

Crown Pastoral Land Tenure Review

Lease name : GRAYS HILLS

Lease number : PT 042

Due Diligence Report (including Status Report) - Part 3

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.

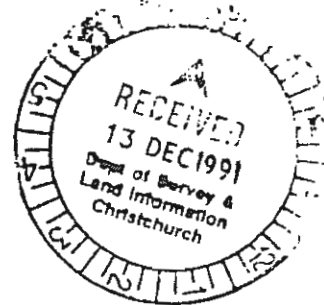
Part of the information relates to research on the status of the land, resulting in a Status Report that is signed off by a LINZ approving officer. The remainder of the information is not analysed for relevancy or possible action until required, and LINZ does not guarantee its accuracy or completeness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

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

April 09


WORKS
Consultancy Services

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: 40/14/4/1/39
40/14/4/1/39 and 40/14/93

12 December 1991


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

ATTENTION: S R Gilbert

Dear Sir

UPPER WAITAKI POWER DEVELOPMENT
856006 - GRAYS HILLS, LESSOR'S AND LESSEE'S INTERESTS
856011 - HALDON, LESSOR'S INTEREST

Reference to your report and recommendation of 19 September 1991. Comment is appropriate as follows:

1 STOCKWATER

Attached is a copy of a letter of 26 March 1969 from Minister of Electricity giving certain assurances on behalf of the Crown. The assurance was given for capital cost only for stockwater lines, however Electricity Division, letter of 13 February 1986, undertook to take full responsibility for the maintenance of the lines.

Electricity Corporation (Dunedin) proposed an agreement (copy attached) to Federated Farmers in November 1990 to continue to accept this maintenance responsibility. To date I understand the Electricity Corporation offer has not been finally accepted by Federated Farmers. They are awaiting further details from Electricity Corporation.

2 FENCELINES

i) Alongside Canals

Electricity Division, letter of 13 February 1986, accepted responsibility for all costs of maintenance of stock proof fencing alongside canals.

The Electricity Corporation (Dunedin) proposed agreement to Federated Farmers in November 1990 to accept this same responsibility. As mentioned with the stockwater lines it is understood that agreement is not yet finalised.

Alongside Rivers

In reply to a request by Federated Farmers at a meeting with Electricity Division on 20 May 1985, Electricity Division chose not to accept responsibility for riverside fencelines. This was not specifically stated in Electricity Divisions reply of 13 February 1986 but it can be assumed as Electricity Division mentioned specifically the canal fencelines only.

However since that date a seemingly contradictory statement on riverside fencelines has been made.

My E13-009 of 15 December 1987 to yourself states that Electricity Corporation (Dunedin) intention was to maintain the riverside fencelines. This was confirmed on 5 October 1989 by Mr R T Hogg, Electricity Corporation (Wellington). I do not know if his impression of the situation was obtained solely from previous discussions with myself or after consultation with his Dunedin office.

I am at a loss to understand why my stated impression of the situation did not match up with Electricity Corporation (Dunedin). The only thing I can suggest is that because Electricity Corporation (Dunedin) tended to deal directly with Federated Farmers over matters and not keep myself fully up to date with the current status there may have been some confusion over what resulted from discussions of 20 May 1985. It was not until 24 June 1987 that I acquired a copy of the 13 February 1986 from Electricity Division to Federated Farmers. (Likewise I have recently brought myself up to date as best I can by perusing the (incomplete) correspondence file of Federated Farmers). Even so the 5 October 1989 RT Hogg letter to yourself was circulated to both myself and Electricity Corporation Dunedin and the statement in error re fencelines was still not picked up.

The conflicting statements on riverside fenceline maintenance now has to be resolved.

In effect, Electricity Corporation (Dunedin) has been dealing/negotiating with Federated Farmers and has never accepted maintenance responsibility. Attached Electricity Corporation letter of 3 May 1991 provides an indication of current policy.

My statement and that of RT Hogg have been made to the Crown agent (District Commissioner of Works and DOSLI) and possibly could have been considered appropriate if Electricity Division was to have retained an interest in riverbed land between the new fencelines. If anything we may have committed the Crown, but not Electricity Corporation, to riverside fenceline maintenance depending on what assurances the Crown has given to adjoining owners.

The resolution of the situation is also somewhat difficult in that it still has to be determined which arm of the Crown or whom will have control of the land between the riverbed and the fenceline. What rights and responsibilities will Electricity Corporation have in relation to riverbeds?

SUMMARY

CLAUSE 5

Is in accordance with what I understand is Electricity Corporation's current acceptance. Requires confirmation from Electricity Corporation.

CLAUSE 6

Should be deleted in its present form as is it not considered to be an Electricity Corporation responsibility. However as discussed above there could be a Crown responsibility.

CLAUSE 7

Is in accordance with what I understand is Electricity Corporation's current acceptance. Requires confirmation from Electricity Corporation.

Thus I feel the issue of stockwater is resolved but some distance is still to be covered with fencelines.

Yours faithfully



P T Hall
Civil Consultant

Encl

CHRISTCHURCH
Private Bag

40/14/93, 40/14/4/1/39,
40/14/4/1/39/1

799-793
666-422

February 1992

The Regional Manager
Electricity Corporation of New Zealand
PO Box 974
DUNEDIN

*Return files
to D506.*

ATTENTION: Mr M France

Dear Sir

**UPPER WAITAKI POWER DEVELOPMENT: GRAYS HILLS STATION LIMITED
STOCK WATER MAINTENANCE AND RIVERSIDE FENCING**

You will be aware that this department, acting on behalf of Treasury, has for some time now been negotiating with the above company to settle compensation for the lessee's interest and land used for the power development scheme. Several issues have concerned the company and these were the main reasons why earlier agreement was not obtained. Specifically the company's concern centred around the maintenance of the stock water systems and, on going responsibility for all costs of maintenance of stockproof fencing, particularly with regard to riverside fencing.

In July 1991 an offer of compensation was negotiated from the company's solicitor. Special conditions 5, 6 and 7 related directly to the company's concerns as mentioned above:

"Clause 5 - this agreement acknowledges the letter 21/94/1 of 13 February 1986 from the District Manager, Electricity Division, Ministry of Energy, Dunedin to the Secretary, Federated Farmers of New Zealand (Inc.), Mackenzie Branch, a copy of which is attached.

Clause 6 - 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 Limited.

Clause 7 - Electricorp accepts and will carry out at its own expense the obligations as set out in paragraph 2 (stock water systems) of the letter referred to in Clause 5, thereof, letter reference number 21/94/1."

Clause 5 was inserted as undertakings concerning the maintenance of stock water systems and canal fencing had already been extended to the Federated Farmers.

The inclusion of Clause 6 emanated from a letter dated 5 October 1989 from Mr R T Hogg, Electricorp Production Division, Wellington. A copy of that letter was referred to your office.

was inserted by the company's solicitor to clarify Electricorp's obligations with the stock water system and merely reiterates the intention carried in the letter of 13 February 1986.

The company's offer to settle compensation has not been accepted. The issues in clause 5 and require confirmation from Electricorp and, in the case of Clause 6, I consider this should be deleted.

I enclose a copy of a letter dated 12 December 1991 from Mr Peter Hall, Works Consultancy Services, Timaru, which sets out a full background to the issues. With regard to Mr Hall's letter, particularly page 2 para 1, I understand that Federated Farmers has yet to execute the November 1990 agreement.

Referring again to Mr Hall's letter, and page 3, Summary:

Clause 5:

In its present form, Clause 5, may now have no relevance as the specific issues, namely (1) thistles, (2) stock water systems and (3) fencing, are referred to in your subsequent "agreement in relation to water rights" and letter of 3 May 1991 to the Federated Farmers. Can you advise please your Corporation's present intentions concerning a programme of spraying thistles as referred to in your letter of 13 February 1986. Although this was not an issues of great relevance in negotiations with the company the letter of 13 February 1986 did form part of the previous offer.

Clause 6:

Your letter of 3 May 1991 to the Federated Farmers makes it quite clear that you see Electricorp as having no responsibility with regard to the maintenance of fences alongside the Tekapo River. Your letter of 3 May, and Mr Hall's investigations tend to indicate that there could be an ongoing Crown responsibility but I know of no specific undertaking having ever been being given by the Crown. You may like to elaborate on the comment given in your letter of 3 May 1991.

Clause 7:

Appears to be in accordance with Electricorp's current acceptance and superseded by Clauses 1, 2, 5 and 6 of your "agreement in relation to water rights".

I would appreciate your confirmation of the issues outlined under clauses 5, 6 and 7 above.

Insofar as these clauses relate to the agreement between the Crown and Grays Hills Station Limited, Electricorp of New Zealand Limited, is a third party and should therefore not be subject to this agreement. I intend to delete Clauses 5, 6 and 7 from any subsequent agreement. In substitution, I see it will be necessary to obtain a letter from Electricity Corporation of New Zealand Limited stating:

- 3 -

The Corporation's current policy with regard to your Corporation's "thistle" programme.

(b) Clauses 1, 2, 5 and 6 of the "agreement in relation to water rights".

The matter of the Crown's responsibility with regard to fencing alongside the Tekapo River has yet to be determined.

I am advised by Mr Hall that canals do not cross Grays Hills Station and therefore canal fencing is not an issue.

I would appreciate the information you may have concerning any likely Crown responsibility with regard to riverside fencing. Please also let me have a letter regarding the "thistles and stock water maintenance".

Copies of this letter have been referred to Mr Hall and Mr R T Hogg.



S R Gilbert
Manager (Lands and Property)

Encl.

Mr P T Hall
Civil Consultant
Works Consultancy Services
PO Box 596
TIMARU

Herewith copy of letter as discussed.



S R Gilbert
Manager (Lands and Property)

40/14/01/29

ECNZ

September 1992



Mr S Gilbert
Department of Survey and Lands Information
Private Bag
CHRISTCHURCH

85606 lessee
" 7 Crown

Dear Mr Gilbert

UPPER WAITAKI POWER DEVELOPMENT: GRAYS HILLS STATION LTD, STOCK WATER MAINTENANCE AND RIVERSIDE FENCING.

In reply to your letter dated 27 August 1992 with attachment copy of letter to ECNZ Dunedin dated 4 February 1992, I am unable to trace any previous correspondence on this matter. However I have made extensive enquires on the subject, and would summarise as follows:

1. **Fencing:**

The rivers eg Tekapo were recognised as having been natural stock barriers prior to the flow being curtailed. Since the river beds could be used for flood flows etc the NZED claimed those beds as 'core'. This however could not be recognised.

It therefore followed that the riverbeds would remain as 'Crown'. As such, the fencing problem became a matter of negotiation between land owners and the Crown.

Apparently, there was an early proposal that fences bordering the Tekapo River would be maintained in 'rabbit proof' condition and that ultimately, when the fence deteriorated to such a condition as renewal was required, a new 'stock proof' fence would be built and provided. I have no idea who was supposed to pay for the stock proof fence maintenance (presumably either Crown or NZED), or the erection of the new stock fence.

2. **Stock water:**

There seems little doubt about this agreement. The water scheme is in place and it is maintained at the expense of ECNZ.

ECNZ

2

Thistles:

We have no interest in this matter unless it is on ECNZ core land.

4. **General:**

In summary it seems that the Crown is responsible for fencing, ECNZ for stock water supply, and the runholder for thistles.

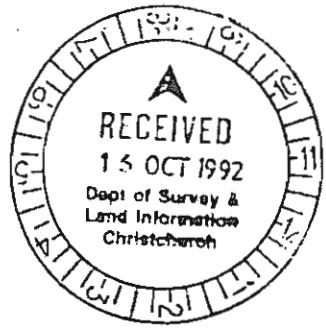
Yours faithfully

WAITAKI HYDRO GROUP



Paul D Cain
Land and Property Officer

pc:vm



File: ACT/LAP/8

13 October, 1992

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

Dear Mr Gilbert

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

Paul D Cain
Land & Property Officer
Waitaki Hydro Group

D19/10

Your Reference: E13-009 ↓

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

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

27 November 1992

Mr P T Hall
Civil Consultant
Works Consultancy Services
P O Box 596
TIMARU

Dear Sir

UPPER WAITAKI POWER DEVELOPMENT : GRAYS HILLS STATION LIMITED

I refer to your letter of 12 December 1991, the issues have been worked through with Mr Paul Cain of ECNZ Twizel and, as a result of agreement being reached with the company's solicitor a fresh memorandum of agreement has recently been submitted for execution. It has been agreed with the company's solicitor that Clauses 5, 6 and 7 should be deleted.

The outstanding issue which appears to be raising its head once more is that concerning the responsibility for maintaining the rabbit fencing bordering the Tekapo, Pukaki and Ohau Rivers. As a result of my statement to the company that ECNZ have never accepted maintenance responsibilities for such fencing the company brought this to the attention of DOC which has in turn reported the situation to the Commissioner of Crown Lands and, as a result I am required to advise:

1. The status of the land either side of the fence, ie does Electricorp own adjoining land.
2. Is it known why NZED got involved in the fencing originally.

I shall provide background information to Commissioner of Crown Lands based on the information that you have given me to date. I would however appreciate your comments on the particular requirements raised by my Head Office.

Yours faithfully



S R Gilbert
Manager (Lands and Property)

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MAIL MESSAGE



OFFICE OF CROWN LANDS

To: Steve Gilbert
From: DOSLI
Location: Christchurch

Charles Fergusson Building
Bowen Street
CPO Box 170
Wellington
New Zealand
Phone 64 4 473 5022
Fax 64 4 472 2244

Work No.
From: David Gullen
Date: 18 November 1992
File Reference: 5200 02
Page 1 of 2

(If complete message is not received please phone)

subject: Maintenance Rabbit Fencing: Mackenzie Basin

I refer you to the attached advice from DOC which refers to correspondence from you to Grays Hill Station which advises that Electricorp is no longer maintaining rabbit fences.

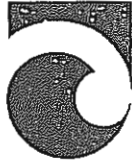
I would appreciate your comments or correspondence that substantiates Electricorp's position. Would you also advise generally the status of the land either side of the fence? Does Electricorp own adjoining land? Do you know why NZED got involved in the fencing originally?

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D 20/11

(EPPKLRABBIT.LTR)

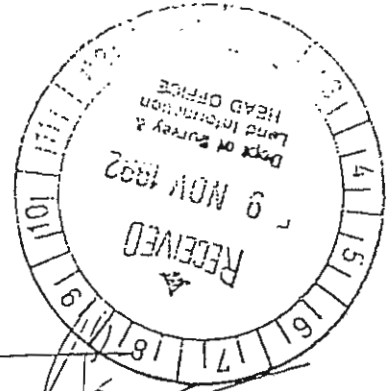


4 November 1992

My PTW-0006
Commissioner of Crown Lands
Department of Survey
& Land Information
PO Box 170
WELLINGTON

CONSERVATION
TE PAPA ATAWHAI

Andrews



Myr LXP

MAINTENANCE RABBIT FENCING: MACKENZIE BASIN

On a recent visit to the Mackenzie Basin, Mrs Urquart from Grays Hills Station informed Keith Lewis of this office that she had received advice from Mr Gilbert of your Christchurch office, that Electricorp would no longer maintain the rabbit fencing bordering the Tekapo, Pukaki and Ohau rivers.

The former NZED erected these fences and apparently gave an undertaking to maintain them indefinitely. I have been generally aware that Electricorp has indicated from time to time that it would not honour the undertaking given by the former NZED. If Electricorp has now decided to cease its work on maintaining these fences, then there is a potentially large contingent liability on the Crown.

Although I have not checked, I believe there is some 400 km of rabbit fencing involved. If Electricorp is able to walk away from the undertaking given by NZED, then presumably runholders adjoining the rivers will be responsible for half share maintenance and the Crown the other half share. My expectation is that runholders will not accept the cost of this work easily and it must also be accepted that the UCL funding that this Department receives, will not stretch to cover this major preventive maintenance in addition to the present core of control work done nationally.

In view of Mr Gilbert's comment in correspondence to Grays Hill Station that Electricorp is no longer maintaining these fences, I would appreciate advice from you on whether you accept that Electricorp can legally do this and how the Crown might deal with the contingent liability.

'JSH'

John Holloway
Director, Estate Protection Policy Division
for Director-General

*→ Records
Please return
with files -
see over.*

→
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LINZ (CROWN PROPERTY MANAGEMENT)
Regional Conservator - Christchurch
CONTRACTOR FOR PURPOSES ASSOCIATED
Field Centre Manager - Twizel
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15/11

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DEPARTMENT OF CONSERVATION
PO BOX 10 420, WELLINGTON, NEW ZEALAND
59 BOULCOTT STREET, WELLINGTON 1
TELEPHONE 64 (04) 471-0726, FAX 471-1082

DUE DILIGENCE

GRAYS HILLS

SUPPORTING FILE SUMMARY

FOLIO	DATE	TO	FROM	DETAILS
Pt 042 – SCH – 01 (28/08/1895 – 30/10/1951) – Volume 1 (Folios 1-178)				
171	27/2/1951	-	LSB	By Case No. 2137 of 21/2/1951 approved that Run 73 be held on POL (Pastoral Occupation Licence) and allotted to Urquharts. AR \$440 based on Stock limitation of 3700 dry sheep.
Pt 042 – SCH – 02 (November 1951 –06/07/1984) – Volume 2 (Folios 179-362)				
184	6/11/1953	-	LSB	By Case No. 3950 of 04/11/1953 rescinded earlier decision and approved Run 73 being held on Pastoral lease from 01/07/1951. AR \$440 based on f 3700 sheep. Lease offer accepted (f186) and registered as CL 529/60 on 13/05/1955) ACTION COMPLETED
213	23/06/1958	CCL	S. Canty Accommodation Society	Ruling sought on legality of “paper road” intersecting Run 73.
217	31/07/1958	CCL	D/Solicitor	Following investigation by Chief Draughtsman (f 214) District Solicitor confirmed legality of intersecting road as Crown land subject to the Land Act 1948.
218	27/08/1958	S. Canty Ashburton Society	CCL	Reply confirming access open to public along road line (Crown land) but discussion on ground with runholder desirable.

FOLIO	DATE		FROM	DETAILS
226	03/10/1966	-	-	CCL Case No. 66/434 approved Transfer from LD and D Urquhart and Perpetual Trustees to Grays Hills Station Limited. [Transfer registered 07/03/1967 – A 705587 and Variation registered as 705586] ACTION COMPLETED
245	01/06/1971	CCL	F/O	Routine description report – MWD had cut a diversion channel for Grays River and Edward Stream across flat to the river (to reduce flooding). [Subsequent inspection to consider erosion risk – folios 255, 258] APPEARS TO BE A PRACTICAL PROBLEM RESOLVED.
260	25/10/1974	DSIR	CCL	CCL Approval to seismograph network at Hogget Hill on Grays Hill (lessees agreeable) to be set up by NZED and views on access emphasised.
261	01/11/1974	CCL	DSIR	DSIR advised NZED informed no new accessways to be formed – all close to existing farm access. [Tenure Review places different complexion on this – If facilities still in existence then Easements may be required] POTENTIAL UNCOMPLETED ACTION
270	27/04/1977	CCL	NZED	NZED advised lessee claimed compensation for construction of transmission lines over lease (17 towers). Asked if the Crown wished to claim compensation.
273	05/07/1977	NZED	CCL	Following field report (f272) CCL advised NZED that \$210 is claimed as the share of compensation. [This decision reversed (f302) and letter sent to NZED confirming compensation to be paid direct to lessee (f304)]. It is presumed that the transmission line is legal vide the Electricity Act. ACTION COMPLETED

FOLIO	DATE	TO	FROM	DETAILS
305	11/07/79	-	-	Action sheet – relative to incorporation of R.S. 40883 with no alteration to Annual rent Stock limitation. on annual rental. CCL approved by Case No. 1978/304 on 13/07/1978 (under f351). [Incorporation into lease by Certificate of Alteration 267313/3]. ACTION COMPLETED
313	08/07/1981	CCL	DCW	MWD advised of investigation into compensation entitlements and sought agreement to Lessee receiving full compensation for land required for Upper Waitaki Power Development Project.
317	07/01/1982	DCW	CCL	Following receipt of field reports (f316) CCL advised that compensation for Crown / lessees interest to be determined separately.
325	14/07/1982	CCL	DCW	DCW advised no progress with negotiations on compensation because of need to resolve in respect of University land – early resolution unlikely.
327	29/07/1982	DCW	CCL	Following approach from DCW (f 326) No action to be taken to revoke Res 184 (to be incorporated in lease) pending finalisation of compensation requirements.
332	24/04/1983	-	-	Chief Surveyor in considering lease renewal requirements noted: <ul style="list-style-type: none"> • Road stopped and land to be taken by NZED.(Shown on SO's 15170 – 15176). • Land to be Incorporated later (stopped road) after taking by NZED.
356	17/05/1984	-	-	C/S notes of discussion on access with field staff. Key issue new to negotiate public access with NZED land over formed road.

FOLIO	DATE	TO	FROM	DETAILS
Pt 042 – SCH-03 – (07/07/1984-05/12/1991) Volume 3 (Folios 363-407)				
367	24/10/1984	-	CCL	Note for file that MWD has settled compensation for area taken for Water Power Development. Formed access down Tekapo River is included in the area to be taken.
371	15/03/1985	-	LSB	CCL Case No 85/42 approved renewal recommendations confirming Pastoral tenure and fixing the RV (\$195,000) and AR (\$2625) and Stock limitation at 3700 sheep subject to a number of conditions and to matters being investigated on a post renewal basis.
373	15/05/1985	Lessee	CCL	Formal renewal offer and Notice sent outlining renewal conditions and issues for post renewal consideration.
374	18/06/85	CCL	Solicitors	<p>Lessee's solicitors accepted the lease renewal valuation. Lessee did not accept other elements of the conditions and post renewal issues other than:</p> <ol style="list-style-type: none"> 1) The acceptance as to the transfer of the unformed road (shown yellow on plan at f 371) and consideration for incorporation into the lease. 2) The grant of a 20 metre access strip (to remain Crown land) parallel to NE boundary between undefined legal road which bisects Grays Hills and RS 40881 (linking up with Haldon Road and access over either Reserve 2917 or Run 254 "Glenrock" Pastoral lease). 3) Acknowledgment that 110.8600ha to be taken for Water Power excluded from renewal lease.

FOLIO	DATE	TO	FROM	DETAILS
384	16/03/86	-	CCL	File note summarising matters for continuing negotiations and those accepted by the lessee. ACCEPTED ISSUES AS ABOVE STILL INCOMPLETE.
396	28/10/86	-	CCL	File note of discussion with lessees – noted that little progress over leasehold matters. Lessees advised that viability threatened by serious weed and pest infestation and resumption of the lease a possibility.
-	02/12/1991	Lessee	Landcorp Asset Mgr	Advised of receipt of Draft Rabbit and Land Management Property Plan and understanding that lessee to make submissions to the Parliamentary Commission for the Environment. Advised that rent relief held in abeyance pending action on the wider issues. Indication of advice given to CCL for discussion of future utilisation of degraded lands with Minister of Lands.
Pt 042 – SCH-04 – (06/12/1991-30/06/2000) - Volume 4				
-	05/05/1992	Solicitors	Minister of Lands	Copy of Ministerial to Solicitors encouraging lessees to enter into Rabbit and Land Management Programme.

FOLIO	DATE	TO	FROM	DETAILS
-	23/12/1992	CCL	DOSLI (Chch)	<p>Copy of report and information on the status of maintenance Rabbit fencing in the Mackenzie Basin. This highlighted that this issue had arisen during negotiations with Grays Hills to settle outstanding compensation for the acquisition of leasehold interest for the Upper Waitaki Power Development. Background papers revealed conflicting statements in the question of responsibility on riverside fence maintenance.</p> <p>The CCL's response to the Director General of Conservation of 1 February 1993 concluded that on the information available that DOC had inherited this potential liability through the past actions of Govt agencies and that it was over to DOC to take this matter up further with Treasury.</p> <p>THIS IS A POTENTIAL GOVT LIABILITY THAT MAY STILL BE INCOMPLETED (notwithstanding that the Rabbit population has been controlled by the introduction of Calicivirus).</p>
-	11/01/1995	KFL	Lessees	<p>Having been notified of the renewal of rental the Lessees accepted values RV -\$10,000 and the new rental of 225 payable. ADMIN ACTION ONLY COMPLETED</p>
<p>Pt 042 - SCH - 05 (5/08/1959- 25/08/1986) – Volume 5</p>				
	03/12/1980	DCW	CCL	<p>By CCL Case No 80/607 of 4/12/1980 approval given to the closing of road adjoining Grays Hill.</p>

FOLIO	DATE	TO	FROM	DETAILS
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No relevant folios	Pt 42A - SCH (1/1/1980 – Current) - Plans Only			
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No relevant folios	CON 50213/09/12689/A – ZNO (01/07/2000 –Current) - Volume 1			
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No relevant folios	40/14/4/1/39 – (22/08/1980 – 30/06/1983) Volume 1			
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FOLIO	DATE	TO	FROM	DETAILS
40/14/4/1/39 – (15/07/1985 – 30/07/1997) Volume 2				
-	03/02/1987	Elect Div Min of Energy	DCW	As part of a general progress report it is indicated that settlement of compensation delayed because of problems into road closing consents from Lands and Survey.
-	21/04/1987	DCW	MWD Timaru	Indicated no reason why negotiations could not proceed pending road closure consent.
-	15/07/1987	Commissioner of Works	DCW	Report seeking comment to allow progress to obtain settlement of compensation with lessees. The dilemma being that Electricorp seeks control of riverbeds but DOC has objected (because of effect of Section 58 LA 1948 - now Marginal strips). The concern is along Tekapo River where lease boundary was surveyed to fencelines and the proposal to take land inside the river boundary for WPD in exchange for vesting road in HMQ for incorporation into the lease. The stopping of the road for incorporation has implications by reducing the proposed Marginal strips to less than 20metres in width at some points. Options were put for consideration. [Footnote that Commissioner of Works advised verbally to disregard road stopping and not include in agreement with owners/lessees].

"RELEASED UNDER THE OFFICIAL INFORMATION ACT"

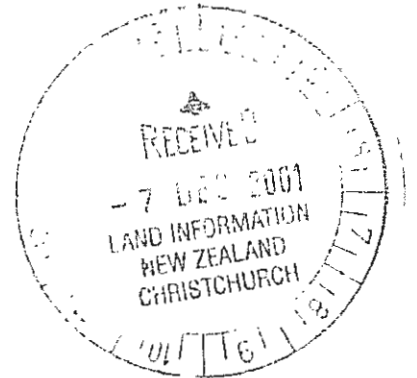
FOLIO	DATE	TO	FROM	DETAILS
-	14/10/1987	Lessee	DCW	Advice that it is no longer intended to deal with road transactions by exchange as DOC has indicated it wishes to retain Marginal strips along the Tekapo River. Indicated that it could take some time to settle action to stop and amalgamate to be dealt with later. Action to proceed with settlement of compensation attendant to land losses.
-	04/03/1988	Landcorp	DCW	Relative to Lessors interests. Confirms that road stopping and amalgamation with leases to be held in abeyance pending DOC/Electricorp agreement on on control. Assessment for lessee's interests for affected properties scheduled at \$2/ha.
-	21/10/1992	Lessees	DOSLI	Relates to resolution of issues raised by Lessees advising that now in a position to recommend acquisition with the deletion of Special Conditions 5, 6 and 7 (as in the original agreement) from the Agreement. This addressed outstanding issues and although the matter of fencing maintenance along the Tekapo River continues to be an issue it would be necessary to undertake investigations to determine what undertakings if any the Crown intended on fencing maintenance.
-	18/11/1992	DOSLI Chch	CCL	Reference of DOC correspondence for comment with correspondence that substantiates Electricorp stance regards maintenance of rabbit fencing along the Tekapo, Pukaki and other rivers. DOC concerned as to how Crown might deal with this contingent liability (given that DOC/Electricorp still to resolve issue of control).

FOLIO	DATE	TO	FROM	DETAILS
-	23/12/1992	CCL	DOSLI Chch	Report and supporting papers referred. These indicated that there were conflicting statements as to liability for riverbank fence-line maintenance.
-	01/02/1993	DG Conservation	CCL	Letter copied to DOSLI Chch. No commitment for the Crown to maintain fences to rabbit proof standard and that neither Electricorp nor any predecessor Crown agency has any interest in the river fencing. Conclusion is that DOC has inherited the potential liability through the past actions of Govt agencies. CCL suggested DOC brief Treasury.
	09/12/1992	DOSLI	Solicitors	Compensation Agreement executed.
	12/12/1992	Works Consultancy Services	DOSLI	Report and recommendation to accept Grays Hill Station Limited offer of \$13,921.64 in full and final settlement of compensation.
	10/05/1993	Lessees	DOSLI	Advice of formal approval and registration of Comp. Cert. A 50126.1
	11/11/1993	DOSLI	WCS	Confirmation that compensation of \$13921.64 paid to solicitors on 6/10/1993. INCOMPLETE ACTION (GAZETTAL REQUIRED)

40/14/4/1/39/1 – (05/04/1972-05/02/1993) - Volume 1

-	21/04/1983	CCL	DCW	Sought consent to setting apart Areas E and F SO 15174 (3.6200ha) for WPD in exchange for road (Area B on SO 15174).
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FOLIO	DATE	TO	FROM	DETAILS
-	31/05/1983	DCW	CCL	Consent given under delegated authority from Land Settlement Board. Compensation held in abeyance pending resolution of compensation issues.
-	14/10/1987	Lessee	CCL	Advice that road stopping and amalgamation held in abeyance pending resolution of issues of control between Electrocorp/DOC. INCOMPLETE ACTION (ROAD STOPPING / MARGINAL STRIP ISSUES PENDING OUTCOME)
-	07/12/1987	MWD	Lessees	Before offer of compensation accepted lessees require clarification of: a) Maintenance of water troughs b) Maintenance of fence up the Tekapo River at expense of NZED/MWD? THESE ISSUES RESOLVED TO ENABLE SETTLEMENT OF COMPENSATION TO PROCEED – (b) POTENTIAL LIABILITY ISSUE FOR DOC.
-	30/07/1997	Sec. Treasury	LINZ	Summary of properties where funding required to complete legalisation action of the Upper Waitaki Power Development Project including Grays Hill Pastoral lease “ Leasehold estate to be gazetted. Compensation settled”.



noty: 8595

LAND STATUS REPORT

for
Tenure Review

GRAYS HILLS

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

December 2001

CONTENTS

APPENDIX A LAND STATUS REPORTS (and supporting plans)

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

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

APPENDIX A LAND STATUS REPORT (and supporting plans)

Q V VALUATIONS, CHRISTCHURCH OFFICE

APPENDIX A

Project Number QVV 212

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

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

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

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



Prepared by Crown Accredited Supplier	Don McGregor, McGregor Property Services Limited, Christchurch For and on behalf of QV Valuations
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LAN7 STATUS REPORT for Grays Hills Tenure Review	LIPS Ref: 12689
Property 1 of 1	

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

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

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

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

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

Copies of relevant papers attached.

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

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

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

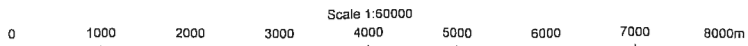
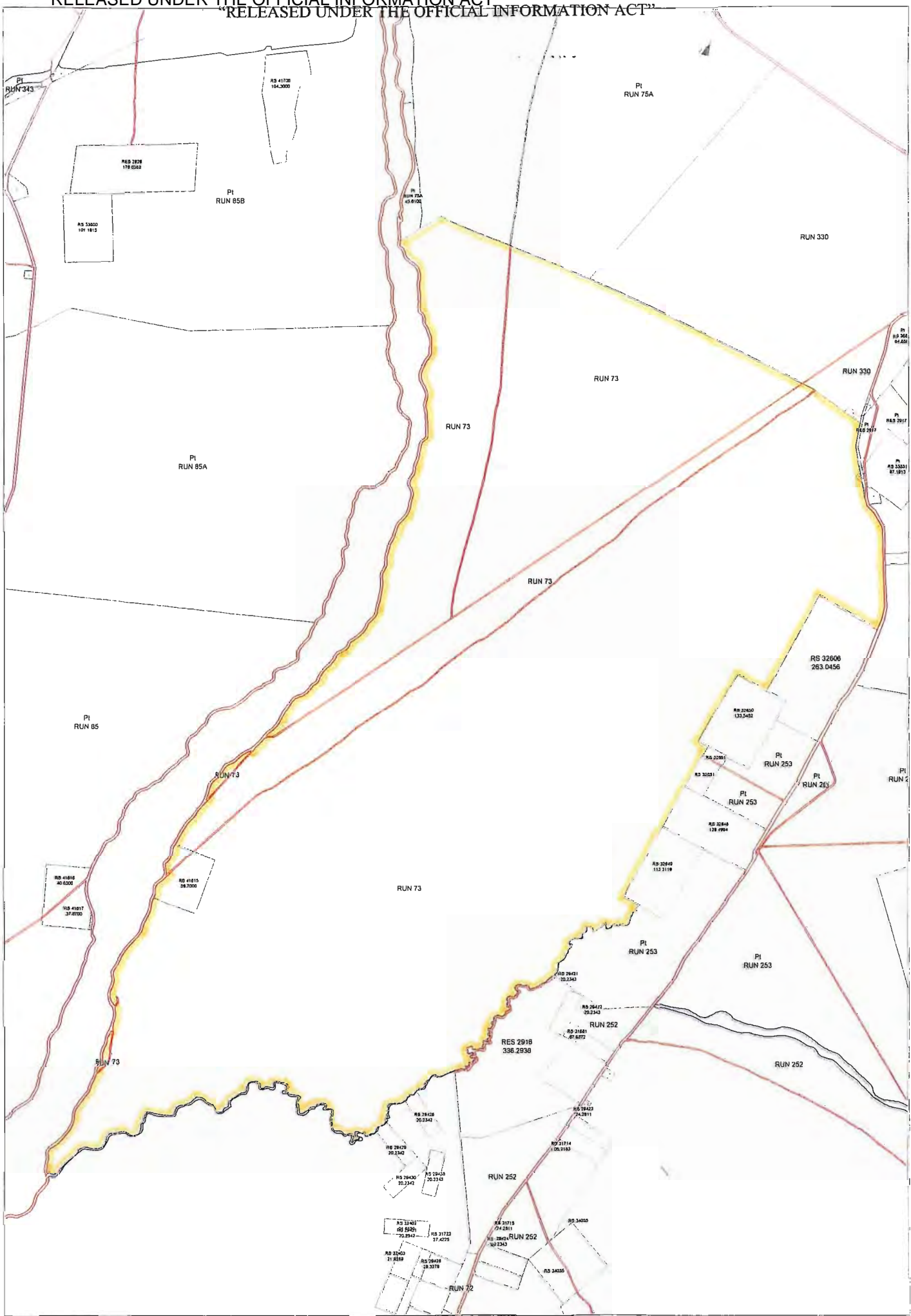
- i) DoC and the other parties (including the Crown) resolving the question of public access /ownership along the Tekapo River margins to the road fence (proposed common boundary), and
- ii) DOC granting exemptions from the Marginal strip provisions applying to enable the subsequent incorporation of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

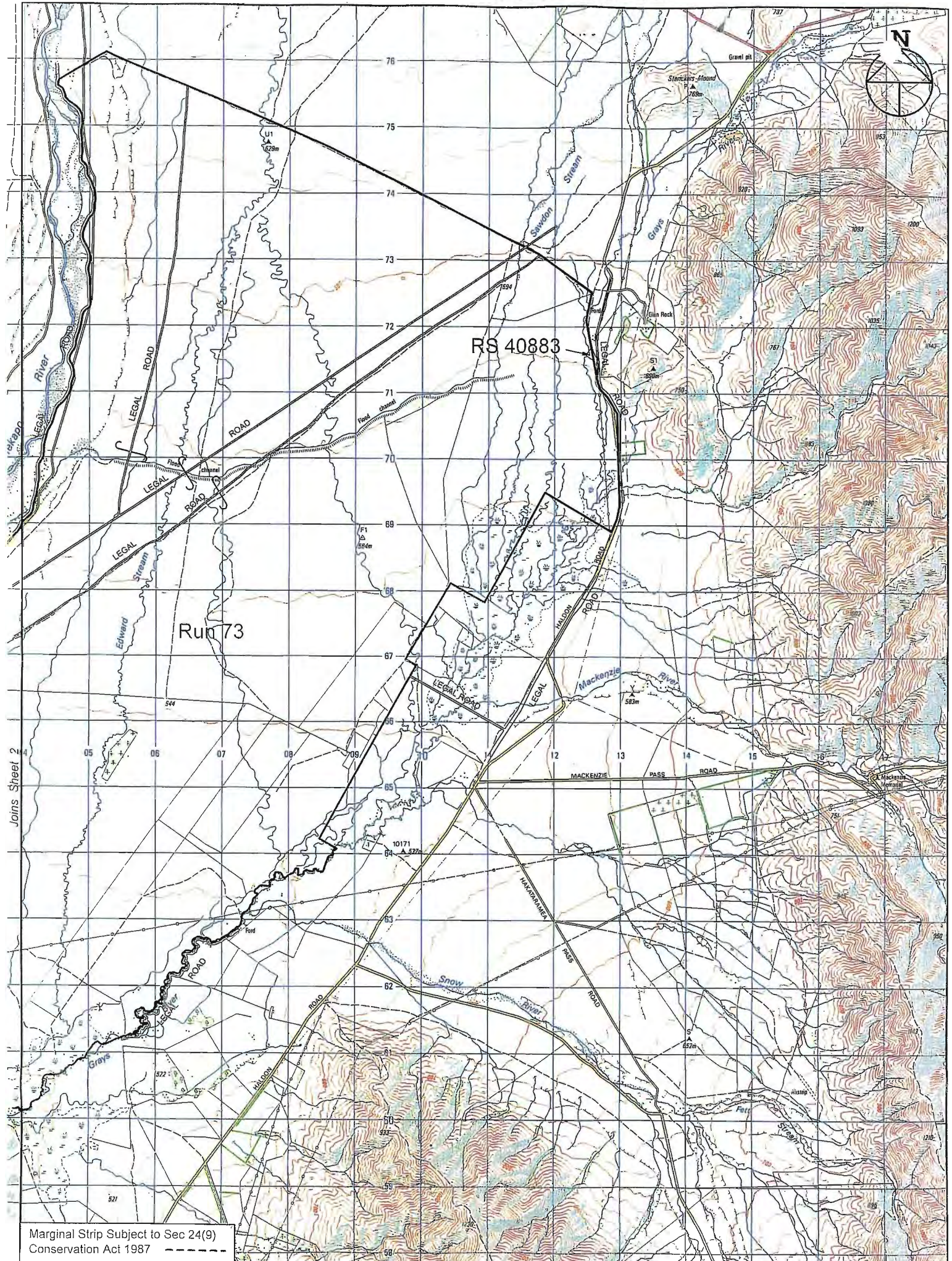
Copies of relevant supporting folios attached.

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

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

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





Joins Sheet 2

Run 73

RS 40883

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

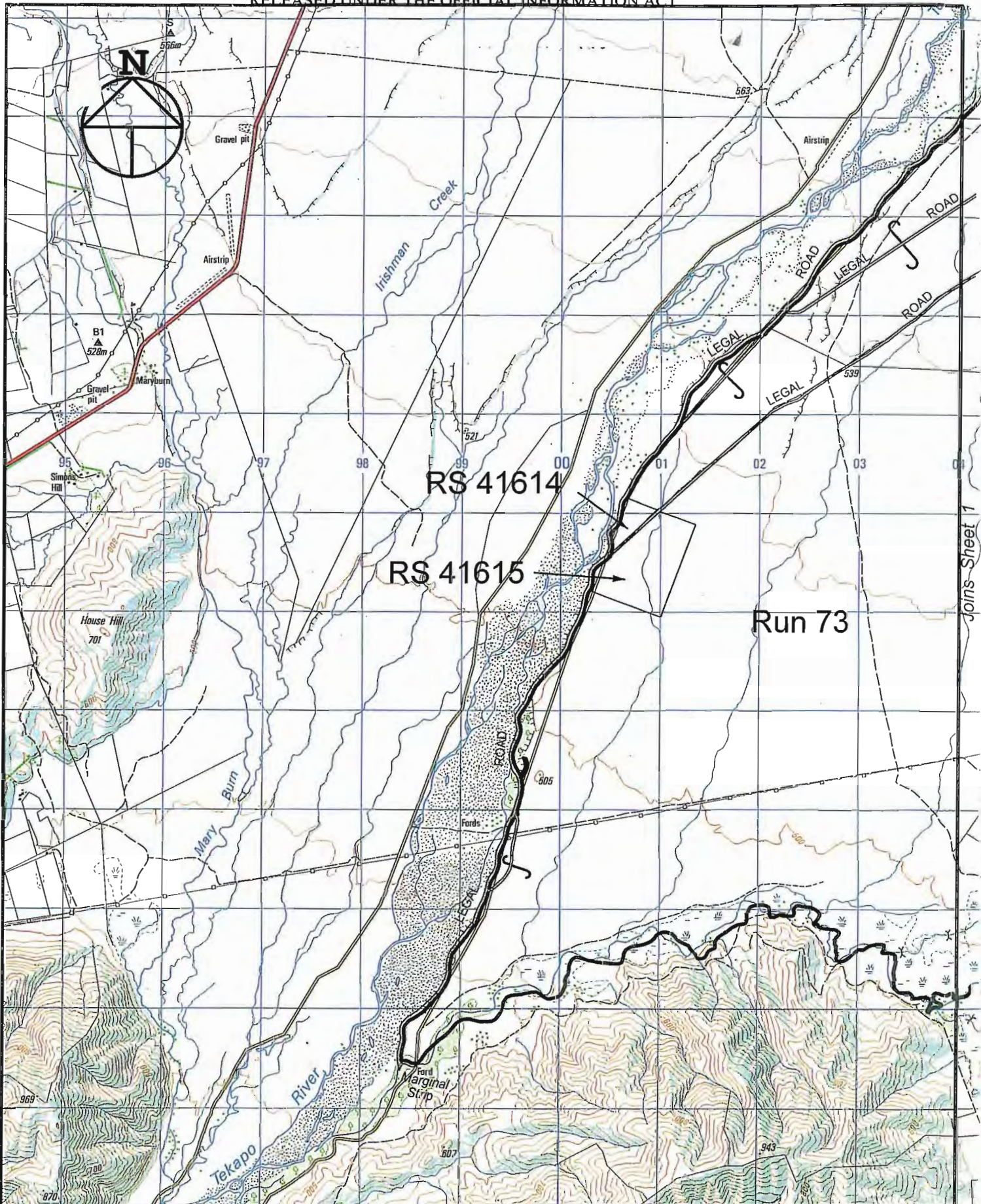


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Grays Hills

Scale 1:50000

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

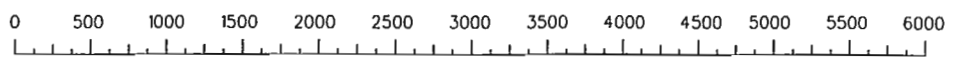


Joins Sheet 1

Marginal Strip Subject to Sec 24(9) Conservation Act 1987 - - - - -	Version	1	2	3	4	5
	Canterbury Land District	Sheet 2 of 2				
	Topographic Map 260 - 138	Date 09/11/01				

Grays Hills

Scale 1:50000



Extract of CLR

10 FEB 1987

Description: Run 73 "Grays Hills Flats"
 Situated in: R.S. 40883, A1614, 11615, Pukaki, Burke, Skidmore & Mackenzie S.D.
 S.O. Plan: 15170-76 Local Authority: Mackenzie County Council Area: 10720.1195 m²/ha

DETAILS OF LEASE OR LICENCE							
Main File	Selector	File	Date of Selection	Term Years / From	B.V. Price	A/Rent Instalment	Det. Exp.
	<u>Grays Hill Station</u>	<u>41 PAZ</u>	<u>1.3.85</u>	<u>33 1.7.84</u>	<u>195000.00</u>	<u>2925.00</u>	<u>30/6/84</u>

DETAILS OF RESERVATIONS							
Purpose or Classification	Gazette		Administering Body	Vested		Control & Management	
	Year	Page		Year	Page	Year	Page

Valuation Ref: 25300 85. C.L./C.T./Deeds Ref: 529/60

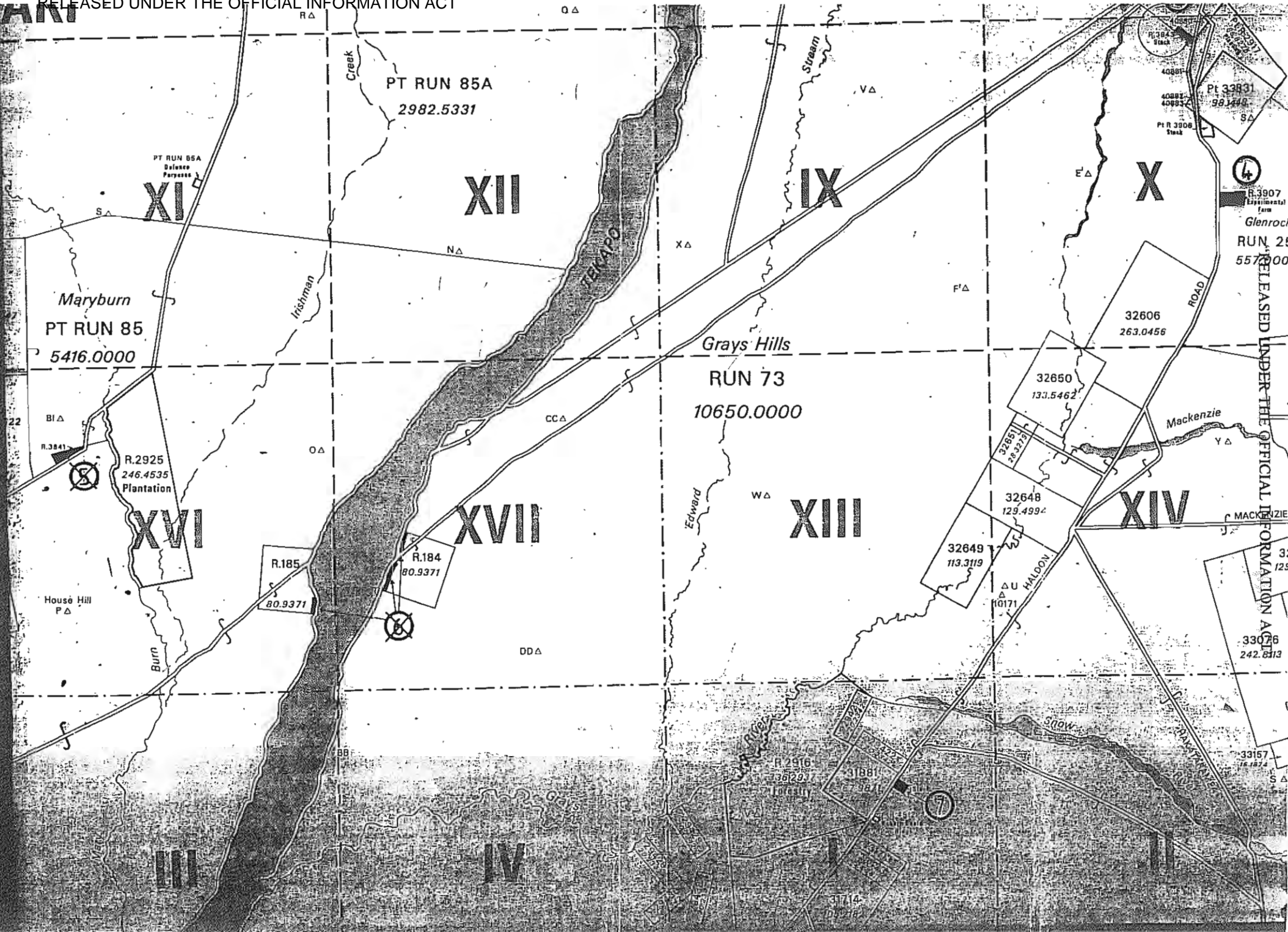
Name of Reserve/Locality: _____
 Description: Run 73 "Grays Hills"

Extracts of Allocation maps

RELEASED UNDER THE OFFICIAL INFORMATION ACT

61		DOC/Landcorp			0070R		Canterbury	
NZMS 260 Reference	S.O. Number	Allocation Number	Legal Description/Ref	Physical Description	Area (ha)	Subm. Rec.	Background Notes	Decision
137		17		Bank Ophi River		X	Wetland and wildlife values.	Reallocate to Dept of Lands for review (DOC)
138	17056	5 & 6 ⁹		Land adjacent to pastoral leases	5 4.9	X X		Department of Lands.
139	17057	1		Riverbed	30	X	No commercial use	Allocate to Dept of Lands (DOC)
139		2-6,7		Wetland, Hakataramea river beds and banks	90	X	Recreational and conservation values	Dept of Lands (DOC)
140	17058	1		Hakataramea riverbed		X		Department of Lands.
J36	17062	2		Small riparian areas		X	(Adjacent to Ben McLeod PL (S 58 strips provided))	Dept of Lands
J36	17062	3,4,5	-	3: Pastoral Lease land 4 & 5: Ungazetted gravel reserves	4.6	X		3: To Department of Lands (Schedule A) 4 & 5: Department of Lands - to review (commercial potential may differ from adjacent pastoral land and merit allocation to Landcorp)

"RELEASED UNDER THE OFFICIAL INFORMATION ACT"



RELEASED UNDER THE OFFICIAL INFORMATION ACT

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