

## **Crown Pastoral Land Tenure Review**

**Lease name : HUXLEY GORGE 1**

**Lease number : PT 106**

### **Due Diligence Report (including Status Report) - Part 2**

This report and attachments results from a pre-Tenure Review assessment of the pastoral lease for the purpose of confirming land available for Tenure Review and any issues, rights or obligations attaching to it. The information is gathered from files and other sources available to the LINZ contractor.

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

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

**January**

**06**

**APPENDIX 3**

THIS DEED OF AFFIRMATION of JULY 1953 between His Majesty The

QUEEN acting by and through the Conservator of Forests, CHRISTCHURCH, under power delegated to

him by the Minister of Forests (hereinafter called "the Lessor") of the one part and ALEXANDER GRANT

of HUXLEY GORGE STATION (hereinafter with his executors and administrators called "the Lessee") of the other part witnesseth as follows:—

1. Under and in pursuance of Part II of the Forests Act, 1949, and with the consent in writing of the Minister of Lands given on the ELEVENTH day of JUNE, 1953, the Lessor hereby leases to

the Lessee who hereby accepts on lease all that piece of State forest land situated in the WARD AND HOPKINS

Survey District and the OTAGO Land District containing 1,950 ACRES

more or less being OPEN GRAZING COUNTRY IN RESERVES 3342 AND 3343, STATE FOREST 40, SOUTH LAND Conservancy as the same is outlined in red on the plan endorsed hereon subject to all existing rights over the said land.

2. The term of this lease shall commence on the FIRST day of JANUARY, 1953, and shall be from year to year until forfeited by the Lessor under section 40 of the Forests Act, 1949, or until determined by either party by notice in writing under clause 3 hereof or until the expiration of thirty-three years from the date of commencement whichever first occurs.

3. (a) The Lessee may determine this lease as at the end of the first or any subsequent year of the said term by giving to the Lessor not less than six calendar months' notice in writing to that effect.

(b) The Lessor may determine this lease as at the expiration of not less than three calendar months' notice in writing given to the Lessee on any day in the first or any subsequent year of the said term but should the expiration of a notice not coincide with the end of such a year then the rent hereby reserved shall be deemed to be accruing day by day and shall be apportioned and adjusted accordingly.

(c) Except as provided in subclause (b) hereof a forfeiture or determination shall not enable either party to claim compensation from the other party and shall not free either party from liability for any antecedent breach of any condition or covenant.

4. The rent for the said land throughout the said term shall be at the rate of [redacted] a year which shall be payable yearly in advance to the said Conservator of Forests.

5. Certain conditions are implied in this lease by the said Part II of the Forests Act, 1949. The remaining conditions of this lease and the Lessee's covenants with the Lessor are as follows:—

- (a) The Lessee will duly and punctually pay the said rent.
- (b) The Lessee will duly and punctually pay all rates and taxes payable in respect of the said land during the continuance of the said term.
- (c) The Lessee will not assign transfer sublease mortgage or otherwise part with the possession of the said land or any portion thereof or with this lease or any of his rights hereunder.
- (d) The Lessee at his own expense throughout the said term will keep, and at the expiration or sooner determination thereof will yield up, all fences erected upon or around the said land in as least as good condition as the condition thereof at the commencement of the said term.
- (e) The Lessee at his own expense throughout the said term will comply with the provisions of the Noxious Weeds Act, 1950, and all lawful requirements thereunder in respect of the said land.
- (f) The Lessee at his own expense throughout the said term will keep down rabbits, goats, deer and other animal pests to the satisfaction of the said Conservator of Forests.
- (g) The Lessee will use the said land only in a proper and husbandlike manner and only for the purpose of grazing, and, in particular (without restricting the foregoing words), will not build upon, burn over, crop, break up or overstock the said land.
- (h) The Lessee will at all times strictly comply with the provisions relating to fire of the Forests Act, 1949, the Forest and Rural Fires Act, 1947, and all other statutes, regulations and notices.
- (i) The Lessee will not cut or remove or otherwise convert into possession any trees or other forest produce on the said land except such forest produce as is wholly or solely incidental to the proper grazing of the said land.

In Witness whereof this deed has been executed—

Signed by HER MAJESTY THE QUEEN His Majesty the King as Lessor by

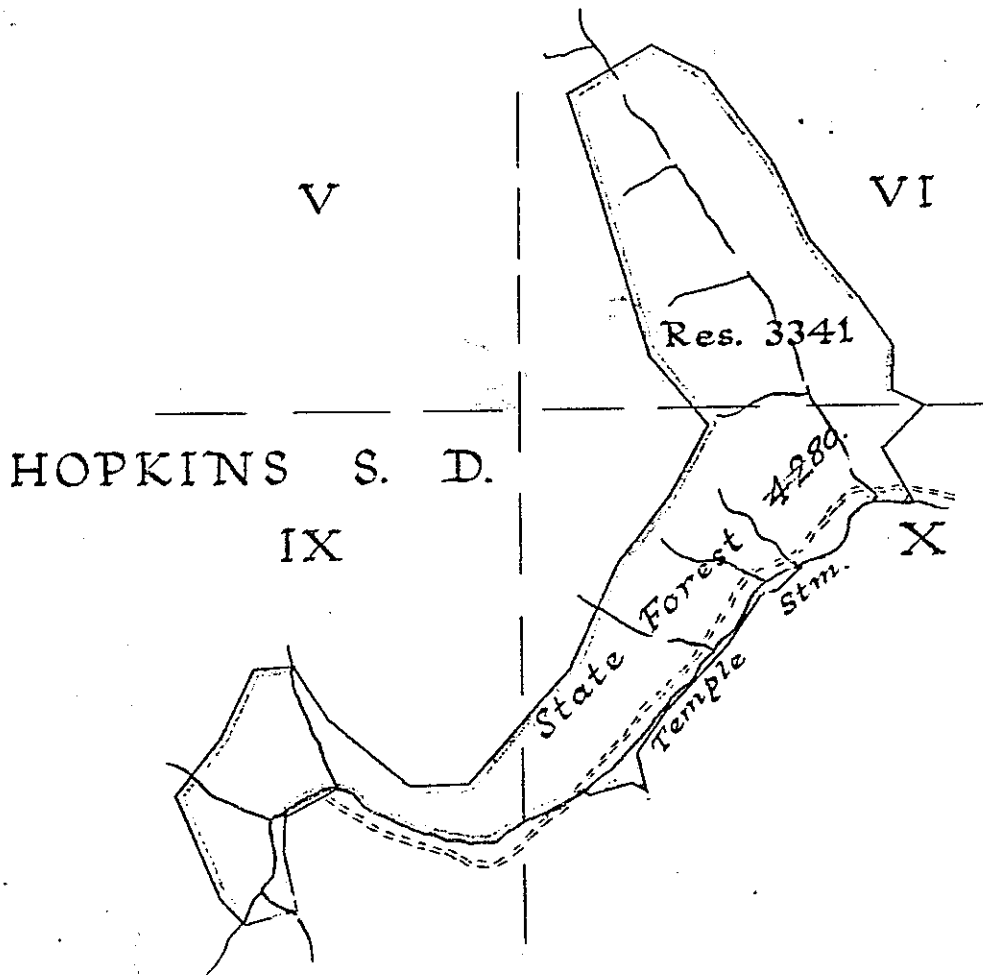
LIONEL HEBER BAILEY

Conservator of Forests, CHRISTCHURCH,

in the presence of:— J. H. [redacted] Civil Servant.

[Handwritten signature]

RECORDED



Plan of  
Grazing Lease No 1531  
State Forest 4280.  
Scale ~ 1 mile to an inch.

THIS DEED ... FIFTEENTH ... JULY ... 1953 ... HER MAJESTY THE QUEEN ... CHRISTCHURCH ...

... ALEXANDER GRANT ... HIGLEY of HUXLEY GORGE STATION ...

1. Under and in pursuance of Part II of the Forests Act, 1919, and with the consent in writing of the Minister of Lands given on the ELEVENTH day of JUNE, 1953, the Lessor hereby leases to the Lessee who hereby accepts on lease all that piece of State forest land situated in the PT. BLKS VI, IX & X, HOPKINS Survey District and the OTAGO Land District containing 1,170 ACRES more or less being ALL THE OPEN LAND WITHIN THE BOUNDARIES OF RESERVE 3341, STATE FOREST 88, SOUTHLAND Conservancy as the same is outlined in red on the plan endorsed hereon subject to all existing rights over the said land.

2. The term of this lease shall commence on the FIRST day of JANUARY, 1953, and shall be from year to year until forfeited by the Lessor under section 40 of the Forests Act, 1919, or until determined by either party by notice in writing under clause 3 hereof or until the expiration of thirty-three years from the date of commencement whichever first occurs.

3. (a) The Lessee may determine this lease as at the end of the first or any subsequent year of the said term by giving to the Lessor not less than six calendar months' notice in writing to that effect.

(b) The Lessor may determine this lease as at the expiration of not less than three calendar months' notice in writing given to the Lessee on any day in the first or any subsequent year of the said term but should the expiration of a notice not coincide with the end of such a year then the rent hereby reserved shall be deemed to be accruing day by day and shall be apportioned and adjusted accordingly.

(c) Except as provided in subclause (b) hereof a forfeiture or determination shall not enable either party to claim compensation from the other party and shall not free either party from liability for any antecedent breach of any condition or covenant.

4. The rent for the said land throughout the said term shall be at the rate of TWO POUNDS (£2-0-0) a year which shall be payable yearly in advance to the said Conservator of Forests.

5. Certain conditions are implied in this lease by the said Part II of the Forests Act, 1919. The remaining conditions of this lease and the Lessee's covenants with the Lessor are as follows:-

- (a) The Lessee will duly and punctually pay the said rent.
(b) The Lessee will duly and punctually pay all rates and taxes payable in respect of the said land during the continuance of the said term.
(c) The Lessee will not assign transfer sublease mortgage or otherwise part with the possession of the said land or any portion thereof or with this lease or any of his rights hereunder.
(d) The Lessee at his own expense throughout the said term will keep, and at the expiration or sooner determination thereof will yield up, all fences erected upon or around the said land in as least as good condition as the condition thereof at the commencement of the said term.
(e) The Lessee at his own expense throughout the said term will comply with the provisions of the Noxious Weeds Act, 1950, and all lawful requirements thereunder in respect of the said land.
(f) The Lessee at his own expense throughout the said term will keep down rabbits, goats, deer and other animal pests to the satisfaction of the said Conservator of Forests.
(g) The Lessee will use the said land only in a proper and husbandlike manner and only for the purpose of grazing, and, in particular (without restricting the foregoing words), will not build upon, burn over, crop, break up or overstock the said land.
(h) The Lessee will at all times strictly comply with the provisions relating to fire of the Forests Act, 1949, the Forest and Rural Fires Act, 1917, and all other statutes, regulations and notices.
(i) The Lessee will not cut or remove or otherwise convert into possession any trees or other forest produce on the said land except such forest produce as is wholly or solely incidental to the proper grazing of the said land.

In Witness whereof this deed has been executed-- HER MAJESTY THE QUEEN Signed by Her Majesty the Queen as Lessor by

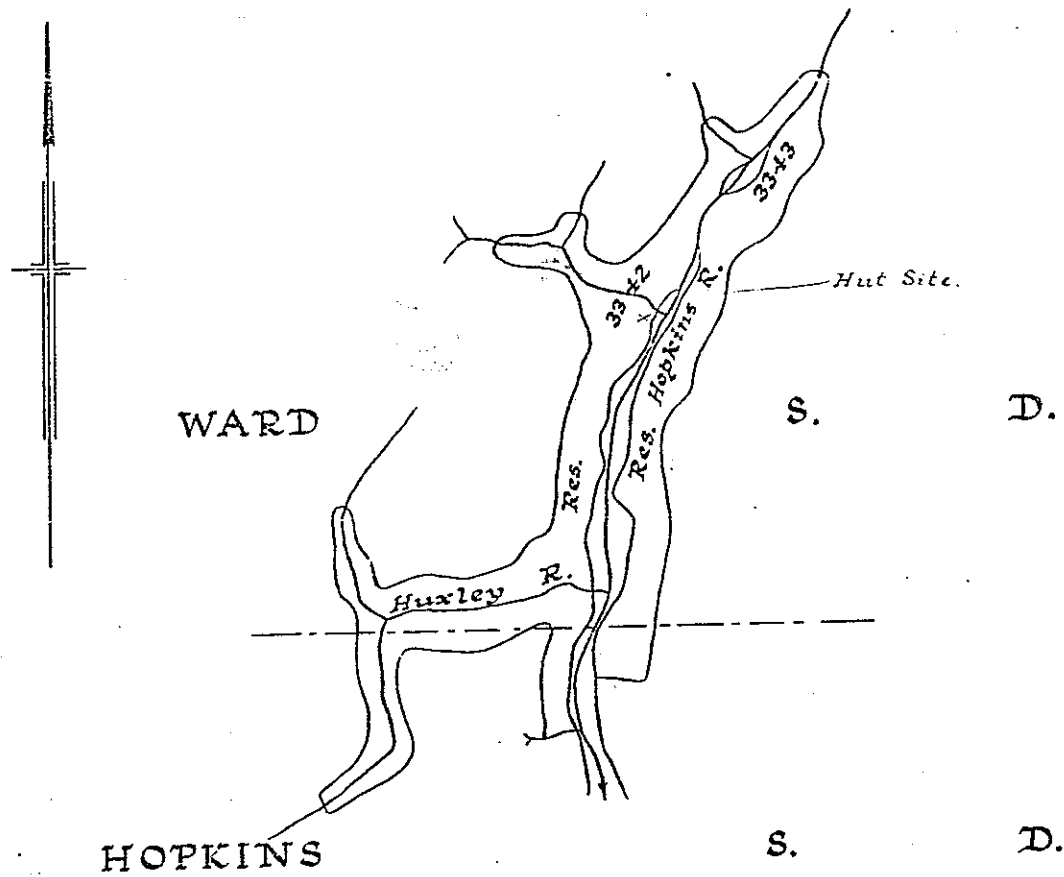
LIONEL HEBER BAILEY

Conservator of Forests, CHRISTCHURCH,

in the presence of: J. H. ... Civil Servant

L. H. Bailey (Signature)

DO NOT FILE COPY



Plan of  
Grazing Lease No 1532  
State Forest 40  
Scale ~3 miles to an inch.

**APPENDIX 4**

L. & S.—F. 14A

DEPARTMENT OF LANDS AND SURVEY

OUR FILE: CL 14/11/2

YOUR FILE: P 7

From Head Office

Date: 11 March 1986

To CCL CHRISTCHURCH

Ref.: Ours/Yours of

Person to consult:

SUBJECT: RENEWAL OF PASTORAL LEASE : GLEN LYON



I refer to your submission received in this office on 6 May 1985 seeking the renewal of Glen Lyon Pastoral Lease.

The HOC/LSB under Case No 85/230 of 28 January 1986 has approved renewal as follows:


- 1 That the classification be confirmed as pastoral pursuant to Section 51 of the Land Act
- 2 That pursuant to Section 131 of the Land Act 1948 the value for renewal purposes - subject to any adjustments that may be required resulting from recommendation 4 below shall be as follows:
 

(a) Value of Improvements	[REDACTED]
(b) Value of Improvements included in Rental Value	Nil
(c) Value of Land Exclusive of Improvements	[REDACTED]
- 3 That the lease be renewed pursuant to Section 66 Land Act 1948 on the following conditions subject to any adjustments that may be required resulting from recommendation 4 below:
  - (a) The annual rent for the first 11 years of the new lease based on 1½% of 2(c) above be fixed at [REDACTED] the rental after the initial period to be 2¼% (less one-ninth 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 be set as follows:  
 Not more than 7220 sheep and 700 cattle (including not more than 2500 breeding ewes).
- 4 That the Crown retain the right to apply the provisions of Section 58 of the Land Act 1948, in respect of all rivers and streams in excess of 3 metres in width traversing the property, subject to legal confirmation in that regard.
- 5 That the Commissioner of Crown Lands be authorised to pursue negotiations (post renewal) and initiate action as appropriate to effect the following:



- (a) The areas of bush outlined in the attached plan be excluded from the lease and a clause inserted in the lease to the effect that the Crown acknowledges responsibility to meet the full cost of fencing all or any of these areas if the Crown in its discretion considers this is required to exclude stock.
- (b) In association with Commissioner of Crown Lands (Dunedin) and Conservator of Forests, to formulate an agreement (agreements) with the lessees of Glen Lyon and Huxley Gorge for an exchange of areas or adjustment of boundaries embracing as far as possible surrender of land, unsuitable for sustained grazing incorporation of grassed State forest land, protection of wetlands, closing and incorporation of roads and provision of public access, and such other like matters as may emerge in considering the Huxley Gorge runs.

It is imperative to note that only (2-4) should be put to the lessee as part of the renewal offer. In respect of (5), he should be advised under separate cover of the intention to pursue negotiations.



D McGregor  
for Director-General

NB: It is agreed further cases will not include Lec 1.

686

HEAD OFFICE COMMITTEE

LAND SETTLEMENT BOARD

RENEWAL OF PASTORAL LEASE

FILES: H.O. 8/8/5  
D.O. P 7

CASE NO: 85/

CANTERBURY LAND DISTRICT

LESSEE

GLEN LYON LIMITED a duly incorporated company having its registered office at Dunedin.

LAND HELD IN LEASE

Part Run 315 (Glen Lyon) and Rural Section 39779 situated in Ward, Hopkins, Campbell, Mueller, Tasman and Pukaki West Survey Districts.  
Area: 31800.40468 hectares.

NAME OF PASTORAL RUN

"Glen Lyon".

LOCATION

On Glen Lyon Road, 128.7 kilometres (approximately) from Fairlie.

PARTICULARS OF TENURE

Tenure: Pastoral Lease  
Term: 33 years from 1 July 1951  
Expires: 30 June 1984  
Annual Rental: [REDACTED]

Stock Limit in Lease:

7220 sheep (including not more than 2500 breeding ewes) and 700 cattle or 7920 sheep and 900 cattle on the Run and Reserves 3344 and 3345 (Forestry lease) (set in 1963).

Present Stock Increase: Approved 11 April 1980.

Pastoral Lease only: 9800 sheep (including 3600 breeding ewes)  
1300 cattle (including 900 breeding cows)  
Combined Pastoral Lease and NZFS lease: 10,100 sheep (including 3900 breeding ewes)  
1400 cattle (including 1000 breeding cows)

CROWN IMPROVEMENTS

Nil.

OTHER LAND HELD

Company leases grassed valley floors of "State forest" from New Zealand Forest Service.

PLANS

An illustrative plan is attached.

GENERAL DESCRIPTION

Lying at the head of Lake Ohau, this property comprises the easier valley floors of the Dobson River together with the steep valley sides on either side rising to over 2500 metres above sea level on the Ben Ohaus to the east and the Newmann Range to the west. Enclosed by this lease land is an area of State forest, some of which is in bush but the balance, in native pasture, is leased from the NZFS and run in conjunction with the pastoral lease.

The property has a sizeable area of easier country adjacent and east of the homestead on which development is slowly taking place. This area contains the bulk of the potential of the run. The Dobson River valley is some 40 kms to the top and with the Forestry lease land provides excellent summer grazing. Snow is not generally a problem on Glen Lyon but it does get it occasionally and it is generally a management slip on which stock losses, in times of heavy snow, can be attributed.

The best recreational access in this valley is on the other side of Lake Ohau, but the Dobson valley does provide some outlet for tramping, climbing etc.

LAND USE CAPABILITY

<u>Class</u>	<u>Area (approx.)</u>
Class IV	1070 ha
Class V	815 ha
Class VI	4420 ha
Class VII	3705 ha
Class VIII	<u>21790</u> ha
Total Area	31800 ha

VALUATION

Roll Value as at 1 July 1984.

Improvements [REDACTED] (includes [REDACTED] for trees)  
 Land Value [REDACTED]  
 Capital Value [REDACTED]

Valuation for renewal as at 9/10 March 1982 by District Valuer R.M. Donaldson, Timaru.

Improvements [REDACTED]  
 LEI [REDACTED]  
 Capital Value [REDACTED]

FIELD OFFICER'S REPORT (Senior Field Officer Washbourn)

Variations to the present lease:

1. Basic Stock Limitation. No change necessary.
2. Boundary Adjustments
  - (a) Run Plan. Nil.
  - (b) Land Unsuitable for Grazing. As can be seen from the Land Use Capability above, a large proportion of this property is Class VIII with some Class VIIe as well. The lessee was approached (see below) to surrender

this land. Much of it is snow and ice, the balance is certainly under snow and ice during the winter months. The south-western end of the property does in fact have a fence at around the 1000 metre level but stock are in fact grazed above this at present. On other parts of the lease, stock are also put out above the bush line (State forest) and presumably obtain pickings from the sparse vegetation. Certainly, in all but the south-eastern end, it is inconceivable that anyone should have a grazing right over land with, in reality, no grazing value. All the land above 1000 m on the Newmann Range and that land above 1000 m or the existing fence from Irishman Stream should not be part of the lease. A lot of the balance of the land above 1000 m in the south-east corner should likewise be not part of the lease although it is acknowledged that there is some grazing land within this area.

(c) Public Works. Nil.

(d) Other.

- (i) A number of paper roads (see attached plan) are considered unnecessary and could be closed and incorporated in the lease.
- (ii) As mentioned above, this lease has an enclave of State forest and much of this State forest is in fact grassed valley floor. Under the NZFS/L&S rationalisation exercise, these areas were highlighted internally as areas which should be excluded from State forest and included in the pastoral lease. Thus the areas indicated on the attached plan should, if possible, be negotiated from the NZFS and incorporated in the lease. While not of significant importance to this lease, similar areas on the adjacent Huxley Station lease, run by in effect, the same lessees, contains areas of grassed State forest of critical importance to that run. It would be advisable to approach the NZFS regarding both these areas. See comments below under lessee's comments.
- (iii) The lessee has approached the department with the view to surrendering an area of land from the "Glen Lyon" lease so that it can be added to the adjoining pastoral lease "Huxley Gorge". At present "Huxley Gorge" is regarded as only sub-economic and the lessee feels that the area of land between the Dobson and Hopkins Rivers from the Bush of Australia (the present boundary) to the creek running from the Glen Lyon cattleyards to the junction of the two rivers and the islands on the Hopkins Riverbed would strengthen "Huxley Gorge" into a much better unit. The lessee is contemplating rationalising his land holdings amongst members of his family and he is keen to strengthen Huxley Gorge Station of which he is a major shareholder. He considers Huxley Gorge to be an uneconomic unit.

The proposal is illustrated on the attached plan.

The SFO supports the proposed boundary adjustment and recommends that it take place at renewal. Although the Huxley Gorge lease does not come up for renewal until 30 June 1993, it is considered that the boundary adjustment should be dealt with on the renewal of Glen Lyon.

### 3. Areas to be Excluded or Protected:

- (a) Wetlands. An earlier departmental report entitled "Lake Ohau Coastal Reserves Investigations", has outlined a number of areas that should be designated reserves.

At the head of Lake Ohau, within this pastoral lease, is an extensive area of wetland which is extensively, but at times intensively grazed by station cattle. This area has some areas of open water and would provide both important wildlife habitat as well as possible important vegetation areas. It is considered that a reserve should be acquired here and an area as indicated on the attached plan be inspected as a possible reserve. This area has also been identified by Wildlife Service as being an extremely valuable waterfowl hunting area, for Canada geese which should be reserved for wildlife management purposes.

- (b) Scientific. Nil.
- (c) Vegetation. "The Lake Ohau Coastal Reserve Investigation" Report identifies areas of beech remnants on Glen Lyon which require long term protection and these should be excluded from the lease at renewal. The areas should be added plus bush remnants, as outlined in blue on the attached plan, in the Irishman, Stony Creeks and just upstream of Camp Stream.
- (d) Access. As suggested above there are a number of unformed paper roads which could be closed. It is essential however that if not already laid off, a Section 58 strip be taken up the riversides on either side of the Dobson and at the mouth of the Hopkins.

#### LESSEE'S COMMENTS

Mr A.G. Wigley, half shareholder in the company owning this lease, was visited to discuss the points raised above.

He was not prepared to surrender all the ungrazable land outlined above. His main reasons for this was the grazing indicated above. He did however make a proposition that he would be prepared to surrender all that land above the fence with a 3000' contour from a leading ridge just south of Irishman Creek and including that land above the above line to the top of the Ben Ohau northwards to the head of the Dobson River. This surrender proposition was subject to the department obtaining perpetual grazing rights to the Forestry grass areas and incorporating these in the pastoral lease.

In reply to this offer, the SFO considers the acquisition of this land back to public ownership is desirable in that the adjacent land to the east has recently been retired and thus with this land would give the whole of the Ben Ohau Range from the Irishman Stream north as one complete unit. However, for some time, it has been intended to endeavour to obtain the grassed areas from the NEFS under the rationalisation exercise but this is unlikely to be achieved prior to lease renewal. Further, a similar situation occurs in the adjoining Huxley Gorge pastoral lease and it is believed a better deal can be arranged, both for the Crown and for the lessees if the matter is held over and dealt with as a package deal. Much of the ungrazable land on both Huxley Gorge and Glen Lyon could be negotiated from a strong position in a package deal. Certainly the grassed Forest Service areas in the Huxley lease is much more critical to the viability of the Huxley lease than the same areas in the Glen Lyon lease, and from this point of view, a better deal can be worked out in the package situation. It is therefore recommended that this proposal, should it be able to obtain the release of the land from Forest Service prior to lease renewal, be deferred in anticipation of an overall package deal being worked out which will provide better gains for both parties.

Re 2(d) (i) Mr Wigley agrees to the closure of the paper roads.

Re 2(d) (ii) Mr Wigley is keen to have the State forest grassed areas included in his lease but considers the Huxley Gorge lease, of which he is also a major shareholder, to be more important than the Glen Lyon one.

Re 3(a) (i) Mr Wigley is not prepared to agree to the surrender of any of the wetland in spite of considerable discussion. He considers this wetland provides important cattle grazing and he is not relinquishing this.

Re 3(c) Mr Wigley is agreeable to the areas of bush as outlined in 3(c) above as well as those in Irishman, Stony and Camp Crooks being excluded from his lease, subject to any requirements that stock be excluded from the areas being at the full expense of the Crown.

#### CHIEF SURVEYOR'S COMMENTS

To enable lease to issue on 1 July 1984, it will not be necessary for any survey or plan work to be undertaken. However care should be exercised to see that Rural Section 39779 is included in the lease with the balance of part Run 315. They are depicted on two plans, SO 11288 (RS 39779) and part Run 315 (SO 13326).

Section 58 to be included in new lease.

#### DISTRICT FIELD OFFICER'S COMMENTS

This is a strong pastoral lease in remote high rainfall territory. Costs of transport are high and under present economic conditions it is doubtful whether development would be profitable. Viability is dependant on a low cost conservative style of pastoralism of which the famous cattle drive forms one part.

Most of the high country could be surrendered without seriously affecting the economic status of the leasehold and ideally this should be done. It seems clear from SFO's report that lessee is **not disposed to surrender without exchanges with NZPS**. The suggestions made are very sensible from a physical point of view but lessee cannot be expected to understand the implications on the two departments. I consider it essential that the surrendered land on the eastern side of the Dobson River be incorporated into the proposed Ben Ohau Crown Land Management Area.

I endorse the SFO's comments but differ as follows:-

- (i) That the paper roads remain until the larger issues of surrender have been resolved and that Section 58 strips be provided on rivers and streams of consequence where they do not already exist.
- (ii) That the lease be renewed and that the Commissioner be authorised to negotiate the exchanges of land as suggested by SFO.
- (iii) That conservation covenants be negotiated for the preservation of the wetland at the head of Lake Ohau and for the protection of the defined bush areas.

#### CHIEF PASTORAL LANDS OFFICER'S COMMENTS

While it would be preferable to have boundary adjustments completed before renewal, because of the circumstances it is not possible in this case.

#### Comments on recommendations:

- 1 I strongly disagree. There are considerable areas of land in the previous lease which are not "...suitable or adaptable primarily for pastoral purposes only". It is meaningless and wrong to attempt to confirm classification of the land when this has not been specifically addressed in the field report.

- 3(b) I support retention of the existing stock limit in the lease.
- 4(a) I support the principle of the bush areas being excluded or covenanted. However, this in itself does little to protect the bush. It may put pressure on the lessee to keep stock out, and therefore on the Crown to fence.
- 4(b) I agree. I believe reference should be to "surrender of land considered unsuitable for sustained grazing..." instead of "ungrazable land".
- 5 I agree.

COMMISSIONER OF CROWN LANDS' COMMENTS

Renewal of the lease should proceed on the basis of the full area of the expired lease but excluding the remnant beach areas, as shown on the illustrated plan, that the lessee has agreed to surrender on condition that he is relieved of any obligation to fence the boundaries. This includes the Irishman Stream bush identified at page 50 of the PNA programme for the Mackenzie Ecological Region and it is significant in that report that there is little indication of animal browsing and trampling.

There would appear to be good prospects of achieving the surrender of at least part of the Class VII and VIII country if arrangements can be made for the grassed State forest areas to be released from that tenure for incorporation in the lease. A similar situation applies with respect to the adjoining Huxley Gorge leases (one of them in the Otago Land District) held by substantially the same lessee as for Glen Lyon. The lessees want part of Glen Lyon to be transferred to Huxley Gorge which does not expire until 31 December 1999 *(Anti-bush Lease) Otago lease expires 31/12/89* and I agree that this should be considered in the context of an overall package, that might very well include the protection of the wetlands. This is a post-renewal (Glen Lyon) matter. The Commissioner of Crown Lands (Dunedin) and I will enter into discussions shortly and we will also be including the Conservator of Forests as land tenure rationalisation discussions are involved. Whether or not the department ends up negotiating an exchange partially on behalf of New Zealand Forest Service or entirely on its own account is a matter still to be determined. The unformed roads suggested for closing and incorporation in the lease should be deferred for consideration in an overall package that looks at access requirements.

Some of the draft recommendations have been changed since the Chief Pastoral Lands Officer provided his comments.

RECOMMENDATIONS

1. That the classification be confirmed as pastoral pursuant to Section 51 of the Land Act.
2. That pursuant to Section 131 of the Land Act 1948 the values for renewal purposes - subject to any adjustments that may be required resulting from recommendation 4 below shall be as follows:-
  - (a) Value of Improvements [REDACTED]
  - (b) Value of Improvements included in Rental Value [REDACTED]
  - (c) Value of Land Exclusive of Improvements [REDACTED]
3. That the lease be renewed pursuant to Section 66 Land Act 1948 on the following conditions subject to any adjustments that may be required resulting from recommendation 4 below:-
  - (a) The annual rent for the first 11 years of the new lease based on 1 1/2% of 2(c) above be fixed at [REDACTED], the rental after the initial period

to be  $2\frac{1}{8}$  (less one-ninth 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 be set as follows:  
not more than 7220 sheep and 700 cattle (including not more than 2500  
breeding ewes)

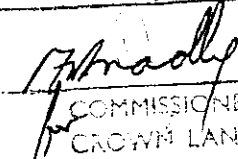
4. That the Commissioner of Crown Lands be authorised to pursue negotiations (post renewal) and initiate action as appropriate to effect the following:

- (a) The areas of bush outlined in the attached plan be excluded from the lease and a clause inserted in the lease to the effect that the Crown acknowledges responsibility to meet the full cost of fencing all or any of these areas if the Crown in its discretion considers this is required to exclude stock.

- (b) In association with Commissioner of Crown Lands (Dunedin) and Conservator of Forests, to formulate an agreement (agreements) with the lessees of Glen Lyon and Huxley Gorge for an exchange of areas or adjustment of boundaries embracing as far as possible surrender of ungrazable land, incorporation of grassed State forest land, protection of wetlands, closing and incorporation of roads and provision of public access, and such other like matters as may emerge in considering the Huxley Gorge runs.

5. That a general provision be 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 streams and rivers over 3 metres wide be excluded from the lease.

DECISION

PREPARED BY	CW
CHECKED BY	MB
 COMMISSIONER OF CROWN LANDS.	
Date.	30 / 4 / 85.



708

P 7

r Bradley  
799 760

CF  
*Sent AH Register  
22/4/86.*

Private Bag  
CHRISTCHURCH

22 April 1986

Messrs K.W., A.G. & Mrs B.J. Wigley  
Directors  
Glen/Lyon Station Ltd  
Private Bag/  
FAIRLIE /

*B/4  
L/A  
22/9/86*

Dear Sirs/Madam

RENEWAL OF PASTORAL LEASE (GLEN LYON) PT RUN 315  
AREA: 31,800.40468 HECTARES

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


I am pleased to 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 Board has pursuant to Section 131 of the Land Act 1948, determined the values for renewal as follows:

- (a) Value of Improvements
- (b) Value of Improvements included in the Rental Value
- (c) Value of Land Exclusive of Improvements



The pastoral lease is to be renewed over an area of 31800.40468 hectares pursuant to Section 66 of the Land Act 1948 on the following conditions, subject to any adjustments that may be required resulting from (c) below.

- (a) The annual rental for the first 11 years of the new lease is based on one and a half percent of the value of land exclusive of improvements [(c) above] which is  and the yearly rent after the initial period will be calculated at two and one-quarter percent (less one-ninth rebate) of the then land exclusive of improvements, and the lease is issued subject to 11 yearly reviews of rent.

(b) The stock limitation to be shown in the lease document be set as follows:

Not more than 7220 sheep and 700 cattle (including not more than 2500 breeding ewes)

Note: This limit will not however affect your existing personal stock limitation which can be varied from time to time with my consent.

(c) That the Crown retain the right to apply the provisions of Section 58 Land Act 1948, in respect of all rivers and streams in excess of 3 metres in width traversing or forming the boundary of the property subject to legal confirmation in that regard.

The Board has authorised me to continue my negotiations with you on the exchanges and other matters that you have already been approached on by Mr Washbourn of my Timaru office.

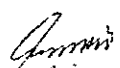
You will see that the enclosed notices set out full details of the renewal values. Section 132(1) of the Act requires that you notify me within six months of receipt of this letter as to which of the options set out in the notice of values you wish to pursue, an election form also being enclosed for this purpose. I would also point out that pursuant to Section 132(2) if you fail to notify me of which option you wish to elect within the prescribed period, you shall be deemed to have agreed to accept a renewable lease at the rental value and other values set out in the notice.

I would specify that although the term of your lease will commence from 1 July 1985 the former annual rental will apply until 1 March 1985. Any rental paid beyond this date at the old rate will be credited towards the new rental.

In relation to condition (c) of this offer it should be noted, in particular that the matter of the application of Section 58 of the Land Act 1948 as it relates to the renewal of pastoral leases is currently the subject of an investigation by the Department's legal advisers.

Section 58 requires the Crown to reserve from sale or other disposition which includes the renewal of any lease a strip of land not less than 20 metres in width, along (among other things) the banks of all rivers and streams which have an average width of not less than 3 metres. When I have been advised of the full legal implications of this investigation I will advise you further. In the interim however a new lease cannot be issued. If you require a guarantee as to security in order to raise finance, please contact me and I will arrange for an 'undertaking to issue a renewal lease' to be prepared.

Yours faithfully

  
L.M. Kenworthy  
Commissioner of Crown Lands

SFO  
TIMARU

*g*  
Copy for your information together with a copy of the approved renewal submission for your files.

L.M. Kenworthy  
Commissioner of Crown Lands

CPLO  
OFFICE

Copy for your information.

*g*  
L.M. Kenworthy  
Commissioner of Crown Lands

L. &amp; S.—F. 14A

DEPARTMENT OF LANDS AND SURVEY

OUR FILE: P 7

YOUR FILE: P 7 + P106

From Timaru

Date: 30.3.87

To Commissioner of Crown Lands, Christchurch

Job No 178.

Ref.: ~~Curs~~/Yours of 28.8.85

Person to consult:

SUBJECT: Land Rationalisation: Hopkins and Dobson Rivers

As requested in your abovementioned memo, I convened a meeting at Omarama comprising the Senior Field Officer, Alexandra, who was accompanied by one of his field officers; the District Ranger, NZFS, Timaru, who was accompanied by his Ranger in Omarama; Reserves Ranger Gould and myself. Prior to this, I did bring the matter up at a work meet but very little came out of this and I was left to follow the matters already suggested for consideration, which seemed to meet the approval of that meeting.

At the meeting in Omarama, the proposals I had drafted was discussed and again these appeared to meet with the approval of those present. No additional matters were raised, and subsequent to this, I therefore drafted out more detailed proposals which were sent to the lessees of both Huxley Gorge and Glen Lyon Stations for their comment.

Once the lessees had had a chance to read and consider the proposals, I contacted them and discussed any doubts with them. In the case of Glen Lyon, Mr Ken Wigley is very lukewarm to any suggestion put to him. He values the grazing of the forestry leases, but seems to prefer the status quo rather than obtaining perpetual grazing rights to the grass areas, particularly when it involves a quid pro quo, i.e. the release of some of the non-grazable land from his present lease. About the time I was discussing this with Mr Wigley, the joint NAWASCO/LSB policy was put out and even pointing out to Mr Wigley that in light of this policy, the writing was on the wall that in fact much of the high altitude snow and ice would come out anyway, did not sway him. However, I did not press him but there does not appear to be any basic disagreement with what I had proposed. I felt it best, therefore, to leave the final decision to be made in response to a formal offer from you.

In the case of Huxley Gorge, Mr A.G. (Sandy) Wigley holds the shares in the company, and because of the small size of Huxley Gorge Station, the inclusion of the grassed forest areas are of vital importance to the economics of the run. Mr Wigley agreed with my proposals in all but two respects. This involved perpetual grazing in the Huxley River Valley and the loss of perpetual grazing above the bushline in the Dodger Stream area. Neither of these areas were considered by those at Omarama, to be included in any perpetual grazing lease. In view of Mr Wigley's interest in these two areas, I agreed to make a special inspection of them. However, I was unable to arrange these inspections within the time I had available and these matters may therefore still need to be resolved if Mr Wigley is so keen that they be included. It is not, as mentioned above, the feeling of the officers discussing the matter, that they should be included in the offer.

#### Detailed Proposals

Appendix 1 to this report lists the detailed proposal that was sent to Glen Lyon Station for comment. As you will see, the notations refer to

bla . circled numbers on the plan attached (Appendix 3). Appendix 2 lists the proposals in relation to Huxley Gorge Station, and again the numbered notations refer to circled numbers on Appendix 3, the plan which shows both Huxley Gorge and Glenlyon Stations. The area on Appendix 3 numbered 9 is the area that Mr Wigley would like to see retained within the pastoral lease. He values the grazing but it was thought by the meeting in Omarama that the area should not be included in the perpetual lease. A further inspection may be necessary of this to determine the matter. The area numbered 8, the Huxley River Valley, is the other area that Mr Wigley would like included in the perpetual lease. It is suggested that an inspection of this area could be made to determine this.

#### Waitaki Catchment Commission

During 1986, an inspection was made of the Dobson River Valley with the Soil Conservator for the area Mr Dave Pickens. A number of photographs were taken on that occasion and these are held in Timaru. Mr Pickens also provided a land management zone map of the Dobson River (held on the Timaru file) as a the result of this inspection Mr Pickens advised that he considered there would be no objection from the Commission to the proposals.

It was the intention to also visit the Hopkins River Valley but, as mentioned above, it was not possible to arrange this inspection. No comment has therefore been obtained from the Commission but I do not envisage any objection to what is proposed.

#### RECOMMENDATIONS

1. That an exchange be offered on the basis outlined in Appendix 1 to the lessees of Glen Lyon station.
2. That a formal offer along the lines of the proposal set out in Appendix 2, be made to the lessees of that pastoral lease.
3. That in view of the lessees of Huxley Gorge Station's objection to the exclusion of the Huxley River Valley and the area in the upper Dodger Stream being excluded from the lease, that a joint inspection with the Reserves Section (DOC) be made to consider these areas.



P.R. Washbourn

LEN LYON STATION

Suggested basis for exchange (refer plan attached).

Glen Lyon Station to surrender land hatched yellow.  
Grass areas of presently gazetted State Forest (hatched red) to be incorporated in the pastoral lease.

These exchanges subject to (see notations on plan):-

1. ✓ (a) The boundary between land to be surrendered and land to be incorporated other than well defined bush edges (further subject to advice as to the Chief Surveyor as to definition in this latter case) to be the 1000 m contour.
- ✓ (b) A covenant to be included in the lease to be effect that <sup>the</sup> the lessee and lessor acknowledge that the contour open boundary is unfencable; that some stock drift over this is inevitable; that the lessee will not intentionally drive or have driven stock grazing on block adjoining an open boundary over and above that boundary; that it is agreed that if stock drift becomes unacceptably high <sup>(? Limiting)</sup> block limit to reduce this may be enforced.
2. Inclusion of a further covenant (clause) in the lease granting the public the right to wander on foot at will on the leased land upstream of the black lines dotted across the Dobson River.
3. Preservation of existing hut sites will need to be allowed for. Discussion with the Chief Surveyor (determining the best and easiest defined method) will be undertaken to finalise these.
- ✓ 4. The pastoral leases to be amended removing the lessee's right under Sec. 100 Land Act to take native timber for certain uses and further giving acknowledgement to the importance of the native bush on the leases and the need to preserve these from undue stock damage.  
Comment: The inclusion of this amendment is for two reasons:
  - (a) As a conservation move for this important scenic area.
  - (b) As a method of simplifying the inclusion of State Forest areas which still have some small pockets of bush on them but for which the cost of definition to retain them as State Forest is not justified (this subject to advice as to definition from the Chief Surveyor).
5. The exchange currently under consideration for land in Glen Lyon Station lease to be surrendered incorporated in Huxley Gorge is separate to this exchange but would be subject to agreement along these lines and being made with Glen Lyon Station Ltd for those reasons.

HUXLEY GORGE STATION

Suggested basis for exchange (refer plan attached).

Huxley Gorge to surrender land hatched yellow.  
Grassed areas of presently gazetted State Forest (hatched red) to be incorporated in the pastoral leases.

These exchanges subject to (see notations on plan).

- 1) Huxley Gorge to surrender small area of formed access to Temple State Forest to allow legal access to the forest. (The legal road does not at present run to the SF boundary).
- 2) Forest Service Ohau base to remain on Huxley Gorge lease as at present "at the pleasure of the lessee."
- 3) The boundary between land to be surrendered and land to be incorporated, other than well defined bush edges (further subject to advice as to the Chief Surveyor as to definition in this latter case) to be the 1000 m contour.

A covenant to be included in the leases to the effect that the lessee and lessor acknowledge that the contour open boundary is unfenceable; that some drift of stock over this is inevitable, that the lessee will not intentionally drive or have driven stock, grazing on blocks adjoining an open boundary over and above that boundary and that it is agreed that if stock drift becomes un-acceptably high, block limit to reduce this may be enforced.

- 4) The pastoral leases to be amended removing the lessees right under Sec. 100 Land Act to take native timber for certain uses and further giving acknowledgement to the importance of the native bush on the leases and the need to preserve these from undue stock damage.

The inclusion of this amendment is for two reasons -

- a) As a conservation move for this important scenic area -
  - b) As a method of simplifying inclusion of the state forest areas which still have some small pockets of bush on them but for which the cost of definition to retain them as State Forest is not justified (this subject to advice as to definition from the Chief Surveyor).
- 5) Inclusion of a further covenant (clause) in the lease granting the public the right to wander on foot at will on the leased land upstream of the black lines dotted across the Hopkins River.

This acknowledges the importance of the area currently as a recreation area - avoids any necessity to lay off accessway in important and well used trails.

- 6) The exchange currently under consideration for land in Glen Lyon Station lease to be surrendered and incorporated in Huxley Gorge is separate to this exchange but would be subject to agreement along these lines and being made with Glen Lyon Station Ltd for those reasons.

...

- 7) Preservation of existing hut sites will need to be allowed for. Discussion with the Chief Surveyor (determining the best and easiest defined method) will be undertaken to finalise these.
- 8) Two areas of grass currently leased from the NZFS are not included in this exchange (Pt. Temple SF and Huxley River Flats of Huxley State Forest).

It is considered appropriate to grant perpetual rights to this grazing. Any rights should be reviewed, as at present, at regular intervals.



Note for file

see Diary  
B/M.

4 139 106

At 11-15 am on Friday 6 November 87 Ray Ward-Smith and I met with Mr Hg (Sandy) Wray, major share holder in Hurley Gorge Station, Ltd to discuss where we were at and how to proceed with the proposals for exchange between the PH and State Forest areas now under control of DOC. The report compiled by Peter Washbourn (folio 62) was discussed at length and the problems/concerns and detail thought thru.

It was obvious from practicality and financial reasons that a change of tenure involving survey and expensive documentation was not practicable nor really necessary and the same objective could be achieved by a management agreement between DOC (landcorp) lessee which provided for the grazing of the river flats within the forests subject to certain qualifications including the agreement of the lessee not to graze the land "identified for surrender" within the pastoral lease.

It was left that an inspection with DOC would be made this summer to coincide with obtaining renewal valuation of P 139. Christchurch office to initiate action by making request to APM Tomam to inspect Hurdeley Gorge Station for lease renewal (Expires 31-12-89) and to firm up the conditions that would form basis of a management agreement

H. J. Tomam.  
11/11.

Plan on P 7. Glen Lyon.

5106

LANDCORP - TIMARU  
RECEIVED  
- 8 APR 1997  
Job: Code:

*R.B.*

106 Guys Rd  
R.D. 6  
CHRISTCHURCH

Manager  
LANDCORP PROPERTY LTD.

Dear Sir

In Reply to Your Letter Mar.9th 1993 .  
We are willing to consider a Proposal for  
Exchange of property rights on Huxley Gorge

Yours Faithfully

Huxley Gorge Ltd



A.G.WIGLEY

DIRECTOR