

Crown Pastoral Land Tenure Review

Lease name : GRAYS HILLS

Lease number : PT 042

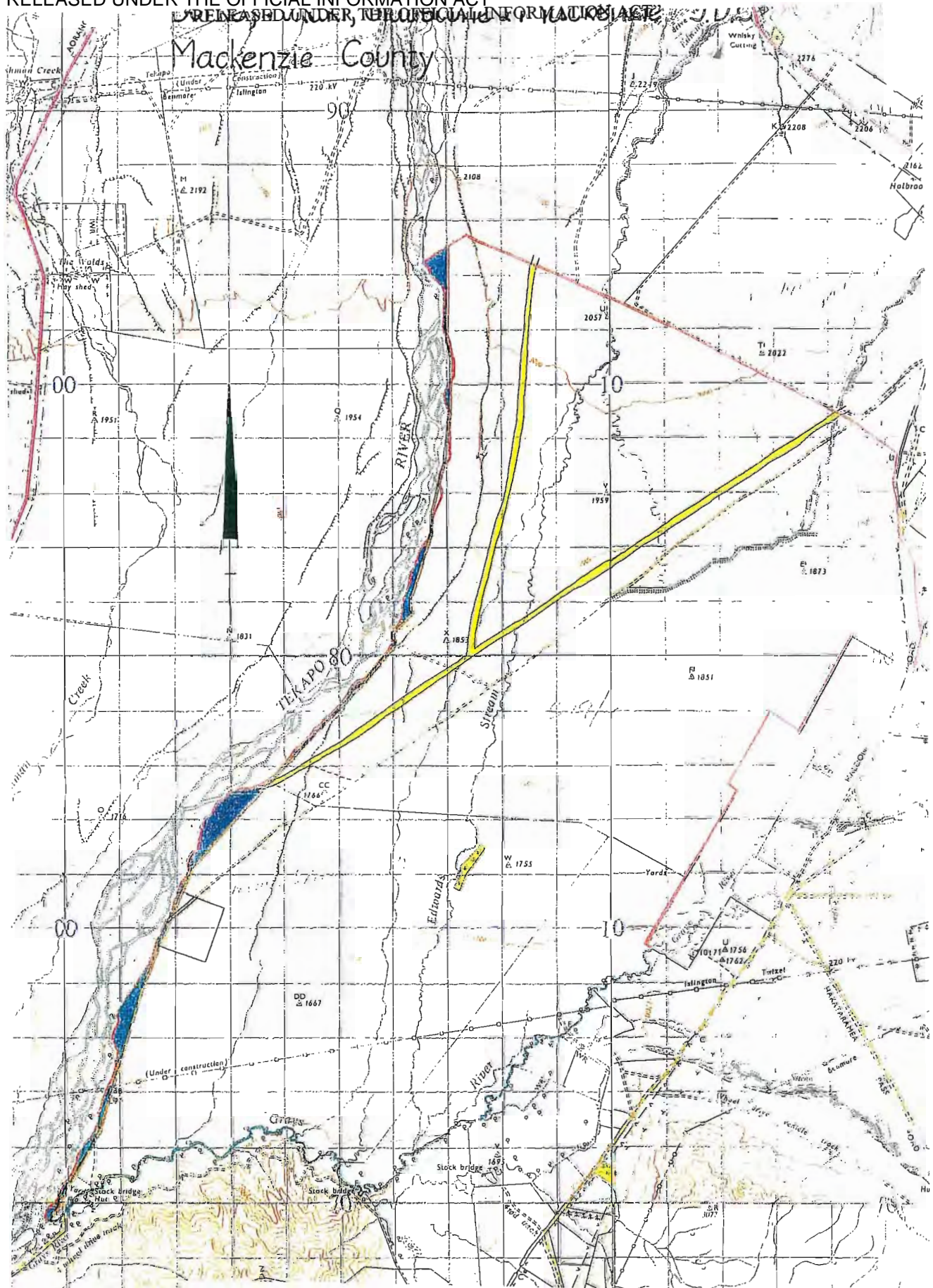
Due Diligence Report (including Status Report) - Part 2

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



Pt Run 73 'Grays Hills' + R.S.'s 41614+41615

Area: 10720.1195 ha

Land ^{to be taken for} water power

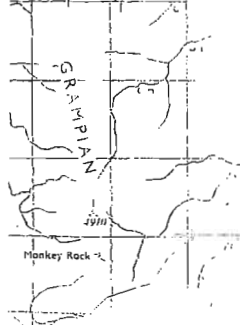
Area: 114.4800 ha

Roads ^{to be retained or established}

Roads ^{to be transferred to the crown} to be resumed _(for occupation into the loss)

Sec 58 strip required

Scale 1:63360



CU & CADV

323

r Webster

JOC

799 760

Private Bag
CHRISTCHURCH

15 May 1985

CONFIDENTIAL COPY PROVIDED TO
LINZ (CROWN PROPERTY MANAGEMENT)
CONTRACTOR FOR PURPOSES ASSOCIATED

The/Manager/
Grays Hills Station Ltd
Grays/Hills
FAIRZIE /

WITH CONTRACT 5027 ONLY.
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Dear Sir

73

RENEWAL OF PASTORAL LEASE - RUN 74 (GRAYS HILLS) AND
RURAL SECTIONS 40883, 41614 AND 41615 SITUATED IN PUKAKI, BURKE,
GLADSTONE AND MACKENZIE SURVEY DISTRICTS - AREA : 10609.2595 HECTARES

As you know your pastoral lease over the above land expired on 30 June 1984.

I am pleased to say I can now inform you that the Land Settlement Board has pursuant to Section 66 of the Land Act 1948 approved the renewal of your lease for a further term of 33 years from 1 July 1984.

The values for renewal, determined by the board, pursuant to Section 131 of the Land Act 1948 have been fixed as follows:

(a) Value of Improvements	\$183,000
(b) Value of Improvements included in Rental Value	Nil
(c) Value of Land Exclusive of Improvements	\$195,000

The yearly rent for the first eleven years of the new lease is based on 1½% of the value of (c) above which is \$2,925.00 and the yearly rent after the initial period will be calculated at 2½% (less one-ninth rebate) of the then land exclusive of improvements and the lease is issued subject to eleven yearly reviews of rent.

The stock limit to be shown in the lease document has been set as not more than 3700 sheep + 10%.

Note: The lease will provide that the number may at your discretion be increased by 10%. This stock limit does not however affect any personal stock limits granted to you as lessee which can be varied from time to time with my consent.

...

The board has approved the renewal of your lease subject to the following conditions:

- ✓ 1. A 20 metre wide strip being retained parallel to the north-east boundary between the undefined legal road which bisects "Grays Hills" and RS 40881 (linking up with Haldon Road via access over either R 2917 or Glenrock pastoral lease being Run 254) to remain as Crown land.
- X 2. The wetlands comprising 250 hectares which bisects the Grays River situated north of the freehold area, being protected by means of a covenant under the Land Act 1948 to prevent drainage and soil disturbance (area marked A on attached plan).
- X 3. Pursuant to Section 58 Land Act 1948 a strip of land not less than 50 metres wide being reserved along the Grays River south of RS 32649, by way of amendment to the existing clause contained in the lease.
Note: This area has been identified in the Protected Natural Area Programme Report recently completed on the Mackenzie Ecological Region as being an important wildlife refuge. It is a remnant of the previously extensive Grays Swamp and contains the best Carex swamp-land remaining in the district.

While the provision of a 50 metre strip will preserve public access to this important area, further investigations may deem it necessary to protect the total wetlands complex by means of a protective covenant and I propose to discuss this further with you in the near future.

- X 4. A general provision being included in the renewed lease to the effect that pursuant to Section 58 Land Act 1948 a strip of not less than 20 metres in width along both sides of all ^{or her} streams and rivers over 3 metres wide be excluded from the lease.

The board has directed me to investigate the following additional matters on a post renewal basis:

- ✓ 1. The unformed legal roads coloured yellow on the attached plan being resumed by the Crown and considered for incorporation into the lease.
- X 2. The matter of the public's right to use the formed access in the area being taken for water power being taken up with Energy Division. I propose having discussions with the Ministry of Energy with the view to allowing public access along the Tekapo River adjoining the land taken for water power, except at times when they wish to release water from Lake Tekapo.

In the meantime as I informed you in my letter of 28 May 1984 the increased rental on your new lease will not be effective until 1 March 1985. Although the term of your new lease will commence from 1 July 1984, the existing annual rental will apply until 1 March 1985. Any rental paid beyond the date at the old rate will be credited against your rent account towards the new rental.

...

... Finally full details of the renewal values are set out on the enclosed notice. Please note that the area for renewal excludes 110.86 hectares being taken for water power. Ministry of Works and Development confirm that compensation has been settled and have asked that this area be excluded at renewal.

... Section 132(1) of the Act requires that you notify me within six months of receipt of this letter to the effect that you elect any of the options as set out in the attached notice of election pursuant to Section 132 of the Land Act 1948.

Yours faithfully

D.D. Webster
for Commissioner of Crown Lands

Encl.

SFO
TIMARU

Copy for your information together with a copy of the renewal submission approved by HOC/LSB for your records. This case is to be discussed at the next workmeet to be held on 10 May 1985.

DDW
D.D. Webster
for Commissioner of Crown Lands
27/5
Encl.

NOTICE BY COMMISSIONER TO LESSEE PURSUANT TO SECTION 131 (6) /
OF THE LAND ACT, 1948, INFORMING THE LESSEE OF THE VALUES OF THE
LAND IN THE LEASE FOR RENEWAL PURPOSES

The Manager
Grays Hills Station Limited
Grays Hills
FAIRLIE

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

Area 10 609.2595 hectares

Your pastoral lease over the above land expired on 30 June 1984 and in
pursuance of section 131 of the Land Act, 1948, the following values of the
land have been ascertained:

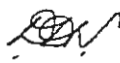
(a) Lessee's improvements	\$183,000
(b) Crown improvements	-
(c) Land exclusive of improvements	\$195,000

Section 132(1) of the Land Act, 1948, requires you to notify me in writing,
within six months after the receipt of this notice, to the effect:

- (a) That you accept the offer of a renewal pastoral lease based on the values set out in this notice; or
- (b) That you do not desire a renewal pastoral lease and agree to the value of the lessee's improvements under paragraph (a); or
- (c) That you do not desire a renewal pastoral lease, but require the value of the lessee's improvements under paragraph (a) to be fixed by the Land Valuation Tribunal; or
- (d) That you desire a renewal pastoral lease and require the values (or any of them) to be fixed by the Land Valuation Tribunal.

Section 132(2) provides that if you omit to notify the Commissioner within the prescribed time you are deemed to have accepted a renewal pastoral lease at a rental calculated on the value of the land exclusive of improvements - that is, \$2,925, being ~~1/2~~ on \$195,000.

A copy of the prescribed form of notification is enclosed for your use.


D.D. Webster
for Commissioner of Crown Lands

Encl. Notification of election

NB: The yearly rent quoted in this notice is for the first period of 11 years of the term of the renewal pastoral lease and the rent for each of the next two successive periods of 11 years of the said term will be determined in the manner provided in section 132A of the Land Act 1948.

NOTICE BY LESSEE OF ELECTION UNDER SECTION 132 OF LAND ACT, 1948

Grays Hills Station Ltd
Grays Hills
FAIRLIE

The Commissioner of Crown Lands, Christchurch

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

In respect of your notice of 15 May 1985 in pursuance of subsection (6) of section 131 of the Land Act, 1948, setting out the values placed upon the above land for renewal purposes, I hereby make the following election:

I accept the offer of a renewal pastoral lease at a rent based on the values set out in the said notice.

(or I do not desire a renewal pastoral lease and agree to the value of the lessee's improvements as set out therein).

(or I do not desire a renewal pastoral lease and require the value of the lessee's improvements to be fixed by the Land Valuation Tribunal.)

(or I desire a renewal pastoral lease and require the value of the lessee's improvements and the value of the land exclusive of improvements to be fixed by the Land Valuation Tribunal.)

(or I desire a renewal pastoral lease and require the value of the lessee's improvements to be fixed by the Land Valuation Tribunal.)

(or I desire a renewal pastoral lease and require the value of the land exclusive of improvements to be fixed by the Land Valuation Tribunal.)

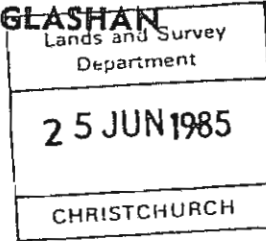
Signature
Lessee

RAYMOND SULLIVAN COONEY & McGLASHAN

TELEPHONE (056) 45-179 (5 LINES)
P.O. BOX 557

BARRISTERS AND SOLICITORS

WYN RCHDALL RAYMOND, LL.B.
EDWARD ORAL SULLIVAN, LL.B.
CHRISTOPHER JOHN COONEY, LL.B.
JOHN ROBERT McGLASHAN, LL.B.



27 STRATHALLAN STREET,
TIMARU, N.Z.

WHEN REPLYING PLEASE REFER TO Mr E O Sullivan 18 June 1985

The Commissioner of Crown Lands,
Department of Lands & Survey,
Private Bag,
CHRISTCHURCH.

Dear Sir,

⁷³
re: Your reference P42

Renewal of Pastoral Lease - Run 74 Grays Hill & Rural Sections
40883, 41614 and 41615 situated Pukaki Burke Gladstone
& Mackenzie Survey Districts - Area 10609.2595 hectares

Your letter of the 15th of May to Grays Hill Station Limited
has been referred to this office.

Would you please note:

1. The value of improvements is accepted.
2. The value of land exclusive of improvements is accepted.
3. The rent \$2,925.00 is accepted.
4. Our client considers that the rental should run not from the 1st day of March 1985 as specified but the 1st day of March 1986, and further that in view of the time it has taken for this matter to be resolved that the lease for the purposes of determining the next review of rental be a period 11 years from this date of commencement of the rent pursuant to the renewed lease.

that is correct.

We note the acceptance attached to the letter does not relate to the terms and conditions of the 15th of May 1985 but is merely acceptance on the basis of values as set out in that letter.

Please note the values are accepted. Would you please further note that our clients do not accept the further conditions of the renewal of lease without clarification.

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-2-

The matters our clients do not object to are as follows:

1. Both paragraphs 1 on page 2 of your letter of 15th May relating to the resumption of unformed legal roads and the granting of the undefined legal road.
2. In respect of the wet land we note that it is proposed these be protected by means of a protective covenant. In particular we refer to the 250 hectares shaded blue and marked "A" on the plan enclosed with your letter.

Our clients have no objection to these lands being not drained provided the lands are not fenced or excluded from the lease and the protective covenant does not prevent them from grazing that area of land in the normal farming programme. It may be of some assistance if a copy of the proposed covenant affecting these lands were made available.

Our clients would be strongly opposed to any question of fencing off of this area without their express written consent.

3. We note that pursuant to Section 58 of the Land Act you propose that a strip of land not less than 50 metres wide be reserved along the Glaze River south of Rural Section 32649. Rural Section 32649 was not indicated on the plan. If this is the area hatched blue on the plan as "wetlands area identified by PNA Survey" then our client would likewise be concerned as to this width being excluded from the lease. If the area was likewise protected by a protective covenant and was retained in the lease then provided the protective covenant to our clients satisfaction they would be happy to consider this on a like basis. They are concerned that the area identified is in fact greater than the area contained in "the best Carex swampland remaining in the district". They consider that the most important part of that area is only in the north east of the area shown as striped blue on the plan. This needs further consideration. Likewise our clients will require the continuation of access to this strip for grazing and for stock access. The comment has been made by Mr L.D. Urquhart that fencing of this area would be most impracticable having regard to the flood channel. *- no if it is not.*
4. We note that there is a general provision pursuant to Section 58 that a strip of not less than 20 metres in width along both sides of all other streams and rivers over 3 metres wide be excluded from the lease. While it is accepted under the provisions of Section 58 of the Land Act there is power on a renewal for the Board to exclude land in accordance with that section. We note that it is to be "equitable and in the public interest". We do not believe that a blanket reservation as proposed is either equitable or in the public interest. Likewise the streams

-3-

and rivers should not be excluded from grazing and stock access as they form a very important part of the proper and effective overall station management.

5. It is noted the land taken by the Ministry of energy is to be excluded. This is a matter which has already been determined and is agreed to. It is accepted that the compensation has been made for this land.

We would advise that Messrs L.D & D. Urquhart, the Directors of Grays Hill Station Limited are happy to discuss this with officers of the Department.

Yours faithfully
RAYMOND SULLIVAN COONEY & McGLASHAN



7375c
JAP

CC: Mr L.D. Urquhart, Grays Hill Station, Private Bag, Fairlie.

CC: Mr David Urquhart, 149 Morgans Road, Timaru.

381

r Bradley

WB

799 760

Private Bag
CHRISTCHURCH

7 October 1985

Messrs / Raymond Sullivan Cooney
 / McGlashan
Barristers and Solicitors
P.O. / Box 557
TIMARU

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ATTENTION : Mr E.O. Sullivan

Dear Sirs

RENEWAL OF PASTORAL 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

I refer to your letter dated 18 June 1985 and apologise for the delay in replying to you on this matter. However, the delay has been occasioned by the fact that I am at present concentrating on advising a number of lessees of their renewal terms whose leases expired on 30 June 1984 and feel these must be given priority over follow-up negotiations with lessees who have already been advised of the renewal values.

I am now at a stage where I can follow up the matters you have raised in your letter and would comment as follows:

1. Firstly, I have sought advice from my Head Office on a departure from normal policy to allow a remission of rent until March 1986. However, I would point out that Section 66(7) of the Land Act provides for the "... yearly rent payable ... for every period of 11 years ...". This section then applies part VIII and in this case particular reference should be made to Section 131(5) which would mean the yearly rent for the first 11 years "... shall be 1 1/4% ...". Therefore I cannot alter the time frames as set down in the Act (except the charging of full rent due to the Rent Freeze of which I have already notified your client). Rent is set as at the renewal date, i.e. 1 July

1984 and this is reviewed on an 11 yearly basis from that date. Rent periods must run from 1 July 1984 and be charged from the expiry of the Rent Freeze. Any extension of the old rent as suggested by you must be considered as a remission under the provisions of Section 138 of the Land Act 1948. I will let you know as soon as I receive advice from my Head Office on this matter.

2. Your comments under 2, 3 and 4 of your letter are noted relating to protection of wetlands and the provision of Section 58 strips. Firstly, I would point out that provision already exists in the lease for the exclusion of a 20 metre strip pursuant to Section 58 Land Act for access and this provision must be carried on to the new lease and cannot be altered under any circumstances. On reviewing the matter the department accepts that a strip in excess of 20 metres is a matter for negotiation between the department and your client. Therefore the department proposes to negotiate a covenant under the Land Act 1948 to protect the areas identified under 2 and 3 of my letter dated 15 May 1985.

I have therefore asked the Senior Field Officer at our Timaru Office to contact your client in the near future with the view to negotiating a suitable covenant for the protection of the areas I have referred to above and your client can expect to be contacted in the near future on this matter.

Incidentally Rural Section 32649 is not the area hatched blue on the plan as the wetlands area identified by the PNA survey. This rural section is situated somewhat further south and does not affect any of the environmental areas.

Any covenants negotiated with your client could possibly provide for grazing of these areas on a restrictive basis and I feel confident that your client's concerns can be met in this respect.

In the meantime I have noted that your client accepts the renewal values as advised.

Yours faithfully



F.M. Bradley
for Commissioner of Crown Lands

SFO
TIMARU

Copy for your information together with a copy of the reply received from Messrs Raymond Sullivan Cooney & McGlashan. You will note that in terms of the Land Act 1948 a Section 58 strip cannot be in excess of 20 metres and any extension beyond this must be agreed to by way of negotiation. However, I understood that the lessee agreed to a 50 metre wide strip in this case. Notwithstanding this, the District Solicitor feels that the protection of the wetlands of the PNA areas should be achieved by way of a suitable covenant. You will also note that the Section 58 provision already exists in the lease and must be carried on the new lease at renewal. Therefore there is no question of further negotiation on this aspect.

Would you please carry out the necessary negotiations with the lessee in order to effect the conditions of renewal as advised to the lessee in my letter dated 15 May 1985. You will note that the lessee has accepted both conditions 1 on page 2 of the renewal offer. The only matters needing further negotiation are items 2 and 3 on page 2 of the letter. It will also be necessary to have discussions with the Energy Division of NZED with the view to allowing public access along the Tekapo River adjoining the land taken for water power, except at times when they wish to release water from Lake Tekapo - see condition 2 on page 2 of the renewal advice. In this respect you should bear in mind the Chief Surveyor's comments on page 5 of the renewal submission which you should have a copy of in your office.

I would appreciate your report on the results of your negotiations in due course.



F.M. Bradley
for Commissioner of Crown Lands

Department:

Section:

File No.

Date:

Subject

Lease Renewal.

To-

During the PASAC visit to the Mackenzie in February, Mr Duncan Urquhart of Grays Hills Flats mentioned the correspondence he had had with the office over his renewal and I gathered there was some difficulty about it that might be cleared up over a discussion and I gave an undertaking that I would try to make an appointment before he left for overseas on 25 March.

I have had a look at the file (see p. 383) and can see there would be no point in having a discussion with the lessee until

1. We receive details of PASAC's recommendations
2. Head office has completed its S.58 review.

I have contacted Mr Urquhart by phone and explained this to him.

Please pass this on to Timaru for the benefit of Mr Ward-Smith.

Has there been any response from Head Office to our letter of 7.10.1985!

Mr Urquhart will be back in NZ by the end of May. His partner, David Urquhart lives at Morgans Road, Timaru.

John Cunningham
16
17. 3. 86.

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(1) VALUES

ACCEPT

Increased rent should not commence until 1.3.
First rent review should be 11 years from then.

(2) CONDITIONS

1. 20 metre access strip

ACCEPT

2. 250 hectares - wetlands covenant Area A.
- prevention of drainage & soil disturbance

ACCEPT, provided not fenced or excluded from
lease, and grazing can continue in normal
burning programme.

3. S 58 strip of 50 metres

DOESN'T SEEM TO UNDERSTAND THE REQUIREMENT
NO CLEAR AGREEMENT

4. GENERAL S 58 PROVISION OF 20 metres

NO CLEAR ACCEPTANCE

Better to defer pending PASAC report on PNA.
If lessee doesn't accept, they must be seen
post-renewal matters.

Head Office have this matter under review - Better
defer.

POST RENEWAL MATTERS

1. RESUMPTION OF UNFORMED LEGAL ROADS
& INCORPORATION IN LEASE

ACCEPT

2. Arrangements with Ministry of Energy
for public access along State Hydro land
along Lake Tekapo.

NO COMMENT

F) Exclusion of land (110.86 ha) being taken for
water power.

ACCEPT

RELEASED UNDER THE OFFICIAL INFORMATION ACT

FURTHER ADVICE TO
LESSEE, 7-10-85

Referred to Head Office
Can't alter

1-3-86

Solicitor says time frames can't be altered

S 138 a possibility for remission

NA Press
re: as

RELEASED UNDER THE OFFICIAL INFORMATION ACT

Re to

Solicitor says a strip greater than 20 metres a
matter for negotiation

Cannot accommodate PNA proposals under the guise of S. 58. Purpose is access.

lessee has no rights to graze S. 58 strips, see S. 176(2). Already excluded by covenant in original lease S. 58(4) does not apply.

Accept that anything in excess of
20 metres a matter for negotiation.

Already provided in lease for 20 metres

unhappy

Department:

Section:

File No.

Date:

Subject

To-

ACB

Mr Duncan Longhart called by telephone on 1/10/86.

He said he did not seem to be making any headway over household matters. He reminded me of my suggestion that we might have an in site meeting and wondered if this was still on.

He said that if they can't get more clarity, he may not keep the lease as the viability was very marginal with wood and pest costs increasing. He paid the new rental in July but not the backlog.

He didn't want it to sound like a threat but if he doesn't receive assistance with pest funding, surrender of lease is a distinct possibility.

John Cunningham
28.10.86.

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APPENDIX 4

Raymond Sullivan McGlashan



BARRISTERS & SOLICITORS

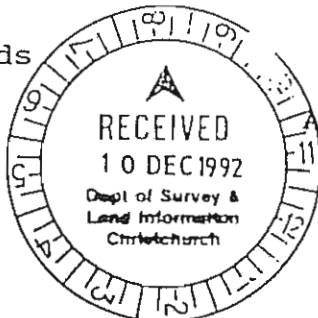
17 Stratford Street, Timaru, New Zealand P.O. Box 557 Fax (03) 688-0145 Telephone (03) 684-5179

When replying please refer to: Mr E O Sullivan

9 December 1992 *10/12/92*

*Receipts.
Please return with
40/14/93, 40/14/4/1/29
or 40/14/4/1/38/1*

R The Manager
Lands and Property
Office of Crown Lands
Private Bag 4721
CHRISTCHURCH



Attention: S R Gilbert *10/12*

Dear Sir

re: Grays Hill Station Limited

We enclose herewith in duplicate duly executed under Seal, the Memorandum of Agreement. Would you please arrange for execution by the Crown and return our copy to us in due course. Could you please advise a settlement date in due course and we will let you have a GST Invoice.

Yours faithfully
RAYMOND SULLIVAN McGLASHAN

EOS:AW

Encs
2d

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OFFICE OF CROWN LANDS

Memorandum of Agreement

40/14/93
40/14/4/1/39
File Reference: 40/14/4/1/39/1

Full Name, Address, and Occupation of Owner

GRAYS HILLS STATION LIMITED, C/- Messrs Raymond Sullivan and McGlashan, Barristers and Solicitors, Timaru

(called the Owner) being the owner/lessee of the land described below for an estate of freehold/leasehold in possession offers to sell to the Crown for the sum of \$ 13,921.64 (inclusive of GST, if any)

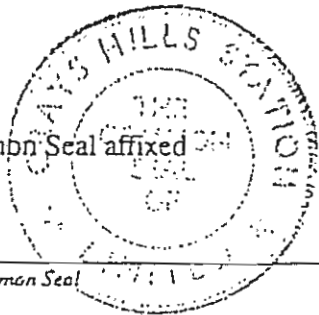
*free of all leases and tenancies and discharged from all encumbrances

all the piece(s) of land comprising about 289.4150 hectares/square meters being refer addendums A and B attached

and being all or part of the land in Certificate of Title Registry (called the Land) on and subject to the conditions set out in the Schedules:

The Owner agrees to execute a transfer of land or alternatively at the option of the Crown the Owner agrees to the land being taken by Proclamation or Declaration under the Public Works Act 1981, and to accept the above sum in full settlement of compensation for the land together with the rights, easements, and appurtenances thereto belonging and of all claims and demands in respect thereof or in respect of damage to the surrounding land by severance or otherwise howsoever;
And the Owner authorises the Crown to retain and pay (if demanded) to the persons entitled the whole or a sufficient portion of the compensation to release the land from all encumbrances affecting the same;
And the Owner further agrees to adduce a good title to the land and to comply with the requirements set out in the Schedules.

*Signed by / *Common Seal affixed
*Signature of Owner / *Common Seal
*Name of Signatory / *Name of Company



in the presence of:
*Name of witness / *Signature of Director
*Address of witness / *Signature of Director
*Occupation of witness / *Signature of Secretary

I accept the above offer to sell / confirm the above agreement to take by Proclamation or Declaration.

Signed by: [Signature]
Signature of Authorised Officer
Acting on behalf of the Crown pursuant to Section 4B of the Public Works Act 1981 and pursuant to delegated authority
Name of Authorised Officer

in the presence of:
[Signature]
Name of witness
DEPT OF SURVEY & LAND INFORMATION
Address of witness
Legal Clerk, Christchurch
Occupation of witness

delete if not applicable

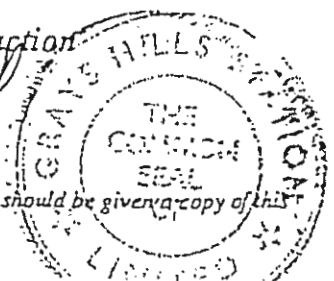
Schedule A: Conditions Relating to Transfers

- (1) Date of Settlement
The date of settlement shall be:
(a) One month from acceptance of offer if survey is not required for giving title or,
(b) Three weeks from depositing of land transfer plan if survey is required for giving title. Crown will do survey.
- (2) Date for Possession & Apportionments
Vacant possession of the land shall be given to the Crown and net rates shall be apportioned on the date of settlement and for this purpose the latest rate demand received by the Owner up-to-date duly received shall be forwarded to the Crown.
- (3) Execution of Transfer
Upon payment of purchase money and any apportionments by the Crown the Owner and all other necessary parties will execute in favour of the Crown a valid conveyance or other assurance of the land free from encumbrances, such document to be prepared by and at the expense of the Crown and to be given to the Owner for execution.
- (4) Possession subject to Tenancy [delete "Vacant ... and" from (2)]
The Owner shall advise the full name of each tenant, the rent payable and when, the nature of the tenancies (weekly, monthly etc.) and the date to which rent is paid; the Owner shall collect up to date of settlement, after which the Crown will collect.
- (5) Insurance
Insurance premium shall not be apportioned and the land shall remain at the sole risk of the Owner and if any damage is done to the land prior to settlement other than by the Crown such damage shall be made good by the Owner prior to settlement or the cost of making good such damage shall be deducted from the purchase money.
- (6) Survey by Owner if applies delete last sentence of (1)b.
The survey shall be done by and at the expense of the Owner and if the Crown considers the Owner is not taking reasonable steps to have the plan deposited without delay the Crown may give to the Owner by registered letter notice that it requires the plan to be deposited within a period of six months from the date of notice and if at the expiration of such period of six months from the date of such notice the plan has not been deposited the Crown may arrange for any necessary survey to be carried out or completed and a plan of the land deposited in the Land Transfer Office and the cost of such work shall be deducted from the purchase money.
- (7) Compensation
The Owner acknowledges that the above sum is in full settlement of compensation pursuant to the provisions of the Public Works Act 1981 for the land together with the rights, easements and appurtenances thereto belonging and of all claims and demands in respect thereof or in respect of damage to the surrounding land by severance or otherwise howsoever.

Schedule B: Conditions relating to land taken or to be taken by Proclamation or Declaration

- (1) Acquisition of Title
The Crown will take title by Proclamation or Declaration but may register a compensation certificate against the title pending issue of the Proclamation or Declaration to facilitate settlement.
- (2) Possession
Vacant possession of the land shall be given to the Crown and net rates shall be apportioned on settlement which shall be no later than one month(s) from date of acceptance of offer.
- (3) Mortgagees' Statements
As the issue of the Proclamation or Declaration will clear the land of any encumbrance the Owner shall advise whether the land is subject to any registered or unregistered mortgage, lien, or charge. If the land is so subject the Owner or his solicitor shall forward to the Crown a statement signed by each Mortgagee and holder of the lien or charge setting out the amount required to be paid to it in discharge or reduction of the mortgage debt or for the release of the lien or charge.
- (4) Rates
Unless the land is part only of the Owner's property in the same holding on the rating roll the Owner shall forward to the Crown the latest rate demand received by him up to date duly received as to payment.
- (5) Possession Subject to Tenancy : delete "Vacant ... and" from (2)
The Owner shall advise the full names of each tenant, the rent payable and when, the nature of the tenancies (weekly, monthly, etc.) and the date to which the rent is paid. The Owner shall collect all such rent up to day of settlement of the said sum after which the Crown will collect.
- (6) Insurance :
Insurance premium shall not be apportioned and the land shall remain at the sole risk of the Owner and if any damage is done to the land prior to settlement other than by the Crown such damage shall be good by the Owner prior to settlement or the cost of making good such damage shall be deducted from the purchase money.

Schedule C: see attached page for any conditions special for this transaction



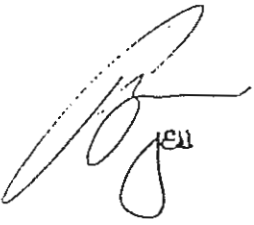
Note: The Owner should initial this side of the page and any alteration in print and additions to print and should be given a copy of this form for his own use.

Te Puna Korero Whenua

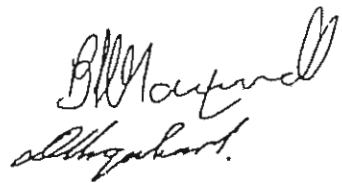
Memorandum of Agreement *continued*

Schedule C: Special conditions relating to this transaction

1. The lessee acknowledges that the said sum of \$13,921.64 is full and final compensation for the taking of the lessees interest in the said land.
2. Net rates shall not be apportioned on settlement.
3. The lessee consents to the stopping of the road defined on addendums A and B.
4. The lessee shall make no claims against the respective lessors for reductions in rentals arising from the taking of the respective leasehold interests.



[Handwritten signature]

[Handwritten signature]

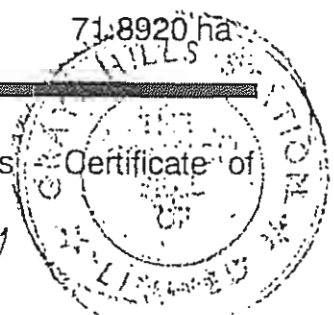
APPENDUM A

UPPER WAITAKI POWER DEVELOPMENT
 UNIVERSITY OF CANTERBURY LAND
 LESSEE : GRAYS HILLS STATION
 LAND REQUIREMENTS

Required for Water Power Development			Road to be Stopped		
SO Plan	Parcel	Area	SO Plan	Parcel	Area
15340	F	1.1500 ha	15340	B	9.8900 ha
	G	8.000 ha		C	0.0550 ha
	H	0.0850 ha		D	0.0850 ha
	I	1.5800 ha		E	0.0200 ha
<hr/>					
15341	F	17.3300 ha	15341	A	12.8700 ha
	G	0.6200 ha		B	0.0250 ha
	H	1.1800 ha		C	0.0700 ha
<hr/>				D	0.5000 ha
				E	0.0070 ha
<hr/>					
15342	D	2.1800 ha	15342	A	9.7000 ha
	E	1.0000 ha		B	0.2000 ha
	F	4.5900 ha		C	0.0500 ha
<hr/>					
15343	H	0.5500 ha	15343	A	14.5400 ha
	I	0.4200 ha		B	0.3300 ha
	J	18.8200 ha		C	0.1200 ha
	K	1.1300 ha		D	0.1100 ha
	L	0.0900 ha		E	0.0300 ha
	M	0.2300 ha		F	0.0900 ha
<hr/>				G	0.2600 ha
<hr/>					
15344	D	1.6000 ha	15344	A	15.5900 ha
	E	0.3000 ha		B	0.1200 ha
	F	95.7000 ha		C	0.2300 ha
<hr/>					
15345	B	22.0000 ha	15345	A	7.0000 ha
<hr/>					
TOTAL		178.5550 ha			71.8920 ha

All Part Reserve 1359, Mackenzie and Gladstone Survey Districts
 Title 267/120 Canterbury Registry.

[Handwritten signatures]



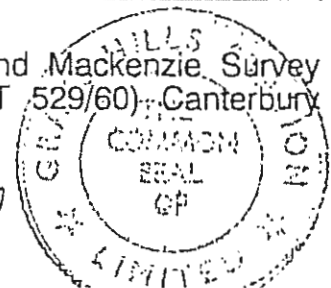
DENDUM B

UPPER WAITAKI POWER DEVELOPMENT
 CROWN LEASEHOLD : GRAYS HILLS STATION
 LAND REQUIREMENTS

Required for Water Power Development			Road to be Stopped		
SO Plan	Parcel	Area	SO Plan	Parcel	Area
15170	B	19.4100 ha	15170	A	10.4200 ha
	C	4.2000 ha		D	0.1500 ha
15171	B	4.5600 ha	15171	A	12.0700 ha
	C	5.0400 ha			
	D	4.8400 ha			
15172	B	16.9000 ha	15172	A	11.7900 ha
	C	2.5000 ha			
15173	F	2.5500 ha	15173	A	12.7100 ha
	G	10.2900 ha		B	0.1500 ha
	H	0.3800 ha		C	0.0700 ha
	I	0.0200 ha		D	0.6200 ha
15174	C	1.0800 ha	15174	A	7.2700 ha
	D	0.3900 ha			
15175	C	27.9400 ha	15175	A	14.6300 ha
	D	0.5900 ha		B	1.9000 ha
	E	0.3200 ha			
	F	0.6300 ha			
15176	C	3.0200 ha	15176	A	6.7000 ha
	D	6.2000 ha		B	0.5000 ha
TOTAL		110.8600 ha			80.2000 ha

All Part Run 73 (Grays Hills) in Pukaki, Burke, Gladstone and Mackenzie Survey Districts - leasehold Certificate of Title 30A/658 (formerly CT 529/60) - Canterbury Registry.

[Handwritten signatures]



Your Reference:

Our Reference: 40/14/4/1/39, 40/14/4/1/39/1 & 40/14/93

State Insurance Building
116 Worcester Street
Private Bag 4721
Christchurch
Phone (03) 379-9793
Fax (03) 366-6422

17 December 1992

The Civil Consultant
Works Consultancy Services
P O Box 596
TIMARU

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Dear Sir

856006 : UPPER WAITAKI POWER DEVELOPMENT : GRAYS HILLS LESSEE'S INTERESTS

This report and recommendation sets out full and final settlement negotiated with Grays Hills Station Ltd for the lessee's interests in the above station and is submitted to the Civil Consultant, Works Consultancy Services, Timaru who has been directed by The Treasury to arrange the completion of outstanding matters associated with the legalisation of the Upper Waitaki Power Development Scheme.

Grays Hills is partly Crown pastoral land and partly University of Canterbury land. Settlement has been negotiated with Grays Hills Station Ltd as the lessee of the Crown and University of Canterbury. The Crown's interest in the land in the Upper Waitaki has yet to be set apart for the appropriate purposes.

This report is in substitution for the "Grays Hills portion" of the report dated 19 September 1991 - the lessee's offer not having been accepted due to the non acceptance of Clauses 5, 6 and 7 which have been deleted from the renegotiated offer.

Settlement With: Grays Hills Station Limited, C/- Messrs Raymond Sullivan and McGlashan, Barristers and Solicitors, Timaru being the Crown's lessee under Certificate of Title 30A/658 and, the lessee to the University of Canterbury under Certificate of Title 267/120 Canterbury Registry.

LAND TO BE ACQUIRED

Purpose: Water Power Development.

Interest: Leasehold.

Area: 110.8600 hectares (Crown lease)
178.5550 hectares (University of Canterbury lease)

**Description
(Legal):**

Crown leasehold: Part Run 73 (Grays Hills) in Pukaki, Burke, Gladstone and Mackenzie Survey Districts - leasehold Certificate of Title 30A/658 (formerly CT 529/60) Canterbury Registry.

The land is described on plans as follows:

SO Plan	Parcel	Area
15170	B	19.4100 ha
	C	4.2000
15171	B	4.5600
	C	5.0400
	D	4.8400
15172	B	16.9000
	C	2.5000
15173	F	2.5500
	G	10.2900
	H	0.3800
	I	0.0200
15174	C	1.0800
	D	0.3900
15175	C	27.9400
	D	0.5900
	E	0.3200
	F	0.6300
15176	C	3.0200
	D	6.2000
<hr/>		
TOTAL		110.8600 ha

University of Canterbury leasehold: Part Reserve 1359, in Mackenzie and Gladstone Survey Districts, Certificate of Title 267/120 Canterbury Registry.

This land has been described on plans as follows:

SO Plan	Parcel	Area
15340	F	1.1500 ha
	G	8.0000
	H	0.0850
	I	1.5800
15341	F	17.3300
	G	0.6200
	H	1.1800
15342	D	2.1800
	E	1.0000
	F	4.5900
15343	H	0.5500
	I	0.4200
	J	18.8200
	K	1.1300
	L	0.0900
	M	0.2300
15344	D	1.6000
	E	0.3000
	F	95.7000
15345	B	22.0000
TOTAL		178.5550 ha

(General): The land concerned forms part of a large high country run known as Grays Hills Station.

Zoning: Rural.

Valuations:

- (a) Lessee's interest in CT 267/120. By report dated 15 October 1981, Valuation NZ, Timaru, assessed as at date of entry, July 1974 compensation of \$1,250.00
- (b) Lessee's interest in CT 529/60. I can locate no formal valuation for this interest as at date of entry, 1974. I have allowed a loss to the lessee of \$10 per hectare which is reasonably in keeping with Valuation NZ's assessment of the loss caused to lessee's interest in CT 267/120 and this amounts to \$1,109.00

To the settlement negotiated must be added interest from the "specified date", namely 1974, and this has been calculated at the rate of 10% compounding and 11% simple interest and is reflected in the settlement figure.

Settlement: \$13,921.64.

GST: The transactions took place prior to the GST Act 1986 and accordingly GST is not payable on the compensation.

Comments:

Agreements on compensation were first negotiated with the company and the University of Canterbury in mid 1982. The company's offer was approved by NZ Electricity but the offer acceptances did not proceed for the reason that the settlements proposed an exchange of legal road adjoining a river and unformed road and the Minister of Lands' consent to the stopping had not been obtained in accordance with Section 116(2)(a) and Section 118, Public Works Act 1981. This was still the position in February 1987 when the former Ministry of Works and Development was required to give priority to the 'cleaning up' of all of the outstanding matters associated with the land acquisition in the Upper Waitaki. A submission to the Commissioner of Works in July 1987 suggested actions that would alleviate the situation. In October 1987 the Head Office of that department verbally advised to disregard all road stoppings and exclude same from agreements with the lessees as the agreement with DOC concerning riverbank roads etc appeared to be some time off.

Subsequent negotiations with the company through its solicitors drew the response that its client required to have clarified two matters which were earlier agreed and did not appear to have been included in the agreement. Those matters related to an agreement to maintain the water troughs servicing the property, the maintenance of access to the water for the troughs and, an assurance that water was available at all times. The second agreement referred to the fencing of the Tekapo River on the Grays Hills side which was to be maintained at the expense of NZ Electricity Department and/or the Ministry of Works. These issues do not now form part of the owners claim. However, as a separate issue, and as a result of an approach by Mr Urquart of Grays Hills Station, Department of Conservation has taken the matter up with the Commissioner of Crown Lands and a separate report on the fencing issue will be provided to Commissioner of Crown Lands.

The conditions of settlement as proposed with the lessee provide:

1. The lessee acknowledges that the said sum of \$13,921.64 is full and final compensation for the taking of the lessee's interests in the said land.
2. Net rates shall not be apportioned on settlement.
3. The lessee consents to the stopping of the road defined on addenda A and B.
4. The lessee shall make no claims against the respective lessors for reductions in rentals arising from the taking of the respective leasehold interests.

Another issue which is highlighted by this report is the decision not to deal with surplus road pending final decisions as to Electricorp's core/non core requirements and the Department of Conservation's responsibility for such land.

The University of Canterbury's offer to accept 10 cents for the freehold interest was accepted on 13 November 1991.

Recommendation:

I recommend that approval be given to accept Grays Hills Station Limited's offer to accept \$13,921.64 in full and final settlement of compensation.



S R Gilbert
Manager (Lands and Property)

9/31
40/14/4/1/39

r Mackenzie
799 760

NY

Private Bag
CHRISTCHURCH

3 December 1980

The District Commissioner of Works
Ministry of Works and Development
P.O. Box 1479
CHRISTCHURCH

Attention : Mr E. O'Sullivan

UPPER WAITAKI POWER PROJECT TEKAPO RIVERBED : ROAD TO CLOSE AND CROWN LAND FOR WATER POWER DEVELOPMENT

I refer to your memorandum dated 19 November 1980 and advise approval has been given by the Crown, as adjoining owner, to the road closing action as set out in your memorandum.

The postal address of Grays Hill Station Limited is:

The Manager
Grays Hill Station Limited
Grays Hill
FAIRLIE

Refer to files 136, 135 - 134

E.J. Davies
Commissioner of Crown Lands

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SUBMISSION TO COMMISSIONER	
OF CROWN LANDS	
CASE No:	80/607
AS PER PROTOCOL APPROVED	
AUTHORITY:	1/2/81
<i>[Signature]</i>	
COMMISSIONER OF CROWN LANDS	
4/11/80	

Inquires to Mr P J Rumens

Date 15 July 1987

Telephone 530 099 Telex NZ 4910

Our ref 40/14/4/1/39

Your ref 40/14/4/1

Commissioner of Works
WELLINGTON

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ATTENTION Mr E Fogarty

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80085 - UPPER WAITAKI POWER SCHEME
LEGALISATION - STOPPING OF
LEGAL ROAD TO ENABLE IT TO BE ADDED
TO ADJOINING PASTORAL LEASE - GRAYS HILLS ETC

I refer to a telephone discussion with Mr E Fogarty on 13 July 1987.

* There has been previous correspondence concerning our dealing of riverbed land and road along rivers which is effected by Section 58 Land Act 1948. My understanding is that Electricity Corporation wishes to have control of the Tekapo, Pukaki and Ohau riverbeds and adjoining land but that the Department of Conservation has objected to this. It is understood that discussions at Head Office level have been held to resolve this matter. Has any progress been made please?

My immediate concern is road along the Tekapo River. As a result of the Hydro Scheme, pastoral run river boundaries were fenced and surveyed to fencelines. A copy of SO Plan 15173 illustrates the position. You will see that it is proposed to take those areas coloured blue and yellow for water power development and vest areas of road to be stopped (coloured green) in exchange. This plan is fairly typical to illustrate a number of Pastoral leases similarly effected:

- (i) The road can be stopped pursuant to Section 116 of the PW Act 1981 with the Minister of Lands consent. The Residual Department of Lands and Survey in Christchurch has advised that it has delegated authority to give this consent.
- (ii) The stopped road can then be dealt with under Section 117 PW Act 1981 (subject to Section 40 PW Act). Section 117(6) provides for the exchange situation envisaged.
- (iii) Section 118 exempts the Minister of Conservation's consent being required because the matter is being dealt with under the Land Act 1948.
- (iv) HOWEVER Section 58 of the Land Act has been amended so that it is now the Minister of Conservation who has to consent to a reduction in width of a riverbank reserve to less than 20 metres.

7/10. Has advised verbally to disregard road stopping and not include in agreement with POC could

The stopping of road to include this land within the fencelines of Pastoral lease will, in a number of cases, reduce the riverbank reserve to less than 20 metres. In order to achieve full and final settlement with the Crown lessees by 31 December 1987 (No. 1 priority) our options appear to be:

- (a) Obtain the Minister of Conservation's consent to a reduction in width on a piecemeal basis - probably very time consuming and work intensive OR
- (b) Obtain blanket approval to stopping of all legal road adjoining riverbanks within the new fencelines OR
- (c) (i) Deal with those areas of road to be stopped which obviously do not reduce the width to less than 20 metres (e.g. Areas B & C on SO 15173 but not Areas D & E.)
(ii) Leave all areas of road to be stopped in its present status and take only those areas of Pastoral lease outside the fencelines for waterpower (e.g. Areas F & G on SO 15173.)

It would be appreciated if you could let me have your comments as soon as possible as no further progress can be made in obtaining settlement with lessees until a decision has been made.

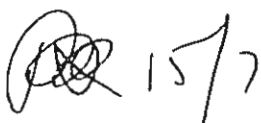


M K Williams
for District Commissioner of Works

Manager, Timaru Residency
Ministry of Works and Development
TIMARU

ATTENTION Mr P Hall

For your information.



P J Rumens
for District Commissioner of Works

40/14/4/1/39

UPPER WAITAKI POWER DEVELOPMENT

PART RUN 73 'GRAYS HILLS'

LAND REQUIREMENTS

Required for water power development			To be incorporated into PT Run 73		
SO Plan	Parcel	Area	SO Plan	Parcel	Area
15170	B	19.4100 ha	15170	D	0.1500 ha
	C	4.2000			
15171	B	4.5600	15171	-	
	C	5.0400			
	D	4.8400			
15172	B	16.9000	15172	-	
	C	2.5000			
15173	F	2.5500	15173	B	0.1500
	G	10.2900		C	0.0700
	H	0.3800		D	0.6200
	I	0.0200		E	1.2200
15174	C	1.0800	15174	-	
	D	0.3900			
15175	C	27.9400	15175	B	1.9000
	D	0.5900			
	E	0.3200			
	F	0.6300			
15176	C	3.0200	15176	B	0.5000
	D	6.2000			
TOTAL		110.8600 ha			4.6100 ha

Nett loss to PT Run 73 'Grays Hills' . 106.2500 ha

Box 1479
CHRISTCHURCH
Telephone 530-099
Telex NZ 4910

Mr S R Gilbert

14 October 1987

P40/14/4/1/39
P40/14/4/1/39/1

The Manager
Gray Hills Station Ltd
Gray Hills
FAIRLIE

Dear Mr Urquhart

UPPER WAITAKI POWER PROJECT
LAND FOR WATER POWER
DEVELOPMENT : TEKAPO RIVER

*not paid still await
stopping of roads consents
DOC Electricorp - 18/8/87*

As you will be aware, although compensation has been^r paid to your company for the purchase of the leasehold interest in land owned by the Canterbury University, compensation has yet to be settled for the various areas of Crown leasehold land used for the above work.

It is hoped that we can now develop the matter a stage further and settle the compensation.

A matter which has developed since last correspondence and which may have an effect on current dealings involves the proposal to stop the various areas of 'paper' road and add them to your company's leasehold block. Whereas formerly it was intended to deal with the roads by exchange this is not possible currently as the Department of Conservation, from which authority to stop such roads is required, has indicated that it desires to retain marginal strips alongside of riverbeds. This aspect could take some time to settle. It is proposed therefore to leave aside the matter of road stopping and amalgamation to be dealt with at some later stage and deal solely with the compensation attendant on your actual land losses.

Referring to the schedule sent on 29 June 1981, the land required for water power development is 114.48 ha. The last area on the schedule has been reduced to 6.20 ha from 6.53. This schedule includes^r 1.60 ha (E) and 2.02 ha (F) of Reserve 184 held under separate tenure.

*to see LWS
schedule
1108669*

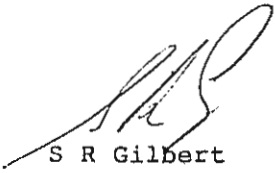
Allowing for interest assessed from the "specified date", the total compensation has been assessed at \$4,500.00.

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If your company is in agreement would you kindly advise me of this and I shall forward a memorandum of agreement for formal execution.

Yours faithfully

A handwritten signature in dark ink, appearing to be 'S R Gilbert', written in a cursive style.

S R Gilbert
for District Property Manager

POLICY DIVISION
Mr S R Gilbert

4 March 1988

P40/14/4/1

Branch Manager
Land Corporation Ltd
Private Bag
CHRISTCHURCH

FOR Mr Ferguson

UPPER WAITAKI POWER DEVELOPMENT
SETTLEMENT, LESSOR'S INTERESTS

Your 3/15/13 of 26 November 1987, and P40/14/4/1 of 17 February refer.

On agreement being reached as to the areas to be set apart from the pastoral leases and Crown land as shown on the attached schedule which has been prepared from the DOSLI schedule and Project Surveyor's comments I can submit a report for approval by Electricorp. Because of the hectare rate to be adopted I suggest we agree that the areas are more or less to take care of any slight adjustments that might arise at a later date.

Some of the areas have been adjusted to accord with Mr Hall's comments.

At a later date we can deal with the stopping of roads adjoining and amalgamate these with the runs. Where Section 58 strips and riverbeds, etc, are involved, these will need to be left until DOC and Electricorp have reached agreement on control. In such instances I would not expect the rate per hectare to exceed \$2 as adopted here.

Along with the agreement as to areas and total compensation would it be appropriate to obtain consents to road stopping where DOC is not involved.

Please consult your schedule for control of Reserves and unalienated Crown land and confirm areas on schedule are not controlled by DOC.

<u>Description</u>	<u>SCHEDULE</u>		<u>Comments</u>
	<u>Total Area</u>		
Run 343 Balmoral C.T. 529/21	4.47	ha	SO 15314, D & SO 15315 D to run 343
Run 294 Bendrose C.T. 895/96	224.2655	"	
Run 336 Ben Ohau C.T. 10F/319	285.0079	"	
Crown Land West of Braemar	5.3063	"	
Crown Land Within orig Dusky	1.4208	"	
Run 267 Fernhill C.T.	387.66	"(approx)	SO 14612, C & E & 14613, C superseded

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Runs 89 & 89A Glentanner	393.0369	ha	SO 14681. H to be returned & G reduced by 2.8087 ha
Crown Land, Pt R 2652, Birch Hill	1.6374	"	
Run 373 Grays Hills	110.8600	"	
Pt Res 184 Crown Land	3.6200	"	
Pt Run 343 Irishman Creek	1030.7016	"	SO 15864, C & 16764, A & B to go to Wolds lease. SO 15864 NN00 & PP & SO 15879 M & V deleted.
Pt Runs 85 & 85A Maryburn	146.7842	"	
Pt Res 185 Crown Land	1.300	"	
Run 91 Mount Cook	400.6387	"	
Run 207 Tasman Island	206.87	"	
Run 341 Tasman Island	44.700	"	
Pt Res 2876 Crown Land	18.2149	"	
Run 272 Mount John	59.5697	"	
Run 292 Omahau	348.2547	"	
Crown Land S.O. 15709 B	1.8651	"	
Run 310 Pukaki Downs & Res 4676	77.2144	"	
Run 290 Rhoboro Downs	52.3354	"	(approx) SO 16043, F & G superseded.
Pt Res 4054 Crown Land	.0252	"	
Pt Run 75A Sowdon	102.215	"	
Run 268 Simons Hill	66.3451	"	
Run 86 Simons Pass	312.9314	"	
Crown Land vicinity of Katherine Fields & Pts Res 3865	133.7018	"	
Pts Res 3701	59.2982	"	
Pts Closed Road	1.0636	"	
Crown Land Opp. Pt RS 33296	3.5649	"	
Crown Land SO 15520, F and SO 15521, H	1.8239	"	
Pt Run 85A & 85B The Wolds	236.5638	"	SO 15864, A & B to remain.
<hr/>			
4722.2664 ha			
<hr/>			

Total value of lessor's interest is \$9446.53.


S R Gilbert
for District Commissioner of Works

L 43 - 1 2

139

DEPARTMENT OF LAND

NOTE



40/14/4/1/39

799 760

Private Bag
CHRISTCHURCH

31 May 1983

District Commissioner of Works
Ministry of Works & Development
P.O. Box 1479
CHRISTCHURCH



ATTENTION Mr E. O'Sullivan

Mr Ross

LAND FOR WATER POWER DEVELOPMENT
TEKAPO RIVER : RESERVES 184 & 185

I refer to your memorandum of 21 April 1983 and enclose in duplicate consent form under delegation from the Land Settlement Board with respect to parcels A, B, E & F on S.O. Plan 15174 and parcels A, B, C & E on S.O. Plan 15737.

You should note that I have not included consent with respect to the setting apart of parcels E & F on S.O. 15737 and D on the same plan. The former parcels are subject to AMF rights to county road which is a matter for the local authority to consider while the latter area is part of Run 85 to which consent to the setting apart should be obtained from the lessee.

The matter of compensation for the areas of Crown land being set apart will be held in abeyance as this issue is still under consideration at Head Office level. Should you wish to discuss any matter in connection with the consent given and the implications please contact the writer.

[Handwritten signature]

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LINZ (CROWN PROPERTY MANAGEMENT)
CONTRACTOR FOR PURPOSES ASSOCIATED

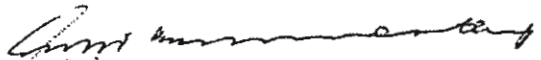
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[Handwritten notes and signatures: "Records", "Return with file to...", "nick"]

THE COMMISSIONER OF CROWN LANDS, Canterbury Land District, acting on behalf of Her Majesty the Queen and pursuant to a delegation from THE LAND SETTLEMENT BOARD, hereby consents to:

- (a) those areas of Crown Land containing 1.6000 hectares, 2.0200 hectares and 1.3000 hectares shown as parcels E and F on Survey Office Plan 15174 and parcel C on Survey Office Plan 15737 respectively, being set apart for water power development

- (b) those areas of road containing 7.2700 hectares, 1000 square metres, 3.3700 hectares and 1.8000 hectares shown as parcels A and B on Survey Office Plan 15174 and parcels A and B on Survey Office Plan 15737 respectively being declared to be stopped, provided that those parcels shown as B on Survey Office Plan 15174 and A and E on Survey Office Plan 15737 are dealt with as Crown Land under the Land Act 1948.


Commissioner of Crown Lands

Witness: 

Occupation: Admin Officer

Address: Department Lands & Survey Christchurch.

Box 1479
CHRISTCHURCH

Telephone 530-099
Telex NZ 4910

Mr S R Gilbert

14 October 1987

P40/14/4/1/39
P40/14/4/1/39/1

The Manager
Gray Hills Station Ltd
Gray Hills
FAIRLIE

Dear Mr Urquhart

UPPER WAITAKI POWER PROJECT
LAND FOR WATER POWER
DEVELOPMENT : TEKAPO RIVER

*Not paid see
no 114/4/1/39
of 14/10/87*

As you will be aware, although compensation has been paid to your company for the purchase of the leasehold interest in land owned by the Canterbury University, compensation has yet to be settled for the various areas of Crown leasehold land used for the above work.

It is hoped that we can now develop the matter a stage further and settle the compensation.

A matter which has developed since last correspondence and which may have an effect on current dealings involves the proposal to stop the various areas of 'paper' road and add them to your company's leasehold block. Whereas formerly it was intended to deal with the roads by exchange this is not possible currently as the Department of Conservation, from which authority to stop such roads is required, has indicated that it desires to retain marginal strips alongside of riverbeds. This aspect could take some time to settle. It is proposed therefore to leave aside the matter of road stopping and amalgamation to be dealt with at some later stage and deal solely with the compensation attendant on your actual land losses.

Referring to the schedule sent on 29 June 1981, the land required for water power development is 114.48 ha. The last area on the schedule has been reduced to 6.20 ha from 6.53. This schedule includes 1.60 ha (E) and 2.02 ha (F) of Reserve 184 held under separate tenure.

Allowing for interest assessed from the "specified date", the total compensation has been assessed at \$4,500.00.

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PERMISSION OF THE
DEPARTMENT

3.62
33
3.95

If your company is in agreement would you kindly advise me of this and I shall forward a memorandum of agreement for formal execution.

Yours faithfully

A handwritten signature in black ink, appearing to read 'S R Gilbert', written in a cursive style.

S R Gilbert
for District Property Manager

POLICY DIVISION..

4

Mr S R Gilbert

18 November 1987

P40/14/4/1/39

P40/14/4/1/39/1

The Manager
Grays Hills Station Ltd
Grays Hills
FAIRLIE

Dear Mr Urquhart

UPPER WAITAKI POWER PROJECT
LAND FOR WATER POWER
DEVELOPMENT : TEKAPO RIVER

Thank you for your letter of 5 November 1987.

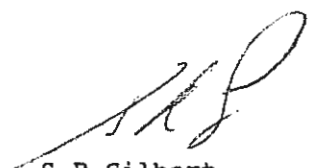
A further perusal of my file indicates that areas E and F, S.O. 15175 should not have been included in the lessees interest for the purchase as I am advised a freehold interest only existed for these two parcels. For this reason the price has been amended slightly to \$4,346.

However, I have added a further clause (4 of Note C) as I would not like to see the purchase frustrated at this stage.

It may be possible to stop and amalgamate with Part Run 73 road (B on S.O. 15175) but if this is not possible the agreement will be completed as though this proposal was not part of it (clause 3 Note C).

Finally, if all is acceptable to your company, I would be obliged if you would affix the common seal under witnessed signature, initial notes A, B and C on the reverse side as well the attached sheet and return the original plus one signed copy.

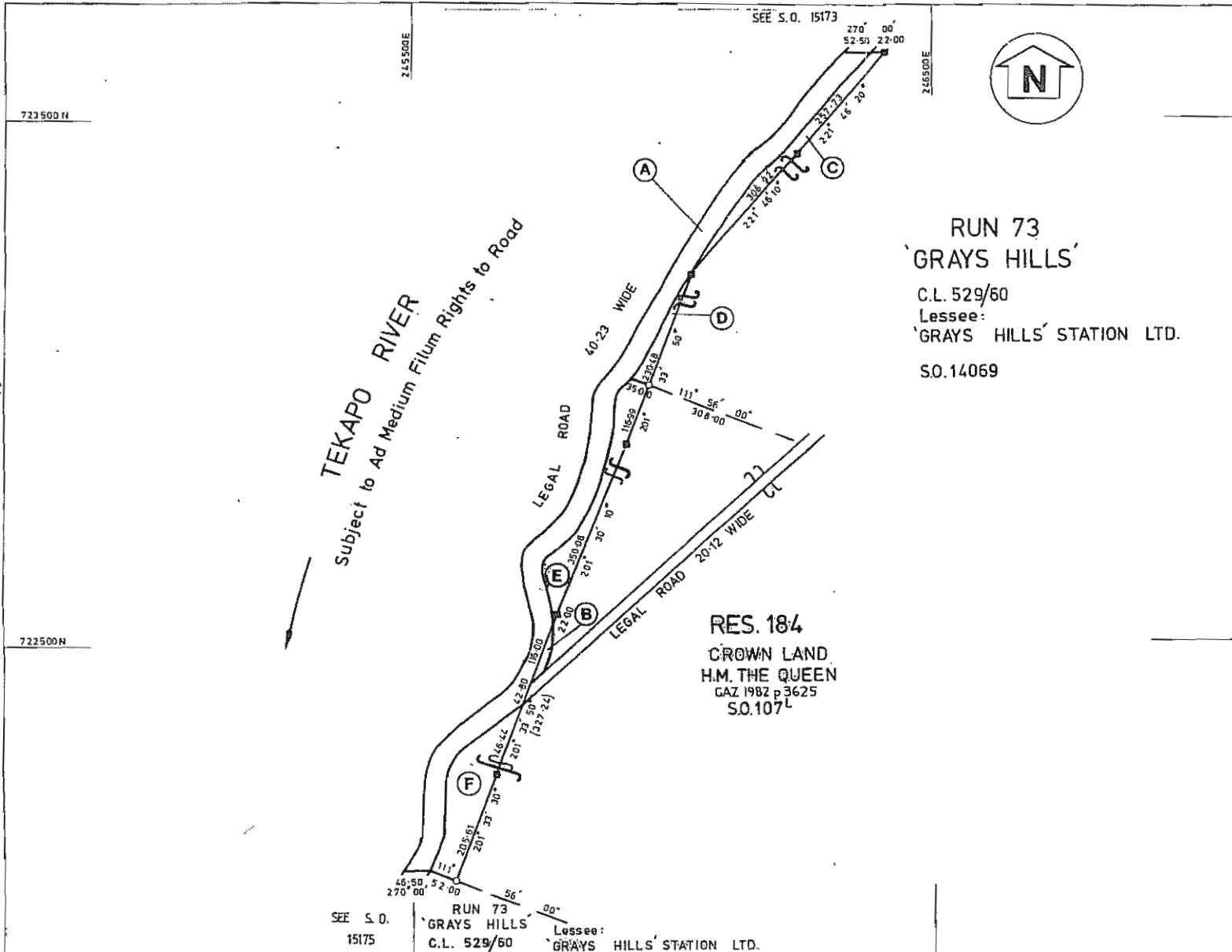
Yours sincerely



S R Gilbert
for District Property Manager

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**RUN 73
'GRAYS HILLS'**
C.L. 529/60
Lessee:
'GRAYS HILLS' STATION LTD.
S.O. 14069

RES. 184
CROWN LAND
H.M. THE QUEEN
GAZ 1982 p 3625
S.O. 107^L

SEE S.O. 15175
RUN 73
'GRAYS HILLS'
C.L. 529/60
Lessee:
'GRAYS HILLS' STATION LTD.

Approved as to definition of areas surveyed
[Signature]
Project Engineer Twizel

SCHEDULE OF AREAS

ROAD TO BE CLOSED		
Shown	Adjoining	Area.
(A)	RUN 73 RES 184	7-2700ha.
(B)	RES 184	1000m ²

LAND FOR WATER POWER DEVELOPMENT

Shown	Description	Area
(C)	PT RUN 73	1-0800ha.
(D)	PT RUN 73	3900m ²
(E)	PT RES 184	1-6000ha.
(F)	PT RES 184	2-0200ha.

Total Area 12-4600ha.

Comprised in C.L. 529/60, ROAD, CROWN LAND GAZ 1982 p 3625.

I, *Peter Thomas Hall* of Twizel Registered Surveyor and holder of an annual practicing certificate hereby certify that this plan has been made from surveys executed by me or under my directions; that both plan and survey are correct and have been made in accordance with the regulations under the Surveyors Act 1966

Dated at Twizel this 20th day of October 1979 Signature *[Signature]*

Field Book 1792 p 54-114 Traverse Book 95 p 99-104
Reference Plans OM 101, Trm 517, SO 14069, SO 107,
photogram plot S.M. MWP plan B/1104/02/1224/7
Examined C. Buckler Correct *[Signature]*

Approved as to Survey
[Signature]
H. R. 80 Chief Surveyor

Deposited this ___ day of ___ 19___

District Land Registrar

File 11/13/1
Received at Twizel 20/12/79
Instructions

SO 15174

LAND DISTRICT CANTERBURY
SURVEY BLK. & DIST. XVII, PUKAKI
NZMS 261 SHEET NO. I.38

PT. RUN 73 'GRAYS HILLS', RES 184 & ROAD

LOCAL AUTHORITY MACKENZIE COUNTY
Surveyed by P. T. HALL
Scale 1:5000 Date DEC 76-DEC 77

Printed by C.S.O. Photo Ltd. Christchurch, New Zealand.

MS 1000 Surveyors-General, Department of Lands and Survey, Wellington

REMICOPIED 15. 11. 82

T

"RELEASED UNDER THE OFFICIAL INFORMATION ACT"

APPENDIX 5



Your Reference: PTW-0006

Our Reference: 5200-02

Charles Fergusson Building
Bowen Street
Private Box 170
Wellington
New Zealand
Phone 0-4-473 5022
Fax 0-4-472 2244

1 February, 1993

Director-General
Department of Conservation
PO Box 10 420
WELLINGTON

Attention: John Holloway/Keith Lewis

You wrote to me on 4 November 1992 concerning the rabbit fencing bordering the Tekapo, Pukaki and Ohau rivers.

I requested Landcorp and the department's District Manager (Lands and Property) Christchurch, Mr Gilbert to report independently on this matter and enclose for your information and reference:

- 1 Report dated 19 November 1992 from Landcorp.
- 2 Report dated 23 December 1992 from Mr Gilbert.

I can find no commitment in the papers researched by Mr Gilbert for the Crown to maintain fences to a rabbit proof standard when the fences were erected. Further I do not believe from the correspondence, that Electricorp or for that matter any predecessor Crown agency, has any interest (legal or equitable) in the river fencing.

The conclusion I reached then is that you have inherited this potential liability, through the past actions of government agencies. It seems that was done without ministerial sanction and knowledge of what went on. Government could reasonably rest on that position and do nothing. However if individual lessees do take action on the maintenance issue then the government could be embarrassed if you are not resourced to act to maintain the fence put there by the government. I also clearly see that if the fences are not maintained to a rabbit proof standard some of the benefits of the Rabbit and Land Management Programme may be lost.

I believe it would be appropriate for you to brief Treasury on this matter with particular reference to the Minister of Electricity's letter dated 26 March 1969 which leads to the position which DOC has inherited.

It is effectively only Treasury that can address the matters for you because of its responsibilities in respect of the now defunct government agencies involved.

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CONTRACTOR FOR PURPOSES ASSOCIATED

David Gullen
for COMMISSIONER OF CROWN LANDS

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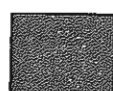
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23/12/92

Department of

Survey and Land Information

Commissioner of Crown Lands



DOSLI-C4

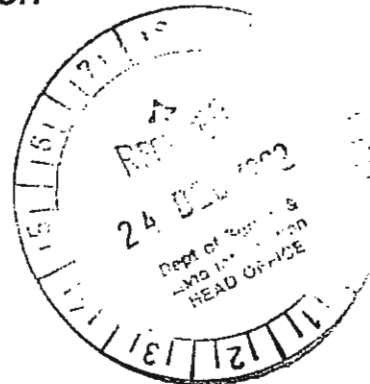
Your reference: 5200-02

To: HEAD OFFICE

In reply quote: 40/14/93, 40/14/4/1/39, From: CHRISTCHURCH
40/14/4/1/39/1

23 December 1992

ATTENTION : David Gullen



MAINTENANCE OF RABBIT FENCING, MACKENZIE BASIN

Your memorandum of 18 November requesting information generally on the status of the land either side of the fence was referred to the Civil Consultant, Works Consultancy Services, Timaru. Attached is a copy of Mr Hall's reply of 10 December.

The issue arose during negotiations with Grays Hills Station to settle the outstanding compensation arising from the acquisition of the leasehold interest for the Upper Waitaki Power Development. Prior to concluding agreement on price, the Company required inclusion in the offer, acknowledgement of a matter previously stated as having been agreed:

"The fence up the Tekapo River on the Grays Hills side was to be maintained at the expense of the New Zealand Electricity Department and/or the Ministry of Works".

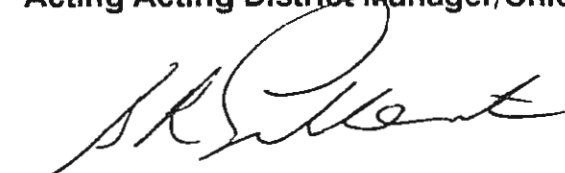
The matter was referred to Ministry of Works and Development, Timaru and, Mr Hall, Civil Consultant replied on 15 December 1987 - a copy of his letter is attached hereto. Referred to in that letter was a letter dated 13 February 1986 from the Electricity Division, Ministry of Energy to the Mackenzie Branch, Federated Farmers. In that letter an undertaking was given to maintain fencing alongside canals and no mention was made of riverside fencing. It was agreed that a further approach should be made to Electricorp to obtain its confirmation/approval to the maintenance of riverside fencing. Attached is a copy of Electricorp's reply dated 5 October 1989. A clause incorporating this statement and the acknowledgement set out in the letter of 13 February were included in the Memorandum of Agreement. However, a further clause added by the Company's Solicitor concerning the responsibility for future maintenance of stock-water systems required reconsideration by the various authorities responsibilities with regard to the matter of stock-water systems and stockproof fencing.

There are conflicting statements on riverside fence line maintenance and I enclose copies of further letters in relation to this matter.

Letter from Minister of Electricity dated 26 March 1969
Letter, Electricorp to Mackenzie Branch of Federated Farmers, dated 3 May 1991
Copy of an unsigned agreement in relation to water rights
Letter from Works Consultancy Services, Timaru dated 12 December 1991
Letter dated 4 February 1992, this office to Electricorp, Dunedin
Letter ECNZ to this office dated 28 September 1992
Letter ECNZ to this office dated 13 October 1992
Letter this office to Grays Hills Station Ltd Solicitors dated 21 October 1992

Please advise if you require any additional information.

R Moulton
Acting Acting District Manager/Chief Surveyor



per **S R Gilbert**
Manager (Lands and Property)

Encls

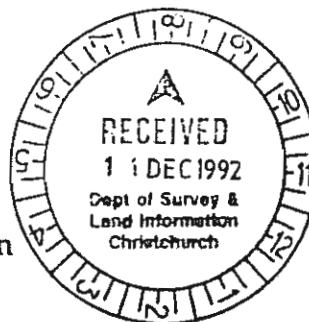


TIMARU OFFICE
Tower Building, George Street, PO Box 596, Timaru, New Zealand
Phone (03) 684-8539, Fax (03) 684-8537

Our Ref: E13-009
Your Ref: 40/14/92, 40/14/4/1/39, 40/14/1/39/1

10 December 1992

The Manager
Lands and Property
Department of Survey and Land Information
Private Bag 4721
CHRISTCHURCH



ATTENTION: Mr S R Gilbert

Dear Sir

UPPER WAITAKI POWER DEVELOPMENT RIVERSIDE FENCING

Reference your letter of 27 November 1992 on the above.

TEKAPO RIVER

(Rabbit proof) fenceline on both sides of the river apart from the first approximate 6 km on western side from Tekapo A powerhouse to where the Tekapo Canal veers westwards away from the river. Generally the riverbed, the adjoining unformed legal road and portions of the adjoining leasehold properties were fenced off to become one parcel with the intention to gazette for Water Power Development. The Crown/ECNZ 'Operating Agreement' means ECNZ will have an operating easement rather than freehold over this 'Water Power' land to permit them to spill water down the riverbed.

PUKAKI RIVER

(Rabbit proof) fenced on both sides of the river apart from the first approximate 1.5 km on the western side from the Pukaki Dam to where the Pukaki Canal spillweir flood channel joins into the river. The status of land either side of the fencelines is similar to that on the Tekapo River.

OHAU RIVER

Only approximately 50% of the riverside boundaries are (rabbit proof) fenced. Where there are fences the status of land either side of the fencelines is similar to that on the Tekapo River.

- 2 -

The unfenced length on the eastern side from Lake Ohau to the Ohau A powerstation/Lake Ruataniwha adjoins Ruataniwha Station, Water Power Development. Advice has been given by Treasury (R Miller, 21.10.92) to the Commissioner of Crown Lands that this particular portion of Ruataniwha Station is not required as ECNZ core land. The Commissioner will be involved in determining its future.

Immediately south of the Ruataniwha Dam, eastern side, a rabbit proof fenceline (approximately 650 m) has been erected by Department of Conservation as part of their pest control for the Black Stilt aviary complex located on land which has been claimed by ECNZ as core.

South of the Ruataniwha Dam, western side, to the confluence with Lake Benmore at Ohau C powerstation, the riverbed boundary is not fenced. There is generally the riverbed, the adjoining Section 58 strip and a narrow width of former leasehold land (originally intended for 'Water Power') on the river (eastern) side of ENCNZ's core land (Ohau B Canal, powerstation, Ohau C Canal, powerstation).

Because of the large lengths of riverbeds it is difficult to make general statements on the fencelines without getting into the specific details of various locations. The only way to determine the specific details and have a full appreciation of the riverbed/adjoining land status is a study of aerial half tones alongside cadastral plans.

To answer your question as to why NZED got involved in the fencing originally; part of the electricity generating operating regime for the Upper Waitaki was a need to utilise for storage and generation those previous flows in the Tekapo, Pukaki and Ohau Rivers. The lakes storage system and operating network meant that except in times of controlled spills into the riverbeds the riverbeds would be predominately dry apart from minor inflows from side streams. The previous significant flows in these rivers served as relatively effective barriers to stock and rabbits between properties. Fencing of both sides of the rivers was seen as a means to maintain the status quo of stock and rabbit barriers. With the potential controlled spills down the rivers it was also considered necessary to exclude stock from the riverbed. This also necessitated the provision of stockwater lines for the adjoining land because stock would no longer have access to water. For those parts of the rivers which are not fenced there are various, generally logical and practical, reasons.

Yours faithfully



P T Hall
Manager



File: ACT/LAP/8

13 October, 1992

JK
Mr S Gilbert
Department of Survey & Lands Information
Private Bag
CHRISTCHURCH

Dear Mr Gilbert *JK*

STOCK WATER MAINTENANCE AND THISTLES

I would confirm the Corporation's stance on the two subjects mentioned above.

1. Stock Water: Agreement was reached whereby Electricity Corporation would maintain the stock water system. This agreement still exists and maintenance is carried out.
2. Thistles: ECNZ will deal with thistles on its own core land but will not be responsible for those on non-core land and/or private property.

I trust that this clarifies our position.

Yours faithfully

A handwritten signature in cursive script that reads "Paul D Cain".

Paul D Cain
Land & Property Officer
Waitaki Hydro Group

D19/10



District Office

CHRISTCHURCH

OFFICE OF CROWN LANDS

Postal Address

Private Bag

Your Reference

Telephone

799-793

In reply quote

40/14/4/1/39

FAX :

666-422

40/14/4/1/49/1

15 May 1991

Messrs Raymond Sullivan and McGlashan
Barristers and Solicitors
PO Box 557
TIMARU

ATTENTION: Mr E O Sullivan

Dear Sirs

UPPER WAITAKI POWER DEVELOPMENT :
TEKAPO RIVER : GRAYS HILLS STATION LTD

Please refer to your letter of 7 December 1987 and my letter in part reply dated 19 May 1988.

I am now able to advise re matters 1 and 2 of your letter.

1. By letter dated 13 February 1986, Ministry of Energy advised the Secretary, Federated Farmers of New Zealand (Inc), Mackenzie Branch, as follows.

".... 2. Stock Water Systems

Following discussions, it has been decided that the division will, through the Ministry of Works and Development, take full responsibility for maintenance of the lines, including routine checking of lines, clearing blocked nozzles, etc, except where specific agreements as to maintenance have already been entered into with individual farmers.

Letters to each of the farmers involved will be forwarded separately"

I am advised that Electricorp agreed to ensure water was available for the operation of the stock water line at all times (physical limitations of frozen lines and temporary line breaks excepted) and Electricorp or Ministry of Works and Development on its behalf would maintain the line in a working state.



2.

I am further advised that letters were not sent to individual run holders as, the initial requests had been through the local branch of Federated Farmers, it was to the Branch that results of discussions were conveyed.

2. Electricity Corporation of New Zealand Limited confirms that Electricorp will maintain at its own expense the existing fences to a "stockproof" standard only between the Tekapo River and the land held by Grays Hills Station Ltd.

If the above is acceptable to your client company please advise and I shall prepare an amended Memorandum of Agreement for consideration and execution.

Yours faithfully

S R Gilbert
Manager (Lands and Property)

Encl.



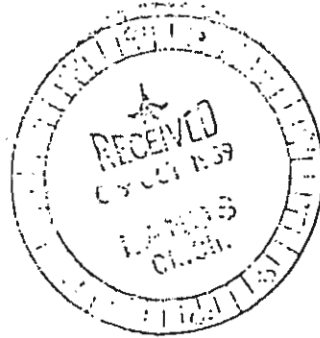
Electricity Corporation of New Zealand Limited

PRODUCTION DIVISION

Your Ref: 40/14/4/1/39 and 39/1

5 October 1989

District Manager
Department of Lands
P O Box 13 568
Armagh
CHRISTCHURCH



Attn: S R Gilbert

Dear Sir

Upper Waitaki Power Development

We refer to your letter of 7 March and 1 August 1989 regarding Grays Hills Station Ltd.

We wish to advise that following a meeting between representatives from Workscorp and Electricorp held 11-12 September 1989 a strategy was developed to effect the completion of this project. However, this will depend on certain approvals being obtained from Treasury which are presently being sought. We will keep you informed in this regard.

With regard to Grays Hills Station Ltd, we can confirm that Electricorp will maintain at its own expense the existing fences to a 'stock proof' standard only between the Tekapo River and the land held by Grays Hills Station Ltd.

Yours faithfully

R. T. Hogg
Land Advisory Officer
ENGINEERING & DEVELOPMENT GROUP

cc: Group Manager
SIHG
Dunedin

Peter Hall
Workscorp
Timaru

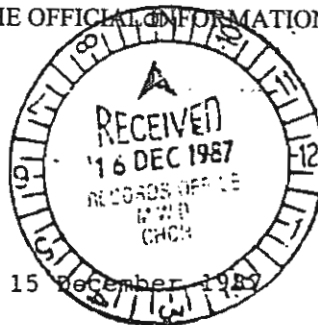
D to Ed Sullivan

D to u of C.

Dfo.

40/14/4/1/42

Ministry of Works
and Development



P.O. Box 504, TIMARU

Telephone 89-179

Our ref E13-009

Your ref 40/14/4/1/39/1

Copies to Mr P T Hall

Date 15 December 1987

District Commissioner of Works
Ministry of Works and Development
CHRISTCHURCH

ATTENTION S R Gilbert
Property Services

GRAYS HILL STATION LTD : UPPER WAITAKI

Reference your note on the above dated 9 December.

This situation is similar to that recently processed for 'Simons Hill' Station. See my E13-009 of 2 October 1987, your 40/14/4/1/42.

... Attached is a copy of a letter from Electricity Division dated 13 February 1987 to Mackenzie Branch of Federated Farmers setting out Electricity Division/Electricorp policy on the items of stock-water lines and boundary fencing.

In the Electricity Division letter mention is made of "... letters to each of the farmers involved will be forwarded separately." With the recent queries from 'Simons Hill' and now 'Grays Hill' it would appear this was not done.

On checking with Mr M France, Electricorp Dunedin, (15 December 1987) I was advised that Electricorp decided against sending letters to individual run-holders as they considered the runholders' initial requests had been through the local branch of Federated Farmers and it was to the Branch that results of discussions were conveyed. Electricorp are happy however to give their undertaking to individuals if requested. I have forwarded a copy of this letter to Electricorp Dunedin to inform them that specific assurances are being given to runholders in these two cases. The situation should now be sufficiently clear to put the minds of 'Grays Hill' at rest.

Point 1 as stated is not entirely correct. Electricorp agreed to ensure water was available for the operation of the stock-water line at all times (physical limitations of frozen lines and temporary line breaks excepted) and Electricorp or Ministry of Works and Development on its behalf would maintain the line in a working state. I was not quite sure of 'Grays Hill's' statement "... agreed to maintain access to water for the troughs ..." so I have contacted Mr Sullivan to clarify the situation.

Mr Sullivan's intention was to ensure that water would be guaranteed in the troughs now that access across the previous 20 m strip (legal road) was lost. His wording of point 1 was possibly a little loose in using the word 'access'. Thus 'Grays Hill' stock-water concerns have been taken care of by Electricorp.

Electricorp's intention is to maintain at its own expense the river-fences to a standard similar to the canal berm fences as stated in the attached letter. The rabbit proof standard will be maintained until Electricorp considers it is no longer economic to do so. The fences as constructed are galvanised post and waratah with three horizontal wires plus barbed wire on top. Galvanised netting is attached to the three wires with the bottom edge of the netting laid horizontal on the ground to deter rabbits from burrowing under the netting. The horizontal portion of the netting is covered with rocks or soil. At this stage the life expectancy of the netting is unknown, the main influencing factor being the quality of the galvanising. It is anticipated that eventually the bottom portion of the netting may rust out necessitating its replacement if the fences are to remain as effective rabbit barriers. Presently Electricorp's policy is to replace small lengths of netting if its non replacement would remove the rabbit barrier aspect of the fence. Typical damaged sections to date would appear to have been caused by deliberate removal (campers, eel fisherman, vandals?) or by vehicles running into the fence. When, probably through corrosion, extensive lengths of netting need replacement Electricorp reserves the right to possibly convert the rabbit barrier type fence to a standard 7(?) wire stock proof boundary fence and at that stage renegotiate with adjacent lessees/owners a possibly more equitable maintenance share agreement. The timing of this hypothesis is very much dependent on the quality of materials supplied in the initial fence construction.

The way would now seem to be clear to bring 'Grays Hill' to a close.



P T Hall
for Civil Consultant, Timaru

Encl

FILE
21/46/1
Initials: E.W.

Our Ref 21/94/1
Your Ref

13 February 1986

The Secretary
Federated Farmers of NZ (Inc)
MacKenzie Branch
Ruataniwha
PO Box 24
TWIZEL

Rec'd by hand from M. France. 2/4/86
Copy placed on file E13-009.
25/6/87

Dear Sir

RE: UPPER WAITAKI POWER SCHEME - THISTLES IN CONSTRUCTION ZONES ADJOINING CANALS

Further to earlier correspondence and the meeting held with runholders in the Upper Waitaki late last year and your letter of 10 February 1986, I now wish to set out details of steps this Division is prepared to take in respect of the various issues raised. If there is general acceptance of these proposals among your members, then the agreements could be recorded in individual letters to each runholder affected:

1. Thistles:

I am prepared to institute a programme of spraying of the thistles in the construction zones for a five year period. I am advised that, if at the same time the land were retired from grazing, there would be sufficient grass seeds left in the soil to enable an adequate ground cover to establish.

It would, though, be an essential part of this programme that the land be fenced off with temporary fences and retired from grazing for the full five year period. Anything less would mean that the money spent on the thistle spraying programme would once again be wasted.

On the basis that these areas of land were returned to the farmers by mutual agreement between the farmers and the Ministry of Works and Development. I therefore propose an agreement with each runholder concerned, whereby the runholder would fence off the area to be subject to the programme and agree to keep the land free of stock for the full five year period. The Division would arrange for the Ministry of Works and Development to spray the thistles on the retired land for five years. (If it became clear that there was not a sufficient residue of grass seed to establish adequate ground cover, the areas would be fertilized and resown).

Your advice on whether this proposal is generally agreed to would be appreciated in due course.

2. Stock Water Systems:

Following discussions, it has been decided that the Division will, through the Ministry of Works and Development, take full responsibility for maintenance of the lines, including routine checking of lines, clearing blocked nozzles etc, except where specific agreements as to maintenance have already been entered into with individual farmers.

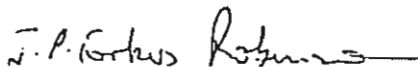
Letters to each of the farmers involved will be forwarded separately.

3. Fencing:

The Division accepts responsibility for all costs of maintenance of the stock proof fencing alongside canals. It must be emphasised, however, that the Division accepts this responsibility on the basis that the operational integrity of the structures requires that stock be excluded from the berm areas. This requirement does not extend to rabbit proofing and accordingly, as the existing rabbit proofing fences reach the end of their economic life they will be replaced with seven-wire stock proof fencing.

I would be pleased to receive any comments your association may wish to make on the above proposals before I forward the letters to the individual farmers affected.

Yours faithfully



J P F Robinson
District Manager

JPFR:JC

Handwritten initials and numbers



OFFICE OF MINISTER OF ELECTRICITY

Wellington

25 March 1969

Dear Sir,

UPPER WAIKAI RIVER POWER DEVELOPMENT

At its meeting on 6 February 1969, the National Water and Soil Conservation Authority resolved to grant to me, as Minister of Electricity, water rights to the Upper Waikaki area generally in accordance with the terms of my previous application.

Before having these rights granted I undertook to confirm in writing, to your Commission, several assurances that I have made in connection with present users of water.

These assurances are:-

- (a) Present users deprived of water by the above power development will receive equivalent supplies, subject to the user obtaining appropriate rights from the Regional Water Board, the capital cost of necessary works being borne by the Minister.
- (b) Present users incurring additional costs in obtaining increased supplies of water in the future because of the above power development will be given all reasonable assistance to compensate for the higher costs, subject to agreement on quantities of water and negotiation on costs of work involved, and subject to the user obtaining appropriate rights from the Regional Water Board. This assistance will be available for a period of ten years from the time the development affects the particular water concerned.
- (c) Land deprived of the use of water which has been an effective boundary for stock will, subject to negotiation on fence routes, be provided with equivalent fences, the capital cost being borne by the Minister.
- (d) Where land is deprived of the benefit of ground water to pasture, without compensating changes elsewhere, negotiated lump sum compensation will be paid after the effect of ground water changes has been assessed.

(contd.)

The Secretary,
Waikaki Catchment Coordinator

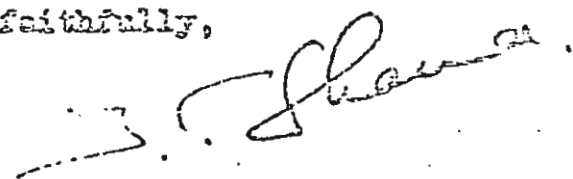
Full compensation will be made where present users of water are adversely affected by the Upper Waitaki Development. Compensation will be approached in the light of the effects on the area, which have already been considered generally in the 1966 Interdepartmental Committee's report on the Water Resources of the Mackenzie Basin.

In this letter "present users" means the users of water at the time that the above development works are carried out by the Minister of Electricity first affects their supply of water.

In addition to the assurances to present users, I would assure your Commission that where the exercise of the rights granted deprives the natural bed of a river or stream of its normal flow of water, my Department will maintain the bed sufficiently free from weed growth to serve as a flood channel.

I trust that this letter will help to dispel any misgivings your members may have on the implementation of the development.

Yours faithfully,



Minister of Electricity



Electricity Corporation of New Zealand Limited

ELECTRICORP PRODUCTION, SOUTH ISLAND HYDRO GROUP

3 May 1991

The Secretary
Federated Farmers of New Zealand Inc
Mackenzie Branch
C/- Ruataniwha Station
PO Box 24
TWIZEL

Dear Mr Heath

I acknowledge receipt of your letter of 12 February 1991.

The matter of the fences along the river beds, as opposed to those adjoining canals, is a vexed one.

① However, we believe it was the intention of the agreements reached initially that responsibility for the fences remained with the owners of the river beds, and since this is now to be the Crown (we understand) not Electricorp, then we consider that the responsibility for these fences will remain with the Crown.

② We agree that it is sensible to clearly delineate the fences and water supplies involved on a diagram. There were suitable ones prepared by MOW some years ago and we will contact Works in Timaru to ascertain if copies of these are available.

③ We wondered whether you could provide some clarification of your members commitment to rabbit proof fencing, in light of the comments attributed to your Chairman in the attached article from the Timaru Herald of 14 February.

④ Patrick Robinson has in the past queried the affectiveness of the fencing and the appropriateness of continuing to fund rabbit proof as opposed to stock proof fencing. The comments in this article seem to support his view and call into question the appropriateness of maintaining the fences in a "rabbit proof" condition. Your comments would be appreciated.

Yours faithfully
ELECTRICORP PRODUCTION


M.J. France
Group Environmental Manager

MJF:JM JM:12-1

AGREEMENT IN RELATION TO WATER RIGHTS

Agreement dated the day of 1990.

PARTIES

Between Electricity Corporation of New Zealand Limited at Wellington (The "Corporation")

and The Federated Farmers of New Zealand (Incorporated) Mackenzie Branch ("Federated Farmers")

Background

- 1 The Corporation owns and operates an electricity generation system in the Waitaki Valley.
- 2 The Corporation is the successor of Electricity Division, Ministry of Energy, which operated the generation system on behalf of the Crown prior to 1 April 1987.
- 3 By letter of 13 February 1986, a copy of which is attached, the District Manager, Electricity Division, Dunedin, made certain offers to Federated Farmers on behalf of the member landowners adjoining the canals associated with the electricity generation system.
- 4 The offer contained in Paragraph No 1 of that letter, headed "Thistles" was not accepted.

The offers contained in Paragraph 2, headed "Stock Water System", and Paragraph 3, headed "Fencing" were accepted.
- 5 The Corporation has agreed to confirm and accept the obligations of the Electricity Division, Ministry of Energy, resulting from the acceptance of those offers.

Now therefore this agreement records:

- 1 The Electricity Corporation will continue to accept responsibility for appropriate maintenance of all the stock water systems established as part of the Upper Waitaki Power Development, except where specific agreements have been entered into in respect of maintenance with individual farmers. This maintenance shall include routine checking of lines, clearing of blocked nozzles etc.
 - 2 The Corporation and Federated Farmers will arrange a meeting at least once each year at Twizel to discuss the standard of maintenance and reach agreement on the appropriate standards for the following year.
 - 3 || The Electricity Corporation will continue to accept all costs of maintenance of stock proof fencing along side the canals. The Corporation will maintain these fences as rabbit-proof until they reach the end of their economic life. /
- Once the fences require replacement, the Corporation will replace them with standard seven-wire stock proof fencing.
- 4 Before replacing fences in terms of Clause 3 hereof, the Corporation will consult with Federated Farmers, with a view to allowing the affected landowners to contribute the additional cost of replacement with fencing to a rabbit proof standard.
 - 5 Any dispute arising between the parties to this agreement, shall be referred to arbitration by arbitrators in New Zealand, one to be appointed by each party in dispute and in the event of the Arbitrators differing, to an umpire who shall have been appointed by the arbitrators before they enter upon their deliberations. Such arbitration shall be conducted in all respects in accordance with the provisions of the Arbitration Act, 1908, or any statutory modification or re-enactment of the Act which may be, for the time being, in force.
 - 6 Any notice given under this agreement shall be in writing and delivered or transmitted as follows:

Electricity Corporation of New Zealand Limited
South Island Hydro Group
PO Box 974
DUNEDIN

Federated Farmers of NZ (Inc)
Mackenzie Branch
C/- Sawdon Station
Private Bag
FAIRLIE

Conrad from FIF 1/13

Signed by the Parties the day and year first hereinbefore set out:

Signed on behalf of the)
ELECTRICITY CORPORATION OF NEW ZEALAND LIMITED)
by its authorised agent:)

Signed on behalf of)
FEDERATE FARMERS OF NEW ZEALAND (INCORPORATED))
by its authorised agent:)