be added. Please ensure Section 58 is brought down as a clause in new lease.

The Chief Surveyor has discussed the recommendations on the provision of legal access with Field Officer Ward-Smith and supports the proposed access to the legal road from Haldon Road at the north-east corner of Grays Hills pastoral lease. However, the Chief Surveyor considers this cannot be legal road as the Department would be up for formation costs if it attempts to provide this form of access. He therefore suggests the exclusion of a 20 m strip of land, to remain as Crown land, parallel to the north-east boundary between the undefined legal road which bisects Grays Hills and R.S. 40881. However, to link up this 20 m strip with Haldon Road it will be necessary to obtain access over either R.2917 vested in the Mackenzie County Council for Forestry or "Glennock" pastoral lease, being Run 254.

The Chief Surveyor considers that the access road proposed by Field Officer Ward-Smith adjacent to the land taken for water power development along the Tekapo River is not acceptable for the same reasons as set out above. This has been accepted by Field Officer Ward-Smith. Both the Chief Surveyor and the Field Officer believe that some formal access arrangement must be negotiated with the Ministry of Energy over the land taken for water power development in exchange for the loss of legal access by the taking of legal roads along both sides of the Tekapo River. If some arrangement can be made by the Department to allow access except at the times they wish to release water, there will be no need to provide alternative public access (either a R.O.W. or 20 m strip of Crown land) from within the pastoral leases adjoining.

The unformed legal roads shown yellow on the plan can be absorbed in and actioned with the survey of the land taken for hydro power which NZED is currently actioning.

CHIEF PASTORAL LANDS OFFICER'S COMMENTS

1. LSB policy states (11.1) that the stock limit in the expiring lease or licence is carried forward at renewal. The value of this limit is as an historical benchmark, and unless the area of the lease has been altered substantially, it should be simply carried forward with no variation.

I do not agree with FO's recommendation (i).

The limit should be carried forward as 3700 sheep.

2. I agree with FO's recommendations (ii), (iii), (iv) and (v).
3. I disagree with the DFO's comments, and those of my predecessor, concerning classification of the land. What we are doing is renewing a pastoral lease, not reclassifying or confirming classification of the land per se. If we state that the classification of the land is correctly pastoral or is confirmed as pastoral, I believe we could then not consider any application for reclassification until there had been a significant alteration of technology for example, to justify a change of classification to farmland.

I do not agree with recommendation 1. The statement is not required, as I believe irrelevant in this exercise, and could be construed as denying the opportunity of reclassification in the foreseeable future.

COMMISSIONER OF CROWN LANDS' COMMENTS

1. I see no harm at all in the DRO's comments with respect to classification and would suggest the CPLO is making too much of the technical implications. It is my opinion that since the Board is considering a renewal, it is appropriate for the purposes of the renewal for the Board to classify the land as pastoral. If and when the Board receives an application to reclassify the land in the lease it can then consider the matter of classification on its merits.
2. I agree with CPLO that in terms of the Board's high country policy 11.1, the stock limitation should be carried forward to the renewal lease as is.
3. The only area covered by the recently completed PMA report is the 350 hectares of wetland vegetation alongside Grays River (Item 12, page 41). This is described as a remnant of the previously extensive Grays swamp containing the best Carex swampland remaining in the district and also an important wildlife habitat. Prior to the availability of this report, the FO was proposing that part of this area - a 50 metre strip - of this area be preserved pursuant to Section 58 of the Act. S.58(1) is concerned with the provision of access to lakes, rivers and streams. A 50 metre wide strip is more than adequate for access and the lessee has agreed to this. To increase this area to take in all the area identified by the PMA report would take the proposal outside the realm of providing access to one of providing a reserve. This should be taken up with the lessee as a post renewal matter.

RECOMMENDATIONS

1. That pursuant to Section 51 Land Act 1948 the classification of the land in the above Run be confirmed as pastoral.
2. That pursuant to Section 131 Land Act 1948 the values for renewal purposes be fixed as follows:

(a) Value of Improvements	\$183,000
(b) Value of Improvements included in Rental Value	---
(c) Value of land exclusive of Improvements	\$195,000
3. That the lease be renewed pursuant to Section 66 Land Act 1948 on the following conditions:
 - (a) The annual rent for the first 11 years of the new lease based on 1½% of 2(c) above be fixed at \$2,925.00, the rental after the initial period to be 2½% (less 1/9th rebate) of the then LEI and lease to be subject to 11 yearly reviews of rent.
 - (b) The stock limit to be shown in the lease document to be set as follows:

not more than 3700 sheep.
4. X (a) That the unformed legal roads coloured yellow on the attached plan be ~~returned to~~ ^{resumed by} the Crown and considered for incorporation into the lease in a post renewal situation.
 - (b) That a 20 metre wide strip be retained parallel to the north-east boundary between the undefined legal road which bisects "Grays Hills" and R.S. 40881 (linking up with Haldon Road via access over either R. 2917 or Glenrock Pastoral lease being Run 254) to remain as Crown land.
 - (c) That the Wetlands comprising 250 hectares which bisects the Grays River situated north of the freehold area, be protected by means of a covenant under the Land Act 1948 to prevent drainage and soil disturbance.
5. (a) That pursuant to Section 58 Land Act 1948 a strip of land not less than 50 metres wide be reserved along the Grays River south of R.S. 32649, by way of amendment to the existing clause contained in the lease.
 - (b) That a general provision be included in the renewed lease to the effect that pursuant to Section 58 Land Act 1948 a strip of land not less than 20 metres in width along both sides of all other streams and rivers be excluded from the lease.

6. That the matter of the public's right to use the formed access in the area being taken for water power be taken up with Energy Division and clarified.

DECISION

HEAD OFFICE COMMITTEE
15 MAR 1985
APPROVED