

Crown Pastoral Land Tenure Review

Lease name: WYUNA

Lease number: PO 299

Substantive Proposal - Part 1

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

August

05

PROPOSAL FOR REVIEW OF CROWN LAND
Under Part 2 of the Crown Pastoral Land Act 1998

Date: 24TH March 2005

Parties

Holder: Pisidia Holdings Limited as to a 75.1/100 share and Cabo Limited as to a 24.9/100 share
P O Box 1164
Queenstown

Commissioner of Crown Lands:

Quotable Value Limited
P O Box 13 443
Christchurch (Barry Dench)

The Land

1. Lease: Wyuna

Legal Description: Part Run 346, Part Run 346D and Section 28 Block IV Glenorchy Survey District

Area: 11,941.7367ha

Certificate of Title/Unique Identifier: OT1C/1038 (Otago Registry)

2. Conservation Area:

Legal description: Crown land and Part Buckler Burn Block XXI Town of Glenorchy SO Plan 14286 and Crown land adjacent to Section 18. Part 17 and Part Run 346D Block IV Glenorchy Survey District.

Area: Approximately 9.3 hectares

Status: Conservation area held under Section 62 Conservation Act 1987.

3. Recreation Reserve

3.1 Recreation Reserve used as a dwelling site, held under a Residence Site Licence

Legal description: Part Reserve D Block IV Glenorchy Survey District

Area: Approximately 4047 square metres

Status: Recreation reserve, Gazette 1891 page 1050 and subject to a Licence under Section 10 Mining Tenures Registration Act 1962.

Certificate of Title/Unique Identifier: OT1D/1454 (Otago Registry)

3.2 Other Recreation Reserve land

Legal description: Part Reserve D Block IV, VII, X, and XIII Glenorchy Survey District S O Plans 546, and Section 23 and Part Reserve D Block IV Glenorchy Survey District S O Plans 546 and 21118.

Area: Approximately 345.5 hectares

Status: Recreation Reserve. Gazette 1891 page 1049 and 1985 page 2167

Summary of Designations

Under this Proposal, the Land is designated as follows:

- (a) The Crown Land (shown marked in pink on the Plan) to be restored to, or retained by, the Crown as set out in Schedules One and Two; and
- (b) The Freehold Land (shown marked in green on the Plan) to be disposed by freehold disposal to the Holder as set out in Schedule Three; and
- (c) The Recreation Reserve (shown marked in pink on the Plan) to remain as recreation reserve as set out in Schedule Four; and
- (d) The Conservation Area (shown marked in pink on the Plan) to remain as conservation area as set out in Schedule Five; and
- (e) The Recreation Reserve (shown marked in pink on the Plan) to remain as recreation reserve subject to concessions as set out in Schedule Six; and
- (f) The Conservation Area (shown marked in pink on the Plan) to remain as conservation area subject to a concession as set out in Schedule Seven; and
- (g) The Recreation Reserve and Conservation Area (shown in green on the Plan) to be disposed of to the Holder by way of exchange with part of the Lease Land as set out in Schedule Eight.

1 The Plan

1.1 General Plan

1.2 Plan Inset 1

1.3 Plan Inset 2

1.4 Plan Inset 3

2 Conditions

- 2.1 This Proposal, and any agreement arising therefrom, is subject to the conditions contained in Schedule Nine (if any).

3 Settlement

- 3.1 Unless otherwise agreed by the parties, the Settlement Date for the disposal of the Freehold Land to the Holder by freehold disposal will be the day that is ten (10) working days following the day on which Land Information New Zealand notifies the Commissioner that the Final Plan and a copy of this Proposal are registered in accordance with the Act.
- 3.2 The Freehold Land will be disposed of to the Holder under the Land Act 1948, and the Exchange Land will be disposed of to the Holder under the Conservation Act 1987.

An amalgamated computer freehold register will be provided to the Holder incorporating the freehold land and the exchange land.

4 Holder's Payment

- 4.1 By 3.00 p.m. on the Settlement Date, the Holder must pay the Holder's Payment and all other money payable to the Commissioner or the duly appointed agent of the Commissioner by bank cheque without set-off or deduction of any kind in accordance with the settlement requirements of the Commissioner.
- 4.2 If the Holder fails to pay the Holder's Payment or any part of it or any other money to the Commissioner or to the duly appointed agent of the Commissioner on the Settlement Date clause 19 will apply.

5 Commissioner's Payment

- 5.1 The Commissioner shall pay the Commissioner's Payment to the Holder on the Settlement Date.
- 5.2 No interest shall be payable to the Holder by the Commissioner in respect of the Commissioner's Payment, including (without limitation) for the period from the Vesting Date to the Settlement Date.

6 Vesting of Crown Land

- 6.1 The Crown Land will vest in the Crown on the Vesting Date.

7 Issue of Certificate of Title

- 7.1 Notwithstanding any other provision in this Proposal, the Commissioner will not request that the Surveyor-General issue a certificate to the Registrar pursuant to section 116 of the Land Act 1948 to enable an amalgamated computer freehold interest to issue for the Freehold Land and Exchange Land unless and until:
- (a) the Commissioner has received the Holder's Payment from the Holder under clause 4, and all other money payable by the Holder under this Proposal and the Notice;
 - (b) the Holder has provided to the Commissioner duplicate copies of the certificate of title relating to the Lease (if any) and/or the Lease if requested by the Commissioner;
 - (c) the Holder has signed and returned to the Commissioner all documents required by the Commissioner to be signed by the Holder to give effect to this Proposal (including, without limitation, any permit, covenant, easement and/or any other document); and
 - (d) the Holder has procured a registrable discharge of any Mortgage and provided this to the Commissioner together with any new mortgage documents to be registered against the Freehold Land.

8 Registration of Documents

- 8.1 Subject to clause 7, the Commissioner will lodge or arrange to be lodged all documents necessary to give effect to this Proposal (including, without limitation any easement, covenant, discharge of mortgage, and/or duplicate copy of the Lease) and any new mortgage documents to be registered against the certificate of title to be issued for the Freehold Land and the Exchange Land so that the certificate of title for the Freehold Land and the Exchange Land will issue subject to the encumbrances provided in this Proposal. Any new mortgage will be registered after any other encumbrances such as any easements and/or covenants are registered.

9 Consents

- 9.1 The Holder must obtain the written consent to the Holder's acceptance of this Proposal from all persons having an interest in the Land (other than the Holder), including, but not limited to:
- (a) any Mortgagee(s);
 - (b) any party entitled to the benefit of a land improvement agreement registered against the Lease and/or the Land; and
 - (c) any other person that the Commissioner reasonably believes has an interest in the Land or who the Holder reasonably believes has an interest in the Land, whether registered or not.
- 9.2 The consents required under clause 9.1 must be in a form acceptable to the Commissioner in all respects and be returned to the Commissioner with this Proposal on its acceptance by the Holder. Examples of the form of consents required under clause 9.1 are set out in Appendix 1.
- 9.3 The Holder must also obtain, and provide to the Commissioner if requested, all consents necessary for the Holder to accept this Proposal including (without limitation) any:
- (a) corporate and/or trustee consents; and
 - (b) consent required under the Overseas Investment Act 1973 and the Overseas Investment Regulations 1995.
- 9.4 The Holder will procure the Mortgagee to execute a registrable discharge of the Mortgage and, if required by the Mortgagee, the Holder will execute registrable new mortgage documents and forward these to the Commissioner to be registered as set out in clause 8.
- 9.5 If required by the Mortgagee, the Commissioner will provide an undertaking that, subject to the provisions of clause 7 being satisfied, the Commissioner will register the discharge of the Mortgage and register any new mortgage against the certificate of title for Freehold Land and the Exchange Land at the same time as the certificate of title for the Freehold Land and the Exchange Land issues.

10 Continuation of Lease

- 10.1 The Lease will remain in full force and effect until a certificate of title issues for the Freehold Land. Notwithstanding when Settlement Date occurs, until a certificate of title issues for the Freehold Land and the Exchange Land, the Holder will duly and punctually comply with all obligations on its part under the Lease (other than as set out at clause 12.1 (b)) and the Lease will remain in full force and effect.
- 10.2 From the date that a certificate of title is issued for the Freehold Land the Lease is deemed to be surrendered and, subject to clause 10.3, the Commissioner releases and discharges the Holder from the performance and observance of all covenants, conditions and obligations under the Lease.
- 10.3 The release and discharge in clause 10.2 is without prejudice to:
- (a) the rights, remedies and powers of the Commissioner contained in the Lease (except as varied in accordance with clause 12.1(b)); and
 - (b) will not release or discharge the Holder from any liability under the Lease,

arising prior to the date that the certificate of title for the Freehold Land and the Exchange Land is issued, under any statute or by any reason where such liability is due to the fault of the Holder.

- 10.4 As from the Vesting Date, the Holder will not have any estate, right or claim against any of the land, improvements, fencing, buildings, structures, fixtures, fittings or chattels on the Crown Land (subject to the provisions of any permit, easement, concession, other encumbrance or document provided under this Proposal). The Holder will not be entitled to any compensation for any of its improvements, fencing, buildings, structures, fixtures, fittings or chattels which are on the Crown Land as at the Vesting Date.

11 Fencing

- 11.1 If the Holder has accepted this Proposal and that acceptance has taken effect pursuant to the Act, the Commissioner will, at its cost, erect new fencing approximately along the line marked as such on the Plan (if any).
- 11.2 The Commissioner will erect the fencing referred to in clause 11.1 according to the specifications in Appendix 3. The ongoing maintenance of the fencing referred to in clause 11.1 will be under the terms of the Fencing Act 1978.
- 11.3 If the Commissioner has not completed any fencing as set out in Appendix 3 by the Settlement Date, the Holder agrees that the Commissioner may register a covenant, on terms entirely satisfactory to the Commissioner (in the Commissioner's sole discretion), over the Freehold Land to enable the Commissioner to complete such fencing. The Holder will do all things necessary (including signing any document) to enable the Commissioner to register such a covenant.

12 Apportionments

- 12.1 Rent payable under the Lease in respect of the Freehold Land shall be apportioned as follows:
- (a) Rent paid or payable will be apportioned on the Settlement Date as at the Settlement Date and either deducted from or added to (as the case may be) the amount required to settle.
 - (b) Notwithstanding that the Lease continues in effect until a certificate of title issues for the Freehold Land and the Exchange Land, the Holder shall not be required to pay any rent under the Lease for the Freehold Land from the Settlement Date.
- 12.2 Rent paid or payable under the Lease for the Crown Land will be apportioned on the Settlement Date as at the Vesting Date and either deducted from or added to (as the case may be) the amount required to settle.
- 12.3 All rates, levies, and all other incomings and outgoings and other charges receivable from or charged upon the Freehold Land will, unless otherwise agreed by the parties, be apportioned on the Settlement Date as at the Settlement Date.
- 12.4 All rates, levies and all other incomings and outgoings and other charges receivable from or charged upon the Crown Land will be apportioned on the Settlement Date as at the Vesting Date and either deducted from or added to (as the case may be) the amount required to settle.
- 12.5 Following the date that a certificate of title issues for the Freehold Land and the Exchange Land, the Commissioner will undertake a final apportionment and either the Commissioner will pay to the Holder, or the Holder will pay to the Commissioner, any additional amounts due because of any payments made or received by one party on behalf of the other for the period from the Settlement Date to the date on which a new certificate of title issues for the Freehold Land and the Exchange Land.

13 Risk

- 13.1 On and with effect from the Unconditional Date all risk of any nature in respect of the Freehold Land will pass from the Commissioner to the Holder. For the avoidance of doubt, the Holder's current risk in respect of matters arising under the Lease, including, without limitation, the

Holder's risk in respect of all improvements, buildings, fencing, fixtures, fittings and chattels, will continue to remain with the Holder until the Lease is deemed to be surrendered under clause 10.2.

- 13.2 The Holder will be required to comply with its settlement obligations under this Proposal irrespective of any damage to, or destruction of, the Freehold Land or the Exchange Land prior to the Settlement Date.

14 Survey

- 14.1 All areas of the Land forming part of this Proposal and delineated on the Plan are approximate and subject to preparation of the Final Plan. The measurements of the areas may therefore alter on the Final Plan.
- 14.2 No error, misdescription or amendment of any part of the Land will annul, vary, or derogate from this Proposal, or the Holder's acceptance of this Proposal.
- 14.3 For the avoidance of doubt, the Holder will not be entitled to cancel or withdraw its acceptance of this Proposal, nor will the Holder, or any successor in title of the Holder or any party with an interest in the Land, be entitled to payment of any compensation, should any area of the Land on the Final Plan have a different measurement to the area specified in this Proposal.
- 14.4 The Commissioner does not warrant that any existing fence is erected on, or that any new fence to be erected will be on, any boundaries of the Land or any part of the Land as outlined on the Plan or the Final Plan.

15 Holder's Acknowledgments

- 15.1 If the Holder accepts this Proposal and that acceptance takes effect under the Act, the Holder acknowledges that:

- (a) it is obtaining the freehold interest in the Freehold Land and the Exchange Land:
 - (i) "as is", solely in reliance on its own investigations and judgement; and
 - (ii) not in reliance on any representation or warranty made by the Commissioner, its employees, agents or any other person or persons directly or indirectly associated with the Commissioner;
- (b) the Holder has carried out all inspections of the Freehold Land and the Exchange Land which the Holder considers necessary to satisfy itself as to all matters relating to the Freehold Land and the Exchange Land;
- (c) the Holder, at its cost, is entirely responsible for all work to ensure that the Freehold Land complies with all applicable laws including (without limitation):
 - (i) the Resource Management Act 1991; and
 - (ii) any rule in any plan, resource consent or other requirement issued under the Resource Management Act 1991, and
 - (iii) the Building Act 1991; andthe Holder hereby indemnifies and will indemnify the Commissioner against all losses, damages and expenses incurred by the Commissioner and against all claims made against the Commissioner in respect of any work or costs for which the Holder is liable under this clause 15;
- (e) nothing in this Proposal is affected by, and the Commissioner has no liability of any nature in respect of, the existence or terms of any leases, licences or other occupation rights of any nature (if any) granted by the Holder in respect of the Land; and
- (f) the Holder has no claim (and will not have any claim) whatsoever against the Crown and/or Commissioner in relation to the Tenure Review and/or this Proposal, including (without limitation) any claim for any misrepresentation or for any loss or damage suffered whether in contract, tort (including negligence) or otherwise.

16 No Representations or Warranties by the Commissioner

- 16.1 The Commissioner gives no representations or warranties of any nature in respect of the Freehold Land. Without limitation, the Commissioner does not warrant:
- (a) the accuracy of any matter in the Notice or this Proposal or in any notice, or any correspondence or other information provided to the Holder by the Commissioner or by any agent, contractor or employee of the Commissioner; or
 - (b) that the Freehold Land and the Exchange Land is or will remain suitable for the Holder's use; or
 - (c) that the Freehold Land or the Exchange Land complies with all or any statutory, territorial authority or any other legal requirements affecting or relevant to the Freehold Land and the Exchange Land.

17 Acceptance

- 17.1 The Holder's acceptance of this Proposal is irrevocable and constitutes a binding agreement between the Commissioner and the Holder.
- 17.2 If the Commissioner does not receive an acceptance to this Proposal from the Holder within three (3) months of putting it (in its substantive form) to the Holder, the Holder is deemed to have rejected this Proposal.

18 Solicitors Certificate

- 18.1 The Holder must procure the Holder's solicitors to provide the Commissioner with a solicitor's certificate (in a form satisfactory to the Commissioner, in its reasonable opinion) relating to such matters as the Holder's execution of this Proposal and the Holder's execution of any documents required to give effect to this Proposal (including, without limitation any easement, protective mechanism and/or concession). An example of the form of solicitors certificate required is set out at Appendix 2.
- 18.2 The Holder must return the completed solicitor's certificate to the Commissioner with this Proposal on its acceptance by the Holder.

19 Default

- 19.1 If from any cause whatever (except the default of the Commissioner) all or any part of the Holder's Payment or any other money payable by the Holder to the Commissioner is not paid on the due date the Holder will pay to the Commissioner interest at the Default Rate on the part of the Holder's Payment or any other money payable by the Holder to the Commissioner so unpaid from the due date until the date of actual payment in full.
- 19.2 The Commissioner's rights under this clause 19 are without prejudice to any other rights or remedies available to the Commissioner at law or in equity.

20 Goods and Services Tax

- 20.1 The Commissioner and the Holder warrant to each other that they are registered for GST purposes.
- 20.2 On the 10th working day following the Unconditional Date the Commissioner will provide to the Holder a GST invoice in respect of the supply evidenced by the Holder's Consideration. The invoice will specify the Commissioner's GST Date.
- 20.3 The Holder will pay GST on the Holder's Consideration to the Commissioner by bank cheque on the Commissioner's GST Date, time being of the essence.
- 20.4 On the 10th working day following the Unconditional Date, the Holder will provide to the Commissioner a GST invoice in respect of the supply evidenced by the Commissioner's Consideration.
- 20.5 The Commissioner will pay GST on the Commissioner's Consideration to the Holder on the Commissioner's GST Date, time being of the essence.

- 20.6 Where any GST is not paid to the Commissioner or to the Holder (as the case may be) in accordance with this clause 20, the Holder will pay to the Commissioner, or the Commissioner will pay to the Holder (as the case may be), upon demand and together with the unpaid GST:
- (a) interest, at the Default Rate, on the amount of the unpaid GST and which will accrue from the Commissioner's GST Date until the date of payment of the unpaid GST; and
 - (b) any Default GST.

21 Lowest price

- 21.1 The Holder's Consideration does not include any capitalised interest and the parties agree that the "lowest price" for the purposes of valuing the Freehold Land and the Exchange Land under section EH 48(3)(a) of the Income Tax Act 1994 is equal to the Holder's Consideration.
- 21.2 The Commissioner's Consideration does not include any capitalised interest and the parties agree that the "lowest price" for the purposes of valuing the Crown Land under section EH 48(3)(a) of the Income Tax Act 1994 is equal to the Commissioner's Consideration.

22 Costs

- 22.1 The Commissioner will meet the costs of the survey (if any) of the Land, including all designation areas, the Final Plan and for a certificate of title to issue for both the Freehold Land and the Exchange Land.
- 22.2 The Holder is responsible for all costs the Holder incurs in respect of and incidental to the Tenure Review. In particular, but without limitation, the Holder shall bear all its costs in relation to the review of all documentation forming part of the Tenure Review (including this Proposal), and all professional advice provided to or sought by the Holder.

23 No nomination or assignment

- 23.1 The Holder is not entitled to, and is expressly prohibited from, nominating another person to perform the Holder's obligations under this Proposal or assigning to another person the Holder's interest (or any part) under this Proposal.

24 Recreation Permit

- 24.1 Immediately on the registration of the Final Plan and a copy of the proposal to which it relates over the Land and pursuant to section 64 of the Act, any recreation permit granted over the Land shall be determined.

25 General

- 25.1 This Proposal and the Notice:
- (a) constitute the entire understanding and agreement between the Commissioner, the Crown and the Holder in relation to the Tenure Review; and
 - (b) supersede and extinguish all prior agreements and understandings between the Crown, the Commissioner and the Holder relating to the Tenure Review.
- 25.2 Each provision of this Proposal will continue in full force and effect to the extent that it is not fully performed at the Settlement Date.
- 25.3 The Holder must comply with the Commissioner's requirements for the implementation and settlement of the Tenure Review contemplated by this Proposal.
- 25.4 The Commissioner and the Holder will sign and execute all deeds, agreements, schedules and other documents and do all acts and things as may be reasonably required by the other to effectively carry out and give effect to the terms and intentions of this Proposal.
- 25.5 This Proposal is governed by, and must be construed under, the laws of New Zealand and the Commissioner and the Holder irrevocably submit to the jurisdiction of the New Zealand courts or other New Zealand system of dispute resolution.

- 25.6 The illegality, invalidity or unenforceability of any provision in this Proposal will not affect the legality, validity or enforceability of any other provision.
- 25.7 In relation to notices and other communications under this Proposal:
- (a) each notice or other communication is to be in writing, and sent by facsimile, personal delivery or by post to the addressee at the facsimile number or address, and marked for the attention of the person or office holder (if any), from time to time designated for that purpose by the addressee to the other party. Other than the address to which the Holder is to send its acceptance of this Proposal (which the Commissioner will specifically notify the Holder of) the address, person or office holder (if any) for each party is shown on the front page of this Proposal;
 - (b) no communication is to be effective until received. A communication will be deemed to be received by the addressee:
 - (i) in the case of a facsimile, on the working day on which it is despatched or, if despatched after 5.00 p.m. on a working day or, if despatched on a non-working day, on the next working day after the date of dispatch;
 - (ii) in the case of personal delivery (including, but not limited to, courier by a duly authorised agent of the person sending the communication), on the working day on which it is delivered, or if delivery is not made on a working day, on the next working day after the date of delivery; and
 - (iii) in the case of a letter, on the fifth working day after mailing (postage paid).

26 Interpretation

26.1 Definitions

In this Proposal unless the context otherwise requires:

Act means the Crown Pastoral Land Act 1998;

Commissioner means the Commissioner of Crown Lands appointed under section 24AA of the Land Act 1948;

Commissioner's Consideration means the amount payable by the Commissioner to the Holder by equality of exchange for the surrender of the leasehold interest in the Lease in relation to the Crown Land, as specified in the Notice;

Commissioner's GST Date means the earlier of Settlement Date or the fifth working day before the day on which the Commissioner is due to pay to the Inland Revenue Department all GST payable by the Commissioner in respect of the supply made under this Proposal;

Commissioner's Payment means the balance of the Commissioner's Consideration payable by the Commissioner to the Holder by equality of exchange for the Crown Land, as specified in the Notice (if any);

Crown Land means the land (including any improvements) set out in Schedule One and the land (including any improvements) set out in Schedule Two (if any);

Default GST means any additional GST, penalty or other sum levied against either the Commissioner or the Holder under the Goods and Services Tax Act 1985 or the Tax Administration Act 1994 by reason of either the Commissioner or the Holder failing to pay GST as required by this Proposal. It does not include any sum levied against the Commissioner or the Holder by reason of a default by the Commissioner after payment of GST to the Commissioner by the Holder or by reason of a default by the Holder after payment of GST to the Holder by the Commissioner;

Default Rate means the floating rate agreement mid-point thirty day bank bill rate as at 10.45 a.m. on Reuters' page BKBM on the date on which the relevant payment becomes due and payable plus 500 basis points and compounded monthly;

Exchange Land means the Land set out in Schedule 8;

Existing Conservation Land means the Land set out in Schedules 5 and 7;

Existing Recreation Reserve Land means the Land set out in Schedules 4 and 6;

Final Plan means the final plan for the Land prepared and submitted by the Commissioner to the Surveyor-General under sections 62(4)(c) and (d) of the Act;

Freehold Land means the land set out in Schedule Three;

GST means all goods and services tax payable by the Commissioner or the Holder under the Goods and Services Tax Act 1985 in respect of their respective supplies evidenced by this Proposal;

Holder means holder shown on the front page of this Proposal (being the lessee under the Lease);

Holder's Consideration means the amount payable by the Holder to the Commissioner by equality of exchange for the freehold of the Freehold Land, as specified in the Notice;

Holder's Payment means the balance of the Holder's Consideration payable by the Holder to the Commissioner by equality of exchange for the freehold of the Freehold Land, as specified in the Notice (if any);

Land means the land subject to the Tenure Review identified on the front page of this Proposal;

Lease means the lease described on the front page of this Proposal;

Mortgage means any mortgage (registered or unregistered) over the Land;

Mortgagee means the holder of any Mortgage;

Notice means the notice to the Holder setting out:

- (a) the Holder's Consideration;
- (b) the Commissioner's Consideration; and
- (c) the Holder's Payment or the Commissioner's Payment (as the case may be);

which includes amounts proposed to be paid by way of equality of exchange and accompanies this Proposal, but is not part of this Proposal;

Plan means the general plan of the Land including Insets 1, 2 and 3 showing all designations on page 2 of this Proposal;

Registrar means the Registrar-General of Lands appointed pursuant to section 4 of the Land Transfer Act 1952;

Settlement Date means the settlement date defined in clause 3.1;

Surveyor-General means the Surveyor-General appointed under section 5 of the Cadastral Survey Act 2002;

Tenure Review means the tenure review of the Land being undertaken by the Commissioner under the Act;

Unconditional Date means the date that the Commissioner receives from the Holder an executed copy of this Proposal signed by the Holder containing the signed consents of all persons having an interest in the Land to the Holder's acceptance of this Proposal which results in the acceptance taking effect under the Act;

Vesting Date means the date on which the Crown Land vests in the Crown pursuant to the Act;

working day means a day that is not a Saturday, a Sunday, Waitangi Day, Good Friday, Easter Monday, Anzac Day, the Sovereign's birthday, Labour Day, or a day during the period commencing on any Christmas Day and ending with the 15th day of the following January or a day which is a provincial holiday in the place where the obligation is to be performed.

26.2 Construction of certain references

In this Proposal, unless inconsistent with the context:

- (a) a reference to a certificate of title includes a reference to a computer register;
- (b) words importing a gender include all genders;
- (c) reference to a statute includes reference to all enactments that amend or are passed in substitution for the relevant statute and to all regulations relating to that statute;
- (d) words in the singular include the plural and vice versa;
- (e) reference to a month means a calendar month;
- (f) reference to a person means an individual, a body corporate, an association of persons (whether corporate or not), a trust or a state or agency of a state (in each case, whether or not having separate legal personality);
- (g) references to sections, clauses, sub-clauses, parts, annexures, attachments, appendices, schedules, paragraphs and sub-paragraphs are references to such as they appear in this Proposal and form part of this Proposal;
- (h) headings are included for ease of reference only and will not affect the construction or interpretation of this Proposal;
- (i) all monetary amounts are expressed in New Zealand currency;
- (j) references to obligations includes reference to covenants, undertakings, warranties and, generally, obligations or liabilities of any nature properly arising whether directly or indirectly, under or in respect of the relevant contract, agreement or arrangement;
- (k) all references to times are references to times in New Zealand;
- (l) if the Holder comprises more than one person, each of those person's obligations, as Holder, will be both joint and several.

Schedule One: Provisions relating to the Schedule One Land

1 Details of Designation

- 1.1 Under this Proposal part of the land shown marked in pink on the Plan, being firstly 15.7 hectares (approximately) is designated as land to be restored to or retained in full Crown ownership and control as conservation area labelled "CA1" on Plan Inset 3, and secondly 2 hectares (approximately) designated as recreation reserve held for the purpose of adding to an existing reserve for wildlife management labelled "R1(Recreation)" on the Plan.

Schedule Two: Provisions relating to the Schedule Two Land

1 Details of designation

- 1.1 Under this Proposal part of the land shown marked in pink on the Plan, being 800 hectares (approximately) labelled "CA3" on the Plan is designated as land to be restored to or retained in Crown control as conservation area subject to:
- (a) the granting of a sheep grazing concession substantially as set out in Appendix 4;
 - (b) the granting of a guided walks and horse trekking concession substantially as set out in Appendix 5;
- 1.2 Under this Proposal part of the land shown marked in pink on the Plan, being 540 hectares (approximately) labelled "CA5" on the Plan is designated as land to be restored to or retained in Crown control as conservation area subject to:
- (a) the granting of a sheep grazing concession substantially as set out in Appendix 6
 - (b) the granting of a guided walks and horse trekking concession substantially as set out in Appendix 5
- 1.3 Under this Proposal part of the land shown marked in pink on the Plan, being 8027 hectares (approximately) labelled "CA2" on the Plan is designated as land to be restored to or retained in Crown control as conservation area subject to:
- (a) the granting of a guided walks and horse trekking concession substantially as set out in Appendix 5
 - (c) the granting of a heliskiing and heliboarding concession substantially as set out in Appendix 7.
- 1.4. Under this Proposal part of the land shown marked in pink on the Plan, being 1 hectare (approximately) labelled "R7 (Recreation)" on Plan Inset 2 is designated as land to be restored to or retained in Crown control as recreation reserve subject to:
- (a) the granting of an easement concession for farm management purposes substantially set out in Appendix 19.

2 Information Concerning Proposed Concession

- 2.1 The proposed terms and conditions of the sheep grazing concession ("Grazing Concession A") provided in 1.1(a) above and as set out in Appendix 4.
- 2.1.1 It is proposed that under Grazing Concession A, the Holder will graze up to 230 stock units (wether sheep only) on an annual basis during the term of Grazing Concession A. In practice the Holder will be able to graze up to 700 wethers for five months from 1 November to 1 April each year or not more than 1000 wethers for a lesser period. The concession also allows for the use of farm dogs on the land.
- 2.1.2 The site of Grazing Concession A is Area CA3. The proposed status of Area CA3 is part of the proposed Richardson Mountains conservation area for the purpose of the protection of natural and historic resources, to be managed by the Department of Conservation.

- 2.1.3 The Area CA3 land includes Mount Judah and Mount Alaska and the catchment of Bonnie Jean Creek and the lower part of the Wallers Creek catchment. Vegetation on the land comprises modified short tussock and exotic grasses at lower altitude with native shrublands and beech forest remnants through to tall tussock lands and limited areas of alpine vegetation.

The area contains part of the Glenorchy Scheelite mining activity, with abandoned mines, mining equipment, transportation systems and hut sites.

The area has traditionally been used for summer grazing. Provided that a stock proof fence is maintained on the boundaries with the adjacent ungrazed part of the proposed Richardson Mountains conservation area and the stocking does not exceed the limit any adverse effects are expected to be negligible.

To safeguard against adverse effects a vegetation monitoring programme is to be conducted with the objective of detecting any significant changes to vegetation. Any renewal of Grazing Concession A will be dependent on results of this monitoring programme.

The concession document provides for the de-stocking of all or part of the land if adverse effects occur.

- 2.1.4 Grazing Concession A is granted under section 17Q of the Conservation Act.

- 2.1.5 The proposed term of Grazing Concession A will be 10 years with a renewal for a further term of 10 years, subject to the results of the vegetation monitoring programme. The reasons for the length of the term are:

- (a) Grazing Concession A continues an existing grazing use of the area by the Holder; and
- (b) there is no foreseeable reason why grazing over the proposed term will result in adverse effects on Area CA3.

- 2.1.6 It is proposed to grant Grazing Concession A to the Holder, Pisidia Holdings Limited and Cabo Limited. The Holder currently grazes Area CA3 which is part of Wyuna pastoral lease. Over the period of its tenure of the Lease Land the Holder has respected the significant inherent values of Area CA3. The Holder has a good working relationship with the Department of Conservation over a variety of issues including grazing existing conservation land, public access and use, and wild animal and fire control.

- 2.2 The proposed terms and conditions of the sheep grazing concession ("Grazing Concession B") provided in 1.2(a) above and as set out in Appendix 6.

- 2.2.1. It is proposed that under Grazing Concession B, the Holder will graze up to 230 wether sheep stock units on an annual basis. In practice the Holder will be able to graze up to 700 wethers for five months from 1 November to 1 April each year or not more than 1,000 wethers for a lesser period.

The concession permits the use of dogs on the land.

- 2.2.2. The site of Grazing Concession B is Area CA5, being 540 ha of land on the western slopes of Mt McIntosh below the existing retirement fence and down to Temple Burn and Buckler Burn.

The vegetation comprises modified short tussock and exotic grasses at lower altitude through to tall tussock lands and limited areas of alpine vegetation.

The proposed status for Area CA5 is part of the proposed Richardson Mountains conservation area for the purpose of the protection of natural and historic resources to be managed by the Department of Conservation.

- 2.2.3. Area CA5 has been traditionally used for summer grazing. Provided that a stock proof fence is maintained on the boundaries with the adjacent ungrazed part of the proposed Richardson Mountains conservation area and the stocking does not exceed the limit, any adverse effects are expected to be negligible.

The vegetation monitoring programme will detect any significant changes to vegetation. The concession provides for de-stocking of all or parts of the area if adverse effects occur.

- 2.2.4. Grazing Concession B is granted under section 17Q of the Conservation Act.

- 2.2.5. It is proposed that Grazing Concession B be granted for a term of 3 years. The term will enable the Holder to phase out its use of Area CA5 for summer grazing.

- 2.2.6. It is proposed to grant Grazing Concession B to the Holder, Pisidia Holdings Limited and Cabo Limited.

The Holder currently grazes Area CA5. Over the period of the Holder's tenure of the Lease Land the Holder has respected the significant inherent values of Area CA5. The Department of Conservation currently has a good working relationship with the Holder over a variety of issues including grazing existing conservation land, public access and use and wild animal and fire control.

- 2.3 The proposed terms and conditions of the Heliskiing and Heliboarding Concession provided in 1.3(b) above and as set out in Appendix 7.

- 2.3.1 The proposed concession is for the landing of aircraft for the purpose of heliskiing and heliboarding, for the period between 1 July and 31 October each year.

- 2.3.2 The operational area for this concession activity comprises approximately 8027 hectares (Area CA2) of land proposed to become part of the Richardson Mountains conservation area. The aircraft landing sites and runs are set out in the proposed concession document

The proposed status for the area is a conservation area for the purpose of protection of natural and historic resources to be managed by the Department of Conservation.

- 2.3.3 This concession provides for the continuation of an activity that has been previously conducted on the land.

The potential adverse effects are:

- (a) adverse effects on the natural features of the land; and
- (b) adverse effects on other users of the area.

Adverse effects on the natural features of the land will be avoided by the concessionaire complying with certain conditions, including those contained in the Department of Conservation's environmental and water care codes. The Department of Conservation also reserves the right to both monitor compliance with these conditions and to require the concessionaire to alter its activities in a manner so to remedy any adverse environmental effects.

Adverse environmental effects on other users will be avoided by firstly limiting aircraft landings in the Wakatipu area to designated areas. The proposed activity is within such an area. Secondly, the party size is limited to 12 persons per trip. Thirdly, the installation of structures and the storage of fuel within the proposed conservation area are prohibited unless approved by the Department of Conservation.

The concession document also contains clauses relating to littering, noisome and/or dangerous activities and fires.

- 2.3.4 The Heliskiing and Heliboarding Concession is a recreation/tourism concession granted under section 17Q(1) of the Conservation Act.
- 2.3.5 The proposed term of the Heliskiing and Heliboarding Concession is 10 years commencing on the date that the relevant land becomes a conservation area. This proposed term will allow the Department of Conservation the future opportunity to review the suitability of the concession activity and to consider in relation to Departmental policy re issuing future heliskiing concessions i.e. tendering.
- 2.3.6 It is proposed to grant the Heliskiing and Heliboarding Concession to the Holder, Pisidia Holdings Limited and Cabo Limited.

The Department of Conservation requires that the Holder must hold current heliskiing and heliboarding industry minimum safety qualifications and must also meet Civil Aviation Authority qualifications and standards including part 119 and 135 requirements of the CAA rules or other such standards as CAA may require. The Department also requires the Holder to take measures that will avoid, remedy or mitigate adverse effects of the aircraft and the heliskiing and heliboarding activities on public conservation land and its visitors.

The Holder is a past director and founder of Southern Lakes Heliski (1986-1990) and previously a concessionaire in relation to Mt Earnslaw Guided Ascent, Alpine Ventures Limited (1984-1988).

- 2.4. The terms and conditions of the Guided Walk and Horse Trek Concession provided in 1.1(b), 1.2(b) and 1.3(a) above and as set out in Appendix 5.

- 2.4.1 The concession is for guided walks and horse treks between 1 September and 31 May each year.

The operational area for this concession activity comprises three areas of land (Area CA2, Area CA3 and Area CA5) proposed to become part of the Richardson Mountains conservation area. The routes within the conservation area are along the Mount Judah Road to Bonnie Jean Hut and, from Buckler Burn along the ridge to Black Peak and back to a ridge overlooking Chinamans Flat.

- 2.4.2 The proposed status for the area is a conservation area for the purpose of protection of natural and historic resources to be managed by the Department of Conservation.

- 2.4.3 The proposed activities potential adverse effects are:

- (a) the potential adverse effects of horses; and
- (b) the potential adverse effect on other users of the area.

The potential adverse effects of horses are the introduction of weed species into the proposed conservation area and the impact of horses on tracks.

The introduction of weed species will be avoided by the concessionaire complying with conditions both governing the grazing of horses prior to their entry onto the proposed conservation area (to avoid the ingestion and excretion of weed seeds) and the concessionaire monitoring weeds on the specified routes through the proposed conservation area. Should the Department of Conservation deem it necessary, the concessionaire shall be required to conduct a suitable level of weed control along these routes.

The impact of horses on tracks will be avoided by the concessionaire travelling along presently formed tracks wherever possible.

The potential adverse effects on other users of the area will be avoided by limiting the size of groups, limiting the time of year the concession activity can be conducted and by prohibiting the installation of any structures, unless approved by the Department of Conservation.

The concession document also contains provisions relating to littering, noisome and/or dangerous activities and fires.

- 2.4.4 The Guided Walks and Horse Treks Concession is a recreation/tourist concession granted under section 17Q(1) of the Conservation Act.
- 2.4.5 The proposed term of the Guided Walk and Horse Trek Concession is 10 years from the date that the land becomes conservation area. The term will allow the Department of Conservation the opportunity to review the suitability of the concession activity.
- 2.4.6 It is proposed to grant the Guided Walk and Horse Trek Concession to the Holder, Pisidia Holdings Limited and Cabo Limited.

The Holder is a past director and founder of Southern Lakes Heliski (1986-1990) and was previously the concessionaire on Mt Earnslaw Guided Ascent, Alpine Ventures Limited (1984-1988). The Holder has therefore a demonstrated record of performance in management of commercial recreation. No specific experience regarding guided horse trekking/walks has been supplied.

2.5 The proposed terms and conditions of the Farm Management Purposes Easement Concession as provided in 1.4 above and as set out in Appendix 19

- 2.5.1 It is proposed that under the Farm Management Purposes Easement Concession the Holder will be given right of way access over an existing track to provide access to land being disposed of to the holder by freehold disposal and by way of exchange, by motor vehicle, on or accompanied by horses, with or without machinery and implements of any kind, and with or without farm dogs for farm management purposes.
- 2.5.2 The site of the Farm Management Purposes Easement Concession is marked "u-v" on Plan Inset 2 and runs over Area R7(Recreation) being part of the Schedule Two Land.
- 2.5.3 The Farm Management Purposes Easement Concession is located on an existing farm access track that traverses existing recreation reserve and a proposed small addition to the reserve. The track extends from the Glenorchy-Queenstown highway at Little Stony Creek to just beyond the common boundary of the Lease Land and existing recreation reserve.
- 2.5.4 The recreation reserve and its proposed addition will be fenced to exclude stock which currently have access. Locked gates will be placed at both ends of the track to enable continued vehicle access for farm management purposes only. The Farm Management Purposes Easement Concession will not allow stock movement along it and this will

enable recovery of palatable understory species and aid regeneration of the beech forest. Continued vehicle use is not expected to create any adverse effects as the formation is well defined and gravel based. Vehicle use is likely to be intermittent. Access is important as it is strategically located and joins other farm tracks on the southern part of the Lease Land.

- 2.5.5 The Department of Conservation staff periodically inspect the recreation reserve and will quickly become aware of any adverse effects that may occur.
- 2.5.6 The Farm Management Purposes Easement Concession is an easement granted under section 59A of the Reserves Act 1977.
- 2.5.7 The proposed term of the Farm Management Purposes Easement Concession is for thirty (30) years. Access to the farm track network on the southern end of the Lease Land is strategically important for efficient farm management. A perpetual term easement is not considered necessary as the property over time is expected to diversify and the Farm Management Purposes Easement Concession may not be required.
- 2.5.8 It is proposed to grant the Farm Management Purposes Easement Concession to the Holder, Pisidia Holdings Limited and Cabo Limited. The Holder currently farms the Lease Land. The Holder has been using the track through the recreation reserve to gain vehicular access to part of the Lease Land for many years without causing adverse effects. The adverse effects that have occurred are due to continued grazing of the beech forest as no boundary fence exists. Tenure review will enable the boundary to be fenced and stock excluded. The Department of Conservation has a good working relationship with the Holder and this is expected to continue.

Schedule Three: Provisions relating to the Schedule Three Land

1 Details of designation

- 1.1 Under this Proposal the land shown marked in green on the Plan, being 2556 hectares (approximately) is designated as land to be disposed of by freehold disposal to the Holder subject to:
- (a) Part IVA of the Conservation Act 1987;
 - (b) Section 11 of the Crown Minerals Act 1991;
 - (c) The easements substantially as set out in Appendices 8, 9, 10 and 11; and
 - (d) The covenants substantially as set out in Appendices 12, 13 and 14.
 - (e) The continuation of the existing easement in gross in favour of Telecom New Zealand Limited created by Memorandum of Transfer no. 5153879/1.

Schedule Four: Provisions relating to the Schedule Four Land

1 Details of designation

- 1.1 Under this Proposal part of the land shown marked in pink on Plan, being 4047 square metres (approximately) labelled "R5(Recreation)" on Plan Inset 1 is designated as land to remain as recreation reserve
- 1.2 Under this Proposal part of the land shown marked in pink on the Plan, being 115 hectares (approximately) labelled "R4(Recreation)" on Plan Inset 2 is designated as land to remain as recreation reserve .

Schedule Five: Provisions relating to the Schedule Five Land

1 Details of designation

- 1.1 Under this Proposal part of the land shown marked in pink on the Plan, being 1.4 hectares (approximately) labelled "CA6" on Plan Inset 1 is designated as land to remain as conservation area.

Schedule Six: Provisions relating to the Schedule Six Land

1 Details of designation

- 1.1 Under this Proposal part of the land shown marked in pink on the Plan, being 36 hectares (approximately) labelled "R2(Recreation)/Grazing" on Plan Inset 2 is designated as land to remain as recreation reserve subject to:
- (a) the creation of a sheep grazing concession substantially as set out in Appendix 16;
- 1.2 Under this Proposal part of the land shown marked in pink on the Plan, being 4.3150 hectares (approximately) labelled "R3(Recreation/Grazing)" on Plan Inset 1 is designated as land to remain as recreation reserve subject to:
- (a) the creation of a grazing concession substantially as set out in Appendix 15
- 1.3 Under this Proposal part of the land shown marked in pink on the Plan, being 47.185 hectares (approximately) labelled "R3(Recreation/Farming)" on Plan Inset 1 is designated as land to remain as recreation reserve subject to:
- (a) the creation of a farming concession substantially as set out in Appendix 17
- (b) the creation of a right of way easement, as a concession substantially as set out in Appendix 18
- 1.4 Under this Proposal part of the land shown marked in pink on the Plan, being 8 hectares (approximately) labelled "R6(Recreation)" on Plan Inset 2 is designated as land to remain as recreation reserve subject to:
- (a) the creation of a farm management purposes easement concession substantially as set out in Appendix 19

2 Information Concerning Proposed Concessions

- 2.1 The proposed terms and conditions of the sheep grazing concession ("Grazing Concession D") as provided in 1.1(a) above and as set out in Appendix 16.
- 2.1.1 It is proposed that under Grazing Concession D, the Holder will graze sheep and cattle up to 140 stock units each year. The concession also allows for the use of farm dogs for mustering purposes.
- 2.1.2 The site of Grazing Concession D is part of the Schedule Six Land, being Area R2 (Recreation/Grazing).
- Area R2 (Recreation/Grazing) comprises land covered in rough pasture only. It is adjacent to the Glenorchy to Queenstown road and contains the Glenorchy airstrip. It is vegetated in exotic grasses and herbs and a mixture of introduced and native shrubs.
- The existing and proposed status of Area R2 (Recreation/Grazing) is recreation reserve managed by the Department of Conservation. If use of the airstrip increases in the future, consideration will be given to reclassifying the area as local purpose reserve (airstrip) and transferring administration of the area to the local authority.

- 2.1.3 Provided that fences are maintained in a stockproof condition and the stocking level is not exceeded, there is unlikely to be any adverse effects from the grazing activity. Continued grazing will control rank growth of rough pasture. Periodic inspections by Department of Conservation staff will monitor the effects of the concession activity.
- 2.1.4 Grazing Concession D is granted under section 17Q of the Conservation Act (as provided by section 59A of the Reserves Act 1977).
- 2.1.5 The proposed term of Grazing Concession D will be 33 years.

Grazing Concession D essentially caters for a continuation of existing farming use of the area and there is no foreseeable reason why this continued use will result in any adverse effects. There is no foreseeable need for the land for recreation purposes other than a horse trekking route along the southern boundary during the term of Grazing Concession D. There may be a need for extended airstrip use and this may prompt a review of status and control but some grazing is expected to still be required.

- 2.1.6 It is proposed to grant Grazing Concession D to the Holder, Pisidia Holdings Limited and Cabo Limited. The Holder currently grazes Area R2 (Recreational/Grazing). Over the period of its tenure of the Lease Land the Holder has respected the significant inherent values of the Area R2 (Recreation/Grazing). The Holder has a good working relationship with the Department of Conservation staff over a variety of issues including grazing of existing conservation lands, public access and use, wild animal and fire control.

- 2.2 The proposed terms and conditions of the grazing concession ("Grazing Concession C") as provided in 1.2(a) above and as set out in Appendix 15.

- 2.2.1 It is proposed that under Grazing Concession C, the Holder will graze up to 50 stock units (sheep and cattle) each year. The concession also allows for the use of farm dogs on the land.

The concession is not exclusive and does not diminish the right of public access to the land. The concession also allows for the local community or a community group, in the event that they wish to conduct any recreational activity on the land to do so, conditional on the Holder not unreasonably withholding consent.

The concession also provides that if the land is deemed to be surplus to requirements then the Minister will recommend preferential disposal to the Holder subject to any land disposal complying with due process, current policies and after obtaining any statutory clearances that may be required.

- 2.2.2 The site of Grazing Concession C is part of the Schedule Six Land being Area R3 (Recreation/Grazing) and the Schedule Seven Land (being Area CA4/Grazing) and
- 2.2.3 The site is a series of old lake terraces south of the Buckler Burn, extending down to the shoreline of Lake Wakatipu. The status of the site is recreation reserve in respect of Area R3(Recreation/Grazing) and conservation area in respect of Area CA4/Grazing. The site is managed by the Department of Conservation.
- 2.2.4 Continued farming use is an appropriate use for the site as it is not currently creating any discernible adverse effects. There is a developing interest in some of the site for community recreation activities and the growth of Glenorchy township will increase this demand over time.

It is expected that some or all of the land will be taken out of the concession for community recreation activities and the concession document contains provisions for

this to occur. The concession also caters for the casual community recreation use that currently occurs. The concession document contains standard conditions to protect the environment. If the level of community based recreation increased and if the local authority wished to assume the management responsibility, then the Department of Conservation would consider this option in the future.

- 2.2.5 Grazing Concession C is granted under section 17Q of the Conservation Act (in respect of Area CA4/Grazing) and section 17Q of the Conservation Act (as provided by section 59A of the Reserves Act 1977, in respect of Area R3 (Recreation/Grazing)).

- 2.2.6 The proposed term of Grazing Concession C will be 33 years.

This exceeds the maximum 30 year term required for the Minister's consent to the Substantive Proposal in terms of section 55 of the Act. The Department of Conservation considers however, that as Grazing Concession C essentially caters for a continuation of existing farming use of the area and there is no foreseeable reason why this continued use will result in any adverse effects, that the term of 33 years is acceptable. The increase over the 30 year recommended term is minimal and no significant adverse effects are expected

- 2.2.7 It is proposed to grant Grazing Concession C to the Holder, Pisidia Holdings Limited and Cabo Limited. The Holder currently farms the Wyuna pastoral lease. Over the period of the Holder's tenure of the Lease Land, the Holder has respected the significant inherent values of the Lease Land. The Holder has a good working relationship with the Department of Conservation over a variety of issues including grazing existing conservation land, public access and use and wild animal and fire control.

- 2.3 The proposed terms and conditions of the Farming Concession as provided in 1.3(a) above and as set out in Appendix 17.

- 2.3.1 It is proposed that under the Farming Concession, the Holder will:

- (a) graze up to 200 stock units (sheep and cattle) each year (in practice more stock will be run for a lesser period);
- (b) crop hay; and
- (c) fatten stock.

The Farming Concession also allows the use of farm dogs

- 2.3.2. The Farming Concession includes a special condition which provides for the inclusion of the existing Residence Site Licence, upon its expiry, into the Farming Concession for the balance of the term of the Farming Concession. The Residence Site Licence expires on 20 January 2020.

The Farming Concession also provides that if the land is deemed to be surplus to requirements then the Minister will recommend preferential disposal to the Holder subject to any land disposal complying with due process, current policies and after obtaining any statutory clearances that may be required.

The site of the Farming Concession is Area R3 (Recreation/Farming). The site comprises old lake terraces south of the Buckler Burn, extending down to the shore of Lake Wakatipu. It consists of productive pastures with extensive internal fence subdivision, shelterbelts, farm tracks and a hay barn. The Area R3 (Recreation/Farming) land is routinely cropped for hay and used to fatten stock. The

existing status of the Area R3 (Recreation/Farming) land is recreation reserve and it will remain so and it will continue to be managed by the Department of Conservation.

- 2.3.3. Continued farming use is an appropriate use for the Area R3 (Recreation/Farming) land and is currently not creating any discernible adverse effects. There is developing interest in some of the Area R3 (Recreation/Farming) land for community recreation activities and the growth of Glenorchy township will increase this demand over time.

It is expected that some of the land will eventually be taken out of the area subject to the Farming Concession for this purpose and the concession document contains a provision for this to occur. The concession document also caters for the casual community recreation use that currently occurs. The concession document also contains standard conditions to protect the environment.

If the level of community recreation interest in the Area R3 (Recreation/Farming) land does increase, the Department of Conservation will give consideration to transferring administration of the relevant land to the local authority.

- 2.3.4. The Farming Concession is granted under section 17Q of the Conservation Act (as provided by 59A of the Reserves Act 1977).
- 2.3.5. The proposed term of the Farming Concession will be 33 years.

The term was originally negotiated for a Land Act tenure review and was rolled over into this Tenure Review as the previously agreed term. It exceeds the maximum 30 year term required for the Minister's consent to a Substantive Proposal in terms of section 55 of the Act. The Department of Conservation considers however, that as the Farming Concession essentially caters for a continuation of existing farming use of the area and there is no foreseeable reason why this continued use will result in any adverse effects, that the term of 33 years is acceptable. The increase over the 30 year recommended term is minimal and no significant adverse effects are expected.

At the end of the term the appropriateness of the continued use of Area R3 (Recreation/Farming) for farming will be re-assessed.

- 2.3.6. It is proposed to grant the Farming Concession to the Holder, Pisidia Holdings Limited and Cabo Limited. The Holder currently farms the Wyuna pastoral lease. Over the period of its tenure of the Lease Land the Holder has respected the significant inherent values of the Lease Land. The Holder has a good working relationship with the Department of Conservation over a variety of issues including grazing conservation land, public access and use, wild animal and fire control,

- 2.4 The proposed terms and conditions of the Easement Concession as provided in 1.3(b) above and as set out in Appendix 18.

- 2.4.1 It is proposed that under the Easement Concession the Holder will be given a right of way over an existing metalled vehicle track to provide access to a homestead located on land held by the Holder under the Residence Site Licence. The Residence Site Licence expires on 20 January 2020. The existing status of the area is recreation reserve.
- 2.4.2 The site of the Easement Concession is Area "f-g" and "h-i" and runs over Area R3 (Recreation/Farming), being part of the Schedule Six Land. The proposed status of the Schedule Six Land is recreation reserve.
- 2.4.3 The proposed Easement Concession lies along an existing vehicle track which traverses for approximately 400 metres through part of the Schedule Six Land. It is an

extension of the track through the Lease Land that provides access from the Residence Site Licence to the Glenorchy to Queenstown Road.

- 2.4.4 The access track is located at the edge of a terrace on flat land and is well formed except for a descent down to a lower terrace where the homestead is located. Minor maintenance will be required, periodically. The access track is lane fenced and crosses part of the Schedule Six Land which is developed to pasture. Potential adverse effects from use of the track are negligible. To avoid, mitigate or remedy any adverse effects, the Easement Concession document contains a number of conditions including, but not limited to, the following, protection of the environment, interference with natural features, storage of noxious substances, obstruction of public enjoyment of the Schedule Six Land.

The Department of Conservation staff periodically visit the area and will observe any adverse effects.

- 2.4.5 The Easement Concession is an easement granted under section 17Q of the Conservation Act (as provided by section 59A of the Reserves Act 1977).
- 2.4.6 The proposed term of the Easement Concession will expire on 20 January 2020, which coincides with the expiry of the Residence Site Licence. The reason for the length of the term of the Easement Concession is that the proposed easement provides the only practical access to the homestead situated on the land subject to the Residence Site Licence.

Upon expiry of the Residence Site Licence the land subject to the licence and the right of way will be included in the Farming Concession for the balance of the term of that concession.

- 2.4.7 It is proposed to grant the Easement Concession to the Holder, Pisidia Holdings Limited and Cabo Limited. The Holder currently farms the Wyuna pastoral lease. Over the period of its tenure of the Lease Land the Holder has respected the significant inherent values of the Lease Land. The Department of Conservation has a good working relationship with the Holder over a variety of issues including grazing conservation land, public access and use, wild animal and fire control.
- 2.5 The proposed terms and conditions of the Farm Management Purposes Easement Concession as provided in 1.4 above and as set out in Appendix 19
- 2.5.1 It is proposed that under the Farm Management Purposes Easement Concession the Holder will be given right of way access over an existing track to provide access to land being disposed of by freehold disposal and by way of exchange, by motor vehicle, on or accompanied by horses, with or without machinery and implements of any kind and with or without farm dogs for farm management purposes.
- 2.5.2 The site of the Farm Management Purposes Easement Concession is marked "t-u" on Plan Inset 2 and runs over Area R6(Recreation) being part of the Schedule Six Land.
- 2.5.3 The Farm Management Purposes Easement Concession is located on an existing farm access track that traverses existing recreation reserve and a proposed small addition to the reserve. The track extends from the Glenorchy-Queenstown highway at Little Stony Creek to just beyond the common boundary of the Lease Land and existing Recreation Reserve.
- 2.5.4 The recreation reserve and its proposed addition will be fenced to exclude stock which currently have access. Locked gates will be placed at both ends of the track to enable continued vehicle access for farm management purposes only. The Farm Management Purposes Easement Concession will not allow stock movement along it and this will enable recovery of palatable understorey species and aid regeneration of

the beech forest. Continued vehicle use is not expected to create any adverse effects as the formation is well defined and gravel based. Vehicle use is likely to be intermittent. Access is important as it is strategically located and joins other farm tracks on the southern part of the Lease Land.

- 2.5.5 The Department of Conservation staff periodically inspect the recreation reserve and will quickly become aware of any adverse effects that may occur.
- 2.5.6 The Farm Management Purposes Easement Concession is an easement granted under section 59A of the Reserves Act 1977.
- 2.5.7 The proposed term of the Farm Management Purposes Easement Concession is for thirty (30) years. Access to the farm track network on the southern end of the Lease Land is strategically important for efficient farm management. A perpetual term easement is not considered necessary as the property over time is expected to diversify and the Farm Management Purposes Easement Concession may not be required.
- 2.5.8 It is proposed to grant the Farm Management Purposes Easement Concession to the Holder, Pisidia Holdings Limited and Cabo Limited. The Holder currently farms the Lease Land. The Holder has been using the track through the recreation reserve to gain vehicular access to part of the Lease Land for many years without causing adverse effects. The adverse effects that have occurred are due to continued grazing of the beech forest as no boundary fence exists. Tenure review will enable the boundary to be fenced and stock excluded. The Department of Conservation has a good working relationship with the Holder and this is expected to continue.

Schedule Seven: Provisions relating to the Schedule Seven Land

1 Details of designation

- 1.1 Under this Proposal part of the land shown marked in pink on the Plan, being 3.4 hectares (approximately) labelled "CA4/Grazing" on Plan Inset 1 is designated as land to remain as conservation area subject to:
- (a) the creation of a grazing concession substantially as set out in Appendix 15;

2 Information Concerning Proposed Concession

- 2.1 The proposed terms and conditions of the grazing concession ("Grazing Concession C") as provided in 1.1(a) above and as set out in Appendix 15.
- 2.1.1 It is proposed that under Grazing Concession C, the Holder will graze up to 50 stock units (sheep and cattle) each year. The concession also allows for the use of farm dogs on the land.
- The concession is not exclusive and does not diminish the right of public access to the land. The concession also allows for the local community or a community group, in the event that they wish to conduct any recreational activity on the land to do so, conditional on the Holder not unreasonably withholding consent.
- The concession also provides that if the land is deemed to be surplus to requirements then the Minister will recommend preferential disposal to the Holder subject to any land disposal complying with due process, current policies and after obtaining any statutory clearances that may be required.
- 2.1.2 The site of Grazing Concession C is part of the Schedule Six Land being Area R3 (Recreation/Grazing) and the Schedule Seven Land (being Area CA4 /Grazing) and
- 2.1.3 The site is a series of old lake terraces south of the Buckler Burn, extending down to the shoreline of Lake Wakatipu. The status of the site is recreation reserve in respect of Area R3 (Recreation/Grazing) and conservation area in respect of Area CA4 Grazing. The site is managed by the Department of Conservation.
- 2.1.4 Continued farming use is an appropriate use for the site as it is not currently creating any discernible adverse effects. There is a developing interest in some of the site for community recreation activities and the growth of Glenorchy township will increase this demand over time.
- It is expected that some or all of the land will be taken out of the concession for community recreation activities and the concession document contains provisions for this to occur. The concession also caters for the casual community recreation use that currently occurs. The concession document contains standard conditions to protect the environment. If the level of community based recreation increased and if the local authority wished to assume the management responsibility, then the Department of Conservation would consider this option in the future.
- 2.1.5 Grazing Concession C is granted under section 17Q of the Conservation Act (in respect of Area CA4 Grazing) and section 17Q of the Conservation Act (as provided by section 59A of the Reserves Act 1977, in respect of Area R3 (Recreation/Grazing)).

- 2.1.6 The proposed term of Grazing Concession C will be 33 years.

This exceeds the maximum 30 year term required for the Minister's consent to the Substantive Proposal in terms of section 55 of the Act. The Department of Conservation considers however, that as Grazing Concession C essentially caters for a continuation of existing farming use of the area and there is no foreseeable reason why this continued use will result in any adverse effects, that the term of 33 years is acceptable. The increase over the 30 year recommended term is minimal and no significant adverse effects are expected

- 2.1.7 It is proposed to grant Grazing Concession C to the Holder, Pisidia Holdings Limited and Cabo Limited. The Holder currently farms the Wyuna pastoral lease. Over the period of the Holder's tenure of the Lease Land, the Holder has respected the significant inherent values of the Lease Land. The Holder has a good working relationship with the Department of Conservation over a variety of issues including grazing existing conservation land, public access and use and wild animal and fire control.

Schedule Eight: Provisions relating to the Schedule Eight Land

1 Details of designation

- 1.1 Under this Proposal part of the land shown marked in green on the Plan, being 135 hectares (approximately) labelled "Exch1" on Plan Inset 2 is designated as land to be disposed of by way of exchange under the Conservation Act 1987 to the Holder for the land labelled "R1(Recreation)" on the Plan subject to:
- (a) the creation of a public access easement substantially as set out in Appendix 20;
 - (b) Part IVA of the Conservation Act 1987; and
 - (c) Section 11 of the Crown Minerals Act 1991
- 1.2 Under this Proposal part of the land shown marked in green on the Plan, being 4.5 hectares (approximately) labelled "Exch2" on Plan Inset 1 is designated as land to be disposed of by way of exchange to the Holder for the land labelled "CA1" on Plan Inset 3 subject to:
- (a) the continuation of a right of way easement in gross in favour of Telecom New Zealand Limited created by Memorandum of Transfer no. 5153879/2.
 - (b) Part IVA of the Conservation Act 1987; and
 - (c) Section 11 of the Crown Minerals Act 1991.

Schedule Nine: Conditions

Nil

Appendix 1: Consents – Example of Mortgagee Consent

[] as Mortgagee under Mortgage [] ("the Mortgage"), hereby:

- (a) consents to acceptance of the Proposal dated [] ("the Proposal") by [the Holder] ("the Holder") pursuant to the Crown Pastoral Land Act 1998 and agrees and consents to the registration of the documents affecting the Freehold Land referenced in the Proposal prior to the registration of any new mortgage to be granted in its favour over the Freehold Land ; and
- (b) agrees to sign and execute all deeds, agreements, schedules and other documents and do all acts and things as may be reasonably required by the Holder or the Commissioner to register a discharge of the Mortgage and any new mortgage over the Freehold Land.

Dated:

SIGNED by [])
in the presence of: []) _____

Witness Signature: _____

Witness Name:

Occupation:

Address:

Appendix 1: Consents (continued) - Example of "Other" Consent

[], being the party entitled to the benefit of [] registered
against Lease [], hereby consents to the acceptance of the Proposal dated [] by
[the Holder] pursuant to the Crown Pastoral Land Act 1998.

Dated:

SIGNED for and on behalf of)
[])
in the presence of:)

Witness Signature:

Witness Name:
Occupation:
Address:

Appendix 2: Example of Solicitors Certificate

Certifications

I [] hereby certify as follows:

1. [[insert name of Holder] ("the Holder") is a duly incorporated company under the Companies Act 1993. The Holder's entry into and performance of its obligations under the Proposal dated [] ("the Proposal") have been duly authorised by the directors and, if required, by the shareholders of the Holder. The Holder has executed the Proposal in accordance with its constitution.] **OR**

The entry into the Proposal dated [] ("the Proposal") by [insert name of Holder] ("the Holder") and performance of the Holder's obligations under the Proposal have been duly authorised by the trustees of the [insert name of trust] in accordance with its trust deed **OR**

[[insert name of Holder] ("the Holder") has delegated responsibility for signing the Proposal on its behalf to an attorney in accordance with its constitution. The attorney of the Holder has properly executed the Proposal in accordance with this power of attorney and in accordance with the Holder's constitution and a certificate of non-revocation is enclosed.]

2. The consent of each person that has an interest (registered or unregistered) in the Land (as that term is defined in the Proposal), to the Holder's acceptance of the Proposal has been obtained and included in the copy of the Proposal, signed by the Holder, that has been provided to the Commissioner.
3. [No consent, licence, approval or authorisation by any court, regulatory authority or governmental agency is required to enable the Holder to accept the Proposal, perform the Holder's obligations under the Proposal and to acquire the freehold interest in the Land (as defined in the Proposal).] **OR**

[All necessary consents, licences, approvals and authorisations required to enable the Holder to accept the Proposal, perform its obligations under it and to acquire the freehold interest in the Land (as defined in the Proposal) have been obtained. Evidence of the consents, licences, approvals and authorisations are attached to this letter.]

Yours faithfully

[signed by principal of law firm]

Appendix 3: Indicative Fencing Requirements

Fenceline

Length and location:

Type:

Specifications

See attached

APPENDIX : Indicative Fencing Requirements

Fenceline: Wyuna

Fencing Specification for Seven —Wire Fence

Length and location:

Lower altitude sections:	G-H	Approximately 840 metres
	I-J	Approximately 630 metres
	M-N	Approximately 2300 metres
	O-P	Approximately 250 metres
	Q-R	Approximately 660 metres
	S-T-T1-T2	Approximately 2500 metres
	T3-T4	Approximately 330 metres
	U-V & W-X	Approximately 760 metres
Lane over Reserve:	Y-Z	Approximately 2350 metres (for both sides)

Refer to Designation Plans etc: Sheet 1, Plan Inset 1, Plan Inset 2 and Plan Inset 3. Also aerial photo with boundaries plotted and large topographic map with GPS waypoints plotted for additional information.

Indicative Specifications:

1. Fences to be constructed of six 2.5mm galvanised high tensile wires and one bottom 4mm galvanised mild steel wire. Tie downs and tie-backs will be 4mm galvanised mild steel.
2. 2.1 metre treated timber strainers with treated stays to be used for gateways and ends of strains.
3. 2.1 metre x 125mm treated timber posts to be used at 20 metre gaps or at lesser intervals on appropriate high and low points as required. 117 cm remains out of the ground.
4. Six steel Y-stakes per 20 metres to be used.
5. Steel Y-stakes to be mostly 1.65 metres with 1.5 metre standards allowed on rocky ground.
6. Four x 4 metre gates to be erected at points labelled "GT4m" on the aerial photograph.
7. One x not less than one metre wide gate to be erected at point labelled "GT1m" (width between posts no less than 1.1 metres) on the aerial photograph to allow passage of horses.
8. Line Q-R will need to be bulldozed.
9. Line S-T-T1 some bulldozing will be required but should be kept to a minimum.
10. Line G-H will require hand clearing.

Fencing Specification for Seven-Wire Fence

Length and location:

Higher altitude section: K-L Approximately 2230 metres

Specification generally as per G-H etc above

Variations to specification:

- T-irons may be substituted for wooden posts.
 - One x 4 metre gate to be erected at point labelled "GT4m" on the aerial photograph.
-

Repair of washouts:

Two washouts at GPS waypoint 199 shown on the large topographical map and labelled "2 breaks in fence to be repaired" on the aerial photograph, to be repaired and made stock proof.

WYUNA TENURE REVIEW FENCING SPECIFICATION

Specification

1.0 Preliminary & General

- 1.1. Any blasting required to loosen or remove rock shall be undertaken using electric detonators to reduce the risk of fire.
- 1.2. Any rock drilling shall be undertaken with a rock drill no larger than 40mm diameter
- 1.3. Where placement of posts requires spiking, the spike shall be 90mm or more diameter
- 1.4. The top wire is to be laced to the top of the steel Y stakes with 3.15 mm (nine gauge) wire.

2.0 Materials General (except as have been specifically modified by the provisions of clause 3 which shall take precedence).

- 2.1. All materials forming a permanent part of the specified fencing shall be new.
- 2.2. Where an applicable New Zealand Standard or equivalent international standard exists relevant to any materials used, all materials forming a permanent part of the specified fencing shall conform to that standard. Such materials shall either identify the applicable standard on the label or a certificate from the supplier or manufacturer shall be supplied stating the materials supplied have been manufactured in a process that has been tested and which conforms with that standard.

Where no applicable standard exists for any particular materials then they shall be of best quality for the purpose, as generally accepted in the New Zealand farming and fencing industries.

- 2.3. Staples are to be 50mm x 40mm slice pointed barbed galvanised steel.
- 2.4. Wire is to be of quality 2.5mm high tensile or 4mm mild steel (as applicable) galvanised steel.
- 2.5. Permanent wire strainers are to be of the yoke and reel type with a sprung loaded locking bar, such as 'PEL PA8' or 'Stayfix' brand.
- 2.6. All posts are to be full round ground treated timber.
- 2.7. Stock gates shall be manufactured of 32mm galvanized steel pipe, suitably braced to withstand normal pressure by beef cattle and fully covered with 50mm square chain link mesh manufactured from 3.15mm gauge galvanized wire and attached with 2.24 mm galvanised lacing wire.
 - gudgeons are to be of galvanized steel
 - top gudgeon is to be of a lock through type
 - bottom gudgeon is to be of a bolt through type
 - gate chains are to be galvanized steel
 - gates must fully open back against the fence
 - gates must shut against a post

Any pedestrian gate shall have a clear passage width of 1.1m and shall be of comparable materials, strength cover and mountings as the stock gates.

3.0 Best Practice

- 3.1. Best fencing practice will be used on all occasions.
- 3.2. All strainers and angles to be mortised, stayed and blocked. Stays to be one-third of the way up posts.
- 3.3. Tie-backs are permitted on both sides of the fence.
- 3.4. All wires are to be securely and neatly tied off and strained evenly. Figure 8 knots to be used in all joins.
- 3.5. Netting to be hung on creek crossings and left to swing.
- 3.6. Unless otherwise specified any clearance of lines is to be manual.
- 3.7. Post staples (barbed) to be driven well in but allow the wire to run through.
- 3.8. Length of strains to be determined by territory but to conform to best practice. Strain on mild steel bottom wire to be approximately one third of strain on HT wire and maintained with triplex.
- 3.9. Under no circumstances are any strainers, posts or stays to be shortened either prior to or subsequent to their placement in the ground.
- 3.10. All dips and hollows to be tied down.

Aerial Photo and Topographical Map In Relation To Fencing:
