

Crown Pastoral Land Tenure Review

Lease name : GRAYS HILLS

Lease number : PT 042

Due Diligence Report (including Status Report) - Part 5

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

file on P42

P.S.
1/15

Bobbs TO

62-549

XXXXX
Private Bag,
CHRISTCHURCH.

25 October 1974

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

UPPER WAITAKI - SEISMIC GRAPH NETWORK

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

- Bush Stream (Clontarner)
- Mt Mary (The Tolds)
- Gladstone Stream (Fukaki Downs)
- Mt John (Mt John)
- Harriet Hill (Gray's Hill).

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

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

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

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

C. Hollett,
Commissioner of Crown Lands.

per:

Commissioner of Crown Lands,
DUNEDIN.

Copy for your information and further to my minute of 23 August.

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

L. & S.—F. 14A

DEPARTMENT OF LANDS AND SURVEY

OUR FILE: 8/8/107

YOUR FILE: P42

From HEAD OFFICE

Date: 19 March 1985

To CCL CHRISTCHURCH

Ref.: Ours/Yours of

Person to consult:

Lands and Survey Department
21 MAR 1985
CHRISTCHURCH

SUBJECT: RENEWAL OF PASTORAL LEASE : GRAYS HILLS

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

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

C G Pemberton
for Director-General

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HEAD OFFICE COMMITTEE
LAND SETTLEMENT BOARD
RENEWAL OF PASTORAL LEASE

FILES: H.O. 8/8/107 D.O. P 42 CASE NO. 85/42 CANTERBURY LAND DISTRICT

LESSEE

GRAYS HILLS STATION LIMITED

LAND HELD IN LEASE

Run 73 (Grays Hills) and Rural Sections 40883, 41614 and 41615 situated in Pukaki, Burke, Gladstone and Mackenzie Survey Districts.
Area: 10609.2595 hectares.

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

RUN NAME

"Grays Hills".

LOCATION

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

PARTICULARS OF TENURE

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

CROWN IMPROVEMENTS

NIL

OTHER LAND HELD

Freehold 1013 hectares and Canterbury University Endowment Lease 12166 hectares.

PLANS

An illustrative plan of the Run is attached.

PHOTOS

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

GENERAL DESCRIPTION

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

LAND USE CAPABILITY

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

VALUATION

Roll Value as at 1.7.79.

Improvements 27,000

Land Value 185,500

Capital Value \$212,500

Valuation for renewal as at 11.4.82 by R.M. Donaldson, District Valuer.

Value of Land exclusive of Improvements 195,000

Value of Improvements 183,000

Capital Value \$378,000

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

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

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

2. Boundary adjustments

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

3. Areas to be excluded or protected

(a) Wetlands

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

North of the freehold area which intersects Grays River is an area of approx. 250 ha., a third of which is swampland modified by grazing. The balance is the old flood channels from Sawdon Stream. Due to the impending development of freehold it becomes more important that an upstream water retention buffer remain to assist in containing spring thaw and flood conditions. A covenant to prevent drainage and soil disturbance is all that is required over the area shown "A" on the attached plan.

(b) Access

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

(c) Section 58 Land Act reservations

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

FIELD OFFICER'S RECOMMENDATIONS

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

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

LESSEES' COMMENTS

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

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

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

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

SENIOR FIELD OFFICER'S COMMENTS (P. Washbourn)

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

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

I agree with the recommendations.

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

CHIEF SURVEYOR'S COMMENTS (G. Wilson)

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

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

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

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

CHIEF PASTORAL LANDS OFFICER'S COMMENTS

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

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

The limit should be carried forward as 3700 sheep.

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

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

COMMISSIONER OF CROWN LANDS' COMMENTS

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

RECOMMENDATIONS

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

(a) Value of Improvements	\$183,000
(b) Value of Improvements included in Rental Value	---
(c) Value of land exclusive of Improvements	\$195,000
3. That the lease be renewed pursuant to Section 66 Land Act 1948 on the following conditions:
 - (a) The annual rent for the first 11 years of the new lease based on $1\frac{1}{2}\%$ of 2(c) above be fixed at \$2,925.00, the rental after the initial period to be $2\frac{1}{4}\%$ (less $1/9$ th rebate) of the then LEI and lease to be subject to 11 yearly reviews of rent.
 - (b) The stock limit to be shown in the lease document to be set as follows:

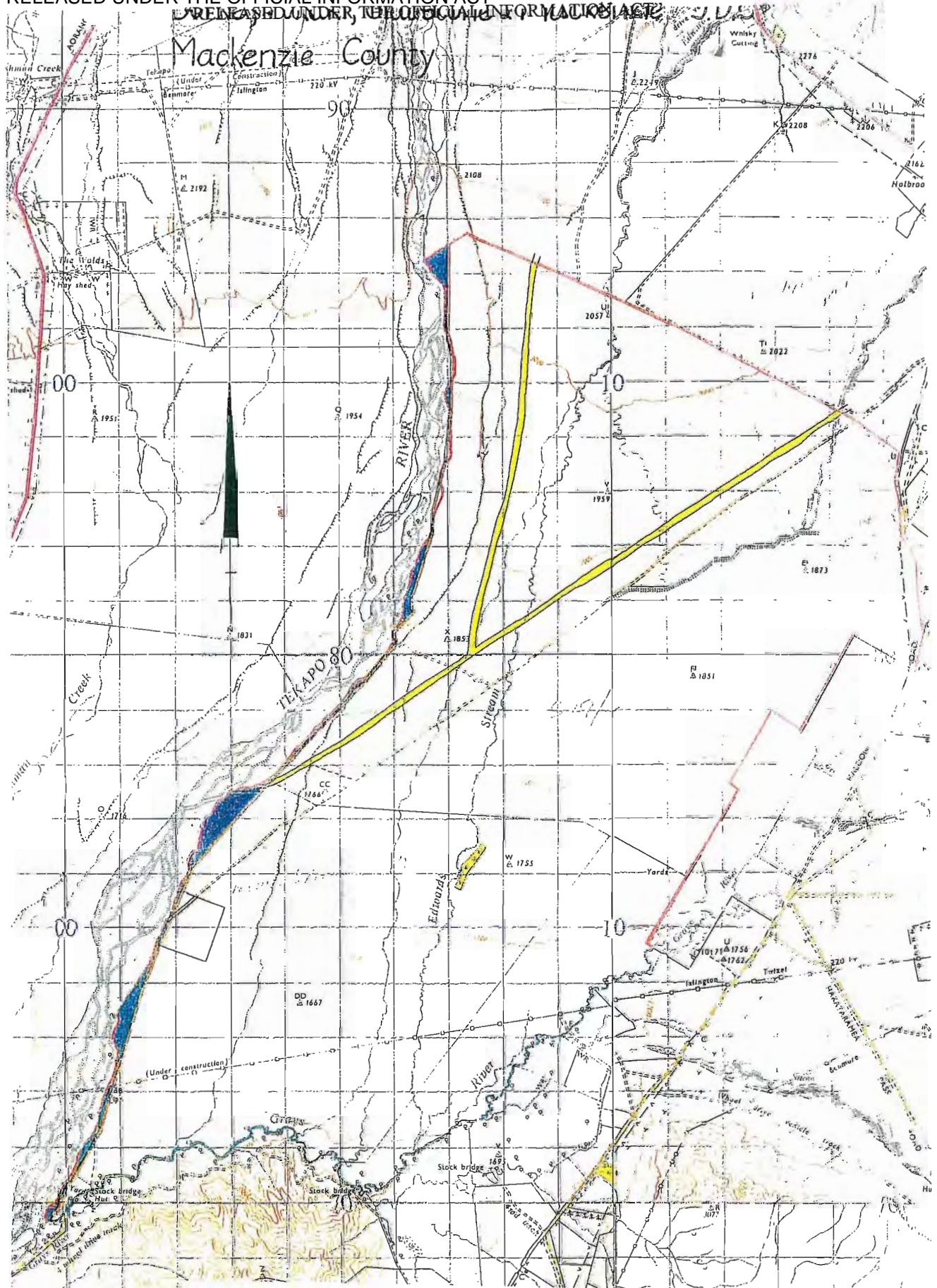
not more than 3700 sheep.
4. X (a) That the unformed legal roads coloured yellow on the attached plan be ~~transferred~~ ^{assumed by} the Crown and considered for incorporation into the lease in a post renewal situation.
 - (b) That a 20 metre wide strip be retained parallel to the north-east boundary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

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

DECISION

HEAD OFFICE COMMITTEE
15 MAR 1985
APPROVED

Mackenzie County



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

Area: 10720.1195 ha

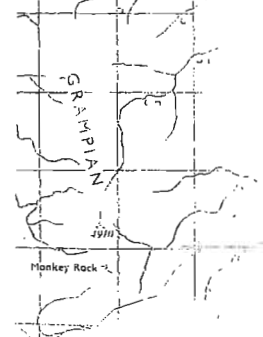
Land ^{to be taken for} water power

Area: 114.4800 ha

Roads to be retained or established

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

Scale 1:63360



323

r Webster

JOC

799 760

Private Bag
CHRISTCHURCH

15 May 1985

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

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

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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 other} 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)^d
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:

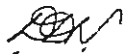
(a) Lessee's improvements	\$183,000
(b) Crown improvements	-
(c) Land exclusive of improvements	\$195,000

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

Lands and Survey
Department
25 JUN 1985
CHRISTCHURCH

TELEPHONE (056) 45-179 (5 LINES)

P.O. BOX 557

27 STRATHALLAN STREET,
TIMARU, N.Z.

BARRISTERS AND SOLICITORS

WY ARCHDALL RAYMOND, LL.B.
EDM RD ORAL SULLIVAN, LL.B.
CHR TOPHER JOHN COONEY, LL.B.
JOHN ROBERT McGLASHAN, LL.B.

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.

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.

yes that is correct.

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 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

P 42

r Bradley

WB

799 760

Private Bag
CHRISTCHURCH

7 October 1985

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

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 1½% ...". 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 ...

16
17. 3. 86.

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OUR OFFER 15/5/85

LESSEE'S RESPONSE 18.6.85

OUTSTANDING MATTERS

(1) VALUES

ACCEPT

Increased rent should not commence until 1.3.88
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 disturbances

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

3. S 58 strip of Somers

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 as if lessee doesn't accept, they must be seen as 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

4. Exclusion of land (10.86 ha) being taken for
water power.

ACCEPT

RELEASED UNDER THE OFFICIAL INFORMATION ACT

TELETYPE UNIT

18/6/85

18/6/85

FURTHER ADVICE TO
LESSEE 7.10.85

3-86

Solicitor says time frames can't be altered
S 138 a possibility for remission

Referred to Head Office
Can't alter

201 mail

Access
rights

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

Accept that anything in excess of
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.

Already provision in lease for 20 metres

RELEASED UNDER THE OFFICIAL INFORMATION ACT

2015-03-06 08:10:00

2015-03-06

Department:

Section:

File No.

Date:

Subject

To-
ACB

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

He said he did not seem to be making any headway over leasehold matters. He reminded us of my suggestion that we might have an on 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 weed 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.

Inquires to Mr P J Rumens

Date 15 July 1987

Telephone 530 099 Telex NZ 4910

40/14/4/1/39

Our ref

40/14/4/1

Your ref

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.

H.O. has advised verbally to disregard road stopping and not include in agreements with owners an agreement with DOC, 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.

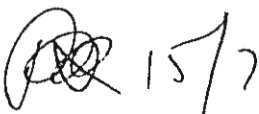


M K Williams
for District Commissioner of Works

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

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

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

POLICY DIVISION
Mr S R Gilbert

4 March 1988

P40/14/4/1

Branch Manager
Land Corporation Ltd
Private Bag
CHRISTCHURCH

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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 Ferintosh	387.66	"	(approx) SO 14612, C & E & 14613, C superseded

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 <u>Grays Hills</u>	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.

4722.2664 ha

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


 S R Gilbert
 for District Commissioner of Works

D 12/16 Lo E Corp.

Raymond Sullivan McGlashan



BARRISTERS & SOLICITORS

17 Stratallan 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*

*Perforated -
Please return with
40/14/13, 40/14/4/1/28
or 40/14/4/1/38/1*

*** 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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Revised draft 27/3)

Department of

Survey and Land Information

Te Puna Korero Whenua



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

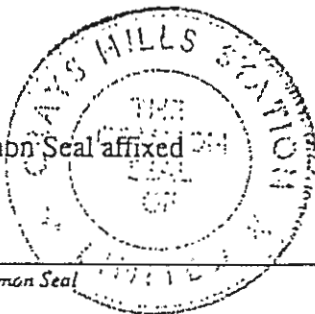
and being all part of the land in Certificate of Title

Register (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 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 of witness

Name of witness

DEPT OF SURVEY & LAND INFORMATION

Address of witness

Occupation of witness

delete if not applicable

Schedule A: Conditions Relating to Transfers

(1) ~~Letter~~ 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 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.

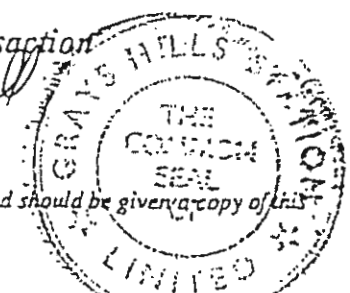
(5) Possession Subject to Tenancy : delete "Vacant ... and" from (2)

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



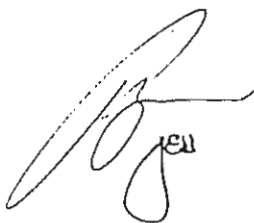
Note: The Owner should initial this side of the page and any alteration in print and additions to print and should be given a copy of this form for his own use.

Survey and Assessment Division
Te Puna Korero Whenua

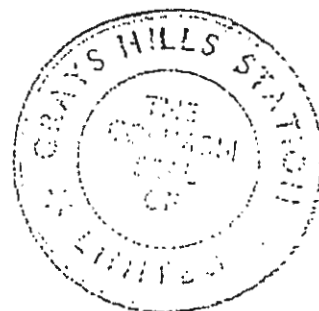
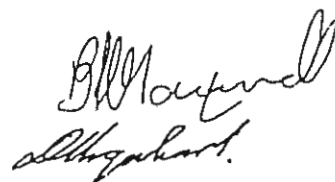
Memorandum of Agreement *continued*

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.



A handwritten signature in black ink, appearing to be 'B. J. ...' with a small 'CU' or similar mark below it.

A handwritten signature in black ink, appearing to be 'B. J. ...' with 'all rights reserved' written below it.

DENDUM A

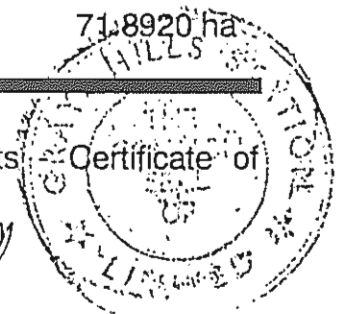
UPPER WAITAKI POWER DEVELOPMENT
 UNIVERSITY OF CANTERBURY LAND
 LESSEE : GRAYS HILLS STATION
 LAND REQUIREMENTS

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
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17 December 1992

The Civil Consultant
Works Consultancy Services
P O Box 596
TIMARU

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PERMISSION OF LINZ

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)

Other information

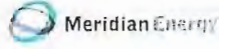
Part Sec. Rd.	Lot. Stm.	Letter Colour	Area		Gazette Reference	Document Number	Description of Action	Remarks
			Ha	m ²				
	oad	A	6	7000				
		B		5000				
	Pt Run	C	3	0200				
		D	6	2000				
	Cr. Land	E		3300				

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UPPER WAITAKI POWER SCHEME

Lake Tekapo - Lake Pukaki



- Meridian Energy Ltd Core Land
- Operating Easement
- Unformed legal roads
- Cadastral boundaries
- Sealed roads
- Metalled roads
- Tunnel easement
- Structures



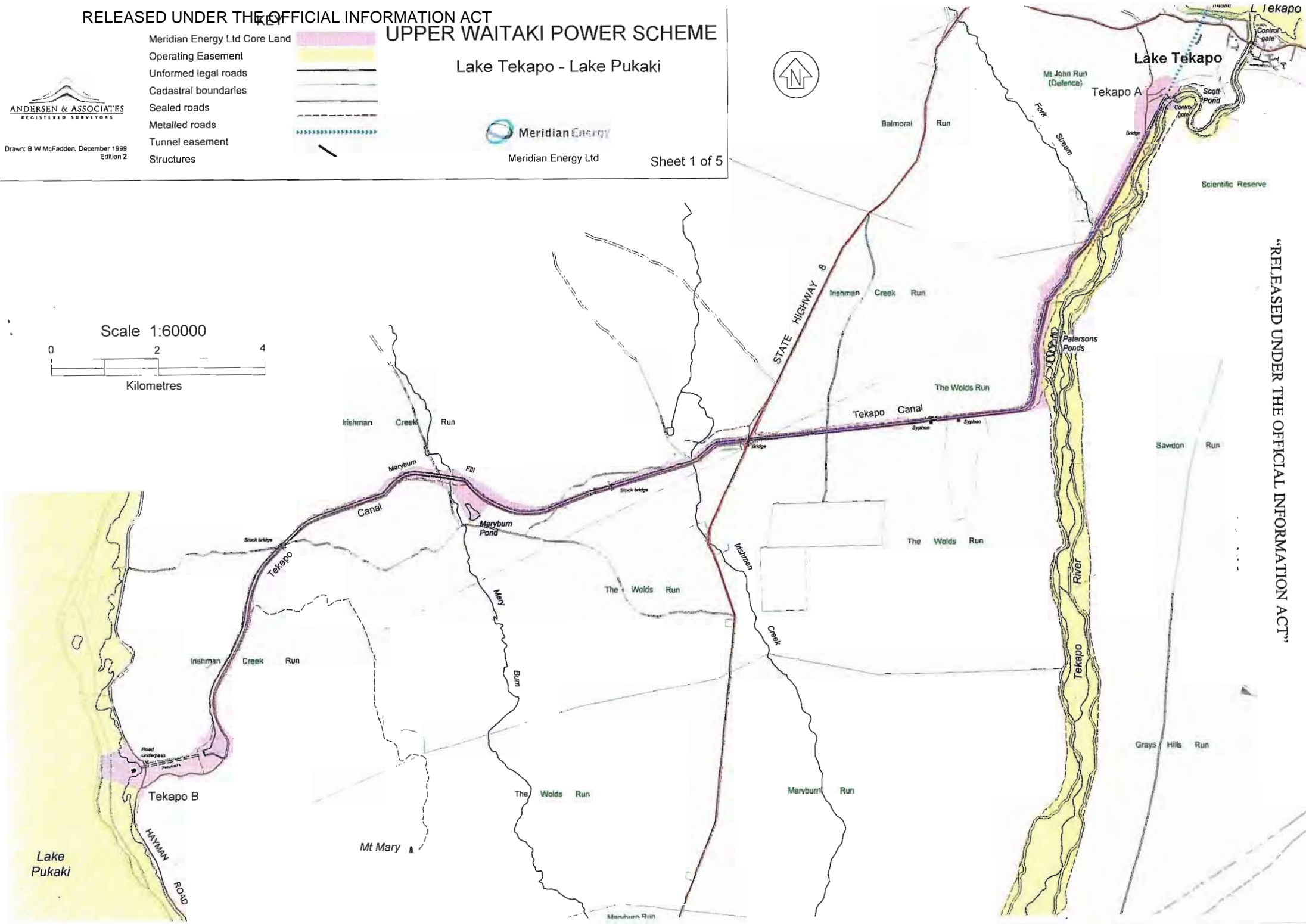
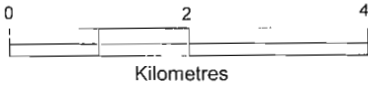
Meridian Energy Ltd

Sheet 1 of 5



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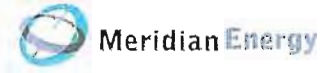


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Meridian Energy Ltd Core Land

Tekapo River - Lake Benmore

- Operating Easement
- Unformed legal roads
- Cadastral boundaries
- Sealed roads
- Metalled roads
- District boundary
- Structures
- Nohoanga site

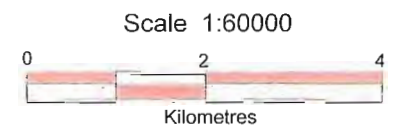
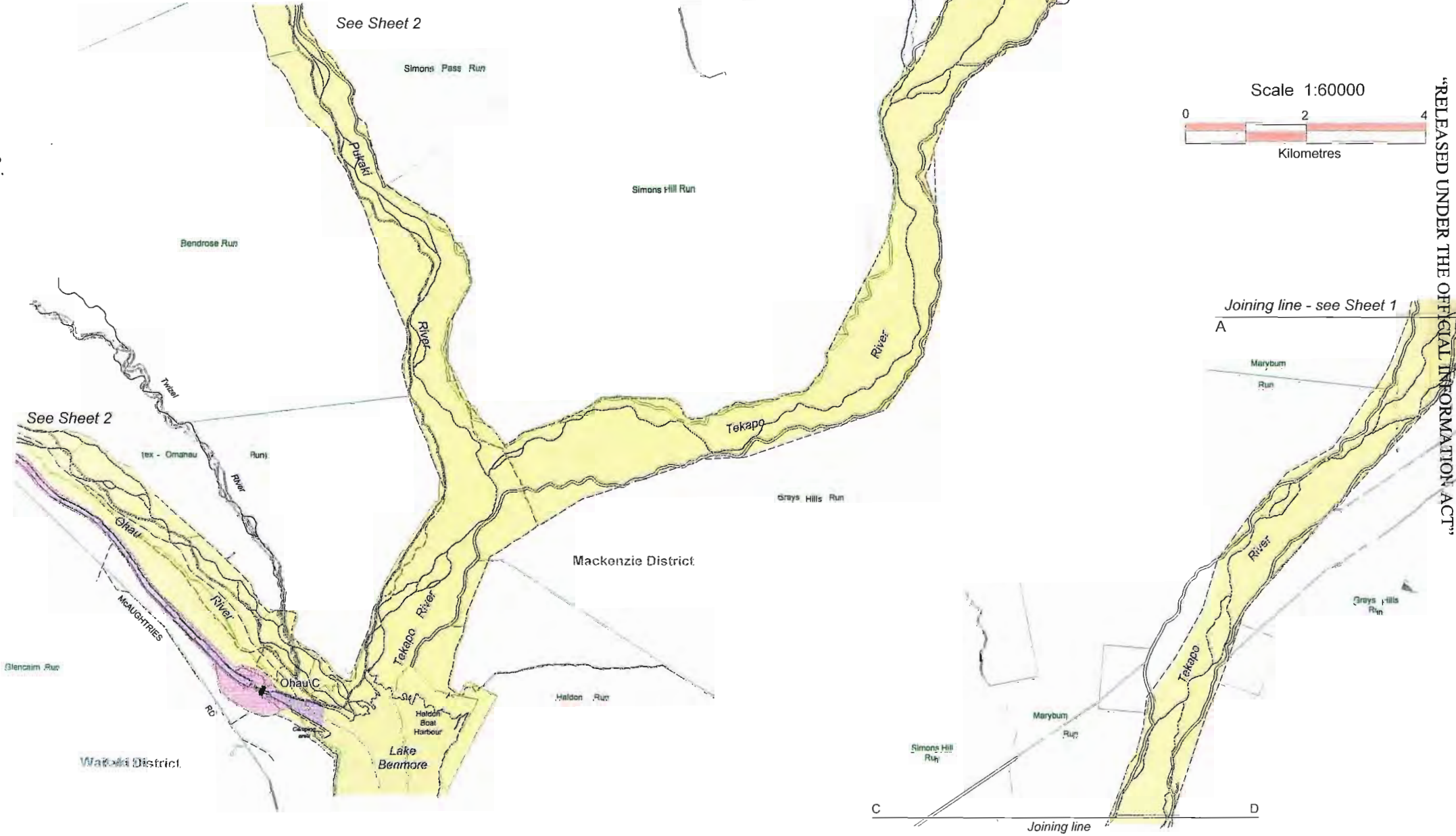


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