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THE VIABILITY OF DEVELOPING MAORI LEASEHOLD LAND:

The Case of Part XXIII Hill Country Leases in the  
Tairāwhiti Land District

A thesis presented in partial fulfilment of the  
requirements for the degree of Master of  
Agricultural Economics at Massey University

Georgina Maree Iritana Tattersfield

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ABSTRACT

This Thesis is concerned with assessing the extent of underutilization and reversion that has occurred on land leased under the provisions of Part XXIII of the 1953 Maori Affairs Act. It seeks to determine the constraints that exist to the development of Part XXIII leases. Further it attempts to find ways to overcome these constraints, that are compatible with the needs of the Maori people. Chapter One of this thesis discusses the reasons for this study. It outlines the objects of the study and reviews the design of research used to obtain these objects. Chapter Two deals with the selection of a sample of Part XXIII leases to be studied and assesses their relative states of development. Chapter Three describes the Tairāwhiti Land District, the farm environment in which the lease sample exists. Chapter Four reviews the evolution of Maori Land Tenure and discusses the institutional and administrative problems that have resulted from changes in it. This chapter identifies 438/53 trusts and incorporations as modes of administration for Maori land that are more compatible, than Part XXIII of the 1953 Act, with the ancient ideals of the Maori people. Chapter Five identifies specific institutional, physical, financial and management factors that can constrain the development of Part XXIII leases. Chapter Six analyses the relationship between specific factors thought to constrain Part XXIII lease farm development and actual states of development on the sample leases. Chapter Seven draws conclusions on the analysis done in Chapter Six and makes recommendations on ways to promote the farm development of land presently leased under the provisions of Part XXIII of the 1953 Maori Affairs Act.

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LIST OF ABBREVIATIONS

C.V.	Capital Value
F.M.R.	Farm Management Rating
L.D.E.L.	Land Development Encouragement Loan
L.F.D.R.	Lease Farm Development Rating
L.I.S.	Livestock Incentive Scheme
M.A.F.	Ministry of Agriculture and Fisheries
Part XXIII/53	Part XXIII 1953 Maori Affairs Act
R.B.F.C.	The Rural Banking and Finance Corporation
Reg.	Registered
Section 438/53 Trust	A trust constituted under Section 438 of the 1953 Maori Affairs Act
S.U.	Stock unit(s)
T/D	Aerial Topdressing Facilities



## CHAPTER ONE

### INTRODUCTION

#### 1. Introduction

Part XXIII of the Maori Affairs Act 1953 provides an all encompassing structured and complex format for leasing Maori Land owned by more than ten people. In New Zealand the 126,000 ha of leased land that falls under its provisions has been characterised by an inability to increase or even maintain reasonable levels of production (1). The extent of this problem and the reasons for its existence is the concern of this thesis.

Part XXIII of the Maori Affairs Act 1953 lays down procedures to be followed by owners of Maori freehold land, if they wish to or someone else wishes to lease their land. It is a piece of legislation that is the result of years of ill-considered lawmaking designed to change traditional Maori land tenure to a European system of individualised land titles. The emphasis on joint individual ownership, over time destroyed the traditional organisations for group control of land. In the place of the old hierarchy, a morass of laws and a large often clumsy bureaucracy developed to administer the confusion of many joint owners in a single block of land. The new system of Maori land tenure as it evolved helped to create most obstacles to the farm development of leased Maori freehold land as it exists today.

Lessees and owners of Part XXIII leases today find their land critically affected by a number of obstacles to development. Many have shown concern for this situation by requesting local Maori councils, Maori Land Advisory Committees and Members of Parliament to look into factors that constrain the development of Part XXIII leases and to find ways of overcoming them (2).

Development of Part XXIII leases is in the interests of the Maori owners as it reduces the risk of having it permanently alienated by mal-contented who in the past have sought to use legislation to remove

'uneconomic blocks' from Maori control and ownership (3). When land is fully developed it can also convey *mana* on its owners, they have succeeded in protecting the land, achieved some *Pakeha* respect by increasing its production and perhaps provided an economic return for themselves.

It is in the interests of Lessees of Part XXIII leases to increase production as few economic gains can be made by maintaining a poor status quo.

On a regional basis increased productivity of Part XXIII Maori lease land can have secondary effects in terms of benefits to rural communities, through increased use of services and the provision of employment. There is the possibility that increased productivity combined with community and labour development programmes could encourage young, capable Maori owners to return to their tribal lands. A situation craved by many older Maori people.

From a national view point the large areas involved in Part XXIII leases indicate that careful examination of complaints about constraints to their development is necessary. New Zealand cannot afford to ignore the problem of Part XXIII leases when increases in agricultural production are so central to the economy's well being.

The author felt that it was in the interests of all the parties involved to begin a study of the problems facing the development of Part XXIII leases.

After preliminary investigation it was found that Part XXIII leases face institutional, physical, financial and managerial factors that can constrain their development.

Institutional factors involve short lease terms, a rent calculated on a capital value basis, rent reviews, ill-considered development covenants, a lack of lessee compensation, a lack of lease registration and a lack of lessee ownership in a lease. All institutional factors are heavily influenced by the procedural requirements of Part XXIII of the 1953 Maori Affairs Act.

The first institutional factor that can constrain development usually

arises when the provisions of Part XXIII require a meeting of owners to be called if a lease is to be issued or the conditions of an existing lease varied. At this meeting, if the lease term considered is to be 21 years, at least forty percent of the ownership interests in a block must be present. This quorum can be difficult to obtain given the large and fragmented ownership of many Maori freehold blocks. Lists of owners and their addresses are often incomplete and many known owners are scattered throughout New Zealand. To contact them and get them together in the required number at the required time is expensive and time consuming. When, as is likely, a quorum for a 21 year lease is not obtainable then the prospective lessee will have to consider a shorter lease term. A short lease term can have the effect of discouraging development by not providing a period long enough to obtain a reasonable payback from a development programme. Both lessees and lending institutions find short leases insecure development propositions.

When a meeting has been convened it is required that, among other things, a resolution to lease the land be considered. A lease is defined here as a contract whereby a particular estate in land is conveyed for a specific period of time subject to specific obligations on the part of the lessor and the lessee. The specified time is the term of the lease which is governed by the quorum at the meeting. The specific obligations mentioned are the covenants of the lease. Both the term of the lease and the covenants are normally set out in a standard Maori Affairs lease document. This document is a format that has been readily accepted by lessors and lessees but as it stands is not flexible and does not suit the circumstances of many lessees and lessors (4). This lease form has produced lease covenants that can constrain development. One such covenant concerns rent. Precedent has closely defined rent in these lease documents. It is generally set at 6% of the capital value of the Part XXIII lease. This rent is totally unrelated to a block's productive capacity, its need for development, the lessee's financial position or the restrictions of Part XXIII land tenure. It has the effect in certain circumstances of constraining development on Part XXIII leases. Other procedures required by Part XXIII of the Act do not remedy these ill-conceived rental calculations. They, in fact, reinforce their use; for example, the Maori Land Court when it is eventually required to confirm a resolution to lease, must only be convinced that from the view point of the owners the rent is adequate. If it is not,

the Court can, with the consent of the Alienee, increase it but cannot change the rent to take into consideration the lessee or his ability to pay if, for example, he wishes to undertake a development programme. The Court does not have the jurisdiction, and like many owners, the technical expertise to fully consider the impact of a rent on farming policy. The set Maori Affairs lease document makes provision for rent to be reviewed from time to time to keep pace with inflation. This provision, if taken advantage of, can constrain lease farm development. It has the unfortunate effect of eating into the lessee's interest in a lease and thus reducing the security a lessee has to offer for development finance. Rent for reviews can be calculated on a capital value basis and without consideration of a lessee's improvements. This situation can reduce a lessee's incentive to improve his lease through development, as he would be forced to pay rent on his own improvements.

All standard Maori Affairs Part XXIII lease documents contain stringent clauses relating to the development of a lease, e.g. "the lease must be cleared and lain in good English grasses within five years" (5). These clauses are not tailored to the particular physical nature of any one lease block and through lack of practical farm management advice are rarely changed. Owners can zealously add clauses defining their own mores regarding development. These clauses have been known to take little consideration of time and cost to the lessee or his likely reward. Unrealistic development clauses do not assist or encourage a lessee, who if he is unable to honour them is charged the amount necessary to cover the breaches.

All owners of Part XXIII leases are discouraged by legislation from providing compensation to a lessee for any improvements he might make in his lease term. This puts the onus on the lessee to recover any costs of development through increased production over a period of time. The lessee's interest is directly related to the length of his lease, the number of rent reviews during its term and the leases productive capacity. There can be no capital gain expected from improvements made, not an incentive to development.

A lease document involving European land once completed is usually registered in the Land Registry Office, the lease itself being noted on the Land Title. In the case of many Part XXIII blocks their titles are

not surveyed, therefore they cannot be registered with the Land Registry Office and neither as a result can their leases (6). If a block is not registered it cannot have a State guarantee of ownership, its title and any lease is thus considered insecure by lending institutions. A lack of lease registration can prevent a lessee from obtaining finance for lease farm development.

Ownership in a Maori freehold land block is an advantage in obtaining a **quorum** to lease and most owners express a desire for one of their own to occupy the land. It may also provide a personal incentive to develop. Given this state of affairs the converse is that lack of ownership can be a disadvantage.

Part XXIII leases apart from the probability of facing a number of institutional factors, may also face physical factors that can constrain their development. These involved the size of the lessee's Part XXIII lease(s) in relation to his total holdings, external access to the Part XXIII lease and the topography of Part XXIII lease(s).

The size of most Part XXIII leases is the result of years of ill-considered partitioning by owners and the Maori Land Court. They have produced small and scattered blocks that particularly in the hill country are not viable development propositions. Leases of uneconomic size and farmed alone do not benefit from the economies of scale available to leases that are farmed as part of a larger unit.

The geographical proximity of a lease to a lessee's other farm units can have a deciding effect on its development. If a lease is relatively small and miles from the centre of the lessee's farming activity it is liable to receive less attention than an adjoining block.

External access to a Part XXIII block if very difficult is a factor unlikely to encourage lease farm development. Part XXIII hill country leases have suffered acutely from difficult access, usually the result of poor planning of partitions that has left some leases without even legal access.

The topography of a Part XXIII lease, including its slope, surface geology and soils will heavily influence its potential for development

and the ease with which it could be developed. A lease physically unsuited to pastoral farming can only in rare instances be successfully developed for those ends.

Management factors that can constrain lease farm development involve the lessee's farm management ability, the length of his occupation of the lease, the availability of topdressing facilities to the lease and the labour supply situation. The standard of farm management among lessees of Part XXIII leases is reputed to be poor (7). This situation may reflect the desire of owners to first lease land to a family member then, another owner or another Maori before a European farmer, or forestry company. Farm management ability is not a priority when the aim is to keep land in Maori occupation. This objective tends to be short-sighted if it eventually costs the owners the productivity of their land.

The availability of aerial topdressing facilities is helpful to lease farm development but unless the lessee has them on other properties in the vicinity they are unlikely to be available to a Part XXIII lease. No compensation for improvement clauses mean these leases do not often have this type of facility.

The quality and availability of labour varies from district to district, but in the hill country particularly severe labour shortages can constrain lease farm development. Isolation, poor housing and poor pay do not encourage high quality labour, and rural urban migration compounds problems of finding any permanent labour at all.

Financial factors that can constrain lease farm development primarily involved the availability of security for development finance. Institutional, physical and managerial factors can combine to make Part XXIII leases unattractive to lending institutions, as development propositions. If a lessee has no assets except for an insecure unregistered lease to use as collateral for a loan he is unlikely to obtain development finance. Unregistered Part XXIII leases do not encourage prospects for good debt servicing or for the recovery of bad debts.

Part XXIII hill country leases are of particular interest to this study as they are the class of lease that throughout New Zealand contains



the highest proportion and the largest area of under-utilised and reverted land (8).

The Maori Trustee's office in Gisborne has suggested that one third of the area of Part XXIII hill country leases in the Tairāwhiti Land District is under-utilised and that a further one third is almost totally reverted. Leases of flat land in this district are by comparison in good condition. This situation has resulted from Part XXIII hill country leases being more likely to face physical factors that can constrain their development. They also find it more difficult to cope with institutional, financial and management factors that can constrain development, being relatively more expensive, taking longer and being less profitable to develop.

Given the relatively poor state of production and development on Part XXIII hill country leases it was decided to make them the principal subject of research in this thesis. As the Tairāwhiti Land District contains the largest area of Part XXIII leases in New Zealand and 90% of this area is in hill country leases it was felt appropriate to centre research in this district (9). Secondary considerations for the latter choice were the author's personal knowledge of the area and the limitations of time and resources preventing a full scale New Zealand study (10).

It is agreed that increased productivity can have long term benefits but the means of achieving this end is of concern to the Maori people as a nation. In searching for the answers to the problems of developing Part XXIII leases, solutions involving the sole objective of physical gain measured in material terms are not enough. Solutions must reflect a balance between the need to increase the productivity of Part XXIII leases and the need of Maori people to maintain a satisfying identity and cultural life based upon it.

## 2. Objectives of the Study

The first objective of this study is to determine the extent of under-utilisation and reversion that has occurred on Part XXIII hill country leases.

The second objective of this study is to show factors that were operative as constraints to development when under-utilisation or reversion has occurred.

The third objective is to determine how viable it is to develop Part XXIII hill country leases given the operation of certain constraints development.

The final objective is to find ways that are compatible with the needs of the Maori nation of overcoming those factors that constrain lease farm development.

### 3. Outline to Research Design

- (a) A sample of hill country leases from the Tairāwhiti Land District were selected for study.
- (b) Data on the general condition of each lease was collected and states of development and production on each lease were assessed relative to other leases in the sample.
- (c) Data related to factors that can constrain development (negative factors) was collected for every lease in the sample. Positive influences on development were determined relative to negative factors.
- (d) With positive influences and negative factors for each lease identified with the lease's state of development, comparisons between leases were made to determine if a relationship exists between certain negative factors (positive influences) and particular states of development.



Footnotes to Chapter One

- (1) Appendix I shows a breakdown of areas of Maori land under the jurisdiction of the 1953 Maori Affairs Act and its subsequent amendments. Reserved, vested and other Maori land are also dealt with.
- (2) Submissions to these bodies resulted in the commissioning of the Metekingi Report [30]
- (3) The 1967 Maori Affairs Amendment Act chiefly based on the Prichard-Waltford report [31] allowed the Maori Trustee to buy Maori land which was determined by the Court as 'uneconomic'. This occurred when an individual interest in land amounted to less than \$50.00. This affected large areas of Maori land and a number of owners, because most shares in Maori land are small. This legislation was introduced with the aim of increasing land utilisation by preventing fragmentation, it however excluded some *tangata whenua* from their land. The amendment was repealed in 1974.
- (4) Appendix II contains a Part XXIII lease document.
- (5) Appendix II clause 7.
- (6) The ownership of General (European) land and of some Maori land is registered in the Land Registry Office, but ownership of the remaining Maori land is recorded in orders of the Maori Land Court. Today Maori land consists of Customary land and Maori freehold land. Maori freehold land is predominant; it is defined at length in six sub-clauses and four sub-paragraphs in Part One, Section (2): (2) of the Maori Affairs Act 1953. Briefly it means land other than European land, or any undivided share in which, is owned by a Maori for a beneficial estate in fee simple whether legal or equitable. The distinction between European land and Maori land is given in Part One Section (2): (1) and is quite involved. These legal technicalities do not help the layman towards a clearer understanding of what today is meant by Maori land.

- (7) Metekingi [30] P2.
- (8) Statement made personally by Land Development Officers of the Maori Affairs Department in Gisborne (July 2nd, 1981).
- (9) See Table I, Chapter Two.
- (10) The author is a member of the Ngatiporou Tribe and has grown up with her family in the Tairawhiti Land District (Appendix III contains a map showing major tribal boundaries in the North Island of New Zealand).

## CHAPTER TWO

### STATES OF DEVELOPMENT ON SELECTED PART XXIII LEASES

#### 1. The Population

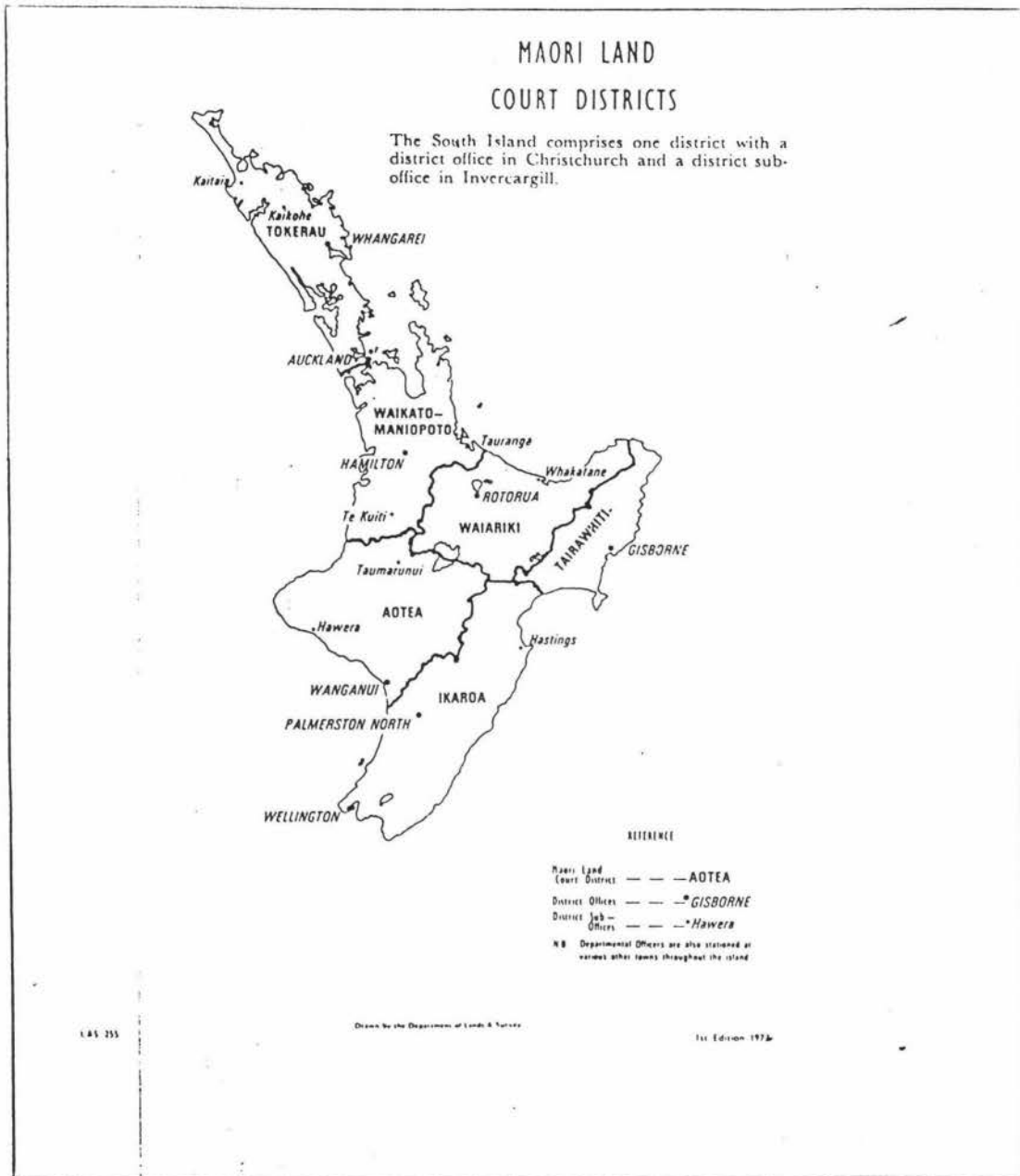
Part XXIII leases in the Tairāwhiti Land District form the population from which the sample for study has been taken. The boundaries of the Tairāwhiti Land District can be seen in Figure 2.1. It is a Maori Land Court District that includes the Waiapu, Cook, Waikohu and parts of the Wairoa Counties. Gisborne is the centre of Court activity in the district and it is where the main offices of the Court, the Maori Trustee and the Department of Maori Affairs are situated.

The Maori Trustee is the statutory agent for owners when it comes to the execution of any instrument of a lease granted under Part XXIII and he has the power to police and enforce lease covenants. For these reasons the Maori Trustee's Office keeps detailed records on all Part XXIII leases in their Maori Land Court area. The Maori Trustee's Office in Gisborne provided the author with lists of all Part XXIII leases and their respective lessees in the Tairāwhiti Land District. The lists contained a total of 431 Part XXIII leases covering 38,093.1 ha and leased to a total of 267 lessees. It was from this base population that a sample of the hill country leases was chosen for study.

#### 2. The Selection of a Sample

From the lists supplied by the Maori Trustee the author assessed whether an individual lease was a hill country block or exclusively flat. It was assumed that a capital value per hectare of less than \$350.00 indicated a hill country lease. These rough calculations were later verified by consultation with lease inspection officers who were familiar with individual leases. Over-capitalised hill country leases were picked out and included in the hill country group. Flat blocks with low land values were picked out of the hill country group. With

Figure 2.1 Maori Land Court Districts



the hill country lease population established it was then possible to discover the relevant lessees from the Maori Trustee's lists. Some lessees held more than one lease and a number held exclusively flat leases in a combination with their hill country blocks. Where the latter was so, the leases were included in the lessees total Part XXIII holdings and treated as part of the hill country population (1).

The sample used for study contained all those Part XXIII hill country leases or groups of leases held by one lessee that exceeded 160 ha. Hill country leases conveniently provided a homogenous base for later comparisons of factors that could constrain lease farm development. The 160 ha cutoff point was arbitrary; it was used to eliminate smaller areas that were more likely to be absorbed in much larger farming enterprises. The total lessee holdings in the sample with which Part XXIII leases are farmed have a median area of 841.6 ha. The median area of lessee holdings of Part XXIII leases in the sample is 330 ha. The average number of leases held by the lessees in the sample is 2.36. The median area of actual leases dealt with in the sample is 139.0 ha. Hill country leases not included in the sample had a median area of 33.0 ha.

### 3. The Sample

The number of lessees and lessors, the area involved in the sample and the population from which it was drawn can be seen in Table (I).

Table I: Breakdown of Part XXIII Lease Population in the Tairawhiti  
Land District

	Area (ha)	Number of Leases	Number of Lessees
A Hill Country leases greater than 160 ha in area	28,873.9	137	58
B Hill Country leases less than 160 ha in area	6,822.7	140	104
C Total population of Hill Country leases	35,696.6	277	162
D Total population of flat land leases	2,396.5	154	105
E Total population of Part XXIII leases	38,093.1	431	267
F 'C' as a percentage of 'E'	94%	64%	61%
G 'A' as a percentage of 'C'	81%	50%	36%
H 'A' as a percentage of 'E'	76%	32%	22%

58 lessees, 137 leases and 28,873.9 ha are included in the sample studied (2). It contains a very high proportion of the total area of hill country leases and represents 50% of the number of leases and 36% of the lessees in the hill country population. Table (II) specifies individual lessees and leases (3).

Table II: Part XXIII Hill Country Lease Sample

Lessee Number	Lease Number	Lease Area (ha)	Lessee Number	Lease Number	Lease Area (ha)	Lessee Number	Lease Number	Lease Area (ha)
I	1	291.4	X	26	1361.9		51	281.2
II	2	191.0	XI	27	256.0		52	154.5
III	3	218.0	XII	28	10.1		53	219.0
	4	31.8		29	55.0		54	158.5
	5	108.0		30	261.8		55	243.7
	6	116.6		31	18.1		56	68.3
	7	192.0	XIII	32	381.7	XIX	57	63.9
	8	2046.0	XIV	33	21.2		58	124.9
	9	67.7		34	15.6		59	139.5
IV	10	376.9		35	145.2	XX	60	472.7
	11	439.0		36	84.2	XXI	61	211.5
	12	187.9		37	45.7	XXII	62	433.3
	13	77.0		38	53.4	XXIII	63	330.7
	14	542.4	XV	39	46.7	XXIV	64	175.4
V	15	297.4		40	17.2	XXV	65	33.1
	16	190.4		41	36.9		66	29.4
	17	398.9		42	14.7		67	79.7
	18	102.0		43	18.9		68	60.3
	19	371.5		44	14.5	XXVI	69	286.1
VI	20	118.0		45	35.4	XXVII	70	335.0
	21	163.5		46	65.9		71	186.0
VII	22	198.9		47	14.4		72	285.9
VIII	23	564.7	XVI	48	421.7		73	475.7
IX	24	256.9	XVII	49	440.3		74	163.7
	25	340.7	XVIII	50	194.3	XXVIII	75	57.6
	76	66.2		101	121.8	LIII	126	111.5
	77	118.0		102	97.5		127	314.2
XXIX	78	175.4		103	313.2		128	12.1
	79	109.5		104	66.2	LIV	129	64.1
	80	78.3		105	94.8		130	23.6
	81	40.2		106	34.1		131	36.4
XXX	82	647.9		107	40.9		132	54.9
XXXI	83	202.9	XLII	108	207.1		133	51.0
XXXII	84	288.9		109	66.4	LV	134	934.3
	85	44.9	XLIII	110	60.3	LVI	135	174.3
XXXIII	86	250.6		111	159.3	LVII	136	1184.7
	87	12.8	XLIV	112	522.4	LVIII	137	305.7
XXXIV	88	122.1	XLV	113	688.0			
	89	127.5	XLVI	114	379.7			
XXXV	90	193.9	XLVII	115	172.4			
	91	55.0		116	56.8			
XXXVI	92	50.2		117	248.7			
	93	131.1		118	16.2			
XXXVII	94	323.9	XLVIII	119	367.9			
XXXVIII	95	345.8	XLIX	120	197.6			
XXXIX	96	225.7	L	121	164.9			
XL	97	282.3	LI	122	61.0			
	98	33.1		123	40.0			
XLI	99	17.8		124	113.6			
	100	87.7	LII	125	295.6			

#### 4. States of Development on Part XXIII Leases

In order to understand the problems of developing Maori lease land it is important to have a perception of the amount and type of development that is occurring on the blocks concerned.

Information on the state of development on the leases of the sample was obtained from the Maori Trustee, Lease Inspection Officers, and visits to the leases. Approximately every three years a field officer on behalf of the Maori Trustee inspects a Part XXIII lease and records salient information on the general condition of its pasture, stock and improvements (4).

Each lease in the sample had a minimum of two lease inspections from which information on the development could be gleaned. Where an inspection report had not been done in the 1979/1980 period inspection officers provided the author with up dates. Apart from this, 50 leases were visited by the author in the Waiapu County (5). Each of the 137 leases of the sample had their general physical condition with respect to development subjectively assessed (6). At this stage leases were considered in complete isolation of any other lessee holdings. They were ranked on a scale of one to nine. The nine groups contained up to 3 tiers that accounted for all types of development situations encountered. The scale used is purely subjective; the value assigned to each rank is relative only to other leases studied. The validity of rankings were checked primarily by Maori Affairs Lease inspection officers in the Waiapu, then by an officer of the Maori Trustee in Gisborne, an appraiser for the Rural Banking and Finance Corporation in Gisborne and a field officer for the Ministry of Agriculture and Fisheries in Gisborne, all were in agreement as to the final relative ranking of these leases. It is crucial to this study to understand that leases in farm development rating groups are drawn from a homogeneous base and that as such each lease has the potential of achieving a group one status. The ranking system used to define a lease's actual state of development is stated as follows:

##### Group 1

Tier (a) The present lessee in the existing term used extra inputs that have led to and/or are expected to lead to an *excellent additional*



*lease farm output.*

Tier (b) The present lessee in the existing term made *no significant addition of extra inputs*. The lease is fully developed. It is being maintained and producing *an excellent output*.

#### Group 2

Tier (a) The present lessee in the existing term used extra inputs that have led to and/or are expected to lead to *a very good additional output*.

Tier (b) The present lessee in the existing term made *no significant addition of extra inputs*. The lease is almost fully developed. It is being maintained and producing *a very good output*.

#### Group 3

Tier (a) The present lessee in the existing term used extra inputs that have led to and/or are expected to lead to *a good additional output*.

Tier (b) The present lessee in the existing term made *no significant addition of extra inputs*. The lease is well developed, maintained and producing *a good output*.

#### Group 4

Tier (a) The present lessee in the existing term used extra inputs that have led to and/or are expected to lead to *an above average additional output*.

Tier (b) (I) The present lessee in the existing term made *no significant addition of extra inputs*. The lease is reasonably well developed, maintained and producing *an above average output*.

Tier (b) (II) The present lessee in the existing term made no

significant addition of extra inputs. The lease is reasonably well developed. The lease is *deteriorating* but still producing an *above average output*.

#### Group 5

Tier (a) The present lessee in the existing term used extra inputs that have led to and/or are expected to lead to an *average additional output*.

Tier (b) (I) The present lessee in the existing term made *no significant* addition of extra inputs. The lease is partly developed and is being maintained and producing an *average output*.

Tier (b) (II) The present lessee in the existing term made no significant addition or extra inputs. The lease is partly developed and is *deteriorating* but still producing an *average output*.

#### Group 6

Tier (a) The present lessee in the existing term used extra inputs that have led to and/or are expected to lead to a *below average additional output*.

Tier (b) (I) The present lessee in the existing term made *no significant addition* of extra inputs. The lease is partly developed and is being maintained but producing a *below average output*.

Tier (b) (II) The present lessee in the existing term made no significant addition of extra inputs. The lease is partly developed and is *deteriorating* but still producing a *below average output*.

#### Group 7

Tier (a) The present lessee in the existing term has used extra

inputs that have led to and/or are expected to lead to a *fair additional output*.

Tier (b) (I) The present lessee in the existing term made *no significant addition of extra inputs*. The lease is partly developed and is being maintained and producing a fair output.

Tier (b) (II) The present lessee in the existing term made no significant addition of extra inputs. The lease is partly developed and *is deteriorating but still producing a fair output*.

#### Group 8

Tier (a) The present lessee in the existing term has used extra inputs that have led to and/or are expected to lead to a *poor additional output*.

Tier (b) (I) The present lessee in the existing term made *no significant addition of extra inputs*. The lease is in a deteriorated state and is being maintained producing a *poor output*.

Tier (b) (II) The present lessee in the existing term made no significant addition of extra inputs. The lease is in a *deteriorated state*. *It is deteriorating further*. Output is poor.

#### Group 9

Tier (a) The present lessee in the existing term has used extra inputs that have led to and/or are expected to lead to a *very poor additional output*.

Tier (b) The present lessee in the existing term made no significant addition of extra inputs. The lease is in a *very deteriorated state*. Output is minimal.

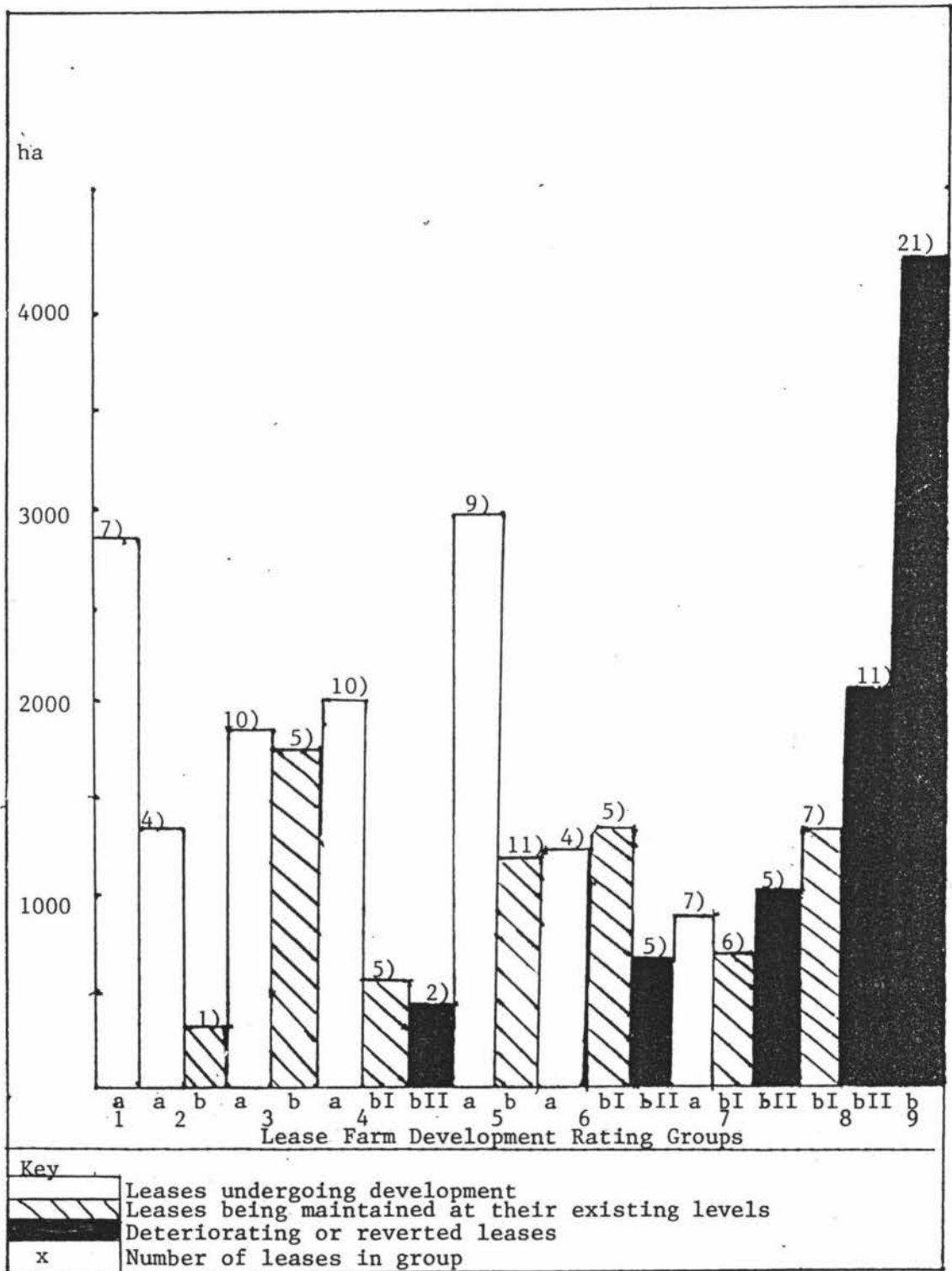
Two leases, 94 and 121, had a state of lease farm development that could not be accurately determined and thus were not ranked in any of these nine groups. Table (III) indicates the leases in the sample associated with each group. All groups are then illustrated in the form of a bar graph (Figure 2.2) in order that the areas and numbers of leases involved in each group can be compared.

Table III: The Sample's Lease Farm Development Ratings

Group One (a)			Group Two (a)			Group Two (b)			Group Three (a)		
Lease No.	Area ha	Lessee No.	Lease No.	Area ha	Lessee No.	Lease No.	Area ha	Lessee No.	Lease No.	Area ha	Lessee No.
3	218.0	III	70	335.0	XXVII	2	191.0	II	12	187.9	IV
4	31.8		71	186.0					13	77.0	
5	108.0		72	285.9					20	118.0	VI
6	116.6		73	475.7					21	163.5	
7	192.0								48	421.7	XVI
8	2046.0								114	379.7	XLVI
9	67.7								115	172.4	XLVII
									116	56.8	
									117	248.7	
									118	16.2	
Group Three (b)			Group Four (a)			Group Four (b) (I)			Group Four (b) (II)		
Lease No.	Area ha	Lessee No.	Lease No.	Area ha	Lessee No.	Lease No.	Area ha	Lessee No.	Lease No.	Area ha	Lessee No.
26	1361.9	X	14	542.4	IV	38	53.4	XIV	18	102.0	V
92	50.2	XXXVI	27	256.0	XI	51	281.2	XVIII	19	371.5	
93	131.1		33	21.2	XIV	75	57.6	XXVIII			
110	60.3	XLIII	34	15.6		76	66.2				
111	159.3		35	145.2		77	118.0				
			37	45.7							
			50	194.3	XVIII						
			56	68.3							
			98	33.1	XVIII XL						
			113	688.0	XLV						
Group Five (a)			Group Five (b) (I)			Group Six (a)			Group Six (b) (I)		
Lease No.	Area ha	Lessee No.	Lease No.	Area ha	Lessee No.	Lease No.	Area ha	Lessee No.	Lease No.	Area ha	Lessee No.
82	647.9	XXX	52	154.5	XVIII	1	291.4	I	32	381.7	XIII
90	193.9	XXXV	53	219.0		10	376.9	IV	54	158.5	XVIII
95	345.8	XXXVIII	55	243.7		11	439.0		62	433.3	XXII
101	121.8	XLI	65	33.1	XXV	122	61.0	LI	108	207.1	XLII
104	66.2		66	29.4					109	66.4	
103	313.2		67	79.7							
129	64.1	LIV	68	60.3							
130	23.6		86	250.6	XXXIII						
136	1184.7	LVII	87	12.8							
			99	17.8	XLI						
			133	51.0	LIV						

Group Six (b) (II)			Group Seven (a)			Group Seven (b) (I)			Group Seven (b) (II)		
Lease No.	Area ha	Lessee No.	Lease No.	Area ha	Lessee No.	Lease No.	Area ha	Lessee No.	Lease No.	Area ha	Lessee No.
22	198.9	VII	39	46.7	XV	40	17.2	XV	60	472.7	XX
78	175.4	XXIX	42	14.7		41	36.9		69	286.1	XXVI
79	109.5		43	18.9		44	14.5		123	40.0	LI
80	78.3		83	202.9	XXXI	45	35.4		124	113.6	
81	40.2		84	288.9	XXXII	47	14.4		135	174.3	LVI
			85	44.9		112	522.4	XLIV			
			125	295.6	LII						
Group Eight (b) (I)			Group Eight (b) (II)			Group Nine (b)					
Lease No.	Area ha	Lessee No.	Lease No.	Area ha	Lessee No.	Lease No.	Area ha	Lessee No.			
23	564.7	VIII	15	297.4	V	24	256.9	IX			
49	440.3	XVII	16	190.4		25	340.7				
100	87.7	XLI	17	398.9		28	10.1	XII			
102	97.5		29	55.0	XII	36	84.2	XIV			
105	94.8		30	261.8		46	65.9	XV			
106	34.1		31	18.1		57	63.9	XIX			
107	40.9		64	175.4	XXIV	58	124.9				
			88	122.1	XXXIV	59	139.5				
			89	127.5		61	211.5	XXI			
			119	367.9	XLVIII	63	330.7	XXIII			
			128	12.1	LIII	74	163.7	XXVII			
						91	55.0	XXXV			
						96	225.7	XXXIX			
						97	282.3	XL			
						120	197.6	XLIX			
						126	111.5	LIII			
						127	314.2				
						131	36.4	LIV			
						132	54.9				
						134	934.3	LV			
						137	305.7	LVIII			

Figure 2.2: Relative States of Farm Development on Part XXIII  
Sample Leases



From Figure 2.2 it can be seen that groups 6, 7, 8 and 9 contain over fifty per cent of the total number of leases studied. This indicates that a substantial proportion of the sample leases are, by definition, subject to less than successful development programmes, or are being maintained in below average or deteriorating states of production and development. These leases account for 45% of the area studied. There are also leases in groups 4 and 5 that have potential for development but have been maintained in their existing state or are deteriorating. The question is why, especially as they have the potential to achieve group one status. Definite constraints to development are operating. Chapter Four discusses the historical background to those factors that can constrain development; Chapter Five specifies them and Chapter Six reveals their relationship to each leases state of development. Analysis in Chapter Six of this relationship involves identifying positive influences and negative factors in each case, then comparing leases in groups 1, 2, 3 with those in 4 and 5 and groups 6, 7, 8 and 9.

To give perspective to later chapters Chapter Three reviews the farm environment in which Part XXIII hill country leases operate.



Footnotes to Chapter Two

- (1) There were five leases in this category belonging to four lessees. They amounted to 270.9 ha. It was decided to include them as, more likely than not, they were part of that farmer's high hill country farming system. This in all five cases was later found to be true.
- (2) The sample of leases studied was finalised in June 1979.
- (3) Appendix IV contains maps that show the location of each lessee's leases in the Tairāwhiti Land District.
- (4) Appendix V shows a typical lease inspection report.
- (5) 122 of the 137 leases in the sample are in the Waikato County.
- (6) Appendix VI contains the data used to assess Lease Farm Development Ratings.

## CHAPTER THREE

### THE TAIRAWHITI LAND DISTRICT

#### 1. Introduction

The sample leases chosen for study in this thesis are situated in the hill country of the Tairāwhiti Land District. To view their management and development it is necessary to have an understanding of the farm environment in which they operate. This section describes the features of the Tairāwhiti Land District that are important to hill country farm management. There will be an emphasis on the Waiapu County as it contains 122 of the 137 sample leases.

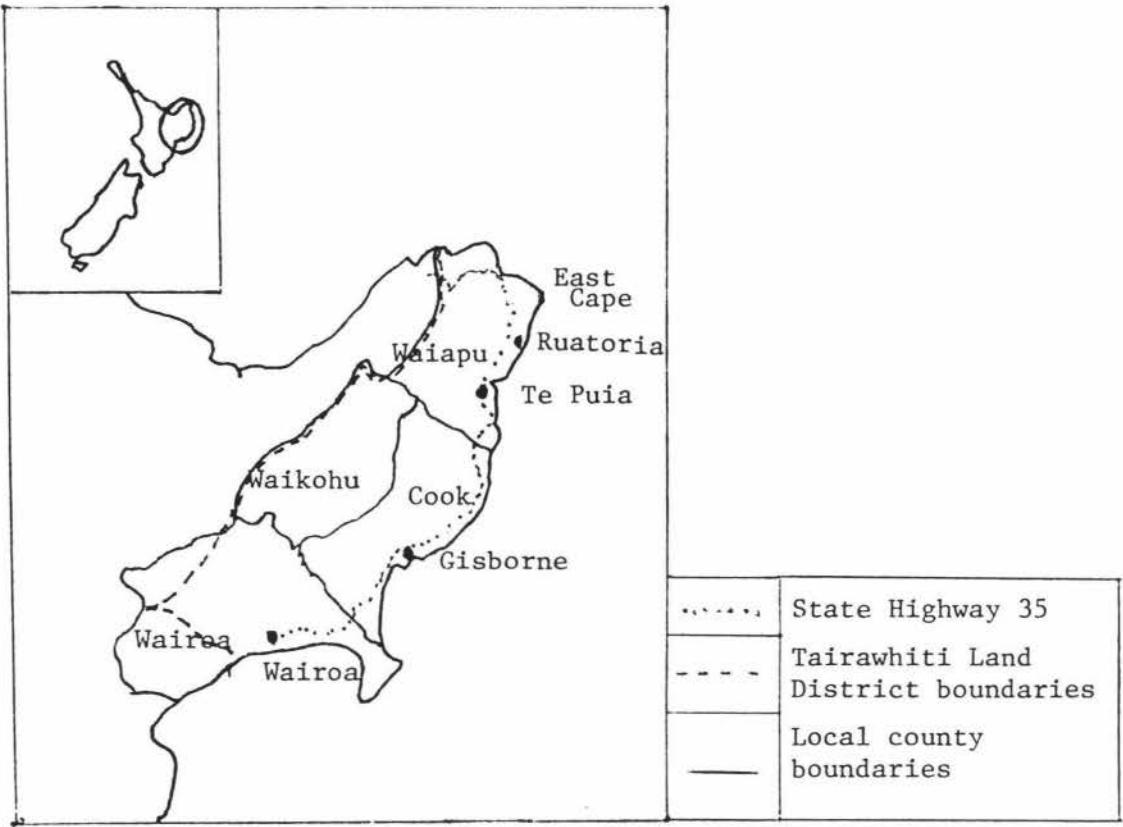
#### 2. Location (1)

The Tairāwhiti Land District consists of the Cook, Waiapu, Waikohu and parts of the Wairoa Counties. It is situated on the northern end and on the eastern side of the North Island's main mountain axis. See figure 3.1 Gisborne city is the main servicing centre of the region. The city's population is 32,000; the region's 60,000. The Waiapu County situated 65 km to the north of Gisborne and extending 140 km further to the north, is isolated from the main servicing centre. It is a sparsely populated county containing only 4,200 people, two-thirds of whom are Maori. Ruatoria, with a population of 900 is the largest township and the commercial centre of the Waiapu County. The county's farmable area is traversed by State Highway 35 and is its main land link with Gisborne.

#### 3. Topography

The Tairāwhiti Land District is 75% steep hill country with small areas of rolling land on hill tops and strips of terrace and river flats

Figure 3.1: The Tairāwhiti Land District



in the valleys. The hill country extends to the coast in headlands 150 - 300 m high. Valleys are narrow and steep sided, except those of large rivers, namely the Waipaoa and Waiapu River systems which have formed the Gisborne and Waiapu flats. The two main rivers in the region are the Waipaoa (catchment 2175 km<sup>2</sup>) flowing south into Poverty Bay near Gisborne and the Waiapu (catchment 1683 km<sup>2</sup>) flowing 12 km south of East Cape.

#### 4. Geology

The Tairāwhiti Land District is situated on the side of a large rising fold. The Raukumara Range forms the crest of this fold. The base rocks of the region except for some basaltic intrusions in the north are all sedimentary rocks ranging from sandstones to mudstones. From the western mountain ranges to the eastern sea coast, the underlying rocks are successively younger and less tilted. Each uplift increased the energy of streams for deepening their beds and this in turn is followed by widening of the valleys. The area has been subjected to soil forming deposits of volcanic ash from eruptions in the Rotorua-Taupo region. In 1886 the district was mantled in ash from the Mount Tarawera eruption. Six soil-forming deposits have been separated, all consisting of pumice.

#### 5. Soils and Fertiliser Requirements

The range of soil types in the district is small, but the soil pattern is complex and changes in soil type are frequent. The three basic groups of soils are: Skeletal, pumice and alluvial soils. The skeletal soils are steep hill soils that are shallow and recently formed. Their properties depend on the nature of the underlying rock. Most are moderately fertile and capable of growing good pasture with sound management. Stability is the main problem. Shallow slips occur from time to time, exposing bare rock. If the underlying rock is massive mudstone, it weathers rapidly and a new grass cover can be obtained well within two years. If, however, the underlying material is sticky mudstone or brittle argillite, the slipping is far more serious as it is deeper and is repeated. The slips develop into gullies and the plant cover does not

get a chance to regenerate. Re-afforestation with deep rooted trees or a spaced planting system in association with pasture helps counter this problem. Skeletal soils developed from coarse grained rocks such as sandstones and greywacke, though more stable are less fertile. They revert easily to manuka and fern.

Main deficiencies on the skeletal soils are nitrogen, phosphorous and possibly sulphur. Emphasis is placed on regular superphosphate dressings, adequate stocking, subdivision and over-sowing.

Pumice soils form most of those found on moderate areas of rolling and hilly lands throughout the district. They are light sandy soils which drain readily, so they are apt to dry out in summer if the rainfall is low. They are typically infertile, but are the most fertiliser responsive soils in the area.

Alluvial soils predominantly cover river flats around the city of Gisborne and towns of Ruatoria and Tolaga Bay. The Gisborne flats are the more fertile, however, the flats around Ruatoria and Tolaga Bay do respond to both lime and phosphates and increasingly to potash.

More detailed descriptions of soil type and degrees of erosion on each lease in the sample are referred to in Chapter Five.

## 6. Soil Erosion (2)

Erosion is a feature of most farming land in the Tairāwhiti Land District. It is a condition that most farmers in the area are accustomed to, and it is the principal factor in determining the location of fences and other improvements on a farm. In many instances farmers are weary of developing land if it is unstable. Fencing improvements are avoided, and as such, potential production is lost. Erosion control techniques in the main involve establishing trees in gullies and on hillsides. Traditionally these trees have been poplar and willow poles. The supply of poles in the district is not adequate and their survival rates are poor. Protection of young trees from stock is a problem. Farmers also tend to push pole planting beyond its scope as a conservation measure. It would be better

if they could admit the need for forest cover as a protective measure. Erosion control on the East Coast faces complex technical establishment problems, a prejudice against protective forest and the difficulty of being a low priority budget item. It would advance if individual farmers were more conscientious soil conservators. The Poverty Bay Catchment Board is promoting this idea and is describing soil conservation as an undoubted aid to production.

## 7. Climate

The district generally has warm summers and mild winters, with a few pockets of frost free land. The climate is on the whole very favourable for pastoral farming. It is warm and moist, but an erratic rainfall can result in dry spells, though these are usually neither frequent nor severe. The regions annual rainfall varies from about 1,000 mm near the sea coast to over 2,500 mm in the higher inland country. Almost half the annual rain falls from May to August inclusive. The annual mean temperature ranges from 13<sup>o</sup> to 14<sup>o</sup> C which makes this one of the warmer areas of New Zealand. Frosts are usually slight but have been recorded at -8<sup>o</sup>C. A few falls of snow occur each winter above 600 m.

## 8. Farms and Farm Size

Table IV shows the total number of sheep and cattle holdings and their area in each county in the district.

Table IV:    Number and Area of Holdings as at June 30th 1976

County	Number of Holdings (approximately)	Total Area (ha)
Waiapu	322	228,454
Waikohu	284	220,421
Cook	872	273,423
Wairoa	478	294,726
Totals	1,956	1,017,024

(Source: Aglink Media Services M.A.F., Wellington)

Approximately 75% of the area of a holding is farmed. In the Waiapu the average farm size is 700 ha. Only 22% of farms are larger than the average in the county but 87% of the county, as shown in Table V, is in farms larger than 400 ha. There is a relatively large number of small holdings, in what is essentially an extensive sheep and cattle farming area.

Table V:    Spread of Farm Size in the Waiapu County

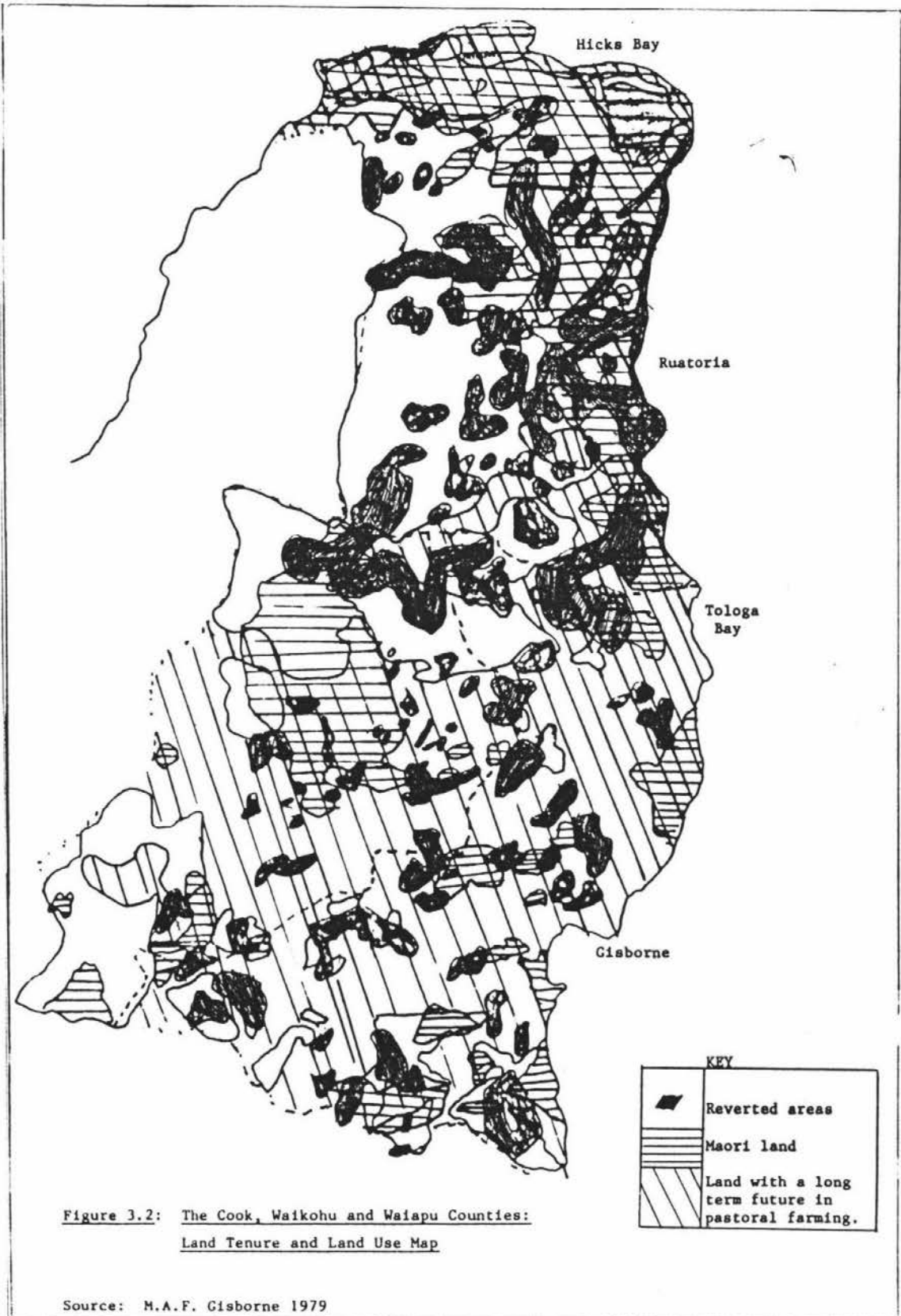
5% of all farms are larger than 2,000 ha  
25% are between 500 and 2,000 ha  
15% are between 200 and 400 ha  
31% are between 40 and 200 ha  
24% are between 4 and 40 ha

(Source: [35] 2)

The land between 4 and 200 ha is predominantly Maori land. Land between 40 and 200 ha that is not farmed with other land presents problems due to its uneconomic size. Land less than 40 ha is in some instances tacked onto larger neighbouring blocks but when it is not is generally lost to farming through scrub and bush reversion. The total area covered by 'farms' between 4 and 200 ha represents 13% in the Waiapu County.

This thesis deals with a sample of larger blocks of Maori land, although the median area of leases studied is 139 ha. Most of these leases are farmed with much larger areas of land but some

leases, less than 200 ha are not. It is hoped that this study will provide an insight to the problems faced by those who wish to develop these relatively small areas of land.





9. Land Use (Present and Potential)

This section involves a review of land use and tenure in the main counties in the Tairāwhiti Land District, namely the Cook, the Waipū and the Waikōhū. On observation of Figure (3.2) the conclusion can be drawn that the southern part of the Gisborne-East Coast area is fairly well developed and by most accounts moderately well farmed. The principal problem areas tend to be in the north. A relatively high proportion of land in the Waipū County has reverted or is showing reversion. Half of this reverted area is on Māori land. Most reversion that exists on Māori land in the Waipū County if cleared could leave the land with a long term future in pastoral farming.

Cleared areas of land in the district that are involved in pastoral farming lag behind other districts in New Zealand in some accepted farming standards. See Table VI.

Table VI: Farming Standards in Gisborne Relative to Other Districts

Sheep Millions	1920	1930	1940	1950	1960	1970	1976			
Gisborne	2.246	2.408	2.232	2.052	2.215	2.582	3.110			
% N.Z.	9.3	7.9	7.2	6.0	4.7	4.3	4.2			
Hawkes Bay	3.207	3.999	4.148	4.376	5.800	6.998	8.859			
% N.Z.	13.4	13.0	13.3	12.9	12.3	11.6	12.0			
South Auckland	1.004	1.961	2.596	3.775	6.399	9.267	9.419			
% N.Z.	4.4	6.4	8.4	11.1	13.6	15.4	12.7			
North Island	13.248	16.535	17.179	19.020	26.264	32.891	36.369			
% N.Z.	55.4	53.5	55.2	54.6	55.7	54.6	49.1			
Cattle Millions	1920	1930	1940	1950	1960	1970	1976			
Gisborne	.183	.247	.306	.323	.347	.450	.509			
% N.Z.	5.9	6.6	6.8	5.4	5.8	8.9	7.5			
Hawkes Bay	.282	.304	.404	.390	.540	.730	.859			
% N.Z.	9.1	8.1	8.9	7.9	9.0	13.9	12.7			
South Auckland	.644	.919	1.214	1.415	1.874	1.174	1.460			
% N.Z.	20.3	24.4	26.8	28.6	31.3	23.3	21.6			
North Island	2.468	3.112	3.930	4.253	5.263	4.034	5.107			
% N.Z.	79.5	82.8	86.7	86.0	87.9	80.2	75.5			
Lambing %	1920	1930	1940	1950	1960	1970	1971	1972	1973	1974
Gisborne	82	76	78	86	83	89	85	93	87	87
Hawkes Bay	74	96	84	97	96	95	96	97	91	93
South Auckland	83	96	89	95	93	84	85	91	88	86
North Island					83	88	90	93	90	89
% Area T/D - Area in Grass*	1930	1940	1950	1960	1970	1971	1972	1973	1974	1975
Gisborne	2	4	7	12	38	43	45	46	44	15
Hawkes Bay	8	18	29	44	74	68	70	72	71	25
South Auckland	39	43	51	62	85	83	82	85	84	26
North Auckland	17	26	33	47	70	68	68	68	67	24
* Percentage of area top dressed per area in grass										
Capital expenditure/Stock unit (S.U.)	1970	1971	1972	1973	1974	1975				
Gisborne	.74	.80	.79	\$1.37	\$1.52	\$1.32				
Hawkes Bay	.78	.94	\$1.29	\$1.62	\$1.54	\$1.21				
South Auckland	\$1.68	\$2.11	\$2.73	\$3.58	\$3.33	\$3.32				
North Island	\$1.32	\$1.61	\$2.03	\$2.71	\$2.57	\$2.39				

Source: A & P Stats., M.A.F. (Gisborne)

East Coast Planning Council's Technical Committee on Agriculture estimated that the Cook, Waikohu and Waiapu Counties, given the existing land use, carry the following stock (3):

	S.U.
Area with no major limitations to pastoral farming	
456,400 ha at 8.75 su/ha	3.994 m
Area with some physical limitations to pastoral farming	
<u>49,200</u> ha at 5.0 su/ha	<u>.246</u> m
505,600 ha	4.240 m
Area with major physical limitations to pastoral farming	
325,700 ha	
<u>139,400</u> ha less forest and bush	
<u>186,300</u> ha at 2.1 su/ha	<u>.391</u> m
	<u>4.631</u> m

The Committee on Agriculture felt that it is technically possible for the following stock unit increase to be achieved in the future:

		S.U.
Area with no major physical limitation to pastoral farming	456,400 ha at 14.5 su/ha	6.617 m
Area with some physical limitation	49,200 ha at 12.3 su/ha	.605 m
Area with major physical limitations not planted in forest or retired	73,500 ha at 2.1 su/ha	.154 m
New Plantings	112,800 ha	
Existing bush and forest	<u>139,400</u> ha	
	<u>831,300</u> ha	<u>7.376</u> m

To achieve this, the Technical Committee on Agriculture felt the following development would be required over and above the present situation:

- 300,000 ha need more erosion control measures
- 300,000 ha need further fencing
- 200,000 ha need further regular topdressing
- 50,000 ha need scrubcutting, over-sowing, topdressing  
and fencing
- 200 properties will need extra buildings, yards, tracks  
and culverts, dams and water supplies.

Possibilities for the future can be regarded as quite remarkable but these predictions do not consider the constraints of management, finance, tenure and existing major reversion. With these problems, predictions should be more conservative. The chairman of the Technical Committee on Agriculture, for reasons of these constraints, eliminated large areas of Maori land technically without limitations to pastoral farming as being unlikely to increase their stocking rate. In the three counties reviewed, it was felt that the following areas should be more realistically considered:

	<u>Waiapu</u>	<u>Cook and Waikohu</u>
No major physical limitations to pastoral farming	30,000 ha	335,300 ha
Some limitations to pastoral farming	18,300 ha	21,000 ha
Severe and major limitations to pastoral farming	38,300 ha	
	<u>86,600 ha</u>	<u>356,300 ha</u>

Total area for consideration and capable of immediate increase in pastoral production 442,900 ha. Given these circumstances and with the land use change to forest planting at the existing rate, the number of stock units that could be carried would be 5.549 m. If there was no forestry the following stock units could be carried: 5.748 m.

Constraints facing the development of Maori lease land are viewed in detail in Chapter Five. It is felt if some of these could be tackled that the potential stock unit increase in the district would be closer to 7.376 m

#### 10. Rural Community and Labour Availability

Because of the isolated and extensive nature of the Waiapu County and other areas of the Tairāwhiti Land District farmers have had difficulty in obtaining and retaining good permanent labour. The size of rural communities in the areas is declining with young men and women drifting to Gisborne or Auckland for better paying jobs and the opportunity of owning their own homes (4).

The Waiapu County in particular requires a programme to encourage the retention of these young people. Such a scheme would have to consider the need for improved rural farm worker housing. Compensation for the isolation in the form of transport subsidies and improved facilities for agricultural and farming education.

#### 11. Auxiliary Services

Roading in the Waiapu and more isolated parts of the other counties is of poor quality. This and frequent winter blockages have several important implications for hill country farmers. First, enforced slow travel over most roads accentuates the isolation of many districts, and results in difficulties in obtaining farm labour and the payment of higher wages to hold labour. Second, poor roads increase the cost of maintaining vehicles. Farm labour is justified in claiming greater car allowances and road transport firms are faced with higher operating charges (5).

Telephone services in the district are adequate. The operators on the exchange in Ruatoria provide excellent personal services. Difficult climatic conditions and erosion are the main cause of problems with line maintenance in winter.

Transport services involve two carrier domiciled in the Waiapu County and three major stock carrying firms domiciled in Gisborne that service the Waiapu County. They have 50 vehicle authorities. At least double this number are available in the rest of the region. Services are generally

adequate and reliable. Costs are, however, relatively high and are increasing rapidly. Primary pressure on costs comes from the rising price of a major transport industry input; oil. Additional cost contributing factors particularly in the Waiapu County are a predominance of one way carting and double backing that is required on poor roads to fill trailers. Road freight schedule rates are also currently under pressure from the Road Transport Tax.

Aerial topdressing firms provide an adequate service. They are based in Gisborne and involve four companies and a private farmers co-operative. Both helicopters and planes are available. In the Waiapu County climatic factors and poor on-farm landing facilities are limiting factors in the aerial application of fertiliser.

Scrub clearance in the Waiapu County is made possible by three firms with heavy equipment, one domiciled in the district. Two smaller rural contractors are available in the Waiapu to carry out less arduous tasks. Scrub clearing services in the rest of the region are adequate.

Fencing contractors and fencers are in short supply when shearing is underway. Shearers and shearing contractors are available in sufficient numbers to cater for the entire Tairāwhiti Land District.

Six stock and station firms have agencies in the Waiapu and branches in Gisborne (6). Together they provide adequate farm supply and sale yard facilities.

Stock slaughtering and meat freezing facilities in the Tairāwhiti Land District are considered adequate. Stock are slaughtered in freezing works throughout the North Island though the bulk of killing is done by the Gisborne Refrigerating Company, Advanced Meats in Gisborne, and Waitaki Works in Wairoa.

Most fertiliser applied in the Tairāwhiti Land District is supplied by the East Coast Farmers Fertiliser Company, Matawhero. Matawhero is supplied by rail from Awatoto. Fertiliser is carried by lorry or flown by big aircraft from Matawhero (Gisborne Airport) around the district. Superphosphate forms the highest proportion of bulk fertiliser carried into the district. Supply of this fertiliser is sufficient for demand.

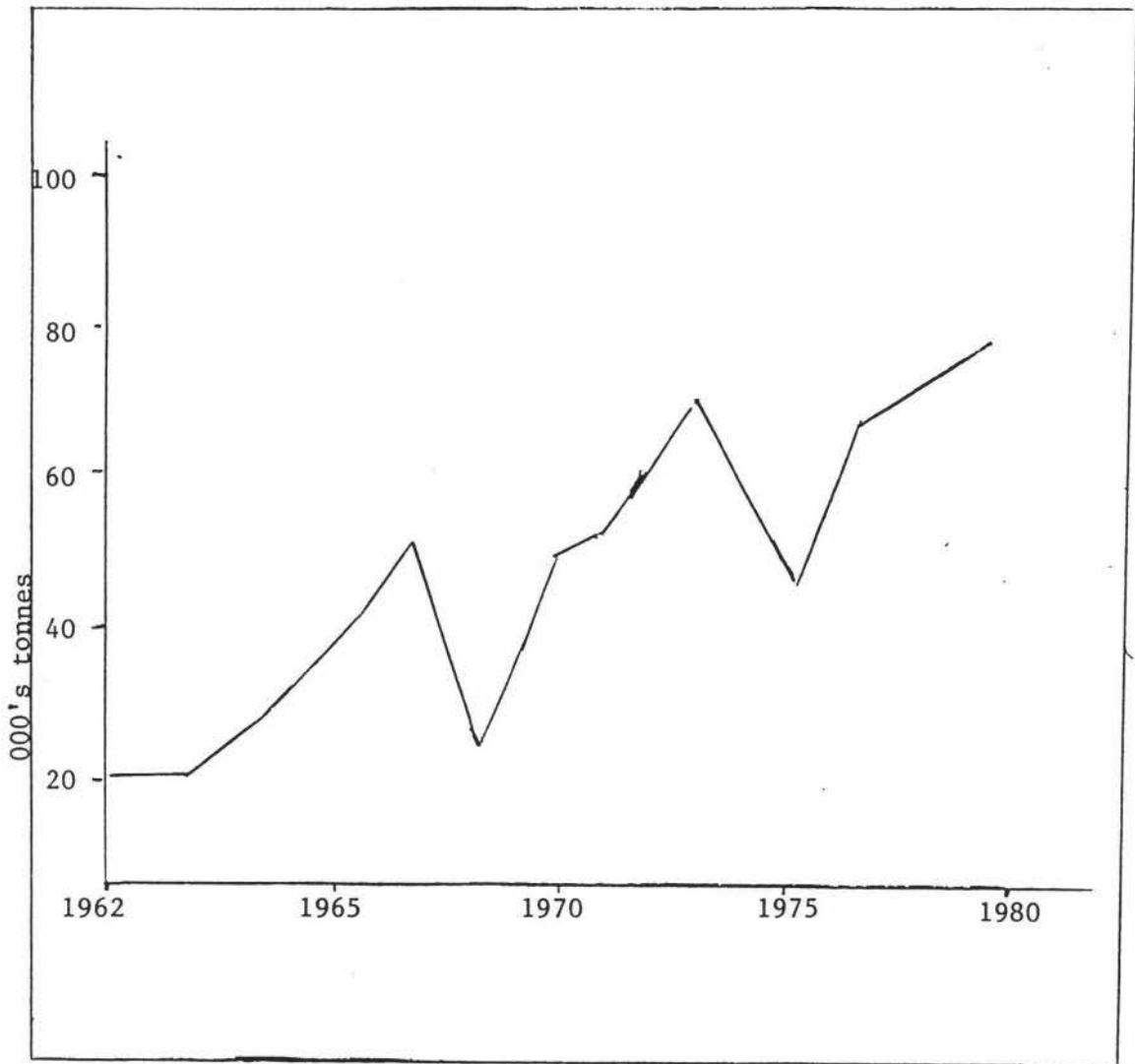
Delays in supply are rare and usually attributed to breaks in the rail link prior to Matawhero. In this district there is a fertiliser transport cost problem that suppresses increased demand in an area that already uses relatively inadequate amounts of fertiliser (7). To farms in remote areas this problem is acute and is a disincentive to increasing production and land development. The fertiliser transport subsidy makes a significant contribution toward reducing the freight charges incurred by fertiliser cartage from the point of manufacture to the farm gate. The present subsidy however, is only effective in holding freight costs over short to medium distances of rail haulage (up to 175 km). Where longer distances of rail haul are required and particularly when road haulage is involved, the freight subsidy does not effectively equate to actual costs. Table VII illustrates that farms located in areas of greater distance from the point of fertiliser manufacture incur high freight costs. This is a consequence of the distance of the freight hauls and a higher net charge rate per tonne carried.

Table VII: Fertiliser Costs in the East Coast Region

	Fertiliser Costs 10/8/78		
	Ex Awatoto plus 32 km	Ex Matawhero or Kopuaranga plus 32 km	Ex Matawhero plus 132 km e.g. Ruatoria
Super	35.95	35.95	35.95
Rail Freight	-	13.07	13.07
Road Freight	7.37	7.37	19.84
Air Spread	18.10	18.10	18.10
	61.42	74.49	86.96
Freight subsidy	2.56	14.20	17.20
Spreading subsidy	2.00	2.00	2.00
Net to Farmer	56.86	58.29	67.76
Compare net to farmer 12/4/78	58.53	62.04	74.26
Net cost reduction	1.67	3.75	6.50
% reduction	2.9%	6%	8.8%

Source: East Coast Farmers Fertiliser Company.

Figure 3.3: Superphosphate Use in the East Coast Region



Source: East Coast Farmers Fertilizer Company and M.A.F.



There was a record demand for fertiliser throughout the East Coast region in 1977-78 season in the face of declining farm incomes and higher costs. See Figure (3.3). This may appear contradictory but the situation was strongly influenced by several factors:

1. The carry over of demand from the 1977 season sales.
2. A heavy commitment in the district to the livestock incentive scheme and land development programmes financed by the Rural Bank and private sources.
3. Substantial drawing from the farm equalisation account funds to meet the seasonal and development expenditure in the 1977-78 season.

The increased demand of fertiliser has come predominantly from the remote high hill country areas where land development is occurring. On these farms fertiliser expenditure represents a large proportion of gross farm income. As a result they are more sensitive to changes in the on-farm cost of fertiliser. Increased fertiliser costs if not matched by proportional increases in gross income will reduce net farm income, reduce the amount of fertiliser which can be applied and slow down the rate of development. The district affected most by these problems is the entire Waiapu County and the more isolated areas (about 25%) of the Waikohu County. These areas account for about 25% of fertiliser used in the Eastern land district. It is clear that Rural Bank schemes to increase production has elicited a response where land development potential is greatest. However, this development is dependent upon capital and higher maintenance fertiliser inputs. It is felt by representatives of the East Coast Farmers Fertiliser Company that increasing fertiliser costs could block the momentum of development schemes and could even result in complete reversion of a development programme. They have recommended that:

- (a) The cost of fertiliser in isolated district be reduced by adjustment to the fertiliser freight subsidy.
- (b) A major revision of fertiliser freight subsidies be undertaken so as not to penalise the long road hauls ex store or bulk depot (properties nearer the works get higher subsidy than those further away) (8).

Farm advisory services offer three main types of advice to farmers in the Tairāwhiti Land District. They include: Managerial Advice, Financial

Advice and Technical Advice.

The Ministry of Agriculture and Fisheries Field Officer in the Waiapu is placing most emphasis on managerial advice. It is advice based upon financial analysis of previous management and can involve the evaluation of proposed changes to management systems. To assist in the provision of management advice the Waiapu M.A.F. officer runs a computerised comparative analysis system that involves data inputs from 103 farmers in the Waiapu County. It is a system that allows individual farmers to assess their performance by comparing inter-farm production and profitability ratios. It helps to detect management weaknesses.

The M.A.F. also helps to set up farm improvement discussion groups that operate in the Waiapu County on an intermittent basis. They are predominantly interest groups involving themselves with specific issues at one point in time e.g. a special development group interested in clearance with heavy equipment. There is only one farm advisory officer with the M.A.F. in the Waiapu County. Although he is highly innovative and industrious he cannot effectively provide management advice for all or even most of the county's farmers. The area is in need of at least two more field officers to assist in the provision of management advice. There is an awareness in the Department that the farming area north of Gisborne requires management extension programmes to help farmers acquire the knowledge to develop and manage their farming enterprises more effectively ([4], B6, B7). The M.A.F. officer in the Waiapu is continually requested by farmers and others for advice in the fields of farm technology, farm business management, and marketing (a voice independent of others is valued). The Maori Affairs Department has two field officers in the Waiapu County. Their duties increasingly involve the provision of management and administrative advice to owners and occupiers of Maori land. Most advice given is provided in association with the Department's loan services. The Rural Banking and Finance Corporation is involved in giving management advice on a smaller scale. Four private management consultants operate as farm supervisors in the Waiapu County - they provide advice at a fee to their clients.

Stock firms offer management advice to their clients. The emphasis appears however, to be on protecting the firms investments. The amount of advice offered tends to be proportional to the degree of insecurity of

investments. The role of the stock firm as an advisor to management is declining.

Financial advice is a necessary complement to management advice. The computerised comparative analysis of data described previously provides farmers with up-to-date evidence of the financial implications of their management policies. The analysis of data provided by the farmer, is a financial advice service that in the Tairāwhiti Land District is available in some depth from one large farm accountancy group and the M.A.F. Less complex analysis is done by: Trading banks, stock firms, the Rural Banking and Finance Corporation and Maori Affairs officers.

In depth financial analysis should be used by most farmers in the district but it is not. The use of such services when they are available needs to be encouraged at all levels.

Most farm accountants in the district are not involved in detailed financial analysis. Their advisory services deal primarily with the minimisation of tax liabilities.

Technical advice on pasture establishment, fertilisers, pest control, animal husbandry and agricultural engineering is primarily provided by the M.A.F. in Gisborne. Vets employed by the Gisborne Veterinary Club handle animal health problems. Isolation and expense often means, however, that services tend to be under utilized. Technical advice is also available from stock firms and representatives of agricultural chemical companies.

Five trading banks in the district provide short term current account credit (9), four of these banks have agencies in the Waikato County and one has a branch, trading banks and stock firms supply most of this type of credit. Interest rates on overdrafts for the pastoral farm community vary with farm and farmer efficiency, hard core overdraft debtors with a consistently poor debt servicing record have as a result of the credit contracts Act 1982, found themselves shifted to relatively high interest rates, e.g. 18-20%. The Rural Banking and Finance Corporation only supplies seasonal finance to farmers they have under budgetary control. They do, however, operate a scheme for farmers who have developed a hard core current account debt with stock firms, refinancing the farmer on better terms. Priority being given to cases where the debt was caused by development.

## 12. Sources of Development Finance (10)

### 12.1 The Rural Banking and Finance Corporation

The Rural Banking and Finance Corporation has injected tremendous enthusiasm for farm development into the Tairāwhiti Land District with the following schemes:

#### The Livestock Incentive Scheme

This scheme aims to encourage farmers to achieve a permanent increase in the number of livestock carried on an existing holding. A farmer whose property has an unexploited carrying capacity and who intends to permanently increase pastoral production can seek a suspensory loan or a taxation incentive. The scheme applies to farms carrying sheep, cattle or deer livestock; actual stock numbers are converted to stock units to establish the basis for payment of a loan or for a deduction from taxable income. Allowance is made for land devoted to cash cropping on mixed-farming properties. To be eligible the farms potential minimum carrying capacity at the end of the programme must be:

Dairy: 65 cows and replacements (500 su)

Sheep and other livestock: 1,000 su

The programme must be commercially viable and offer a substantial and permanent increase in livestock numbers and production. Applicants must have a mortgageable interest, a satisfactory lease or some other written agreement, giving them sole use of the land to which the programme applies for the period of the programme and for at least two years thereafter. The Rural Banking and Finance Corporation in the Gisborne district approved 52 applications under the L.I.S. amounting to \$942,612.00 in the year ended March 1980. In the year ended March 1981, 81 applications were approved amounting to \$1,346,628.00

#### Land Development Encouragement Loans

Although this scheme closed on March 31st 1981 it has encouraged the development of unimproved and reverted land throughout the Tairāwhiti Land District. It has provided initial development capital and allowed development schemes to continue despite fluctuations in farm income.

Individual farmers, partnerships, lessees, trusts, Maori land incorporations, private and public companies were eligible for loan assistance with the initial development of reverted, unimproved or extensive clear hill country in poor pasture. In the Gisborne District in the year ended March 1980, 137 LDEL applications were approved amounting to \$3,965,370.00. In the year ended March 1981, 125 LDEL applications were approved amounting to \$5,473,600.00

#### Standard Development Finance

These loans are still current and cover expenditure for fencing (sub-divisional and boundary) tracks, races, water supply and buildings. They can also include expenditure on clearing, grassing, topdressing, roading, planting, water supply, irrigation and purchasing stock and essential plant. Mortgage considerations are important and priority is given to applicants who actively farm their own properties. Special attention is paid to farming ability. It is an important factor in the success of development which in turn ensures good debt servicing. In the Gisborne district in the year ended March 1980 the Rural Banking and Finance Corporation approved 169 standard development loan finance applications that amounted to \$6,064,450.00. In the year ended March 1981 the Rural Banking and Finance Corporation approved 258 such loans amounting to \$6,863,980.00

#### 12.2 The Maori Land Board and the Maori Land Advisory Committees

These two authorities were set up in 1974 by an amendment to the Maori Affairs Act 1953. They have jurisdiction over two schemes that provide development finance for Maori land.

#### Land Development Under Part XXIV/53

Development of this type involves land being taken over by the Maori Affairs Department after the owners have agreed to allow either the Maori Land Board or the local Maori Land Advisory Committee to declare it subject to the provisions of Part XXIV of the 1953 Act. When this is done the owners rights of occupation are suspended so that development can be carried out and occupiers appointed. The crown supplies finance through the Maori Land

Board who remain in control until completion of the development programme i.e. when forecasts show future economics for the property to be reasonably sound. In most cases, this demands that the debt on the land be repaid or reduced to a level which can be readily serviced from farm income. Transfer back to owners then pends formation of a trust or incorporation (11). Since 1929, when Part XXIV schemes originated, over quarter of a million hectares have been brought into grass on schemes subject to its provisions. Over 70 stations have been developed and returned to owner control. The 76 development schemes under departmental control in 1979 totalled 114,000 ha. Twenty Part XXIV stations totalling 30,851 ha existed in the Tairāwhiti Land District in 1980; 13,121 ha of this area is in grass; 1,043 ha of this was grassed in 1979; 5,972 ha suitable for development still remains to be cleared; 6,651 ha is unsuited to development. Development under Part XXIV is considered among the better ways of developing reverted fragmented titles (12). There is however, a reluctance on the part of the owners to lose control of their land during the development period. Suggestions have been made to overcome these difficulties. They are: ( [30] 21)

- (a) The Government should guarantee that Part XXIV development schemes will be returned to the owners control after not more than 25 years with a debt loading equivalent of no more than the value of the livestock and chattels carried at the time. (This suggestion is sensitive to the need to reassure owners that their land will not be held permanently by the government under the auspices of a development scheme.)
- (b) The Government should guarantee a rental to the owners during the development period. (The latter suggestion is not politically practical and tends to assume that owners require a form of bribe to develop their lands. More liaison on the long term costs and benefits of development between owners and advisors would do more to encourage the case of Part XXIV development schemes)

Neither suggestion has yet been implemented. The Department of Maori Affairs has attempted to foster owner involvement to ensure co-operation and goodwill by setting up development committees with owner representatives. This was found to be inadequate and the Department is now encouraging the formation of incorporations and trusts. A committee of management or trustees can work in association with the department in



controlling the blocks until such time as the farming operations and financial operations and financial position have sufficiently consolidated to enable the incorporation or trust to assume full responsibility. Early establishment of a formal "owner" body can serve to provide management committees and trustees with valuable experience in the administration of their asset. The department has stated that owners must take the initiative in applying for trust orders or orders of incorporation from the Maori Land Court. This is correct but a public relations programme informing owners of the advantages and requirements of formation, of trusts and incorporations is needed.

If the demand exists the Maori Lands Board has access to ample funds to develop land under Part XXIV.

#### Lending for Development Under Section 460/53

Section 460 of the Maori Affairs Act 1953 makes provision for assisting Maoris to farm, improve, or develop lands that are not subject to Part XXIV. Section 460 finance has been used to assist incorporations, lessees, trusts, and individuals. At a local level the Maori Land Advisory Committees with the aid of the Maori Affairs Department administer the Section 460 Development schemes.

The schemes provide for increases of up to \$20,000 in capital works programmes. If more is required the Maori Lands Board gives it special consideration. Maori Land Advisory Committees and the Maori Lands Board are allocated set funds each year to lend out to Maori applicants. These funds are limited when it is considered that they must cover farm purchase, re-finance and development for all applicants in a year in New Zealand. The amounts allocated in recent years have been:

Year ended 31st March 1977	\$2,573,000.00
Year ended 31st March 1978	\$3,404,000.00
Year ended 31st March 1979	\$3,966,000.00
Year ended 31st March 1980	\$4,944,000.00

The Tairāwhiti Land District was allocated approximately \$700,000 in the year ended March 1980.

### 12.3 Other Sources of Development Finance

Solicitors, the Marginal Lands Board, and private persons provide the remaining smaller proportion of development monies in the Tairāwhiti Land District. The Rural Bank is the major supplier of development finance in the district at present (13).

The availability of finance for development of Part XXIII leases without the use of Part XXIV/53 is discussed in detail in Chapters Four and Five.



Footnotes to Chapter Three

- (1) [40] is the primary source used to compile Sections 2, 3, 4, 5 and 7.
- (2) [4] is the main source of information for Sections 6 and 9.
- (3) Calculations are based on those presented in [4] A3, A11 and A12.
- (4) Comparisons of population statistics in the official New Zealand Year Book 1978 P 62 and the official New Zealand Year Book 1980 P 65 show a significant reduction in the population of the Waiapu County.
- (5) [6] is the main source of information on roads in the Tairāwhiti Land District.
- (6) Stock and station firms operating in the Tairāwhiti Land District include:
  - Waiapu farmers
  - Hawkes Bay farmers (Common Shelton)
  - Williams and Kettle Ltd
  - Wrightson NMA
  - Sheepfarmers Ltd
  - Dalgety N.Z. Ltd (recently merged with Hawkes Bay Farmers)
- (7) Refer to statistics on % area topdressed per area in grass in Section on Land Use (Present and Potential). Although dated 1976 M.A.F. advisors have confirmed that the trend to relatively low fertiliser input in the Gisborne District shown by these statistics has been maintained.
- (8) Information supplied by the East Coast Farmers Fertiliser Co., Gisborne. In its 1982 budget the government acted positively on these recommendations.
- (9) Bank of New South Wales, Commercial Bank of Australia, Australia and New Zealand Banking Group, National Bank of New Zealand, The Bank of New Zealand.

- (10) Statistics used in 12.1 were obtained from the Rural Banking and Finance Corporation (Gisborne) and in 12.2 from the Maori Affairs Department (Gisborne).
- (11) Refer Chapter Four, Section 8 Incorporations and Trusts.
- (12) If lands with more than one title are submitted in the same area for Part XXIV development the Maori Land Court amalgamates or aggregates the titles. This title improvement provides a sounder base of security although it has not always been popular with groups of Maori owners who wish to remain identified with a particular piece of land.
- (13) Source: Rural Banking and Finance Corporation, Gisborne.

## CHAPTER FOUR

### HISTORICAL INTRODUCTION: INSTITUTIONAL AND ADMINISTRATIVE PROBLEMS FACED BY MAORI LAND

#### 1. Introduction

Most factors that can constrain Part XXIII lease farm development evolved from the different ways that the Maori and the European have regarded land and its administration. Problems stem from the time European settlers decided to impose their views of tenure and related institutions on the Maori people. Their notions of individualised land titles undermined the old hierarchy for controlling Maori land, leaving only laws and bureaucratic procedures to replace it. After years of confusion and contradictory legislation both Europeans and Maoris became dissatisfied with many results of the new Maori land tenure system. With respect to leasing under Part XXIII of the Maori Affairs Act 1953, the system is of particular concern. From the European viewpoint it does not encourage land development and from the Maori viewpoint it shows no understanding of their traditional land tenure system. A review of the volatile history of Maori land illustrates that a successful solution to the administration of Maori land must involve a balance of the European need to increase production and the Maori need for a traditional identity with their land.

Before discussing factors that can today directly relate to constraining lease farm development this introductory chapter will discuss Pre-European Maori land tenure to allow an understanding of the Maori ideal for his land. It will analyse Post 1840 events and legislation, provide a perspective on the Maori land situation as it exists today, review the administrative problems created by individualising Maori land tenure and discuss the institutions of incorporations and trusts as a means of having administrative units that retain some tribal values while also facilitating the commercial use of Maori land.

## 2. Pre European Maori Land Tenure

The traditional Maori land tenure system was in operation from the earliest days of native settlement. At that time each *iwi* owned vast areas of land. Each tribe (*iwi*) consisted of a number of sub-tribes (*hapu*). Within each *hapu* land was divided into areas of subsistence, i.e. foodgathering sections, fishing, hunting grounds, house sites and cultivation plots. Land was not owned by individuals but by the *iwi* or *hapu* in common.

Initially a claim of land rights originated from discovery followed by cession, occupation and inheritance in successive generations. As time passed three types of land rights became evident; ancestral right, right by conquest and right by gift.

In Maori custom a claim to land rights must be supported by an act of actual occupation. Actual occupation could be an act of actual use, possession or 'the exercise of some acts or act indicative of ownership'. With respect to the latter, if a person left his *hapu* and lived elsewhere and he, as well as his descendants, remained away for three consecutive generations his right in that land was lost ( [13] 105).

In ancient Maori society occupation and membership must be taken together to prove a claim in land. Membership was traceable through a knowledge of geneology involving a common descent. This geneological proof enabled an individual to claim a right to participate and subsequently the right to use land in a group. Non-members of the group occupied land only with the consent of the true owners. Such occupation did not lead to the right of ownership, as in the case of inter-group marriage, a spouse was not given right in the land of the local group except to use it during a lifetime. Marriage did not incur a spouse membership rights.

In pre-European times, succession in absolute land ownership by an individual was not known since land was an undivided estate held commonly by a group. Inheritance of land occurred in the *Whanau* when rights in land passed from a holder to his descendants, usually grand-parents to grand-children. Rights were limited and accompanied by the rule of

occupation, marriage rules and a patrilineal bias. Limited rights means a right of use but not an ownership right. The right can only be passed from a holder to his descendants. Transfer to any person without descent and kinship ties required the approval of the *hapu* or even the tribe as a whole. As far as an individual was concerned he could only claim a share in undivided tribal land and that claim was only made in connection with use rights ( [21] 72).

The administration of Maori land was related to the authority of the chiefs. This authority was of a socio-political nature rather than economic. They had no special rights to claim land as they desired. Any rights they had like commoners were derived from their ancestors and were held in common with relatives in the *whanau*. Their authority was based on the inherited *mana* of chiefship. They were regarded as protectors, guardians and trustees of the land ( [21] 73).

The authority of the chiefs in land was hierarchial. The hierarchy of power was determined by kinship association. The *Ariki* assumed the greatest authority in the tribal land on behalf of his whole tribe. He had great power to veto in land alienation or any dealings with tribal land. The *Rangatira* had his authority within the boundary of the *hapu* but the alienation of the *hapu* land required the guidance of the *Ariki*. The *kaumatua* exercised his right in the land of his *whanau*, all dealing of *whanau* land rested with him but where these concerned the *hapu* he deferred to the *Rangatira*.

The chain of authority in land was checked not only by the lesser and greater power of the chiefs but also by public opinion. A chief of any status had no privilege to alienate the tribal land unless the power to do so was conferred upon him by the rest of the tribe ( [7] 376).

Ancient tribal society has a characteristic of corporateness in that it stressed the importance of the group. All tribal institutions and elements functioned as a system to produce cohesiveness in the group. Traditional Maori land tenure was determined by the relationship of all social and political elements that linked the people together. The *iwi*, *hapu* and *whanau* were social units linked by politics and ancestry. All tribal members had a common ancestor and *hapu* members were principally

direct descendants of a founder. They lived together in a well defined village with a *marae* at their centre. They owned land in common and co-operated in all social, economic and political functions. They called themselves *tangata whenua* or people of the land ( [21] 176). Land rights in the group were determined by kinship bonds, mutual reciprocity and the need for group integrity. Neither group nor individual alone had exclusive rights in any portion of land, apart from a claim to temporary use right. Simple rights of possession and use were divided among individual families but, for the security and integrity of the tribal group, administration of land was manifested in the form of a political hierarchy.

With European contact from 1840 onward Maori society was affected a great deal. In fact, most aspects of its traditional elements of descent and kinship, exercising of leadership and customary practices in land changed. Much Maori land was lost and the communal society began, with the emphasis on individual land ownership, to disintegrate.

### 3. The Treaty of Waitangi

When the British Government was established in New Zealand in 1849, Captain Hobson, the Governor Elect, was instructed to make a treaty with the native inhabitants, offering the Maoris for their recognition of the Queen's sovereignty, the right of pre-emption over their lands, and the rights and privileges of British nationality. The Treaty of Waitangi guaranteed the signatories and their tribes full rights to their lands, fisheries and forests, so long as it was their wish to retain those in their possession. It was also agreed that the Crown had the exclusive right to extinguish a Maori title by purchase if it was the Maori owners wish. Thus the direct purchases of land by European settlers from Maori owners was stopped. The Government became an intermediary, and negotiations for land purchases took place in the same direct and open manner as previously but between the government land purchasing officer and the Maori owners. Unfortunately there followed periods when the Government permitted direct sales of Maori land to Europeans. Before 1865 nearly the whole of the South Island and large areas of the North

Island were purchased from the original owners.

By the 1880's it was evident that the Maoris and the settlers were rivals for possession of the land. The Government came under constant pressure from settlers to speed up land purchase procedures, while there was a growing reluctance on the part of many Maoris to sell. Short cuts in methods of acquiring lands were used e.g. Government land purchasers tended to ignore the power the paramount chiefs had to veto the alienation of tribal land. The Crown officers communicated directly with 'individual owners' of land. When a protest arose, the Government instead of reviewing the sale in the light of Maori custom forced the Maori to accept its validity. Conflict between Maori and European became inevitable.

In 1859 the Waitara dispute illustrated the fickle nature of Government land policy. Governor Gore Brown attempted to take by force land bought at Waitara. The land in question was a key block on the bank of the Waitara river, coveted by European settlers. It was offered for sale by Te Teira, a minor chief of the Atiawa tribe, to the Crown. The offer was opposed by Wiremu Kingi, the paramount chief and the acknowledged tribal trustee in land, of the Atiawa. An ex-judge of the Maori Land Court in 1883 said Kingi's reaction was absolutely incontestable, and that without doubt he had the right to veto the sale of his tribal land at Waitara ( [21] 6). At the time, however, the opinion of Brown and McClean (the Crown land purchase officer) was different. They accused Kingi of rebellion against British sovereignty and sent soldiers to take the land by force. As a result of this action the Taranaki Wars broke out in February 1860. The Waikato tribes moved to support Wiremu Kingi. Both tribes rejected a peace offer that required them to accept the individualisation of land titles. In 1863 the Taranaki and Waikato tribes were defeated and an act confiscating their lands passed. This act for some reason included not only the lands of the rebels but also that of the neutral tribes ( [21] 19).

The troubles following disputed land sales made the government realise that if land was to be peacefully acquired from the Maoris the question of ownership according to Maori custom must first be decided by some competent tribunal.



#### 4. The Native Land Acts and the Establishment of the Maori Land Court

In 1862 the first Native Land Act came into existence. Its object was to replace traditional Maori land tenure by European individualisation of title. In 1865 another Land Act set up the Native Land Court (later the Maori Land Court) to deal with Maori land. The Court was to record and settle disputes in native land, investigate the ownership of tribal land and grant a certificate of freehold title to it.

Following the investigation and determination of the titles, the act allowed land to be declared to be the property of a tribe if the area exceeded 5,000 acres. Very few certificates of title were issued in the names of the tribe or the *hapu*. As pointed out by a commission of inquiry in 1891:

"had this been done the difficulties, the frauds and the sufferings with their attendant loss and litigation, which have brought about a state of confusion regarding the titles of land would never have occurred." ( [32] 11).

The act of 1865 provided that individual names could be placed on the certificate of title without the name of the tribe to which they belonged if the number did not exceed 10. The Court often required that the Maori owners choose 10 or fewer from their number to be named on the certificate. It was generally believed by the Maori people that those persons named were the trustees for the tribe. The certificates of title and Crown grants, however, showed them as absolute owners, for the Land Transfer System did not permit the notation of trusts on the register ( [32] 11). As soon as the titles were vested in individuals, land purchasing officers would deal with them for purchases, leases and mortgages. Large areas were sold in many cases against the wishes of the tribal majority and without financial benefit to them. The Court at that time had no authority to control the disposal of Maori land or the terms upon which such disposals were made. Thus many injustices were perpetrated and the spirit and intentions of the Act subverted ( [32] 11). The fact that boundaries of Maori land had to be clearly marked and owners determined, undermined the tribes authority. The Court, by encouraging Maori owners to transmit from a customary pattern to a freehold title allowed individual owners to obtain absolute ownership rights plus power of alienation without an approval of the group.



The tribal authority no longer had power of veto over the land. The Court's rules were totally different from those of the traditional practices. In particular they provided a means for the severance of individuals from the group and for the elimination of the groups sovereign rights over its corporate estate in land. Subject to the new legal conditions, an individual had become independent and able to deal pragmatically with his land as he liked.

In 1867 another native Land Act was passed to help stem the massive alienations (1) facilitated by the Act of 1865. Essentially the Court was empowered to restrict alienation of Native Land, to determine all owners of a block of land brought before it and register all proven claimants in addition to the ten owners permitted by the Act of 1865. The land could not be sold nor mortgaged but could be leased for a term not exceeding 21 years by the ten named on the face of the certificate. Alienation by sale was allowed only when a beneficiary applied to the Court to have his share(s) partitioned (2). The 1873 Native Land Act continued the same protectionism. It stated that the leasing of land required the signature of all beneficiaries in the memorial of ownership. The memorial ownership replaced the certificate of the previous act and contained the names of every member of the tribe or *hapu*. However, it still was not the tribe as such which owned the land, but each member became an owner as an individual. Later the Court found that the provision for leasing requiring all signatures was impracticable due to difficulties of getting all owners to sign a contract. The Government in 1878 passed an amendment to the Act of 1873 to make all owners signatures inessential ( [21] 11). The new act empowered a Judge of the Court to decide ownership on his own, without making a preliminary inquiry, unless he considered that it was essential to do so. It also allowed, the signature for alienation of any lands held under memorial of ownership or crown grant, by any native interested in the same before any Justice of the Peace ( [21] 11). As if the contradictory legislation of the 1870's was not bad enough, in the 1880's a flood of legislation dealing with Maori land and the powers and jurisdiction of the Court caused further confusion in land dealing and in the relationships of the Maori people and the Court. A commission of inquiry in 1891 known as the Ree's Commission harshly criticised both the legislature and the Court: "were it not that the facts vouched upon the testimony of men whose character is above

suspicion and whose knowledge is undoubted, it would be well nigh impossible to believe that such a state of disorder could exist." The men referred to were the most eminent members of the legal profession of the day ( [32] 12). In 1894 a Native Land Court Act was passed as a result of the Rees Commission and of a Maori group petition to Parliament. Throughout the 1880's and early 1890's the power of alienation over Maori freehold land was held by the Governor and Trust Commissioners. The Act of 1894 nullified this and restored the exclusive right of the crown. The Act effectively strengthened the power of the Court in its dealing with Maori land. According to the Act, power to remove restrictions on alienation and to confirm alienation of Maori freehold land were conferred upon the Court. Due to its provision, land in the South Island could be alienated only in the form of lease. Alienation of other land to private purchasers was absolutely prohibited, except in special cases as determined by the Court. The alienable lands were those situated in a borough or town district and a block of land not exceeding 500 acres, the title of which had been ascertained by the Court. The Act further made provision for the establishment of the Native Appellate Court, and special jurisdiction was conferred upon the Chief Judge to remedy the effect of any mistake, error or omission in the Court's records or of any erroneous decision on a point of law ( [32] 12). Most native land Acts up to 1894 effectively assisted the transfer of native land to European settlers and the Maori owners suffered deeply from the expropriation and sale of their tribal estate ( [24] 183-4). The Act of 1894 restored some Maori faith and trust in the Native Land Court, the Court had begun its paternal role, trying to protect against the loss of land. Protection by the Court tended to be ironic as the prime concern of the Act of 1894 was still to determine and establish freehold titles to Maori customary land. The Court while continuing the destruction of what was once an effective traditional Maori land tenure system was in fact helping to sustain the need for the protection of Maori land against unwanted and often unjust alienation. It is interesting to note that throughout the Nineteenth Century there was no Government policy to develop Maori land for the benefit of the Maori people.

##### 5. Maori Land Law 1900 to 1952

In 1900 Mr A.T. Ngata proposed Maori land development ideas to the

Government. These ideas eventually took the form of two acts; The Native Land Administration Act and the Maori Councils Act. These Acts set up the Maori Land Councils (3).

They had the following powers:

- (a) To grant confirmation of alienations of native land.
- (b) To administer large areas of native land vested in the board in trust for the native owners.
- (c) To act as statutory agent of the native owners in respect of certain areas set apart for native settlement.
- (d) To control the administration and the disposition of native land by resolutions of the assembled native owners.

The Maori Land councils were given some judicial powers, but they possessed no exclusive authority in Maori land. Initially the Maori people saw these councils as providing them with the opportunity to manage their own lands, even if under Government supervision. These hopes however, were dashed by a succession of events, one being that the Councils were composed in the majority of Europeans. This factor led to distrust and a great deal of Maori land was withheld from council jurisdiction. Unpaid rates, noxious weeds and idle Maori land that became more evident infuriated many Europeans and eventually resulted in legislation between 1905 and 1908. This removed many of the protective restrictions on alienation of Maori land. These measures culminated in the Native Land Act of 1909. It and its 1913 amendment, increased the powers of the crown land purchase officers ( [21] 14).

Between 1891 and 1911 the Maori had lost 3,692,281 acres in the North Island, most of it going to the crown at 6/- per acre. Total holdings were thereby reduced to 7,137,205 acres (no strict figure is available for the South Island, the approximate figure of that remaining would be 500,000 acres). By 1920 tribal estates in the North Island had diminished to 4,787,686 acres ( [21] 15).

1920 was the year that appeared to be the turning point in Government policy. There were proposals to cut down the rate of purchasing and to make settlement and development assistance available to the Maori people. Why this happened can be attributed to a number of factors:

- (a) The contribution of the Maori people to New Zealand's 1914-1918 war

effort.

b) The publicity given the question of unsettled land grievances ( [13] 27). His improvement in attitudes towards the Maori and his land was manifest in the 1920 Native Trustee Act, it taking steps to organise finance for Maori land development. Legislation in 1922 made the Native Trustee banker for the Maori (Native) Land Boards, but, when this was done more difficulties arose as a result of inferior titles to Maori land providing inadequate collateral for finance (4). Some titles were improved but the Native Trustee and the Native Land Boards often could not assist owners for very long as they had limited amounts of funds. These problems lessened the Maoris incentives for improving the land and necessitated a re-think in Government Maori land development policy.

In 1929 Parliament decided to put Maori land on the same footing as Crown land for purposes of bringing it into production. Irrespective of the conditions of the title to Maori land the Native Minister was given authority to have it incorporated into a scheduled departmental scheme. These schemes of development and settlement were closely directed by the Native Minister of the day, Sir A.T. Ngata. He has dreams of large scale development and settlement of Maori land. His attempts were not very successful for a number of reasons:

- (a) His moves to consolidate fragmented interests in Maori land to assist with title improvement and the creation of economic units alienated some owners from their tribal areas.
- (b) Only recommended workers were accepted for settlement after department development of lands. This led to a dispersal of members in the ownership group, a definite gap developed between the owners physically alienated from the land and the occupier.
- (c) The schemes were hit by the depression. Most of the young unskilled farmers who had just started investing on their lands could not cope with the accumulated debt arising from development that was their responsibility to pay off. Their tenure was a lease or merely an insecure form of nominated tenure. Many left for the city leaving the land to revert and the debt remain as a curse for the next occupier and the owners ( [21] 17).
- (d) An intense investigation of the affairs of Sir A.T. Ngata showed that he was associated with the misuse of public funds allocated to Maori Land Development Schemes (5).

Organised Government-promoted development lapsed until 1953 when Section 460 and Part XXIV of the Maori Affairs Act 1953 came into being.

## 6. The Maori Affairs Act 1953

The Maori Affairs Act 1953 provides the base for the present constitution and jurisdiction of the Maori Land Court. At the time it provided a complete consolidation of acts regarding Maori land. Under this Act were a number of attempts by the Government to replace the last remnants of Maori custom in land. Succession to land rights on intestacy was to include a spouse even if he/she was from another tribe and there was a move to include Maori land as a factor of production in the national economy by the removal of uneconomic interests from owners through a conversion scheme (6). Both these alterations were contradictory to Maori attitudes in land. To the Maori people land is not a pure economic source but also the source of social and political rights. Allocation of land rights determines the solidarity and security of the group; to allow outsiders to gain rights in the local land was to interfere with the affairs of *Tangata whenua*. Also, to disallow people rights in their land was to destroy their right to belong to the group. The Maori Affairs Amendment Act of 1967 containing new provisions and extensions of old provisions, on succession and uneconomic interests, was strongly opposed by Maori organisations. In 1974 another amendment repealed the unpopular measures concerning the alienation and compulsory acquisition of uneconomic interests. Elements of customary succession were restored and the Maori status of land reinforced. This final piece of legislation was an indication of the strength of Maori feeling for their remaining customs.

## 7. Maori Land Legislation Today

The frequency of amendment in the Nineteenth Century reflected the rapidly changing relationship between Maori and European. Legislation in the Twentieth Century has involved desperate attempts to cope with the system developed in the Nineteenth Century. There exists now a complex body of legislation governing the new Maori land tenure that is a morass for the legal profession and can lead to very great difficulties for the Maori people in dealing with their land. A recent royal commission [32] expressed the feeling that the present method of producing legislation reflects an absence of an overall philosophy of the place and use of Maori



land in New Zealand today. They felt that satisfactory law could only be produced if a general philosophy of multiple land ownership could be hammered out. To this end it was interesting that a deep need to move back to a form of pre-European communal land tenure was expressed to the commission. It seems that Maori sentiment remains strong in the appreciation of custom although changes in law and the process of acculturation have led to the abandonment of major traditional cultural elements. It appears that although not wanting to resist European culture the Maori people wish to retain a compatible form of some traditional values. Many have sought a way of retaining their identity that does not conflict with their modern lives. There has been a desire to find a communal system of land holding, exercising of leadership and co-operation among members of a kin group that does not conflict with the need for land development and economic success. An understanding of these objectives could help direction any further policy. It is important to realise that elements exist in the system today that could achieve the ends desired. The Maori people have recognised this and have shown a movement towards two main forms of corporate management both of which have shown a degree of economic success in land management ( [32] 36). The incorporation, and the trust constituted under Section 438 of the Maori Affairs Act 1953 are institutions that can contain some traditional values in the form of communal tenure, a definite leadership structure, a kinship base and customary succession. Relative to leasing land under Part XXIII of the Act, incorporations and 438/53 trusts have great potential for effectively utilizing multiply owned Maori land. With more flexible management they are likely to be able to farm land directly instead of having to alienate it by way of lease. Such an immediate identification with the land strengthens the right of Maori people to call themselves *Tangata Whenua*.

#### 8. Incorporations and The Section 438/53 Trust

Maori land incorporations and trusts constituted under Section 438 of the Maori Affairs Act 1953 are the two administrative structures that today hold most promise for coping with, the lack of centralized decision making units, multiple ownership and the complex title situations facing blocks of Maori land. Unlike the system governing Part XXIII leases they have the advantages of proving themselves to be commercially viable and also

exhibiting several aspects of traditional Maori society. The Maori values they reflect are very important. Principally, incorporations stand for the group administering the land with distinct rights in all matters and section 438/53 trusts provide a sense of corporate identity with respect to the land and has distinct and separate power for dealing with land in the groups interest. Next the shareholders of an incorporation and beneficial owners in 438 trusts, all principally kin, form the members of the group represented by the respective institutions. Similar to tribal people of the past they have limited rights to deal with the land individually but can benefit from all privileges produced by the land and they can pass their rights to their descendants according to the rules of succession on intestacy, thus keeping the land within the group. Finally these institutions provide leadership structures that have similarities with the traditional tenure system. Incorporations have a committee of management and trusts have trustees, administrative units comparable with tribal chiefs and tribal councils. Their membership is not based on descent but as traditional feeling remains strong they usually consist of persons of rank and/or achievement. Incorporations and 438/53 trusts are described in the following sections. Each has its advantages and disadvantages in coping with the administration of Maori land as it exists today but the institution that is most appropriate and with the most potential for coping with Part XXIII land is perhaps the section 438/53 trust.

### Incorporations

The general purpose of an incorporation was to re-integrate fragmented land into one title held by a single legal entity and to benefit all owners no matter where they lived. The Maori Land Court was empowered in an act in 1894 to issue an order to constitute owners of any block of land or any adjoining blocks as a body corporate. Today the statute under which incorporations work is Part IV of the 1967 Maori Affairs Amendment Act. The incorporation, once constituted, has several advantages in the administration of Maori land, principally it requires the owners (shareholders) to nominate a committee of management comprising of three to seven persons to manage their incorporated lands. They provide a central flexible decision making unit, eliminating the need for expensive meetings of owners at which the necessary quorum for decision making may be lacking. The committee is a unit especially constituted for the purpose

of land management and can hire the expertise in farm and financial management necessary to run land efficiently. The annual general meeting required by law keeps the incorporations shareholders, informed of management activities and has the added advantage of allowing them to express their opinions on these activities, a process that provides a check to the power of the committee of management. Shareholders succession in shares is customary and these are administrative benefits in the body corporate being able to eliminate fractional shareholdings. It can also acquire and re-distribute shares from disaffected shareholders. The incorporation has the potential to satisfy its shareholders desire for financial return by issuing dividends. It can also contribute to various cultural and social activities that concern the shareholders. Successful and enterprising incorporations can be found in different parts of the country. More prominent ones include Morikanui and Atihau - Whanganui in Wanganui and Owanga in Dannevirke. The continuing success of incorporations can be put down to the following factors:

- (1) They have a strong and able administration (it is important to note that members of the committee of management do not have to be shareholders).
- (2) They employ experienced secretarial and accounting firms to assist with administration.
- (3) The lands over which they have complete control are viable commercial and farming propositions.
- (4) They receive assistance in development and management through co-operation with the Maori trustee and the R.B.F.C.

Success of a few prominent incorporations often belies the problems involved with this type of administration. In fact incorporations are hampered by numerous disadvantages. Some are related as follows: The first is the administrative overheads involved in meeting regulations such as holding A.G.M.'s, maintaining a registrar of owners and employing an accountant (for annual reports), for family incorporations with limited assets these demands can be financially crippling. The second disadvantage is that management may be subject to the whims and fancies of a disinterested minority at the A.G.M., not a basis for sound policy. A third unfortunate circumstance is that the election of a committee of management may be dependent on family or *hapu* status as opposed to farm and financial



management ability. As such, sound and able management is not guaranteed. Another problem of incorporations is that the owner/shareholder is brought very close to the position of an equity shareholder in a company under the Companies Act 1955, i.e. he has essentially lost his beneficial interest in the land. To many owners today the loss of this immediate identification with the land is repugnant. Amalgamation of titles and of ownership along with the loss of beneficial interest in the land increases an owners feeling of isolation from his land. A further disadvantage faced by incorporations is that of committees of management being increasingly divorced from the shareholders. They have in some cases been compared with an impersonal board of directors. This situation can lead to the neglect of social duties which management of an incorporation is not legally obliged to consider. A management committee can not only deprive shareholders socially but also financially as they have the power to retain profits for investment; non-payment of dividends or partial payment can cause hardship for older shareholders. As a form of administration for Maori land, an incorporation is less desirable than the section 438 trust. The latter does not exhibit many of the problems associated with the incorporations.

#### The Section 438/53 Trust

Trust orders issued under Section 438 of the Maori Affairs Act 1953 are being used increasingly as an effective system of management for multiply owned, fragmented Maori land. The trust type of organisation is well suited to land management on a tribal or *hapu* basis. The main principle behind the more recent trusts have been:

- (1) To restore to the Maori owners the right to decide and determine the administration of their lands.
- (2) To furnish the owners the structure, the means, and the resources whereby they might effectively determine the use and management of their lands.
- (3) To protect the interests of the individual owners and yet - in appropriate cases to facilitate the growth of communal or group enterprises or concerns funded through the land resource.

Trust orders in existence at present have the advantage of exhibiting enormous variety, most being tailored to the particular circumstances and

aspirations of a particular group of owners. Some trust orders are made for specific purposes. They are generally called "single purpose trusts". Increasingly single purpose trusts are giving way to "wide power trusts" that give to the trustees the freedom to act in a variety of ways to meet a variety of circumstances and to oversee the total management of the land. While the trustees of wide power trusts have generally a wide discretion and freedom to act, they bear a corresponding duty to operate in an active and positive manner to promote the interests of the trusts beneficiaries. Quite usually separate trusts have been devised for separate blocks. Increasingly, however, multi-block trusts are being established to encourage more effective utilization and management of lands and to facilitate overall planning and control of *hapu* or tribal estates. In certain areas and in some cases they can recapture a tribal strength and re-introduce certain tribal concepts that have lain dormant during the long period when Maori land titles were fragmented into numerous partitions.

The advantages of a 438/53 trust format should be considered as follows:

- (a) A trust provides a single administrative body for dealings in land and can also provide a secure title for lending.
- (b) The rights and powers of the trustees together with the necessary controls can be spelled out by the courts. Clear lines for trust administration are set.
- (c) A 438/53 trust can be constituted without the need for a meeting of owners. There are safeguards in the relevant section that prevents any abuse of this practical approach.
- (d) The status of land remains unchanged and owners retain an interest in the land. Maori owners consider the retention of these interests an integral part of their Maori *mana*; they feel if they lost their equitable ownership something very precious to their *mana* would disappear. The vesting of legal title in the owners under a section 438/53 trust, ensures their equitable ownership remains even though the land remains subject to the contractual rights of others.
- (e) Title or titles involved in the trust are maintained by the Maori Land Court, and consequently the expense of maintaining a register of owners is avoided.
- (f) Annual general meetings are not essential. This can result in a saving in administrative costs.

- (g) Succession in accordance with Maori Custom may continue in the normal way.
- (h) The trustees can be empowered to purchase the shares of anxious sellers and to set up a *putea* account to cope with fractional interests
- (i) The 438/53 trust order can have devices built into it to suit particular circumstances. This flexibility gives them great scope for general application.
- (j) The Maori Trustee can be joined with the trustee's of a 438/53 trust in the role of a custodian trustee for an education period. The facilities and expertise of the Maori trustee remain available to the trust during this time. It is a period for the other trustees to gain experience. It is important to note that the custodian trustee cannot commit a trust without a resolution supported by a majority of the other (managing) trustees. This condition retains the *mana* of the owners and managing trustees.
- (k) Section 438 trustees generally feel a greater degree of personal responsibility to beneficiaries than do say, committees of management and their responsibilities can be numerous.
- (l) There can be provision built into a 438/53 trust for a *runanga* system. Under this system responsibility for keeping accounts and the like is placed in a Maori Trust Board with the necessary administrative facilities. The effective decision making power are retained by the elected representatives of the owners. The use of this system reinforces a totally independent Maori identity.

While the advantages of section 438 trusts can be positively stated, the disadvantages are not as apparent, however, the following points should be considered:

- (a) There can be a tendency for trustees to divorce themselves from beneficial owners. This is the major complaint against the Maori Trustee. Unfortunately there may be a good deal worse than he, at least with the Maori Trustee there are channels for complaint. If the Maori trustee is a custodian he can be balanced by managing trustees and vice versa; furthermore his term and responsibilities can be limited.
- (b) The administrative facilities in the Maori trustees office do not operate with the efficiency of private enterprise. At present in the Tairāwhiti land district there is a lack of money and quite

severe shortages of experienced staff. It must be mentioned here that the Maori trustees offices are under stress from a Maori priority staffing policy. This policy must be criticized when it impairs the running of the office as it is the Maori owners who will suffer in the long run.

- (c) Section 438/53 trusts can be continued for a number of years with the same trustees without any problems arising. However, cases have been known where new trustees have been found to be poor administrators with consequent losses to the owners.

Beyond the immediate advantages and disadvantages for land administration is the potential of a 438/53 trust to develop into a tribal trust, working for the benefit of the group. With the passage of time there will be an increase in the number of beneficiaries in a trust and an increase in the number of fractional interests. Correspondingly a *putea* account will grow larger. Eventually all monies from the land asset will go into this fund to be used for communal facilities. On this basis tribal trusts similar to trust boards that exist today could develop. The Maori Trustee and existing Trust Boards under the custodian and *runanga* trust systems could promote larger multi-block trusts, maintain them, and co-ordinate activities to this end. Tribal trust boards in existence emanate strong traditional Maori values. They have a good administrative structure and were established on a broad sound financial base. A substantial area of Maori land today exists without these benefits operating within the confines of provisions such as part XXIII of the 1953 Act. A section 438/53 trust could help remedy this situation.

It must be stressed on review of incorporations and trusts that there is provision in existing legislation to satisfy Maori values and to develop Maori land into productive enterprises. Any extensive changes in legislation, like those contemplated by the New Zealand Maori Council in a brown paper discussed in 1981 would be confusing and is frankly unnecessary. A pattern of proliferation of interests has established itself. What remains now is to develop the situation to its logical conclusion, i.e. a combination of economic incorporations, 438/53 trusts and tribal trusts administering most Maori land. The mechanisms in law exist to do this but encouragement from the bureaucracy is lacking. A determined public relations effort on the formation of Trusts and incorporations is needed; technical, legal and administrative facilities must

be made more available. It is essential that a bureaucracy promoting this policy be adequately staffed with informed persons and have systems streamlined to facilitate the formation of a trust or incorporation. To ensure the economic success of such enterprises planning and advisory support in the field of land utilization is necessary. Unfortunately there is evidence that this area has been neglected by the Maori Affairs Department. Planning for land utilization in conjunction with the promotion of alternative management structures is vital. The Department has not fulfilled its role in this area. The key to be recognised in organizing a programme to promote best land use and alternative management structures that facilitate it is the need for informed personnel. Here the education system is appalling. Not one course in Maori land administration is available in the agriculture departments at Massey or Lincoln University. High Schools are equally as guilty. Maori language is important but it should not take priority over the social and economic base of a people. Take care of this and the other can be supported as a result.

The real need to push towards incorporations and trusts can only be fully appreciated when there is an understanding of how administrative factors can constrain the development of Maori land. Land leased under Part XXIII/53 can suffer acutely from administrative constraints. Under its provisions owners are left without the benefit of a centralized decision making unit or any traditional Maori values.

#### 9. Administrative Problems resulting from Individualized Ownership

The re-organization of Maori land on an individualized basis resulted in the creation of a large number of fractional interests in Maori land, the division of Maori land into many small units, and the subjection of this land to an inferior system of recording its title. These results today cause administrative difficulties that effectively retard the use of Maori land without independent administration and owned by more than ten people.

The fragmentation of ownership interests in Maori land began with the following judgement in 1867: "Instead of subordinating English



tenures to Maori customs it will be the duty of the Court, in administering this Act to cause as rapid an introduction amongst the Maoris, not only of English tenures, but of English rules of descent, as can be served without violently shocking Maori prejudices" (7).

The Court subsequently determined that any Maori who died intestate (most did) should have his land interests succeeded to equally by all his children. With each generation of children the owners in a block of land increased rapidly and individual shares became smaller and smaller. This process was complemented by individual owners in a block wishing to partition out their share of the land. The court until recently allowed such partitions without consideration of the effect on land management. Essentially many small blocks of land were created and the proliferation of owners encouraged.

As a result of share proliferation in small blocks the burden to government institutions administering Maori land is now immense and growing. Acute problems are faced when many owners have not claimed succession rights to fractional interests in fragmented Maori land. This situation makes it difficult for the bureaucracy to keep track of their addresses and as a result find it awkward and expensive to call land utilization meetings and to distribute smaller and smaller dividends (8). Recently an interest in *turanga waewae* has increased applications for succession to land interests but most will not be acquired due to the owner lacking knowledge of their existence and the small value of such interests. Lack of owner participation when only small interests are concerned has caused serious problems for land dealt with by the bureaucracy of the Maori Land Court, and Affairs Department. Part XXIII and unoccupied land are often prone to large numbers of fractional interests in small blocks and thus face difficulties in obtaining the correct quorum for decision making. A situation has arisen where owners of Part XXIII and unoccupied lands will have to be encouraged to participate at meetings to succeed to land interests that they have inherited and to think out how they are going to deal with these interests if the system of administering it solely through government departments is to work.

Maori land incorporations and trusts constituted under Section 438 of the 1953 act are bodies with independent decision making units that

facilitate the administration of Maori land, and can be a means through which to encourage owner participation. Incorporations assist the bureaucracy as they have to maintain their own ownership lists (share registers). Lists of beneficiaries in trusts are still the province of the Maori Land Court. These trusts, however, can be encouraged to take the responsibility for seeing that their beneficiaries succeed to and arrange to deal with their own interests. Incorporations and trusts can be used to facilitate title improvement and the farming of many partitions as one unit, an advantage when many separate uneconomic blocks are in existence. Incorporations at present solve the administrative problems of very small ownership interests by absorbing them (9). This works but it can alienate some members from the group. It has been suggested that incorporations and trusts (438/53) should cope with the problems of fractional interests by placing financial returns from them in a pool (Putea account) for the benefit of some common facility. Successions to these fractional interests would cease but the claim of descent from that shareholder/beneficiary should provide a right to communal facilities. If this situation existed it is felt that many owners would be happy to transfer fractional interests in land to trusts and incorporations. As previous measures to halt extreme fragmentation of interests have failed, or been frowned on as they do not allow a retention of identity with the group and land, the policy of creating communal funds along the lines mentioned should be actively encouraged.

Maori land administration is not only plagued by problems of fragmented ownership and land but has also been handicapped by having details of its title recorded in the Maori Land Court. Almost all privately owned European land is held under the Torrens based land transfer system. Maori land, however, does not have the advantages that the land transfer system aims to provide (10).

Maori people are at a disadvantage in their land dealings as title to a piece of Maori land can be found in any one of the following places:

- (a) Complete on the Land Transfer Register;
- (b) Entered on the Land Transfer Register but incomplete. Only some of the court orders will have been registered while the remainder are held in the Maori Land Court records.

- (c) Held in the form of an order of the Maori Land Court but with no entry in the Land Transfer Register. Orders of the court that constituted the title have not been registered and the whole record of title is contained in the records of the Maori Land Court.

A certificate of title may be found in the Land Transfer Register but it does not always show Maori land to be Maori land. This creates problems if people are not aware of the possibility of unregistered succession orders and partitions or that the land court has jurisdiction over its alienations. The author spent many hours researching the 137 titles in the sample studied. 70 titles and their leases were registered in the Lands and Deeds Office and 62 were not. Five blocks had incomplete titles registered in the Lands and Deeds Office; but their leases were not registered.

Historically it was never intended that the Maori Land Court should maintain separate records of ownership. The Native Land Act of 1894 made Maori land to that date automatically subject to the Land Transfer Act and detailed instructions were drawn up for the sending of the orders for title through the Chief Judge of the Maori Land Court to the District Land Registrar for registration. Unfortunately, many orders were never forwarded because registration fees were not paid or there was no acceptable survey.

Today, the two main obstacles to the registration of Maori land are:

- (a) The large number of partition orders which have never been surveyed.
- (b) The multiplicity of ownership in most blocks of Maori land and incomplete ownership lists.

Some attempt has been made to supply loans for the purpose of survey where land use is impaired by the lack of it, but at the rate of activity that is proceeding it would take forty years to complete survey on all the blocks that require it ( [32] 46). Some surveys will be impossible to complete because Maori Land Court titles as an information base for survey are often inadequate ( [32] 44).



Ownership lists would require a formidable amount of work to update to allow registration. Some have not changed since original Maori Land Court titles were issued several generations ago. Many owners as well as their immediate descendants have died. The Tairāwhiti Land District Court office feels it would take three years to update that which is possible to update in the lists of owners. Computerised data retrieval systems have assisted incorporations in the maintenance of their ownership records. There would be definite advantages in extending this type of facility to the Maori Land Court.

The eventual registration of Maori land is imperative as a secure title is necessary to obtain finance and to allow more effective planning for land utilisation. It would avoid confusion on the part of owners and assist with the administration of Maori land. The Government should act quickly in providing money and manpower for survey and updates of ownership lists as the task will become more difficult with each successive generation.

Footnotes to Chapter Four

- (1) Alienation is today defined by Part I section 2(1) of the Maori Affairs Act 1953:  
"Alienation" means, with respect to Maori land, the making or grant of any transfer, sale, gift, lease, licence, easement, profit, mortgage, charge, encumbrance, trust, or other disposition, whether absolute or limited, and whether legal or equitable (other than a disposition by will), of or affecting customary land or the legal or equitable fee simple of freehold land or any share therein; and includes a contract to make any such alienation and also includes the surrender or variation of a lease or licence and the variation of the terms of any other alienation as hereinbefore defined:..."
- (2) A partition occurred when an owner wished to cut out of the main block of land an amount equal to the value of his shares.
- (3) The Maori land councils became in 1909 the Maori Land Board. The Board was abolished in 1952, all its functions being conferred on the Maori trustee.
- (4) The difficulties of inferior titles are discussed in the section covering Administrative problems resulting from Individualized Ownership, in this chapter.
- (5) Appendices to The Journals of the House of Representatives, 1934.G11, Report of the Commission on Native Affairs.
- (6) "In an attempt to deal with fragmentation on succession to land interests, the concept of uneconomic interests was introduced into Maori land legislation by the Maori Affairs Act 1953. Section 137:(3) of the Act defined "uneconomic interests" to mean "a beneficial freehold interest the value of which, in the opinion of the Court does not exceed the sum of \$50.00. The Court was prohibited, save in specified circumstances, from vesting such uneconomic interests in a beneficiary or in anyone else but instead had to offer them for sale to the Maori Trustee.  
Part XXIII of the Act established under the management of the Maori Trustee a fund known as the "conversion fund" which was financed from

the accumulated profits of the Maori Trustee and the former land boards. Purchase money for buying small interests in Maori land and for administering these interests came from the fund. The interests could be sold by the Maori Trustee to any Maori, to a corporate body of owners, or to the Crown for Maori housing or Maori land development, but not to any other person. Land sold to a Maori continued to be Maori land. Money derived from the sale of land or from leasing while awaiting sale, would return to the fund. When the Maori Trustee had accumulated in the fund enough interests in a block of land to make up an economically viable area, he could partition out the area and offer it for sale. Acquisitions could be made by agreement or, in some circumstances, without agreement.

The Maori Trustee was given express power to decline any interests. That provision was intended to meet such cases as where there would be undue difficulty in valuation (as in the case of timber lands), or where the position was complicated by reason of some existing mortgage. The effect of the words "in the opinion of the Court" appearing in the definition of an uneconomic interest was that in practice the Court frequently assessed the value of an interest to be in excess of \$50.00 so that the interest would not be deemed uneconomic. Provisions for the extinguishing of uneconomic interest, otherwise than on succession, were made elsewhere in the Act: on partition (Section 181); consolidation of land (Section 200); amalgamation of titles (Section 435); and consolidation of orders of title (Section 445)" ( [32] 32).

- (7) Fenton, F.D. Important Judgement Delivered in the Compensation Court and Native Land Court 1866 - 1897, 1897.
- (8) "The Trust Department of the New Zealand Insurance Co. Ltd submitted to us details of small shareholdings for the Rotoiti 15 Trust for which it is the trustee. There are 6,000 owners in the trust, and in 1978 dividends of \$38,760 were available for distribution. Cheques were prepared for the 753 owners whose addresses were known and whose dividends were \$5 or more. The total amount paid out was \$19,984." ( [32] 31).
- (9) A minimum value of shareholding is set by shareholders of the

incorporation. The body corporate can acquire any shareholding below this level. Shareholders do however have the opportunity to increase their holdings to above the set minimum by buying off the incorporation and other shareholders.

- (10) The New Zealand Official Yearbook, 1978, page 282.

The Torrens based land transfer system aims to provide: "Security of title by means of state guarantee, simplicity by the use of standardised forms in language readily understood by laymen, accuracy by the use of precise survey data, the reduction of costs by simplification of conveyancing procedures, expedition by streamlining and constantly re-using recording procedures and suitability to circumstances by relating the land transfer registration system directly to social and economic structures."

## CHAPTER FIVE

### FACTORS THAT CAN CONSTRAIN PART XXIII LEASE FARM DEVELOPMENT

Institutional, physical, financial and management factors all contribute to constrain the development of Part XXIII leases. These factors are grouped under the relevant headings, with each group being dealt with separately in this chapter. Each group is discussed from a general viewpoint, before specific factors and influences are identified and related to the sample studied. Institutional factors are given a particularly broad introduction to provide perspective. Factors in this group, identified for further analysis tend to be those 'immediately' seen as affecting the farm development of a part XXIII lease today. Groups of financial, managerial and physical factors are introduced briefly, with this chapter's emphasis being on the 'specific' factors identified for further study. All groups of factors reviewed in this chapter are heavily inter-related but for convenience of analysis are kept separate. All factors identified for further analysis are studied in Chapter Six to see if a relationship exists between them and a particular state of development on a lease.

#### 1. Institutional Factors

##### 1.1 Introduction

Maori land that is leased under the provisions of Part XXIII of the Act is land governed by laws and a bureaucracy. For owners of Part XXIII lease land a kinship base exists and customary descent laws operate, but any similarity with traditional tenure ends here. Land is not held in a form of communal tenure. Each owner and his rights are determined individually and owners have no definite internal leadership structure. The system designed by the law for the owners to manage their land does not by its nature encourage the best use of the land. It does not have the flexibility to deal with issues quickly or decisively and no provisions exist to ensure that owners have all the data necessary to make informed decisions on the land's use and its administration. These facts can be

clearly seen in a review of the legal and administrative requirements of leasing under the act and a discussion of standard Part XXIII lease documents.

The Legal and Administrative Requirements of Leasing Under Part XXIII of the 1953 Act

Part XXIII of the Maori Affairs Act 1953 specifically relates to the powers of assembled owners. It applies to Maori freehold land and European land owned by Maoris. Owners and assembled owners are defined by the act and powers of the assembled owners are defined as being conferred by this part of the Act. All procedures to be followed by the assembled owners, if alienation or a matter allowed by this part of the act, is to be considered, are summarised as follows:

- (I) Any application for a meeting to consider alienation of land must be made by concerned persons to the Maori Land Court. It must be accompanied by the prescribed fee.
- (II) The Registrar then summons a meeting of owners informing them at the same time of the resolution proposed by the applicant.
- (III) The following prescriptions exist if resolutions to alienate are to be considered at a meeting of owners:
  - "(6a) The quorum for a meeting of assembled owners shall include owners present in person or by proxy.
  - (6b) Where the proposed resolution is for the sale of the land, the quorum shall consist of owners together owning at least 75 per cent of the beneficial freehold interest in the land.
  - (6c) Where the proposed resolution is for a lease of the land the quorum shall vary according to the term of the proposed lease (including any contemplated term of renewal) as follows:
    - (a) Where the proposed lease is for a term of more than 42 years, the quorum shall consist of owners together owning at least 75 per cent of the beneficial freehold interest in the land;

- (b) Where the proposed lease is for a term of more than 21 years but not exceeding 42 years, the quorum shall consist of owners together owning at least 50 per cent of the beneficial freehold interest in the land;
- (c) Where the proposed lease is for a term of more than 15 years but not exceeding 21 years, the quorum shall consist of owners together owning not less than 40 per cent of the beneficial freehold interest in the land;
- (d) Where the proposed lease is for a term of more than 7 years but not exceeding 15 years, the quorum shall consist of owners together owning not less than 30 per cent of the beneficial freehold interest in the land;
- (e) Where the proposed lease is for a term not exceeding 7 years, the quorum shall consist of owners together owning not less than 20 per cent of the beneficial freehold interest in the land.

(6d) Where the proposed resolution for consideration is not for a transfer of the land nor for a lease of the land, the quorum for the meeting shall consist of owners (not being less in number than 10 or one-quarter of the total number of owners, whether dead or alive, whichever is the less) together owning not less than 40 per cent of the beneficial freehold interest in the land.

(6e) For the purposes of subsection (6d) of this section, where the total number of owners is not a multiple of 4, one-quarter of the number of owners shall be deemed to be one-quarter of the next highest number which is a multiple of 4.

(6f) Notwithstanding the provisions of section 308 of this Act, where a meeting has been summoned to consider a resolution to lease any land, and a quorum as required by this section is not present but the owners present would constitute a quorum to consider a lease for a lesser term than is contemplated in the proposed resolution, the meeting may pass a resolution to lease for any such lesser term accordingly."

(Maori Affairs Amendment No. 73 Wellington Govt. Print., 1974 Section 36)

(IV) The time and place of the meeting is at the discretion of the Court.



(V) A deposit is required by an applicant to cover meeting costs if a quorum is not met. A Court appointed recorder must be present at the meeting, his job being to report proceedings.

(VI) There are seven types of resolutions that can be considered by owners. These are:

- "(a) That the owners of the land or of any part thereof shall, either by themselves or together with the owners of any other land, become incorporated under Part XXII of this Act for such object or objects as may be specified in the resolution; or that any defined land of the owners be included in an existing order of incorporation pursuant to section 280 or section 282 hereof;
- (b) That a proposed alienation of the land or any part thereof to the Crown be agreed to;
- (c) That a proposed alienation of the land or any part thereof to any person other than the Crown be agreed to;
- (d) That the lessee under any lease to which the land is subject be permitted to surrender the same, or that any rent then due and payable under a lease be remitted in whole or in part or that payment thereof be postponed, or that the rent under any lease be reduced, or that, with the consent of the lessee, the terms and conditions of any lease be varied in manner set out in the resolution;
- (e) That the Maori Trustee be authorised to act as the agent of the owners to negotiate for and to carry into effect the alienation, by sale or lease or otherwise as may be specified in the resolution, of the land or of any part thereof, subject to such restrictions or limitations as may be specified in the resolution, or that the Maori Trustee be appointed the agent of the owners for any other specified purpose; or that any resolution theretofore made for the purposes of this paragraph be revoked;
- (f) That any moneys for the time being held by the Maori Trustee (or any money which may in future be received by him) in respect of the land may be applied by him for any purpose specified in the resolution;
- (g) That the Minister of Forests be appointed the agent of the



owners for the purposes of subsection (5) of section 64 of the Forests Act 1949."

( [27] Section 35).

- (VII) The resolution put to the meeting may be accepted, rejected or modified.
- (VIII) No resolution passed can have any force or effect unless confirmed by the Maori Land Court.
- (IX) If the meeting rejects a resolution, the same or similar resolution cannot be heard for 12 months, unless owners meeting expenses are met.
- (X) For any alienation to proceed the court must see the consideration as being adequate.
- (XI) A special valuation will have been requested at the lessee's expense to assist with rental determination in the case of a lease.
- (XII) The court has the power to modify resolutions to alienate in favour of the owner with respect to what the court feels is a more justified consideration.
- (XIII) It is stated that the court shall not confirm a resolution involving compensation for lessee improvements unless the land cannot be leased profitably and to the benefit of the owners in any other way.
- (XIV) The court can confirm, modify, or disallow resolutions.
- (XV) The resolution cannot be confirmed until at least 14 days after it has been passed. An application for confirmation must be brought before the expiration of 12 months.
- (XVI) The confirmation of a resolution to alienate does not constitute a contract or impose obligations or rights on owners or intending lessees.

(XVII) The confirmation of a resolution to alienate means the Maori Trustee becomes the agent for the owners, executing all instruments and doing any other things that may be necessary to effect the resolution. The Maori Trustee in a leasing situation becomes agent of the owners to execute the lease, to collect and distribute rent and enforce the covenants of the lease.

These provisions are very restrictive if the best use of land is sought. The first problem comes from the fact that in most instances meetings of owners are initiated by people who wish to alienate Maori land. The initiative for land use rarely comes from the owners as a group. Procedures are such that meetings are called to consider a set proposal to alienate as opposed to consider the best use of the land. Meetings called can only consider the resolutions set out in the Court notice. Owners only have three alternatives regarding land use, i.e. to accept, reject or modify the resolution and the onus is to do it then and there, usually without the information necessary to make a good decision. The remaining procedures governing meetings and the confirmation of resolutions involving alienation in the form of a lease are equally as inflexible. None account for best land use.

In dealing with these problems it would be unwise to oblige the court to ensure that the long run improvement of the land be made in its confirmation procedures. The responsibility for the long run good of the land should be with the owners, not the court. If the provisions of Part XXIII are not flexible enough to provide for informed decision making for leasing then alternative methods of administration should be sought by the owners. One possibility is the use of Part XXIII to consider a resolution to incorporate. Another is to vest the land under Section 438 of the Act. There is a need for qualified people to guide owners to these ends, provide applications for meetings and present owners with the advantages and disadvantages of alternative methods of administration. Land utilization alternatives could also be considered (1).

### Standard Part XXIII Lease Terms and Covenants

When a meeting of owners makes a resolution to lease both the term of the lease and the covenants are normally set out in a standard Maori Affairs lease document. The term of the lease is governed by the quorum at the meeting of owners. The specific obligations to which the lease contract is subject is laid down by precedent. It is the set lease documents that usually contain the specific factors that can constrain lease farm development. Each of these factors is discussed below. Data on the sample studied has been collected to find out how prevalent negative factors are, and whether or not they are related to a particular state of development. Data was obtained from lease documents and files supplied by the Maori Trustee's Office in the Tairāwhiti Land District. Lease registration data in the Maori Trustee's files was verified by title searches in the Lands and Deeds Registry and the Maori Land Court.

#### 1.2 Specific Institutional Factors Studied

##### (a) Lease Length

Lease length is crucial where heavy development is required on a lease block. The shorter the lease the less desirable is a development proposition. A quorum for a long lease term is becoming more and more difficult to obtain given the large and fragmented ownership of many Maori freehold blocks. When a quorum is not met a lessee is obliged to accept a shorter lease. Appendix VII contains the data on the length of lease terms in the sample. Very few of the leases have a term of less than 21 years. This is indicative of the fact that most were issued before quorum requirements came into force in 1974. Where a term of 21 years or more existed for a lease in the sample studied it was considered a positive influence on development. If at the time this data was collected the lease had a right of renewal available this was also considered a positive influence on development. Conversely a shorter lease term and no right of renewal was considered to have a negative influence on development. Whether these positive influences and negative factors are strongly related to one or other state of development in the sample will be seen in Chapter Six.

(b) Rent

Precedent has generally set rent at 6% of capital value of the lease. This rent is totally unrelated to a block's productive capacity, its need for development or the lessee's ability to pay if he is carrying out a development programme. Changes are occurring in assessing rentals (see rent reviews) but their impact cannot be seen in the sample. Data on rentals in the sample studied can be seen in Appendix VII. The rentals initially are either 6% of CV or 5% of CV. To have the latter as opposed to the former is considered purely on a relative basis a positive influence on development. It is important to note that leases issued after the mid 1960's are likely to have a 6% of CV rental. Those issued prior to the mid 1960's usually had a 5% of CV rental. The true impact of these rents would no doubt be better assessed on individual lease by lease budgets but this was not within the scope of this study.

(c) Rent Reviews

Rent reviews are intended to cope with inflation and they range from 7 years to 25 years in the lease sample. The longer the period between rent reviews the lower the rent to the owners expressed as a percentage of capital value. A 6% rental would produce the following average return on capital value, assuming a 15% increase in land values per year:

3 year rent reviews	4.37% average return p.a.
5 year rent reviews	3.78% average return p.a.
7 year rent reviews	3.50% average return p.a.
10 year rent reviews	2.73% average return p.a.
21 year rent reviews	1.57% average return p.a.

(source [30] 11)

Frequent rent reviews reduce the lessee's interest and make security less attractive for any lending organisation. Conversely long terms between reviews gives the lessee a better interest and more incentive to develop. In the sample studied the existence of any rent review is considered a negative factor. No rent review in a lease term is seen as

a positive influence on development. It is interesting to note that rent calculated at reviews can sometimes include a lessee's improvements thus forcing him to pay rent on his own work. This is considered to be a negative factor with regard to development. Appendix VII contains information on sample leases rent reviews. New provisions have recently come into force excluding the lessee's improvements from rent review calculations and providing for the Maori Trustee to request a valuation that includes a recommended rent (see Appendix VIII). The likelihood that leases in the sample will benefit from these provisions is small as any change in existing lease terms would require a meeting of owners.

(d) Lease Covenants on Development

The typical clauses of a Part XXIII lease document contain stringent conditions relating to lease development. All leases in the sample had to put up with these. No consideration was given that they might be totally unrelated to the leases physical nature. Development programmes are becoming a more common addition in lease document. They, however, rarely take account of the lessee's security position, the cost of development or the likely return to the lessee. In the sample studied if additional development covenants were onerous they were assumed to be a negative lease farm development factor. Some additional covenants would not create difficulties for a lessee where this was so, or no additional clauses existed it was considered a positive influence on development. Data on additional lease covenants can be found in Appendix IX.

(e) Lack of Lessee Compensation

None of the leases in the sample reviewed include compensation for improvements made by the lessee. This is considered to have a negative effect on lease farm development as it forces the lessee to recover costs of heavy development through increased production, a process that can take a much longer period of time than is available. No compensation for improvements means that a lessee's interest in a Part XXIII lease is relatively small. Without other security it can put him at a disadvantage in obtaining development finance. It is important to understand that this

clause was introduced because compensation became a crippling debt on many earlier leases. The effects of inflation meant that though owners in the past received only low rentals they were called on to meet substantial amounts of compensation. New leases were offered in lieu of compensation and during this time were often allowed to run down. Compensation should ideally be given consideration at the individual farm level with the owners financial circumstances, the lessee's circumstances, and the type of development required being taken into account. Part XXIII does not have the flexibility to consider these possibilities, nor is it likely that amendments would account for all individual situations.

(f) Lease Registration

The Part XXIII lease sample contains 67 unregistered leases (see Appendix IX). Lack of registration is considered a negative factor in each individual case as it can constrain lease farm development. A registered lease is considered a positive influence. Lack of registration is essentially an institutional factor but it can have severe financial repercussions. It is, thus, more fully considered in section 4.1 of this chapter.

(g) Lack of Lessee Ownership in Part XXIII Leases

Ownership in a Part XXIII lease is an advantage in obtaining a lease in that it helps in meeting quorum requirements. It might also provide some sought at personal incentive to develop lease land. Further, it is important to note that the Court has the power to be more considerate in calculating the rentals of owners who are lessees. Lessee ownership is considered a positive influence on development and conversely, lack of it is a negative factor. Data on lessee ownership can be found in Appendix IX. Ownership by a lessee was difficult to trace if interests had not been succeeded to or different names to those commonly used appeared on the ownership lists.

## 2. Physical Factors

Physical factors that can constrain lease farm development have a strong relationship with the leases institutional background. Most Part XXIII leases are the result of years of ill-considered partitioning that has led to small, scattered blocks with poor access, factors that can have a negative effect on development. The following section reviews negative factors related to the size of a lease, its proximity to the lessee's other holdings, its access and its topography, positive influences on development are assessed relative to these negative factors. Chapter Six will show whether these factors and influences are related to particular states of development in the lease sample.

### 2.1 Specific Physical Factors Studied

#### (a) Size of Total Lessee Holdings

A leases size alone can make it an uneconomic development proposition, but the situation changes when it is farmed as part of a larger unit where the advantages of economies of scale are operating. For this reason the total size of a lessee's holdings are seen as being the possible limiting factor for development as opposed to the individual leases size.

Appendix X gives information on the total area farmed by the lessee's in the sample. As a parameter in assessing whether smaller holdings can constrain lease farm development a cut off point of 519 ha or the average size of sheep and cattle holdings in the Cook, Wairoa, Waiapu and Waikohu counties was used (2). Larger holdings were assumed to be a positive influence on development and smaller holdings were assumed to have a negative effect on development. The main source of the size of a lessee's holdings was the valuation role in the Gisborne Land Registry Office. Certificates of title and Maori Land Court titles for all land that individual lessee's paid rates on, were searched as was all mortgage material related to them. All the resulting material was checked and ratified by Rural Bank appraisers and Maori Affairs Field Officers.



(b) Proximity of Lease to other Lessee Holdings

The geographical proximity of a lease to a lessee's other farm units can have a deciding effect on its development. If a lease is miles from the centre of a lessee's farming activity (the main unit) it is likely to receive less attention than an adjoining block. It is considered a negative lease farm development factor if a lease is isolated in this way. Conversely it is considered a positive influence when the lease adjoins the or a main lessee unit. Appendix XI contains information on the sample leases proximity to the lessee's holdings. If the lessee has Part XXIII leases forming the main lessee unit it will be stated as a positive influence. This information was derived from maps of the leases (Appendix IV) commissioned from the Lands and Survey Department in Gisborne and information on the lessee's other holdings in Appendix X.

(c) External Access to Part XXIII Lease

If a lease has very difficult access it does not encourage development. Using Appendix IV and having discussions with field officers external access to sample leases was assessed on the following scale:

A	Very Good	e.g. On a well serviced sealed road, or main state highway.
B	Good	e.g. On a reasonable sealed road.
C	Satisfactory	e.g. On a well maintained metal road.
D	Reasonable	e.g. On an average metal road.
E	Poor	e.g. On a metal road that is poorly maintained.
F	Difficult	e.g. On an unreliable flood prone metal road.
G	Very Difficult	e.g. The lease has very limited road access. Rivers interfere and long horseback rides may be entailed.

Poor, difficult, or very difficult, external access is considered a negative lease farm development factor. Information on external access may be found in Appendix XII.



(d) Topography of Part XXIII Leases

Elements such as slope, surface geology and soils will heavily influence a leases development as a hill country pastoral unit. The leases in the sample were reviewed to assess their physical potential for pastoral development. This information is contained in Appendix XII. Appendix XII was derived from mapping leases on to New Zealand Land Resource Inventory Worksheets (obtained from the National Water and Soil Conservation Organisation). The physical descriptions gained can be deciphered by using the map legends for the Gisborne-East Coast and Northern Hawkes Bay regions. Leases in the Wairoa County are under the Northern Hawkes Bay region. (These are denoted by an asterisk in Appendix XII). The units used to denote the physical description of leases in the Gisborne-East Coast region have been divided into a number of categories that more briefly describe their potential land use (see Appendix XIII). These categories can be used by the reader to gauge how the author defined whether or not sample leases in the Gisborne-East Coast region were physically suited to pastoral development. The sample leases in the Northern Hawkes Bay region had their land use potential assessed directly from the relevant regions. If a lease was unsuited to pastoral development this was assumed to be a negative lease farm development factor. Conversely if it was suited to development this was assumed to be a positive lease farm development factor.

3. Management Factors

Specific managerial factors that can constrain lease farm development and discussed below involve the lessee's farm management ability, the availability of topdressing facilities and the labour supply situation. Data on the sample studied has been collected to determine how prevalent negative factors such as poor farm management ability, poor facilities and labour are. Positive influences on lease farm development are assessed relative to these negative factors. Chapter Six will show whether these factors and influences are related to particular states of development.

### 3.1 Specific Management Factors Studied

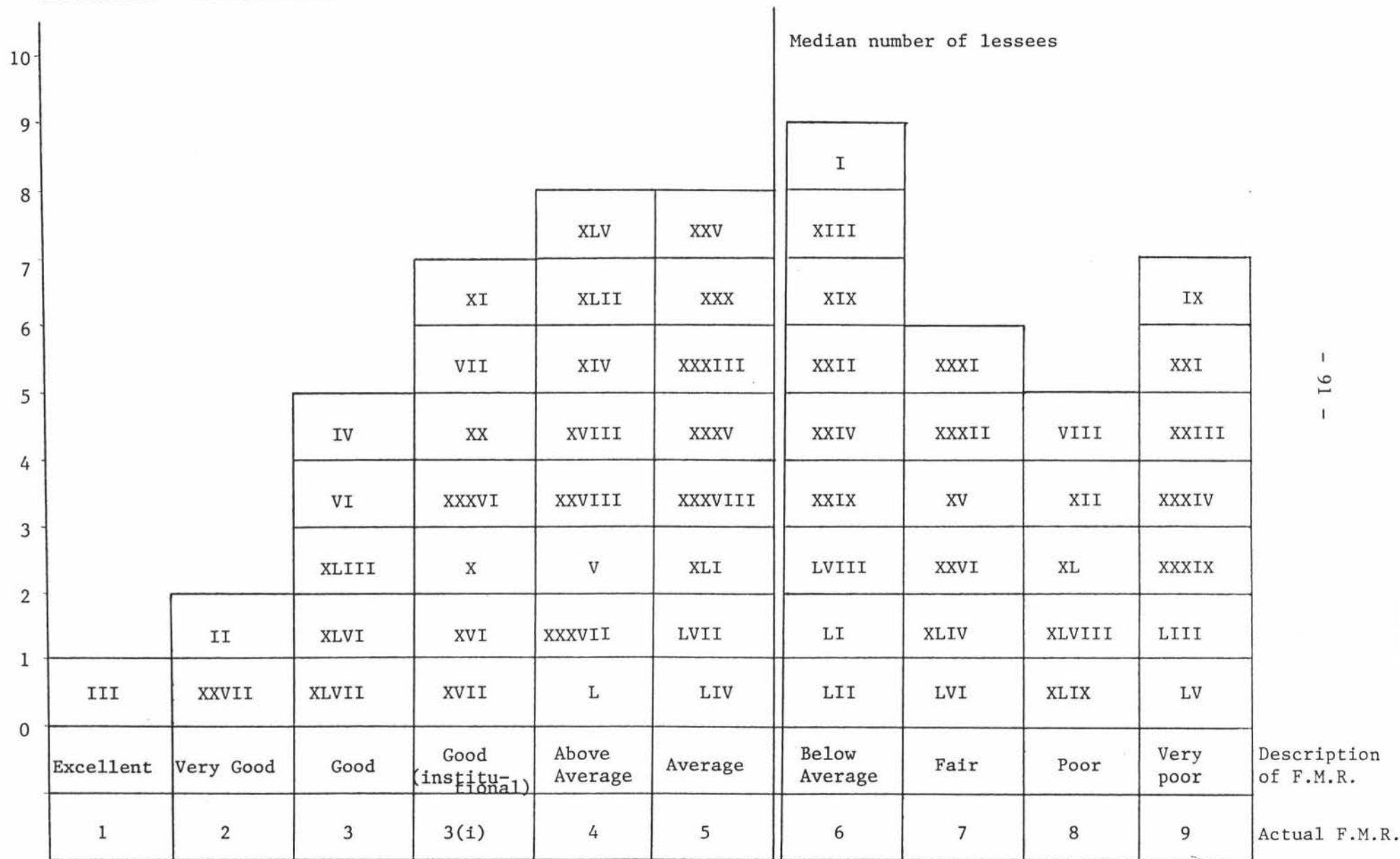
#### (a) The Lessee's Farm Management Ability

It was assumed in this study that a lessee's farm management ability would critically affect a leases development. The term Farm Management involves a broad spectrum of activities, i.e. stock and pasture management as well as aspects of financial management. The sample lessees ability in each of these areas was subjectively assessed and a farm management ability ranking on a scale of one to nine was given. Some of the base data used in these assessments can be found in Appendix XI. The final scale was completed with the assistance of a Senior Field Officer for the Ministry of Agriculture and Fisheries, Two Field Officers from the Maori Affairs Department, the District Officer of the Rural Banking and Finance Corporation and one Farm Management Consultant, all based in Gisborne. The relative state of sample lessees farm management ability was considered carefully by all the above persons. The final scale was agreed by all as giving the correct picture. Table VIII gives a summary of this scale (all ratings can also be found in Appendix XI) showing the farm management ratings held by each lessee.

It will be noticed that group 3 is divided into two: 3(i) contains large farming companies both public and private and 3 contains private individuals, estates, and family trusts. It was a matter of chance that all these large companies fell into group 3. The median number of lessees falls in group 5.

A positive influence on development was assumed to exist if a lessee's farm management rating was between 1 and 5 inclusive. Lease farm development was considered to face a negative factor if a lessee's farm management rating was between 6 and 9 inclusive.

TABLE VIII: Lessees Relative Farm Management Abilities



(b) On-Farm Aerial Topdressing Facilities

The existence of aerial topdressing facilities is important if hill country land development is to be contemplated. Information on these facilities on sample lessees holdings and their availability to the Part XXIII lease is in Appendix XI. Where facilities exist it is considered a positive influence on lease farm development. Where they do not it is seen as a negative factor. Data on facilities was supplied by Maori Affairs Field Officers.

(c) Labour Supply on Lessee's Holdings

The quality and availability of labour to the lessee's of the Part XXIII sample leases is an important consideration if lease farm development is to be contemplated. The size of the lessee's holdings may demand another labour unit. If it is not available (and/or the lessee cannot afford one) this is considered a negative lease farm development factor. If the labour supply is adequate it is assumed to be a positive influence. It must be clearly stated that the criteria for adequate or inadequate labour supply was based purely on a subjective assessment of the labour situation by a Maori Affairs Field Officer, base data for which is contained in Appendix XI. It is stressed however that these opinions do not influence to any great extent the overall evaluation of constraints to Part XXIII lease farm development.

4. Financial Factors

Part XXIII leases are not often secure lending propositions. For this reason development finance can be difficult to obtain. A leases value as collateral is dependant upon a combination of related financial, institutional, physical and managerial factors. The problems that a lessee faces in any of these areas will reflect in the leases security value. If an individual Part XXIII lease is a lessee's only collateral he is likely to be severely disadvantaged. If he has other security

available his situation would be substantially improved.

#### 4.1 Specific Financial Factors Studied

##### (a) A Part XXIII lease as security

If a Part XXIII lease has a short term and/or if rentals are high and frequently adjusted and if there are no provisions for compensation for improvements added by the lessee, than the value of the lessee's interest will be low and little finance will be advanced on the security of the lease. A lender is very cautious in assessing the security value of goodwill. His main concern is the lessee's ability to service the debt. As a lease nears its end, its value in goodwill falls. If the lessee has difficulty in meeting his debts the chances of recouping the advance reduces as the lease nears expiry e.g. consider a property worth \$100,000.00 with 11 years to run at a rental of \$1,000.00 p.a.

market rental, say	\$5,000.00
less actual rental	\$1,000.00
benefit of cheap rent	\$4,000.00 p.a.

The value of the lease is a present one of \$4,000 p.a. for 11 years at say 10% interest rate:  $4,000 \times 6.5 = \$26,000.00$ . If, however, as a result of bad seasons no repayment is possible for four years the debt remains, but the value of goodwill is now  $4,000 \times 4.8 = \$19,200.00$ . The value of the property has not changed but the lessee's interest has fallen by 20% ( 30 : 24). Most trustee organisations will not lend on leasehold property without a perpetual right of renewal. Those that do will rarely advance more than 50% of their valuation of the lessee's interest. The lessee's interest can be very low where no capital gain is expected due to no compensation for improvement clauses in the lease document. Short lease terms and heavily reviewed rentals also contribute to maintaining the poor security value of leases. If a lessee obtains a lease with rent at market value he theoretically has no lessee's interest and normally has only the value of his stock and plant to offer as security. Many Maori lessees have borrowed from stock firms to purchase livestock and then find with their livestock fully secured that they have no borrowing power at all. If, in addition, a lessee has taken over by way of transfer a

heavily reverted block with extensive breaches of lease covenants he is put in the intolerable position of being liable for breaches but of having little security to obtain finance to remedy them. Lessees XLIX and XLI in the sample did not realise what a financial burden these leases could be.

If a lease is unregistered it does not provide state guarantee of title and as such is not acceptable security to lending institutions. If there is no registration a lending institution will not get as far as considering the lessee's interest in a lease. The Rural Banking and Finance Corporation tried to overcome the institutional constraint of lease registration by accepting unregistered leases as collateral for LDELs in the last two months of these loans existence. The Rural Banking and Finance Corporation however did demand the assurance that all steps would be taken to have the lease surveyed and registered. They have been very generous in assessing the security value of a lessee's interest in a Part XXIII lease, taking into account the personal farm management factor, especially in cases where the lessee's interest may be low but the lessee is a good farmer. To have obtained an LDEL a lessee also had to have a secure term of at least 15 years. Lessees in the sample were prevented from getting an LDEL by the need for a longer lease. The institutional difficulties of obtaining a new longer lease under Part XXIII did not assist these lessees in their quest for development finance.

The Maori Land Board is prepared to rely on the personal covenant of the borrower and will lend up to 100% of the lessee's interest. Constraints to obtaining finance from the board are in the main a lack of profitability and poor debt servicing ability where only part XXIII leases are farmed.

For the purposes of analysis a lack of lease registration is considered to be a negative influence on development, the Rural Banking and Finance Corporation being the only institution to accept them as security and then only on a conditional basis. Where a lease had too short a time to run to be eligible when the lessee applied for an LDEL it was considered a negative influence on development. Information on lease registration in the sample is contained in Appendix IX.

(b) Other Security available to the Lessee

From data collected on the sample it was noted that a number of lessees had properties apart from their Part XXIII leases and stock and chattels available for mortgage (3). This was viewed as a positive influence on lease farm development. It was further considered a positive influence on lease farm development if the lessee had in fact obtained finance for the purpose of developing their Part XXIII lease. If the Rural Banking and Finance Corporation provided finance to the lessees for the development of their Part XXIII leases they did so with full confidence that the debt would be repaid having carefully analysed the lessee and his circumstances. Development of Part XXIII leases in the sample was considered to face negative factors if no finance had been obtained or if it had been but not used to develop the Part XXIII leases concerned. All relevant data is contained in Appendix X.

Footnotes to Chapter Five

- (1) The Maori Affairs Department in the Tairāwhiti Land District has initiated land utilization meetings but lack of direction and availability of information on alternative management structures has meant little headway has been made. A stronger liaison with regional Maori land advisory committees was required.
- (2) Source: M.A.F. Statistics Gisborne.
- (3) Source of information on lessee stock and chattels: Gisborne Court House.



## CHAPTER 6

### THE EFFECT OF NEGATIVE FACTORS AND POSITIVE INFLUENCES ON DEVELOPMENT

When so many leases are in a deteriorated state it is important to understand the nature of the constraining factors they face. Factors that have a negative effect on development have been defined in chapter five. The distribution of factors among the leases studied is the key to understanding a particular lease's state of development.

As part XXIII leases face a variety of factors that can affect their development it is important to establish those that are significant. This is done by identifying negative factors facing each lease in all rating groups studied, then observing which factors are associated with deteriorated leases and whether or not by comparison they are peculiar to that group of leases.

#### 1. Method of Analysis

Tables IX to XXVII on a lease farm development rating group by group (tier by tier) basis, contain possible positive and negative factors associated with each lease studied. These tables have been constructed to parallel sections in chapter five defining positive influences and negative factors facing leases. Part one (a) to (g) of the tables refer to factors and influences described in section 1.2(a) to (g) in chapter five, e.g. section 1.2 (a) relates to Part One (a) of the table, i.e. they both deal with positive influences and negative factors involving rent. Sections 2,3 and 4 of chapter five in turn, relate to parts 2,3 and 4 of the tables. The data summarised in the tables have sources referred to in relevant sections of chapter five. Section 1.2(a) of chapter five defines factors and influences, Part one (a) of the table identifies those factors and influences as they exist for the leases dealt with and annotated with their lessee's at the beginning of each unit of the tables.

Each table was reviewed to provide a brief assessment of the relationship between factors, influences and the lease's state of development. These assessments were broken into two categories, one that dealt with general appraisals of lessees and their leases in each lease farm development rating group and another that paid particular attention to lessees with leases in a number of rating groups. In the latter category factors facing leases in the lessees primary rating group were compared with those facing leases in other rating groups. This scrutiny provided a clear insight into why individual lessees have or have not developed certain leases. It was hoped that the general appraisal of rating groups referred to, would, by a process of elimination, lay bare factors peculiar to lease farm development rating group 9 (b) (having started at group 1(a)) but it was found that varying combinations of factors tended to be more important than individual factors in influencing a leases state of development.

In view of these findings, to save repetition in the following group by group reviews, lessees with a number of leases in different groups have all their leases analysed on the first table in which the lessee appears. Subsequent group reviews exclude leases already dealt with in this manner. Group reviews are followed by an overall conclusion.

## 2. Interpretation of Results for Group One Leases

### Lease Farm Development Rating Group 1(a)

Leases in group 1(a) shown in Table IX, face a situation where a combination of strong, positive influences has overcome negative factors to produce excellent lease farm development results. These leases and their lessee are:

Lessee III, leases 3, 4, 5, 6, 7, 8, 9.

Leases 8 and 9 face negative rent and rent review factors but have not been discriminated against in development programmes. The lessee has not discriminated against unregistered leases or leases that lack lessee ownership.

Most of these leases have the advantage of being farmed as part of a large single unit that has satisfactory access. Lease 9 is the odd man out but it has not been neglected by its lessee. Further, the difficult nature of the country on leases 3 to 9 has not deterred their lessees' carefully balanced development programmes.

Significantly, leases 3 to 9 do not face negative management factors - a point that no doubt allows positive influences to be taken best advantage of. A Lessee Farm Management Rating of 'one' is indicative of the extent of the lessee's power to do this.

Financial circumstances have not favoured the development of leases 3 to 9 but their lessee has used a core of security given by some of his leases to provide development finance for all his leases. This lessee has no property apart from leases 3 to 9. He treats these leases without discrimination, each being considered an integral part of his total farm enterprise.

Table IX: Influences/Factors Affecting States of Development in Group I (a)

LESSEE III: LEASES: (3) 218 ha; (4) 31.8 ha; (5) 108 ha; (6) 116.6 ha; (7) 192 ha; (8) 2046 ha; (9) 67.7 ha.	
<p>1. POSITIVE INSTITUTIONAL INFLUENCES</p> <ul style="list-style-type: none"> <li>a. 3-9: Long term and right of renewal</li> <li>b. 3-7: Rent 5% capital value</li> <li>c. 3-7: No term rent review</li> <li>3-8: Rent at term rent review assessed less lessee improvements</li> <li>3-8: Rent at renewal assessed less lessee improvements</li> <li>d. 3-9: No severe extra development demands made</li> <li>e.</li> <li>f. 4-7 &amp; 9: Registered</li> <li>g. Lessee has ownership interest in 5 &amp; 9.</li> </ul> <p>2. POSITIVE PHYSICAL INFLUENCES</p> <ul style="list-style-type: none"> <li>a. Area farmed by lessee: 2780 ha, leases 3-9</li> <li>b. 3-8: Form the main lessee unit</li> <li>c. External access 3-8: satisfactory</li> <li>d.</li> </ul> <p>3. POSITIVE MANAGEMENT INFLUENCES</p> <ul style="list-style-type: none"> <li>a. Lessee farm management rating 1: lessee manages 3-9 &amp; is an adept Maori land administrator. Lessee has a strong family history of farming Part XXIII leasehold land</li> <li>b. Lessee has aerial topdressing facilities to service 3-9</li> <li>c. A good supply of skilled family labour</li> </ul> <p>4. POSITIVE FINANCIAL INFLUENCES</p> <ul style="list-style-type: none"> <li>a. 4-7&amp;9 are mortgageable</li> <li>b. Lessee has 516 ha mortgageable leasehold. Lessee has mortgaged 4-7 &amp; 9, his stock &amp; chattels for \$72,000 to develop 3-9</li> </ul>	<p>1. NEGATIVE INSTITUTIONAL FACTORS</p> <ul style="list-style-type: none"> <li>a.</li> <li>b. 8-9: Rent 6% capital value</li> <li>c. 8-9: One term rent review</li> <li>9: Rent at renewal assessed with lessee improvements</li> <li>d.</li> <li>e. No compensation for lessee improvements to 3-9</li> <li>f. 3 &amp; 8: Unregistered</li> <li>g. Lessee has no ownership in 3,4,6,7 &amp; 8</li> </ul> <p>2. NEGATIVE PHYSICAL FACTORS</p> <ul style="list-style-type: none"> <li>a.</li> <li>b. 9 does not adjoin main lessee unit</li> <li>c. External access 9: difficult</li> <li>d. 3-9: mainly steep erosion prone blocks</li> </ul> <p>3. NEGATIVE MANAGEMENT FACTORS</p> <ul style="list-style-type: none"> <li>a.</li> <li>b.</li> <li>c.</li> </ul> <p>4. NEGATIVE FINANCIAL FACTORS</p> <ul style="list-style-type: none"> <li>a. 3 &amp; 8 are not mortgageable</li> <li>b. Lessee has no mortgageable freehold or other leasehold to use as security for development finance.</li> </ul>

### 3. Interpretation of Results for Group Two Leases

#### Lease Farm Development Rating Group Two (a)

Leases in group 2(a), see Table X, face a situation where a combination of strong positive influences has worked against negative factors to produce very good lease farm development results. These leases and their lessee are:

Lessee XXVII leases 70,71,72,73

A number of negative institutional factors face leases 70 to 73, they include lease 70 having rent and rent review problems, leases 70 to 73 being unregistered and leases 70, 71 and 73 not having the benefits of lessee ownership. These problems have not led the lessee to neglect the development of leases 70 to 73.

Like the majority of leases in group I(a) leases in group 2(a) have the advantage of being part of a single large farming enterprise. Negative physical factors such as access has not prevented development and unattractive leases have not been discriminated against.

These leases do not face critical management problems, a high level of management expertise has no doubt boosted the leases development success rate.

This lessee has overcome negative financial factors facing his leases by freeholding his stock and chattels and then using them as collateral for development finance.

The lessee with a farm management rating of 2 has very capably managed his resources to produce a very good lease farm development rating for his leases.

#### Lease Farm Development Rating Group 2(b)

Group 2(b), shown in table XI, involves only one lease, 2. It faces a situation where positive influences have overcome negative factors to produce an almost fully developed lease that is being maintained and producing a very good output.

Negative factors facing this lease are restricted to rent, rent reviews, lack of lessee ownership and undesirable access. All other influences are positive. They appear to have combined to this leases advantage.

Table X: Influences/Factors Affecting States of Development in Group 2(a)

LESSEE XXVII: LEASES: (70) 335 ha; (71) 186 ha; (72) 285.9 ha; (73) 475.7 ha	
<p>1. POSITIVE INSTITUTIONAL INFLUENCES</p> <ul style="list-style-type: none"> <li>a. 70-73: Long term &amp; right of renewal</li> <li>b. 71-73: Rent 5% capital value</li> <li>c. 70: Rent at term review assessed less lessee improvements</li> <li>70-73: Rent at renewal assessed less lessee improvements</li> <li>d. 70-73: No severe extra development demands made</li> <li>e.</li> <li>f.</li> <li>g. Lessee has large ownership interests in 72</li> </ul> <p>2. POSITIVE PHYSICAL INFLUENCES</p> <ul style="list-style-type: none"> <li>a. Area farmed by lessee: 1283 ha, Leases 70-73. Lessee has sublet 74 to another person</li> <li>b. 70-73 adjoin to form the main lessee unit</li> <li>c.</li> <li>d. 71/72 easy attractive blocks</li> </ul> <p>3. POSITIVE MANAGEMENT INFLUENCES</p> <ul style="list-style-type: none"> <li>a. Lessee farm management rating 2: lessee manages 70-73 &amp; is an adept Maori land administrator. Lessee has a strong background of farming Maori leasehold land.</li> <li>b. Lessee has aerial top dressing facilities to service 70-73</li> <li>c. A good supply of skilled family labour</li> </ul> <p>4. POSITIVE FINANCIAL INFLUENCES</p> <ul style="list-style-type: none"> <li>a.</li> <li>b. Lessee has mortgaged stock &amp; chattels for \$90,000 to develop 70-73. The RBFC have taken 70-73 as strictly secondary security. Lessee is committed to the Livestock Incentive Scheme.</li> </ul>	<p>1. NEGATIVE INSTITUTIONAL FACTORS</p> <ul style="list-style-type: none"> <li>a.</li> <li>b. 70: Rent 6% current value</li> <li>c. 70: One rent review / term</li> <li>d.</li> <li>e. No compensation for lessee improvements in 70-73</li> <li>f. 70-73: Unregistered</li> <li>g. Lessee has no ownership in 70,71 &amp; 73</li> </ul> <p>2. NEGATIVE PHYSICAL FACTORS</p> <ul style="list-style-type: none"> <li>a.</li> <li>b.</li> <li>c. External access 70-73: Poor</li> <li>d. 70, 73: Mainly steep to very steep land</li> </ul> <p>3. NEGATIVE MANAGEMENT FACTORS</p> <ul style="list-style-type: none"> <li>a.</li> <li>b.</li> <li>c.</li> </ul> <p>4. NEGATIVE FINANCIAL FACTORS</p> <ul style="list-style-type: none"> <li>a. 70-73 are not mortgageable</li> <li>b. Lessee has no mortgageable freehold or other leasehold to use as security for development finance</li> </ul>

NOTES ON LESSEE'S OTHER PART 23 LEASES.

(i) 74 in group 9(b). This lease is tacitly sublet to a person not resident on the property. Apart from term and rent considerations there are few influences in favour of its development. It has non-existent management, it is physically unattractive and isolated, it has had no capital input and thus is heavily reverted.

Table XI: Influences/Factors Affecting States of Development in Group 2(b)

LESSEE II: LEASE: (2) 191 ha	
<p>1. POSITIVE INSTITUTIONAL INFLUENCES</p> <ul style="list-style-type: none"> <li>a. 2: Long term &amp; right of renewal</li> <li>b. 2: Rent</li> <li>c. 2: Rent at term review assessed less Lessee improvements</li> <li>d. 2: No severe extra development demands</li> <li>e.</li> <li>f. 2: Registered</li> <li>g.</li> </ul> <p>2. POSITIVE PHYSICAL INFLUENCES</p> <ul style="list-style-type: none"> <li>a. Area farmed by lessee: 3120 ha, Lease 2 &amp; 13 other titles, 6 freehold and 7 leasehold</li> <li>b. 2: adjoins the main lessee unit</li> <li>c.</li> <li>d. 2: Well developed, attractive lease</li> </ul> <p>3. POSITIVE MANAGEMENT INFLUENCES</p> <ul style="list-style-type: none"> <li>a. Lessee farm management rating: 2.A Committee, an on-farm manager and a supervisor form the lessee management unit, a competent, experienced team</li> <li>b. Lessee has aerial topdressing facilities to service 2</li> <li>c. Skill &amp; supply of labour good</li> </ul> <p>4. POSITIVE FINANCIAL INFLUENCES</p> <ul style="list-style-type: none"> <li>a. 2: is a mortgageable asset</li> <li>b. Lessee has 2646 mortgageable ha exclusive of 2 &amp; has obtained considerable development finance which has benefited 2. 2 now needs few capital inputs. Lessee is committed to the Livestock Incentive Scheme.</li> </ul>	<p>1. NEGATIVE INSTITUTIONAL FACTORS</p> <ul style="list-style-type: none"> <li>a.</li> <li>b. 2: Rent 6% capital value</li> <li>c. 2: One rent review/term</li> <li>2: Rent at renewal assessed with lessee improvements</li> <li>d.</li> <li>e. No compensation for less improvements to 2</li> <li>f.</li> <li>g. Less has no ownership in 2</li> </ul> <p>2. NEGATIVE PHYSICAL FACTORS</p> <ul style="list-style-type: none"> <li>a.</li> <li>b.</li> <li>c. External access, 2: Difficult</li> <li>d.</li> </ul> <p>3. NEGATIVE MANAGEMENT FACTORS</p> <ul style="list-style-type: none"> <li>a.</li> <li>b.</li> <li>c.</li> </ul> <p>4. NEGATIVE FINANCIAL FACTORS</p> <ul style="list-style-type: none"> <li>a.</li> <li>b.</li> </ul>



4. Interpretation of Results for Group Three Leases

Lease Farm Development Rating Group 3(a)

Leases in Group 3(a), shown in Table XII, face a situation where a combination of quite strong positive influences work against negative, predominantly institutional factors, in favour of good lease farm development results. These leases and their respective lessees are:

Lessee IV	leases 12 and 13
Lessee VI	leases 20 and 21
Lessee XVI	lease 48
Lessee XLVI	lease 114
Lessee XLVII	leases 115, 116, 117 and 118.

Apart from leases 12 and 13, leases in Group 3(a) tend to be limited only by institutional factors and external access. Other physical, financial and management matters are strongly positive.

Lessee IV's leases 12 and 13 face negative factors in all categories but these problems seem to be balanced by the following positive, institutional, physical, managerial and financial influences. The long lease terms and rights of renewal available on leases 12 and 13, the large area farmed by Lessee IV, his farm management rating of three and the core of security he has available in the form of stock, chattels and leases 12 to 14.

Lease Farm Development Rating Group 3(b)

Leases in Group 3(b) shown in table XIII face a situation where quite strong positive influences have outweighed negative factors to produce well developed leases that are being maintained and are producing a good output. These leases and their respective lessees are:

Lessee X	lease 26
Lessee XXXVI	leases 92, 93
Lessee XLIII	leases 110, 111.

Institutional factors, i.e. rent and rent review problems, a lack of lease registration and lessee ownership problems did not deter the development of 26, 92 and 93. Lease 26 is physically undesirable, 92 and 93 have access problems but the strength of positive influences operating have ensured that these leases are being maintained in a good condition.

Leases 110 and 111 are nearing the end of their tenure and to the lessees credit they are being maintained in a good condition.

Table XII: Influences/Factors Affecting States of Development in Group 3(a)

LESSEE IV: LEASES: (12) 187.9 ha; (13) 77 ha	
<p>1. POSITIVE INSTITUTIONAL INFLUENCES</p> <ul style="list-style-type: none"> <li>a. 12-13: Long term &amp; right of renewal</li> <li>b.</li> <li>c. 12-13: Rent at term review assessed less lessee improvements 12-13: Rent at renewal assessed less lessee improvements</li> <li>d. 12-13: No severe extra development demands made</li> <li>e.</li> <li>f. 12-13: registered</li> <li>g.</li> </ul> <p>2. POSITIVE PHYSICAL INFLUENCES</p> <ul style="list-style-type: none"> <li>a. Area farmed by lessee: 1623 ha, leases 10-14</li> <li>b. 12 adjoins 13</li> <li>c.</li> <li>d.</li> </ul> <p>3. POSITIVE MANAGEMENT INFLUENCES</p> <ul style="list-style-type: none"> <li>a. Lessee farm management rating: 3. Lessee/manager is very hard working &amp; capable. Lessee farms 12-13 group 3(a) &amp; lease 14 in group 4(a)</li> <li>b.</li> <li>c.</li> </ul> <p>4. POSITIVE FINANCIAL INFLUENCES</p> <ul style="list-style-type: none"> <li>a. 12-13 are mortgageable</li> <li>b. Lessee has 807 ha mortgageable leasehold, i.e. 12-14. Lessee has mortgaged 12-14, his stock &amp; chattels for \$72,000 to develop 10-14. The lessee is committed to the Livestock Incentive Scheme</li> </ul>	<p>1. NEGATIVE INSTITUTIONAL FACTORS</p> <ul style="list-style-type: none"> <li>a.</li> <li>b. 12-13: Rent 6% capital value</li> <li>c. 12-13: One rent review/term</li> <li>d.</li> <li>e. No compensation for lessee improvements to 12 &amp; 13</li> <li>f.</li> <li>g. Lessee has no ownership in 12 and 13</li> </ul> <p>2. NEGATIVE PHYSICAL FACTORS</p> <ul style="list-style-type: none"> <li>a.</li> <li>b. Other lessee holdings are scattered</li> <li>c. External access 12-13: Very difficult</li> <li>d. 12-13: mainly steep to very steep land</li> </ul> <p>3. NEGATIVE MANAGEMENT FACTORS</p> <ul style="list-style-type: none"> <li>a. Lessee farms leases 10 &amp; 11 in group 6(a)</li> <li>b. 12-13 have inadequate aerial topdressing facilities</li> <li>c. Lessee's own labour is not enough for 10-14</li> </ul> <p>4. NEGATIVE FINANCIAL FACTORS</p> <ul style="list-style-type: none"> <li>a.</li> <li>b. Lessee has no mortgageable freehold or other leasehold to use as security for development finance. 10-14 had no homestead or housing available when the lessee obtained them</li> </ul>

NOTES ON LESSEE'S OTHER PART 23 LEASES

(i) (14) 542.4 ha group 4(a): This lease differs from 12 & 13 in two respects. One, it has less physical appeal as a pastoral unit. Two, it does not adjoin any other lessee holding. At present the lessee is favouring leases 12 & 13, perceiving a better return for his investment.

(ii) (10) 376.9 ha, (11) 439 ha in Group 6(a): The most significant differences between 10 & 11 and 12 & 13 are: one, 10 & 11 are unregistered and two, 10 & 11 have a shorter lease term, 11: 15 years & 10: 21 years. 10 & 11 are nearly due for renewal unlike 12-14 that have at least 15 yrs of term one to run. Lessee IV appears to have concentrated his limited resources on the leases with more secure tenure. One particular factor that affects this lessee's leases is the lack of existing accommodation. With a no compensation for improvements clause the lessee had to overcome having any building he erected being classed as a permanent improvement. He went to great lengths to ensure that the home he shifted onto lease 11 was in fact classed as a portable lessee asset. Owners of lease 11 objected and a court case is likely to ensue if the lessee tries to remove the home at a later date.

LESSEE VI: LEASES: (20) 118 ha; (21) 163.5 ha

1. POSITIVE INSTITUTIONAL INFLUENCES

- a. 21: Long term & right of renewal. 20 has a 42 year term
- b.
- c. 20-21: Rent at review and renewal assessed less lessee improvements
- d. 20-21: No severe extra development demands
- e.
- f. 20-21: Registered
- g. Lessee has ownership in 20

2. POSITIVE PHYSICAL INFLUENCES

- a. Area farmed by lessee: 2267 ha, leases 20, 21 & 7 and other titles 6 freehold & 1 leasehold
- b. 20-21: are a part of the main lessee unit
- c.
- d. 20-21 are easy attractive lease blocks

3. POSITIVE MANAGEMENT INFLUENCES

- a. Lessee farm management rating 3: management of area farmed has passed from father to son (lessee) and daughter-in-law (lessee). Lessees are young & enthusiastic
- b. Lessees have aerial topdressing facilities to service 20-21
- c. Skill & supply of labour adequate

4. POSITIVE FINANCIAL INFLUENCES

- a. 20-21 are mortgageable
- b. Lessee has 2267 ha mortgaged leasehold & freehold. Lessee has 1674 ha freehold mortgaged for \$57,400 of development finance. This money has assisted in the development of 20-21. Lessee is committed to the Livestock Incentive Scheme.

1. NEGATIVE INSTITUTIONAL FACTORS

- a.
- b. 21: Rent 1st term \$1100; 2nd term 6% capital value.  
20: Rent 6% current value
- c. 20: Has three rent reviews & 21 one in term two
- d.
- e. No compensation for lessee improvements to 20 & 21
- f.
- g. Lessee has no ownership in 21

2. NEGATIVE PHYSICAL FACTORS

- a.
- b.
- c. External access, 20-21: Difficult
- d.

3. NEGATIVE MANAGEMENT FACTORS

- a.
- b.
- c.

4. NEGATIVE FINANCIAL FACTORS

- a.
- b.

1. POSITIVE INSTITUTIONAL INFLUENCES

- a. 48: Long term & right of renewal
- b.
- c. 48: Rent at term review & renewal assessed less lessee improvements
- d. 48: No severe extra development demands
- e.
- f. 48: Registered
- g.

2. POSITIVE PHYSICAL INFLUENCES

- a. Area farmed by lessee greater than 4,500 ha
- b. 48 adjoins other large lessee units
- c. External access 48, Reasonable
- d. 48: contains moderately attractive pastoral land

3. POSITIVE MANAGEMENT INFLUENCES

- a. Lessee farm management rating 3(1): Lessee has a good farm management factor associated with its holdings
- b. Lessee has aerial topdressing facilities to service 48
- c. Skill & supply of lessee labour good

4. POSITIVE FINANCIAL INFLUENCES

- a. 48 is mortgageable
- b. Lessee has over 4500 ha of mortgageable land assets. Lessee has obtained development finance & has involved itself in the development of 48

1. NEGATIVE INSTITUTIONAL FACTORS

- a.
- b. 48: Rent \$2898. Rent at term review & renewal 6% capital value
- c. 48: One rent review/term.  
48: Rent at term review and renewal cannot be less than \$2,898
- d.
- e. No compensation for lessee improvements to 48
- f.
- g. Lessee has no ownership in 48

2. NEGATIVE PHYSICAL FACTORS

- a.
- b.
- c.
- d.

3. NEGATIVE MANAGEMENT FACTORS

- a.
- b.
- c.

4. NEGATIVE FINANCIAL FACTORS

- a.
- b.

1. POSITIVE INSTITUTIONAL INFLUENCES

- a. 114: Long term & right of renewal
- b.
- c. 114: Rent at term review assessed less lessee improvements
- d.
- e.
- f. 114: Registered
- g.

2. POSITIVE PHYSICAL INFLUENCES

- a. Area farmed by lessee: 380 ha, lease 114 is seen by the Rural Banking & Finance Corporation as an economic deer farm
- b. 114 is the main lessee holding
- c. External access: 114, Reasonable
- d. 114 contains some strong pastoral land

3. POSITIVE MANAGEMENT INFLUENCES

- a. Lessee farm management rating 3, Lessee is an experienced deer farmer who manages 114 himself. Lessee is enthusiastic & has trapped his own herd
- b. Aerial topdressing facilities servicing 114 adequate
- c. Lessee supplies most labour; it is adequate

4. POSITIVE FINANCIAL INFLUENCES

- a. 114 is mortgageable
- b. Lessee has mortgaged 114 & used security of his relative's property to obtain \$152,500 to develop 114 as a deer farm

2. NEGATIVE INSTITUTIONAL FACTORS

- a.
- b. 114: Rent 6% capital value
- c. 114: One rent review/term  
114: Rent at renewal assessed with lessee improvements
- d. 114: Contains severe extra development demands
- e. No compensation for lessee improvements to 114(1)
- f.
- g. Lessee has no ownership in 114(2)

2. NEGATIVE PHYSICAL FACTORS

- a.
- b.
- c.
- d.

3. NEGATIVE MANAGEMENT FACTORS

- a.
- b.
- c.

4. NEGATIVE FINANCIAL FACTORS

- a.
- b.

FOOTNOTES:

- (1) This lessee is at present trying to acquire a small area of freehold adjoining 114. The lessee wishes to build his permanent improvements on this freehold. Planning authorities created initial difficulties when the lessee and his neighbour applied to have a small block sub-divided for this purpose. This request was not unreasonable as the balance of the block was to remain with the neighbour. A small freehold block will provide the lessee with an interest that could be sold to the next lessee as part of the lease package. Owners of Maori land who have a lessee with a similar problem e.g. lessee IV, could be encouraged to subdivide a small area of the lease and sell it to the lessee for this purpose. Lessees LVII & XLIV have small freehold areas containing permanent improvements. For lessee LVII this area provided security for much needed development finance.
- (2) Priority for obtaining 114 was given to owners and then Maori persons. Before lessee XLVI obtained 114, two persons who were given a priority to lease 114 each failed in turn to cope with the owners onerous development demands for 114. Lessee XLVI is not an owner or a Maori.

LESSEE XLVII: LEASES: (115) 172.4 ha; (116) 56.8 ha; (117) 248.7 ha; (118) 16.2 ha

1. POSITIVE INSTITUTIONAL INFLUENCES

- a. 115-118: Long term. 115, 116, 118 have right of renewal
- b.
- c. 115 — 118: Rent term review assessed less lessees improvements
- d. 115-118: no extra development demands made
- e.
- f. 115-118: Registered
- g. Lessee has ownership in 116

2. POSITIVE PHYSICAL INFLUENCES

- a. Area farmed by lessee: 1120 ha, leases 115-118 & 14 other titles  
12 freehold & 2 leasehold
- b. All lessee holdings in this district adjoin
- c.
- d. 115-118: mainly steep difficult land

3. POSITIVE MANAGEMENT INFLUENCES

- a. Lessee farm management rating 3: Manager is a beneficiary of lessee Trust. He is competent & enthusiastic
- b. Lessee has aerial topdressing facilities to service 115-118
- c. Skill & supply of lessee labour adequate

4. POSITIVE FINANCIAL INFLUENCES

- a. 115, 116, 118 are mortgageable.
- b. Lessee has 1732 ha of mortgageable freehold & leasehold.  
612 ha is farmed in another district. Lessee has obtained \$258,000 of development finance. This is assisting the development of 115-118. The lessee is committed to the Livestock Incentive Scheme

1. NEGATIVE INSTITUTIONAL FACTORS

- a. 117 has no right of renewal
- b. 115-118: Rent 6% of capital value
- c. 115, 116, 118 have one rent review/term, 117 has two rent reviews in a single term  
115, 116, 118: rent at renewal assessed with lessee improvements
- d.
- e. No compensation for lessee improvements to 115-118
- f.
- g. Lessee has no ownership in 115, 117 and 118

2. NEGATIVE PHYSICAL FACTORS

- a.
- b.
- c. External access: 115-118: Difficult
- d.

3. NEGATIVE MANAGEMENT FACTORS

- a.
- b.
- c.

4. NEGATIVE FINANCIAL FACTORS

- a. 117 is in its 2nd term which reduces its value as collateral
- b.

Table XIII: Influences/Factors Affecting States of Development in Group 3 (b)

LESSEE X: LEASE: (26) 1361.9 ha.

1. POSITIVE INSTITUTIONAL INFLUENCES

- a. 26: 50 year term
- b. 26: Rent 50c/acre
- c. 26: No term rent review
- d. 26: No extra development demands made
- e.
- f. 26: Registered
- g.

2. POSITIVE PHYSICAL INFLUENCES

- a. Area farmed by lessee is substantial. Lessee 26 farms only a small part of lessee lands.
- b. 26 adjoins other large lessee units
- c. External access 26, Reasonable
- d.

3. POSITIVE MANAGEMENT INFLUENCES

- a. Lessee farm management rating 3(i): Lessee's farm manager is a capable man. Lessee has occupied 26 for over 80 years
- b. Lessee has aerial topdressing facilities to service 26
- c. Skill & supply of lessee labour good

4. POSITIVE FINANCIAL INFLUENCES

- a. 26 is mortgageable
- b. Lessee has substantial areas of mortgageable land and has in the past carried out development programmes on 26

1. NEGATIVE INSTITUTIONAL FACTORS

- a. 26 has no right of renewal, it is in its second term
- b.
- c.
- d.
- e. No compensation for lessee improvements to 26
- f.
- g. Lessee has no ownership in 26

2. NEGATIVE PHYSICAL FACTORS

- a.
- b.
- c.
- d. 26 is mainly steep and erosion prone

3. NEGATIVE MANAGEMENT FACTORS

- a.
- b.
- c.

4. NEGATIVE FINANCIAL FACTORS

- a.
- b.



LESSEE XXXVI: LEASES: (92) 50.2 ha; (93) 131.1 ha

1. POSITIVE INSTITUTIONAL INFLUENCES

- a. 92-93: long term & right of renewal
- b. 92: Rent 5% capital value
- c. 92: No term rent review  
93: Rent on term review is assessed less lessee improvements
- d. 92-93: No onerous extra development demands
- e.
- f. 93: Registered
- g.

2. POSITIVE PHYSICAL INFLUENCES

- a. Area farmed by lessee is great. Leases 92-93 form only a small part of lessee's lands
- b. 92-93 adjoin a large lessee unit
- c.
- d. 92-93: Easy attractive pastoral land

3. POSITIVE MANAGEMENT INFLUENCES

- a. Lessee farm management rating 3: The farm management factor on this lessee's properties is good. Lessee is an established farming trust
- b. Lessee has aerial topdressing facilities to service 92-93
- c. Skill & supply of lessee labour adequate

4. POSITIVE FINANCIAL INFLUENCES

- a. 93 is a mortgageable asset
- b. Lessee has a substantial area of mortgageable land. The lessee has held 92-93 for many years & has done a reasonable amount of development

1. NEGATIVE INSTITUTIONAL FACTORS

- a.
- b. 93: Rent 7% capital value
- c. 93: One rent review/term  
92-93: Rent at renewal assessed with lessee improvements
- d.
- e. No compensation for lessee improvements to 92-93
- f. 92: Unregistered
- g. Lessee has no ownership in 92-93

2. NEGATIVE PHYSICAL FACTORS

- a.
- b.
- c. External access: 92-93, Very Difficult
- d.

3. NEGATIVE MANAGEMENT FACTORS

- a.
- b.
- c.

4. NEGATIVE FINANCIAL FACTORS

- a. 92 is not a mortgageable asset
- b.

LESSEE XLIII: LEASES: (110) 60.3 ha; (111) 159.3 ha

1. POSITIVE INSTITUTIONAL INFLUENCES

- a. 110-111: Long term
- b. 110-111: Rent 5% capital value
- c. 110-111: No term rent review  
110-111: Rent at renewal was assessed less lessee improvements
- d. 110-111: No extra development demands made
- e.
- f. 110-111: Registered
- g.

2. POSITIVE PHYSICAL INFLUENCES

- a. Area farmed by lessee 596 ha; leases 110-111 and 4 freehold titles
- b. 110-111 & other lessee land form one unit
- c. External access 110 Reasonable; 111 Satisfactory
- d. 110-111: Moderately attractive land

3. POSITIVE MANAGEMENT INFLUENCES

- a. Lessee farm management rating 3: lessee manages his own land.  
The lessee's father farmed this land before him.
- b. Lessee has aerial top dressing facilities to service 110-111
- c. Skill & supply of lessee labour adequate

4. POSITIVE FINANCIAL INFLUENCES

- a.
- b. Lessee has 376.8 ha of mortgageable freehold. This security was used to obtain development money in 1977. The lessee commenced development on his freehold. 110-111 required little extra capital input at this time

1. NEGATIVE INSTITUTIONAL FACTORS

- a. 110-111: No right of renewal, now in their 2nd term
- b.
- c.
- d.
- e. No compensation for lessee improvements to 110-111
- f.
- g. Lessee has no ownership in 110-111

2. NEGATIVE PHYSICAL FACTORS

- a.
- b.
- c.
- d.

3. NEGATIVE MANAGEMENT FACTORS

- a.
- b.
- c.

4. NEGATIVE FINANCIAL FACTORS

- a. 110-111 do not have the length of term remaining to qualify as a mortgageable asset

5. Interpretation of Results for Group Four Leases

Lease Farm Development Rating Group 4(a)

Leases in Group 4(a), face a combination of positive influences that have been working against negative factors to produce above average lease farm development results. These and their respective lessees are:

Lessee IV	lease 14
Lessee XI	lease 27
Lessee XIV	leases 33, 34, 35, 37
Lessee XVIII	leases 50, 56, 98
Lessee XLV	lease 113

Lease 14 has been dealt with in relation to Lessee IV's other leases in Group 3(a) (see Table XII). Those leases remaining in Group 4(a), shown in Table XIV, contain a wider variety of negative factors than previous groups assessed. Particularly noticeable is the lack of renewal rights and insecure length of tenure experienced by the majority of these leases. Other institutional problems relate primarily to ownership although leases 50, 56 and 98 face a multitude of institutional problems.

Physical problems do not include the area farmed by the various lessees, all the leases assessed in this group are part of relatively large farming enterprises. Unfortunately not all the leases adjoin the main lessee unit, have desirable access or are physically attractive units.

Only Lessee XVIII has problems with management factors, but it is noted that Lessee XI in this group has a Farm Management Rating of three. The state of lease 27's development indicates that Lessee XI is not applying the full weight of its management resources. Why this has occurred appears to be related to lease 27 being acquired for non-farming purposes. Lessee XI's occupation of lease 27 has however had secondary benefits in the form of greatly improved access. The lessees reviewed in this group have had to face a wide variety of constraints to development, yet they have continued with programmes to improve their leases.

Table XIV: Influences/Factors Affecting States of Development in Group 4(a)

<p>LESSEE IV: LEASE: (14) 542.4 ha (see analysis in Group 3(a))  LESSEE XI: LEASE: (27) 256 ha</p>	
<p>1. POSITIVE INSTITUTIONAL INFLUENCES</p> <ul style="list-style-type: none"> <li>a. 27: Long term</li> <li>b.</li> <li>c. 27: Rent at term rent review assessed less lessee improvements</li> <li>d. 27: No onerous extra development demands made</li> <li>e.</li> <li>f. 27: Registered</li> <li>g.</li> </ul> <p>2. POSITIVE PHYSICAL INFLUENCES</p> <ul style="list-style-type: none"> <li>a. 27 is crucial in providing access to lessee forestry operations</li> <li>b. 27 adjoins other large lessee units</li> <li>c. External access 27, Reasonable</li> <li>d.</li> </ul> <p>3. POSITIVE MANAGEMENT INFLUENCES</p> <ul style="list-style-type: none"> <li>a. Lessee farm management rating 3(1). Lessee has a good farm management factor associated with its land. Lessee has built a road to &amp; through 27</li> <li>b. Lessee has aerial topdressing facilities to service 27</li> <li>c. Skill &amp; supply of lessee labour adequate</li> </ul> <p>4. POSITIVE FINANCIAL INFLUENCES</p> <ul style="list-style-type: none"> <li>a.</li> <li>b. Freehold &amp; leasehold land held by the lessee is substantial, yet only a small part of its securable assets</li> </ul>	<p>1. NEGATIVE INSTITUTIONAL FACTORS</p> <ul style="list-style-type: none"> <li>a. 27: No right of renewal</li> <li>b. 27: Rent 6% capital value</li> <li>c. 27: One term rent review</li> <li>d.</li> <li>e. No compensation for lessee improvements to 27</li> <li>f.</li> <li>g. Lessee has no ownership in 27</li> </ul> <p>2. NEGATIVE PHYSICAL FACTORS</p> <ul style="list-style-type: none"> <li>a.</li> <li>b.</li> <li>c.</li> <li>d. 27: mainly mountainous terrain</li> </ul> <p>3. NEGATIVE MANAGEMENT FACTORS</p> <ul style="list-style-type: none"> <li>a.</li> <li>b.</li> <li>c.</li> </ul> <p>4. NEGATIVE FINANCIAL FACTORS</p> <ul style="list-style-type: none"> <li>a. Without a right of renewal 27 is not good collateral</li> <li>b. The lessee's motive in acquiring 27 was the need for access. 27's unattractive nature and its lack of renewal rights have meant it has not been developed, where possible, to the extent the lessee's resources imply it could be</li> </ul>

LESSEE XIV: LEASES: (33) 21.2 ha; (34) 15.6 ha; (35) 145.2 ha; (37) 45.7 ha

1. POSITIVE INSTITUTIONAL INFLUENCES

- a. 33-35, 37: Long term. 33, 34, 37 have right of renewal
- b. 33-35: Rent 5% capital value
- c. 33-35: No term rent review
  - 33, 34, 37: Rent at renewal assessed less lessee improvements
  - 37: Rent at term review assessed less lessee improvements
- d. 33, 34, 37: No extra development demands made
- e.
- f. 33-35, 37: Registered
- g.

2. POSITIVE PHYSICAL INFLUENCES

- a. Area farmed by lessee: 1038 ha, leases 33-38 & 6 other titles
  - 4 freehold & 2 leasehold
- b. 33-38 adjoin the lessee's main unit
- c. External access: 33-35, 37 Very Good
- d. 33-35, 37: Contains some attractive land

3. POSITIVE MANAGEMENT INFLUENCES

- a. Lessee farm management rating 4: Sound lessee/manager who does not discriminate against 33-38. He is due to retire to a 266 ha freehold unit near town
- b. Lessee has built an airstrip on 37
- c. Lessee labour is adequate & competent

4. POSITIVE FINANCIAL INFLUENCES

- a. 33, 34, 37 are mortgageable
- b. Including 33-35, 37 & 38 this lessee has 659 ha leasehold & 259 ha freehold that are mortgageable. This lessee is committed to the Livestock Incentive Scheme

1. NEGATIVE INSTITUTIONAL FACTORS

- a. 35 has no right of renewal
- b. 37: Rent 6% capital value.
- c. 37: One rent review/term
- d. 35: Extra development demands made
- e. No compensation for lessee improvements made
- f.
- g. Lessee has no ownership in 33-35, 37

2. NEGATIVE PHYSICAL FACTORS

- a.
- b.
- c.
- d.

3. NEGATIVE MANAGEMENT FACTORS

- a.
- b.
- c.

4. NEGATIVE FINANCIAL FACTORS

- a. 35 is no longer mortgageable as expiry is due
- b. This lessee has not obtained the majority of his finance externally

NOTES ON LESSEE'S OTHER PART 23 LEASES

(i) (38) 53.4 ha, Group 4(b) I: Lease 38 differs from lessee leases in 4(a) in that it has not been developed in its present term. Factors & influences affecting 38 that could account for this are those that vary from leases 33 & 34 in Group 4(a). First lease 38, although partly developed, is not attractive & second, it has no right to renewal. 35 has no right to renewal but this is offset by its physical nature. 37 has institutional drawbacks but remains in 4(a) by virtue of its positive physical attributes.

(ii) (36) 84.2 ha Group 9(b): Lease 36 is infertile & was in heavy bush when the lessee obtained it. This fact along with a lack of registration accounts for its grouping relative to the lessee leases in group 4.

LESSEE XVIII: LEASES: (50) 194.3 ha; (56) 68.3 ha; (98) 33.1 ha

1. POSITIVE INSTITUTIONAL INFLUENCES

- a. 50: Has long term rent right to renewal
- b. 56, 98: Rent 5% capital value
- c. 56 & 98 No term rent review  
56 & 98 Rent at renewal assessed less lessee improvements  
50 Rent at term review assessed less lessee improvements
- d. 56 & 98 No extra development demands made
- e.
- f.
- g.

2. POSITIVE PHYSICAL INFLUENCES

- a. Area farmed by lessee 3173 ha, leases 50-56, 98 & 12 other titles  
8 leasehold & 4 freehold
- b.
- c. External access: 56 & 98 Reasonable
- d. 50, 56, 98: mainly very attractive units

3. POSITIVE MANAGEMENT INFLUENCES

- a. Lessee farm management rating 4: lessee/manager has lived and farmed in this district for many years. His methods are unorthodox but his mana is great
- b. Aerial topdressing facilities serving leases are adequate
- c. Lessee has deftly managed his labour

4. POSITIVE FINANCIAL INFLUENCES

- a.
- b. Using 997 ha of mortgageable freehold & stock the lessee has obtained \$111,400 of development finance. He has used this money to assist in the development of 50, 56 & 98

1. NEGATIVE INSTITUTIONAL FACTORS

- a. Lessee subleases 56 & occupies 98 for lessee XL
- b. 50: Rent 6% capital value
- c. 50: One rent review/term  
98: Rent at renewal 6% capital value  
50: Rent at renewal assessed with lessee improvements
- d. 50 contains severe extra development demands
- e. No compensation for lessee improvements to 50, 56, 98
- f. 50, 56 & 98: Unregistered
- g. Lessee XVIII has no ownership in 50, 56 and 98

2. NEGATIVE PHYSICAL FACTORS

- a.
- b. 50, 56 & 98 do not adjoin a main lessee unit
- c. External access: 50, Very difficult
- d.

3. NEGATIVE MANAGEMENT FACTORS

- a. The lessee's farm management in the last few years has been impaired by his age
- b.
- c. Lessee labour supply generally unskilled

4. NEGATIVE FINANCIAL FACTORS

- a. 50, 56 & 98 are not mortgageable
- b.

NOTES ON LESSEE'S OTHER PART 23 LEASES

(i) (51) 281.2 ha, Group 4(b)I: Lease 51 does not have renewal rights available as does 50 in Group 4(a). It is a steep unattractive block that has not seen development for some years. These negative factors are not balanced by the fact it adjoins a large unit containing the lessee's home or has a secure lease as opposed to a sublease. Other negative factors facing 51 are similar to those facing lease 98 with perhaps the addition of less desirable access. These factors, combined with a 2nd term on an unattractive block have resulted in its static state.

(ii) Leases (52) 154.5 ha; (53) 219.0 ha; (55) 243.7 ha, Group 5(b)I: All these leases have had in previous terms, a certain amount of development carried out. In the present term little or no development has been done. Relative to 50 in Group 4(a) 52 has the added benefits of less severe problems with institutional factors and of adjoining a large lessee unit (not however the home unit). Unfortunately 52 has no right of renewal & is physically unattractive & erosion prone. Relative to 50 in group 4(a) lease 53 differs by having no right of renewal, added rent reviews & of being less physically attractive. Relative to 50 in Group 4(a) lease 55 has fewer problems with institutional factors, it is registered and adjoins another large lessee unit (not however, the home block). Unfortunately 55 lacks a right of renewal, is physically unattractive and is critically erosion prone.

(iii) Lease (54) 158.5 ha, in Group 6(b) I: 54 has almost identical factors & influences operating as lease 52 in Group 5(b)I. 54 varies from 52 by having better access and by unfortunately being more critically mobile.

The static nature of development on leases (i), (ii) & (iii) appear to be strongly related to their lack of rights to renewal and their lack of positive physical attributes. No doubt the lessee's age has resulted in him favouring the more attractive blocks. They are blocks that can also be continued into a second term by his sons.

LESSEE XLV: LEASE (113) 688 ha

1. POSITIVE INSTITUTIONAL INFLUENCES

- a. 113: Long term
- b. 113: Rent 5% capital value
- c. 113: No term rent review
- d. 113: No extra development demands made
- e.
- f. 113: Registered
- g. Lessee ownership guarantees renewal for lease 113

2. POSITIVE PHYSICAL INFLUENCES

- a. Area farmed by lessee 2033 ha, lease 113 & 4 other titles  
2 freehold and 2 leasehold
- b. 113 adjoins other large lessee units
- c. External access 113 Satisfactory
- d.

3. POSITIVE MANAGEMENT INFLUENCES

- a. Lessee farm management rating 4: Lessee manages his own land & assists in farming a large family unit nearby. Lessee & his family have always occupied 113
- b. Lessee has aerial topdressing facilities to service 113
- c. Skill & supply of lessee labour adequate

4. POSITIVE FINANCIAL INFLUENCES

- a. 113 is a mortgageable asset
- b. Lessee has 2000 mortgageable ha & has obtained \$225,000 to assist in the development of his properties including 113

1. NEGATIVE INSTITUTIONAL FACTORS

- a. 113: No right to renewal
- b.
- c.
- d.
- e. No compensation for lessee improvements to 113
- f.
- g.

2. NEGATIVE PHYSICAL FACTORS

- a.
- b.
- c.
- d. 113 mainly poor unattractive land

3. NEGATIVE MANAGEMENT FACTORS

- a.
- b.
- c.

4. NEGATIVE FINANCIAL FACTORS

- a.
- b.

Lease Farm Development Rating Group 4(b) I

Leases in Group 4(b) I, face a combination of positive influences that have outweighed negative factors to produce a reasonably well developed lease that is maintained and is producing an above average output. These leases and their respective lessees are:

Lessee XIV	lease 38
Lessee XVIII	lease 51
Lessee XXVIII	leases 75, 76 and 77

Leases 38 and 51 are assessed with their lessee's leases in Group 4(a) (see table XIV). The remaining leases in this group are those held by lessee XXVIII (assessed in table XV).

Noticeable 75 to 77 have no right of renewal, they are unregistered and the lessee has no ownership in them. They have a physical problem with access but no management problems as such. There is no security in 75 to 77 and it appears that lessee XXVIII is averse to borrowing money against assets that are securable. These institutional, physical and financial factors no doubt have combined to produce the leases relatively static state.

Lease Farm Development Rating Group 4(b) II

Leases in Group 4(b) II shown in Table XVI have faced a combination of positive influences that have outweighed negative factors to produce a reasonably well developed lease. At present, however, this condition is deteriorating although the lease is still producing an above average output. These leases and their lessee are:

Lessee V	leases 18 and 19
----------	------------------

These leases lack renewal rights and lessee ownership, they do not adjoin other lessee holdings and face distinct management problems. The later problems have reflected themselves in a number of negative financial factors. This lessee does not appear to want to maintain his leases let alone develop them.



Table XV: Influences/Factors Affecting States of Development in Group 4(b)I

LESSEE XIV: LEASE: (38) 53.4 ha; (see analysis in Group 4(a))  
 LESSEE XVIII: LEASE: (51) 281.2 ha (see analysis in Group 4(a))  
 LESSEE XXVIII: LEASES: (75) 57.6 ha; (76) 66.2 ha; (77) 118 ha

1. POSITIVE INSTITUTIONAL INFLUENCES

- a. 75-77: Long term
- b. 75-77: Rent 5% capital value
- c. 75-77: No term rent review
- d. 75-77: No extra development demands made
- e.
- f.
- g.

2. POSITIVE PHYSICAL INFLUENCES

- a. Area farmed by lessee 1170 ha, leases 75-77 & 16 other titles, 7 freehold & 9 leasehold
- b. 75-77 adjoin lessee land near the main unit
- c. External access, 75 Good; 76 Satisfactory
- d. 75-77 moderately attractive land

3. POSITIVE MANAGEMENT INFLUENCES

- a. Lessee farm management rating 4: management team consist of the original lessee's son & an on-farm manager. They run a well established enterprise.
- b. Lessee has aerial topdressing facilities to service 75-77
- c. Skill & supply of lessee labour is good

4. POSITIVE FINANCIAL INFLUENCES

- a.
- b. Lessee has a large area of land available as collateral, if it wished to borrow development finance

1. NEGATIVE INSTITUTIONAL FACTORS

- a. 75-77: No right to renewal
- b.
- c.
- d.
- e. No compensation for lessee improvements to 75-77
- f. 75-77: Unregistered
- g. Lessee has no ownership in 75-77

2. NEGATIVE PHYSICAL FACTORS

- a.
- b.
- c. External access: 77 Poor
- d.

3. NEGATIVE MANAGEMENT FACTORS

- a.
- b.
- c.

4. NEGATIVE FINANCIAL FACTORS

- a. 75-77 are due to expire & are unregistered. Therefore are not mortgageable
- b. The lessee has not used any external development finance to develop any of its properties

Table XVI: Influences/Factors Affecting States of Development in Group 4(b) II

LESSEE V: LEASES: (18) 102 ha; (19) 371.5 ha

1. POSITIVE INSTITUTIONAL INFLUENCES

- a. 18-19: Long term
- b. 18-19: Rent 5% capital value
- c. 18-19: No term rent review
- d. 18-19: No extra development demands made
- e.
- f. 18-19: Registered
- g.

2. POSITIVE PHYSICAL INFLUENCES

- a. In this district the area farmed by the lessee is 1404 ha, 15-19 & 2 other titles
- b. 18 & 19 adjoin
- c. External access: 18-19 Satisfactory
- d. 18-19: Easy attractive pastoral land

3. POSITIVE MANAGEMENT INFLUENCES

- a. Lessee farm management rating 4: a manager farms this property for the lessee
- b. Lessee has aerial topdressing facilities on 18-19
- c.

4. POSITIVE FINANCIAL INFLUENCES

- a.
- b. Lessee has substantial areas of land available for use as security

1. NEGATIVE INSTITUTIONAL FACTORS

- a. 18-19: No right to renewal
- b.
- c.
- d.
- e. No compensation for lessee improvements to 18-19
- f.
- g. Lessee has no ownership in 18-19

2. NEGATIVE PHYSICAL FACTORS

- a.
- b. 18-19 do not adjoin other local lessee units
- c.
- d.

3. NEGATIVE MANAGEMENT FACTORS

- a. Lessee manager is kept on an uncomfortably tight budget  
The lessee is not resident in the area
- b.
- c. Lessee labour supply inadequate

4. NEGATIVE FINANCIAL FACTORS

- a. 18-19 are in their 2nd term, this reduces their value as security
- b. Lessee has not obtained external finance for the development of 18-19 or any of his other holdings in the district

NOTES ON LESSEE'S OTHER PART-23 LEASES

(1) (15) 297.4 ha; (16) 190.4 ha; (17) 398.9 ha, Group 8(b)II: 15-17 have very similar influences & factors operating on them as 18-19 do in Group 4(b)II. All lessee leases are deteriorating. 15 & 17 have no right of renewal & 16 is unlikely to be allowed to continue when rent is reviewed at renewal. Negative factors different from 18 & 19 that could account for the lower farm development rating of 15-17 are, 15-17 being physically steep and erosion prone, having problems with access, top dressing facilities and being farmed for between 8 & 15 years longer than 18-19. Other negative differences involve 17 lacking registration & 16 having rent at renewal assessed with lessee improvements. Positive differences involved 16 being mortgageable & 15-17 forming a fairly large independent unit. This lessee seems to have been content to abuse his part-23 leases making little or no effort to maintain them despite the positive aspects mentioned.

6. Interpretation of Results for Group Five Leases

Lease Farm Development Rating Group 5(a)

Leases in Group 5(a) shown in Table XVII, have exhibited a balance between negative factors and positive influences to produce average lease farm development results. These leases and their respective lessees are:

Lessee XXX	lease 82
Lessee XXXV	lease 90
Lessee XXXVIII	lease 95
Lessee XLI	leases 101, 103, 104
Lessee LIV	lease 129, 130
Lessee LVII	lease 136

Four leases in this group have no rights to renewal but this has not deterred development. It appears that the desire to obtain a new lease has been quite important. Three leases have desirably long terms, but most have rent and rent review problems. One lease has severe extra development demands and four leases are unregistered. Only two of the leases have no lessee ownership.

Three leases belong to units of an uneconomic size and one lessee has holdings scattered over a large area. Three leases contain difficult hill country but all in all leases in this group contain predominantly good pastoral land.

Negative management factors are evident in the form of an inadequate labour supply. No doubt tighter financial circumstances have contributed to this situation.

Seven of the nine leases are not mortgageable. Three lessees have not obtained external development finance. Five of the six lessees have very limited collateral for use in obtaining development finance.

Table XVII: Influences/Factors Affecting States of Development in Group 5(a)

LESSEE XXX: LEASES: (82) 647.9 ha	
<p>1. POSITIVE INSTITUTIONAL INFLUENCES</p> <ul style="list-style-type: none"> <li>a. 82 has a 50 year term</li> <li>b.</li> <li>c. 82: Rent at review assessed less lessee improvements</li> <li>d. 82: No extra development demands made</li> <li>e.</li> <li>f.</li> <li>g. Lessee family has ownership in 82</li> </ul> <p>2. POSITIVE PHYSICAL INFLUENCES</p> <ul style="list-style-type: none"> <li>a. Area farmed by lessee 648 ha, lease 82</li> <li>b. 82 is main lessee unit</li> <li>c. External access 82 Very good</li> <li>d. Flat on 82 is good dairy country</li> </ul> <p>3. POSITIVE MANAGEMENT INFLUENCES</p> <ul style="list-style-type: none"> <li>a. Lessee farm management rating 5. Lessee's son manages this dairy unit, it has been in the family for a number of years</li> <li>b. Lessee has aerial topdressing facilities to service 82</li> <li>c. Manager &amp; wife provide adequate labour</li> </ul> <p>4. POSITIVE FINANCIAL INFLUENCES</p> <ul style="list-style-type: none"> <li>a.</li> <li>b. The lessee has obtained \$35,000 on stock security to assist with the development of 82 as a dairy unit</li> </ul>	<p>1. NEGATIVE INSTITUTIONAL FACTORS</p> <ul style="list-style-type: none"> <li>a.</li> <li>b. 82: Rent 6% capital value</li> <li>c. 82: Four rent reviews</li> <li>d.</li> <li>e. No compensation for lessee improvements to 82</li> <li>f. 82: Unregistered</li> <li>g.</li> </ul> <p>2. NETATIVE PHYSICAL FACTORS</p> <ul style="list-style-type: none"> <li>a.</li> <li>b.</li> <li>c.</li> <li>d. 82 contains some difficult hill country</li> </ul> <p>3. NEGATIVE MANAGEMENT FACTORS</p> <ul style="list-style-type: none"> <li>a.</li> <li>b.</li> <li>c.</li> </ul> <p>4. NEGATIVE FINANCIAL FACTORS</p> <ul style="list-style-type: none"> <li>a. 82 is not mortgageable</li> <li>b. Lessee has no other mortgageable land</li> </ul>

LESSEE XXXV: LEASE: (90) 193.9 ha

1. POSITIVE INSTITUTIONAL INFLUENCES

- a. 90 has a long term
- b.
- c. 90: Rent review is assessed less lessee improvements
- d. 90 has no extra development demands
- e.
- f. 90: Registered
- g.

2. POSITIVE PHYSICAL INFLUENCES

- a. Area farmed by lessee 554 ha, leases 90, 91 & 3 other titles, 1 freehold & 2 registered leasehold
- b. All lessee holdings are in close proximity
- c. External access, 90 Very good
- d. 90 is an attractive block

3. POSITIVE MANAGEMENT INFLUENCES

- a. Lessee farm management rating 5. A manager farms this lessee's land
- b. Lessee has aerial topdressing facilities to service 90
- c. Skill & supply of lessee labour adequate

4. POSITIVE FINANCIAL INFLUENCES

- a.
- b. Lessee has 305 ha of mortgageable freehold & leasehold

1. NEGATIVE INSTITUTIONAL FACTORS

- a. 90 has no right of renewal
- b. 90: Rent 6% capital value
- c. 90: One rent review/term
- d.
- e. No compensation for lessee improvements to 90
- f.
- g. Lessee has no ownership in 90

2. NEGATIVE PHYSICAL FACTORS

- a.
- b.
- c.
- d.

3. NEGATIVE MANAGEMENT FACTORS

- a.
- b.
- c.

4. NEGATIVE FINANCIAL FACTORS

- a. 90 is in its 2nd term & thus provides less security
- b. The lessee has not obtained external finance to assist with development on 90

NOTES ON LESSEE'S OTHER PART-23 LEASES

(1) (91) 55 ha in Group 9(b): 91 has a right to renewal and better rent and rent review influences than 90. However, it has additional negative factors in the form of a lack of registration and a very unattractive physical nature. It was covered with scrub when the lessee obtained it. It is likely that the lessee decided to ensure a new lease of 90 by making a development effort. If the lessee obtains a new lease the return from the development of 90 is likely to be much greater than the return from any development of 91.

LESSEE XXXVIII: LEASE: (95) 345.8 ha

1. POSITIVE INSTITUTIONAL INFLUENCES

- a. 95: Long term
- b. 95: Rent 5% capital value
- c. 95: No term rent review
- d. 95: No extra development clause
- e.
- f. 95: Registered
- g. Lessee has 20% ownership in 95

2. POSITIVE PHYSICAL INFLUENCES

- a.
- b. Lessee holdings adjoin to form one unit
- c. External access 95 Very good
- d. 95: Easy attractive unit

3. POSITIVE MANAGEMENT INFLUENCES

- a. Lessee farm management rating 5. Lessee estate has a manager to run this property
- b. Lessee has aerial topdressing facilities available to 95
- c. Labour provided by manager usually adequate

4. POSITIVE FINANCIAL INFLUENCES

- a.
- b.

1. NEGATIVE INSTITUTIONAL FACTORS

- a. 95 has no right to renewal
- b.
- c.
- d.
- e. No compensation for lessee improvements to 95
- f.
- g.

2. NEGATIVE PHYSICAL FACTORS

- a. Area farmed by lessee 428 ha, lease 95 & one other unregistered title
- b.
- c.
- d.

3. NEGATIVE MANAGEMENT FACTORS

- a.
- b.
- c.

4. NEGATIVE FINANCIAL FACTORS

- a. Length of term remaining for 95 reduces its value as collateral
- b. Lessee has no mortgageable assets in land & has not obtained external development finance

LESSEE XLI: LEASES: (101) 121.8 ha; (103) 313.2 ha; (104) 66.2 ha

1. POSITIVE INSTITUTIONAL INFLUENCES

- a. 101, 21 year term; 104, 50 year term; 103, 25 year term.  
103 and 104 have renewal rights
- b.
- c. 104 has only one rent review over a 50 year term  
101, 103, 104: Rent at term review assessed less lessee improvements
- d. 101, 103, 104: No extra development demands made
- e.
- f. 101, 103: Registered
- g. Lessee has ownership in 101 & 103

2. POSITIVE PHYSICAL INFLUENCES

- a. Area farmed by lessee 937 ha, leases 99-107 & 4 other titles all  
unregistered leasehold
- b.
- c. External access 104 Very good
- d. 101, 104 moderately attractive land

3. POSITIVE MANAGEMENT INFLUENCES

- a. Lessee farm management rating 5; lessee manages his own land
- b. Lessee has aerial topdressing facilities for 101, 103, 104
- c.

4. POSITIVE FINANCIAL INFLUENCES

- a. 103 is mortgageable
- b. 101 & 103 have been mortgaged & \$12,240 obtained to assist with their  
development

1. NEGATIVE INSTITUTIONAL FACTORS

- a. 101 has no right to renewal
- b. 101, 103, 104 rent 6% capital value
- c. 103: One rent review/term; 101 two rent reviews in one term  
103: Rent at renewal assessed with lessee improvements
- d.
- e. 101, 103, 104: No compensation for lessee improvements
- f. 104: Unregistered
- g. Lessee has no ownership in 104

2. NEGATIVE PHYSICAL FACTORS

- a.
- b. Lessee holdings are scattered
- c. External access 101, Poor; 103, Very difficult
- d. 103: Steep, difficult lease

3. NEGATIVE MANAGEMENT FACTORS

- a.
- b.
- c. Skill & supply of lessee labour inadequate

4. NEGATIVE FINANCIAL FACTORS

- a. 101 has no right of renewal reducing its value as collateral.  
104 is not mortgageable
- b. Lessee has no mortgageable assets apart from 103

NOTES ON LESSEE'S OTHER PART-23 LEASES

(i) (99) 17.8 ha in Group 5(b)I: 99 has institutional factors similar to 103, the main differences being that 99 is unregistered & the lessee has no ownership in it. It is a small attractive lease that no longer requires a large capital input, a reason perhaps for its static lessee farm development rating. An improvement in 99 would come with better stock & pasture management. Unfortunately, the limited nature of the lessee's time given his scattered properties, his management ability & his inadequate labour supply means 99 is unlikely to improve.

(ii) (100) 87.7 ha; (102) 97.5 ha; (105) 94.8 ha; (106) 34.1 ha; (107) 40.9 ha in Group 8(b)I: 102 faces factors and influences almost exactly like 101 except it is smaller & less attractive. Leases 100, 105-107 have institutional factors very like 103, the differences involve the former being unregistered & only 105 & 106 having lessee ownership. 105-107 are more physically attractive than 103, although individually they are smaller in size. No one single factor appears to account for the lower farm development rating of leases in 8(b)I relative to leases in Group 5. The most accurate assessment of their lower Lessee Farm Development Rating would involve the lessee being unable/unwilling to stretch his limited management, financial & labour resources to their development.

LESSEE LIV: LEASES: (129) 64.1 ha; (130) 23.6 ha

1. POSITIVE INSTITUTIONAL INFLUENCES

- a. 129-130: Long term & right of renewal
- b.
- c. 129-130: have no term rent review
- d. 129: No extra development demands made
- e.
- f. 129: Registered
- g. Lessee has ownership in 129-130

2. POSITIVE PHYSICAL INFLUENCES

- a.
- b. All lessee holdings adjoin to form one unit
- c. External access 129-130 Satisfactory
- d. 129-130: Attractive hill country

3. POSITIVE MANAGEMENT INFLUENCES

- a. Lessee farm management rating 5, Lessee manages his own land & an adjoining 500 ha family incorporation
- b. Lessee has aerial topdressing facilities to service 129-132
- c. Lessee & sons supply labour on lessee holdings

4. POSITIVE FINANCIAL INFLUENCES

- a. 129 is mortgageable

1. NEGATIVE INSTITUTIONAL FACTORS

- a.
- b. 129-130: Rent 6% capital value
- c. 129-130: Rent at renewal assessed with lessee improvements
- d. 130: Onerous extra development demands made
- e. No compensation for lessee improvements to 129-130
- f. 130: Unregistered
- g.

2. NEGATIVE PHYSICAL FACTORS

- a. Area farmed by lessee 242 ha, leases 129-132, & 2 small titles
- b.
- c.
- d.

3. NEGATIVE MANAGEMENT FACTORS

- a. Lessee is the fulltime employee of the adjoining incorporation
- b.
- c.

4. NEGATIVE FINANCIAL FACTORS

- a. 130 is not mortgageable
- b. 129 is this lessee's only mortgageable land asset. The lessee has not obtained external development finance

NOTES ON LESSEE'S OTHER PART-23 LEASES

(i) (133) 51 ha in Group 5(b)I: Lease 133 has factors operating that are very similar to 130. It has the added positive influence of better rent but it has no right of renewal, meaning a future term is not guaranteed. The lessee's 9% ownership does not ensure a new lease being granted. It appears that pending expiry has led to 133's static state.

(ii) (131) 36.4 ha; (132) 54.9 ha in Group 9(b): Leases 131-132 have similar factors operating as lease 133. They have the added positive influence of Registration but as expiry is now due their mortgageable value is negated. The critical extra negative factor in 131-132 relative to 133 is their unattractive physical nature. They are unsuited to pastoral development. No doubt the reason for their 9(b) farm development rating.



LESSEE LVII: LEASE: (136) 1184.7 ha

1. POSITIVE INSTITUTIONAL INFLUENCES

- a. 136: Long term, negotiating a new lease
- b.
- c.
- d. 136: No extra lease covenants
- e.
- f.
- g. Lessee has ownership in 136

2. POSITIVE PHYSICAL INFLUENCES

- a. Area farmed by lessee 1187 ha, lease 136, and two freehold house sites
- b. All lessee holdings adjoin to form one unit
- c. External access, 136 Very good
- d.

3. POSITIVE MANAGEMENT INFLUENCES

- a. Lessee farm management rating 5: Lessee & his sons manage 136  
They have occupied it for many years. Lessee is trying to get a new  
lease for his sons
- b. Lessee has aerial topdressing facilities to service 136
- c.

4. POSITIVE FINANCIAL INFLUENCES

- a.
- b. Lessee has mortgaged his freehold & stock to obtain \$20,000 of  
development finance. This has been used to help upgrade the lease  
in order to ensure a new lease

1. NEGATIVE INSTITUTIONAL FACTORS

- a. 136 has no right to renewal
- b. 136: Rent 6% capital value
- c. 136: Two rent reviews/term  
136: Rent at review is set by arbitration, a legally vague  
activity at present
- d.
- e. No compensation for lessee improvements to 136
- f. 136: Unregistered
- g.

2. NEGATIVE PHYSICAL FACTORS

- a.
- b.
- c.
- d. 136: Mainly steep & erosion prone

3. NEGATIVE MANAGEMENT FACTORS

- a.
- b.
- c. Lessee labour supply tends to be inadequate

4. NEGATIVE FINANCIAL FACTORS

- a. Registration of 136 is pending a new lease & survey. Further  
development finance depends on lease registration. The lessee  
has no mortgageable land assets apart from two houses & their  
sites
- b.

Lease Farm Development Rating Group 5(b) I

Leases in Group 5(b) I have balanced negative factors to produce a partly developed lease that is maintained and is producing an average output.

These leases and their respective lessees are:

Lessee XVIII	leases 52, 53, 55 (see Table XIV)
Lessee XXV	leases 65, 66, 67, 68
Lessee XXXIII	leases 86, 87
Lessee XLI	lease 99 (see Table XVII)
Lessee LIV	lease 133 (see Table XVII)

Lessee's XVIII, XLI and LIV have their leases in this group dealt with relative to their other leases in the relevant tables. In the remaining leases (analysed in Table XVIII) the increasing weight of negative factors is evident.

Negative institutional factors include a lack of renewal rights for lease 87, rent and rent review problems for all but one lease and a lack of lessee ownership faced by all leases.

Negative physical factors involve the relatively small areas farmed by Lessees XXV and XXXIII and the unattractive nature of lease 86.

Negative factors on the management side relate to both farm managers being occupied with matters other than the farming of their part XXIII leases. Given they provide the only labour on their respective holdings their leases tend to suffer.

Financial problems include 87 lacking registration and neither lessee XXV nor Lessee XXXIII having obtained finance to develop their part XXIII leases.

It appears that the part XXIII leases in this group (analysed in table XVIII) have a state of development commensurate with their secondary value to their lessees.

Table XVIII: Influences/Factors Affecting States of Development in Group 5(b)I

<p>LESSEE XVIII: LEASES: (52) 154.5 ha; (53) 219 ha; (55) 243.7 ha (see analysis in Group 4(a))</p> <p>LESSEE XXV: LEASES: (65) 33.1 ha; (66) 29.4 ha; (67) 79.7 ha; (68) 60.3 ha</p>	
<p>1. POSITIVE INSTITUTIONAL INFLUENCES</p> <ul style="list-style-type: none"> <li>a. 65-68: Long term &amp; right of renewal</li> <li>b.</li> <li>c. 65-68: Rent at term review assessed less lessee improvements Leases 65-68 have recently had their titles amalgamated*</li> <li>d. 65-68: No extra development demands made</li> <li>e.</li> <li>f. 65-68: Unregistered</li> <li>g.</li> </ul> <p>2. POSITIVE PHYSICAL INFLUENCES</p> <ul style="list-style-type: none"> <li>a.</li> <li>b. 65-68: adjoin, they are the main lessee unit</li> <li>c. External access 65-68 Satisfactory</li> <li>d. 65-68: contain easy attractive land</li> </ul> <p>3. POSITIVE MANAGEMENT INFLUENCES</p> <ul style="list-style-type: none"> <li>a. Lessee farm management rating 5. Lessee manages 65-68 himself</li> <li>b. Lessee has aerial topdressing facilities to service 65-68</li> <li>c.</li> </ul> <p>4. POSITIVE FINANCIAL INFLUENCES</p> <ul style="list-style-type: none"> <li>a. 65-68 are mortgageable</li> <li>b. Lessee has two freehold titles and 65-68 amounting to 226 mortgageable ha. Lessee is committed to the Livestock Incentive Scheme</li> </ul>	<p>1. NEGATIVE INSTITUTIONAL FACTORS</p> <ul style="list-style-type: none"> <li>a.</li> <li>b. 65-58: Rent 6% capital value</li> <li>c. 65-68: One rent review/term 65-68: Rent at renewal assessed with lessee improvements</li> <li>d.</li> <li>e. No compensation for lessee improvements to 65-68</li> <li>f.</li> <li>g. Lessee has no ownership in 65-68</li> </ul> <p>2. NEGATIVE PHYSICAL FACTORS</p> <ul style="list-style-type: none"> <li>a. Area farmed by lessee 245 ha, leases 65-68 &amp; 6 other small titles, 2 freehold &amp; 4 leasehold (42 ha)</li> <li>b.</li> <li>c.</li> <li>d.</li> </ul> <p>3. NEGATIVE MANAGEMENT FACTORS</p> <ul style="list-style-type: none"> <li>a. Lessee is employed full time elsewhere. He does not live near 65-68</li> <li>b.</li> <li>c. Lessee supplies only labour</li> </ul> <p>4. NEGATIVE FINANCIAL FACTORS</p> <ul style="list-style-type: none"> <li>a.</li> <li>b. Lessee has not mortgaged any of his assets to obtain development finance</li> </ul>

\* Amalgamation of titles is a move to ease administrative problems. One lease now need be applied for the whole area 203 ha.

LESSEE XXXIII: LEASES: (86) 250.6 ha; (87) 12.8 ha

1. POSITIVE INSTITUTIONAL INFLUENCES

- a. 86-87: Long term; 86 has a right to renewal
- b. 87: Rent 5% capital value
- c. 87: Has no term rent review  
86: Rent at renewal and term review assessed less lessee improvements
- d. 86-87: No extra development demands made
- e.
- f. 86: Registered
- g.

2. POSITIVE PHYSICAL INFLUENCES

- a.
- b. All lessee holdings adjoin to form one unit
- c. External access Satisfactory
- d. 87 is an attractive lease

3. POSITIVE MANAGEMENT INFLUENCES

- a. Lessee farm management rating 5. Lessee's son manages 86 & 87, the lessee's family have occupied these leases for at least 3 generations
- b. Lessee has aerial topdressing facilities to service 86 & 87
- c.

4. POSITIVE FINANCIAL INFLUENCES

- a. 86 is mortgageable
- b. This lessee has 8 other mortgageable titles apart from 86. The total area available for mortgage is 391 ha

1. NEGATIVE INSTITUTIONAL FACTORS

- a. 87: has no right to renewal
- b. 86: Rent 6% capital value
- c. 86: Has one rent review/term  
86: Rent at term review 6% capital value  
86: Rent at renewal 6% capital value
- d.
- e. No compensation for lessee improvements to 86-87
- f. 87: Unregistered
- g. Lessee has no ownership in 86-87

2. NEGATIVE PHYSICAL FACTORS

- a. Area farmed by the lessee 413 ha, leases 86, 87 & a predominantly freehold vineyard
- b.
- c.
- d. 86 is steep & erosion prone

3. NEGATIVE MANAGEMENT FACTORS

- a. Lessee's son is concentrating on vineyard development. This tends to be at the expense of 86 & 87
- b.
- c. Lessee labour supply inadequate

4. NEGATIVE FINANCIAL FACTORS

- a. 87 is not mortgageable
- b. External finance obtained by this lessee has not been used to develop 86 or 87

LESSEE LIV: LEASE: 133) 51 ha (see analysis in Group 5(a))  
LESSEE XL1: LEASE: 99) 17.8 ha (see analysis in Group 5(a))

## 7. Interpretation of Results for Group Six Leases

### Lease Farm Development Rating Group 6(a)

Leases in Group 6(a) face positive influences that have not outweighed negative factors. Leases are producing below average lease farm development results. These leases and their respective lessees are:

Lessee I	lease 1
Lessee IV	leases 10 and 11 (see Table XII)
Lessee LI	lease 122

Lessee IV has leases 10 and 11 analysed in table XII relative to his other leases. Leases 1 and 122 are assessed here in association with table XIX.

Lease one is peculiar in that it faces very few negative factors in the institutional, physical and financial categories. Management factors appear to be the principle constraints, a lessee farm management rating of 6 being compounded by poor on-farm staff and casual labour.

Lessee LI lease 122 faces a wider range of problems, at least one in each category. The most significant, however, appear to be in the management category. Lessee I and LI in this group are trying to develop their leases but are constrained by management problems.

### Lease Farm Development Rating Group 6(b)I

Leases in Group 6(b)I face a situation where positive influences have not outweighed negative factors. Leases are being maintained in a partly developed state and are producing a below average output. These leases and their respective lessees are:

Lessee XIII	lease 32
Lessee XVIII	lease 54 (see Table XIV)
Lessee XXII	lease 62
Lessee XLII	leases 108, 109.

Lease 54 is analysed relative to lessee XVIII's other leases in table XIV. The leases remaining in this group face numerous negative factors (shown in table XX)

Leases 108 and 109 face many negative institutional factors, with rent, rent review, renewal, registration and ownership problems.

Negative physical factors involve lessees XIII and XXII farming relatively small enterprises. Leases 32, 62 and 109 have access problems and 62, 108 and 109 are unattractive farming propositions.

All leases assessed in table XX face management problems, although 32 and 62 contend with more serious factors, i.e. a low farm management rating as well as difficulties with labour.

Negative financial factors are heavily weighted against 32 and 62. Leases 108 and 109 present a different problem; although they are insecure their lessee has chosen not to use his financial and management resources to their advantage. He has preferred to use them on his more secure holdings.

Institutional, physical, financial and management factors have combined for each of the leases in group 6(b)I (assessed in table X) and the result has been a static state of lease farm development.

#### Lease Farm Development Rating Group 6(b)II

Leases in Group 6(b)II, assessed in Table XXI face a situation where negative factors have outweighed positive influences for development. Leases, although still producing a below average output in their partly developed state, are deteriorating. These leases and their lessees are:

Lessee VII	lease 22
Lessee XXIX	lease 78, 79, 80, 81

The reasons for this situation facing lease 22 are adequately explained in Table XXI. Lessee XXIX and Leases 78 to 81 are, however, a different case altogether. The situation facing these leases includes negative institutional, management and financial factors. The most significant negative factor involves the age and infirmity of the lessee. If perhaps the leases had more secure tenure they would have benefited from development finance and been better prepared for their lessee's old age. Unfortunately, this was not so.

Table XIX: Influences/Factors Affecting States of Development in Group 6(a)

LESSEE I: LEASE: (1) 291.4 ha

1. POSITIVE INSTITUTIONAL INFLUENCES

- a. 1: Has a long term and right to renewal
- b.
- c. 1: Rent at term review & renewal assessed less lessee improvements
- d. 1: Has no extra development demands
- e.
- f. 1: Registered
- g. Lessee has 29% ownership in 1

2. POSITIVE PHYSICAL INFLUENCES

- a. Area farmed by lessee 691 ha, lease 1 & 3 freehold titles
- b. All lessee holdings adjoin to form one unit
- c. External access 1 Reasonable
- d. 1 Contains strong pastoral land

3. POSITIVE MANAGEMENT INFLUENCES

- a.
- b. Lessee has aerial topdressing facilities to service 1
- c.

4. POSITIVE FINANCIAL INFLUENCES

- a. 1 is a mortgageable asset
- b. Lessee has 399 ha of mortgageable freehold as well as 1  
The lessee has mortgaged freehold & 1 to obtain \$75,500.  
This has assisted in the development of 1

1. NEGATIVE INSTITUTIONAL FACTORS

- a.
- b. 1: Rent 6% capital value
- c. 1: Has one term rent review
- d.
- e. No compensation for lessee improvements to 1
- f.
- g.

2. NEGATIVE PHYSICAL FACTORS

- a.
- b.
- c.
- d.

3. NEGATIVE MANAGEMENT FACTORS

- a. Lessee farm management rating 6. A committee, on-farm manager & a supervisor form the lessee management team
- b.
- c. Poor on-farm staff & casual labour

4. NEGATIVE FINANCIAL FACTORS

- a.
- b.

LESSEE IV: LEASES: (10) 376.9 ha; (11) 439 ha

LESSEE LI: LEASE: (122) 61 ha

1. POSITIVE INSTITUTIONAL INFLUENCES

- a. 122: Has a long term and right to renewal
- b.
- c.
- d. 122: No extra development demands made
- e.
- f. 122: Registered
- g. Lessee has ownership in 122

2. POSITIVE PHYSICAL INFLUENCES

- a. Area farmed by lessee 1436 ha, leases 122-124 & 20 other titles  
3 freehold & 17 leasehold
- b.
- c. External access, 122 Good
- d. 122 is mainly arable land

3. POSITIVE MANAGEMENT INFLUENCES

- a.
- b. Lessee has aerial topdressing facilities to service 122
- c. Lessee labour supply is adequate

4. POSITIVE FINANCIAL INFLUENCES

- a. 122 is mortgageable
- b. Lessee has 3 freehold & 7 leasehold titles amounting to 1139 ha  
available as collateral

1. NEGATIVE INSTITUTIONAL FACTORS

- a.
- b. 122: Rent \$2912 per annum for 61 ha
- c. 122: Two term rent reviews  
122: Rent at term review & renewal is set by arbitration
- d.
- e. No compensation for lessee improvements to 122
- f.
- g.

2. NEGATIVE PHYSICAL FACTORS

- a.
- b. 122 does not adjoin other lessee holdings
- c.
- d.

3. NEGATIVE MANAGEMENT FACTORS

- a. Lessee farm management rating 6. A committee & an on-farm  
manager are this lessee management unit. Lessee manager is  
a shareholder in the lessee & 122
- b.
- c.

4. NEGATIVE FINANCIAL FACTORS

- a.
- b. Lessee has not obtained outside finance to assist in the  
development of any of its holdings

NOTES ON LESSEE'S OTHER PART-23 LEASES

(i) (123) 40 ha; (124) 113.6 ha in Group 7(b)II: Relative to 122 it is easy to see why 123 is deteriorating. 123 has fewer rent and rent renewal problems but it is due for expiry, has no lessee ownership, is severely erosion prone and has poor access. Lease 124 relative to lease 122 has fewer rent and rent renewal problems, but it is unregistered, has no lessee ownership and is steep and erosion prone.



Table XX: Influences/Factors Affecting States of Development in Group 6(b)I

LESSEE XIII: LEASE: (32) 381.7 ha	
<p>1. POSITIVE INSTITUTIONAL INFLUENCES</p> <ul style="list-style-type: none"> <li>a. 32: Long term &amp; right of renewal</li> <li>b. 32: Rent 5% capital value</li> <li>c. 32: No term rent review</li> <li>32: Rent at renewal assessed less lessee improvements</li> <li>d. 32: No extra development demands</li> <li>e.</li> <li>f.</li> <li>g. Lessee has substantial interest in 32</li> </ul> <p>2. POSITIVE PHYSICAL INFLUENCES</p> <ul style="list-style-type: none"> <li>a.</li> <li>b.</li> <li>b. Lessee holdings adjoin, forming main lessee unit</li> <li>c.</li> <li>d. 32: Easy attractive pastoral land</li> </ul> <p>3. POSITIVE MANAGEMENT INFLUENCES</p> <ul style="list-style-type: none"> <li>a.</li> <li>b. Lessee has adequate access to aerial topdressing facilities</li> <li>c.</li> </ul> <p>4. POSITIVE FINANCIAL INFLUENCES</p> <ul style="list-style-type: none"> <li>a.</li> <li>b.</li> </ul>	<p>1. NEGATIVE INSTITUTIONAL FACTORS</p> <ul style="list-style-type: none"> <li>a.</li> <li>b.</li> <li>c.</li> <li>d.</li> <li>e. No compensation for lessee improvements to 32</li> <li>f. 32: Unregistered</li> <li>g.</li> </ul> <p>2. NEGATIVE PHYSICAL FACTORS</p> <ul style="list-style-type: none"> <li>a. Area farmed by lessee 382 ha, lease 32 &amp; a small unregistered unit</li> <li>b.</li> <li>c. External access, 32 Poor</li> <li>d.</li> </ul> <p>3. NEGATIVE MANAGEMENT FACTORS</p> <ul style="list-style-type: none"> <li>a. Lessee farm management rating 6. Lessee manages 32 himself. 32 has been farmed by his family for many years</li> <li>b.</li> <li>c. Lessee supplies only labour. It is inadequate.</li> </ul> <p>4. NEGATIVE FINANCIAL FACTORS</p> <ul style="list-style-type: none"> <li>a. 32 is not mortgageable</li> <li>b. Lessee has no mortgageable land assets &amp; has not obtained development finance. The lessee has had problems repaying interest &amp; principle on stock bought</li> </ul>

LESSEE XVIII: LEASE: (54) 158.5 ha (see analysis in Group 4(a))

LESSEE XXII: LEASE: (62) 433.3 ha

1. POSITIVE INSTITUTIONAL INFLUENCES

- a. 62: Has long term with a right to renewal
- b. 62: Rent 5% of capital value
- c. 62: No term rent review
- 62: Rent at renewal assessed less lessee improvements
- d.
- e.
- f.
- g. Lessee has ownership in 62

2. POSITIVE PHYSICAL INFLUENCES

- a.
- b.
- c. 62: Is the main lessee unit
- d.

3. POSITIVE MANAGEMENT INFLUENCES

- a.
- b. Lessee has access to aerial topdressing facilities for 62
- c.

4. POSITIVE FINANCIAL INFLUENCES

- a.
- b. Lessee was granted a development loan on stock & chattel security. The lessee had the good fortune to recently win a large sum in a lottery

1. NEGATIVE INSTITUTIONAL FACTORS

- a.
- b.
- c.
- d. 62 Has onerous extra development demands
- e. No compensation for lessee improvements to 62
- f. 62: Unregistered
- g.

2. NEGATIVE PHYSICAL FACTORS

- a. Area farmed by lessee 433 ha, lease 62
- b.
- c. External access, 62 Poor
- d. 62: Some good flat, but mainly steep hill

3. NEGATIVE MANAGEMENT INFLUENCES

- a. Lessee farm management rating 6. Lessee's son manages 62 It has been farmed by the family for some years
- b.
- c. Lessee labour supply inadequate & unskilled

4. NEGATIVE FINANCIAL FACTORS

- a. 62 is not mortgageable
- b. Lessee has no mortgageable land assets. Lessee did not uplift a development loan granted & it is not known whether lottery money was spent on development

LESSEE XLII: LEASES: (108) 207.1 ha; (109) 66.4 ha

1. POSITIVE INSTITUTIONAL INFLUENCES

- a. 108-109: Long term, 108 has right of renewal
- b. 109: Rent 5% capital value
- c. 109: No term rent review  
108: Rent at term review assessed less lessee improvements
- d. 108-109: No extra development demands
- e.
- f. 109: Registered
- g.

2. POSITIVE PHYSICAL INFLUENCES

- a. Area farmed by lessee 1475 ha, 108-109 & five other titles,  
2 freehold & 3 registered leasehold
- b. 108-109 & other land form one unit
- c. External access, 108 Reasonable
- d.

3. POSITIVE MANAGEMENT INFLUENCES

- a. Lessee farm management rating 4
- b. Lessee has aerial topdressing facilities to service 108-109
- c. Lessee labour supply is adequate

4. POSITIVE FINANCIAL INFLUENCES

- a.
- b. Lessee has 2 freehold and 3 leasehold titles that are suitable  
as security

1. NEGATIVE INSTITUTIONAL FACTORS

- a. 109 has no right of renewal
- b. 108: Rent 6% capital value
- c. 108 has one rent review/term  
108: Rent at renewal is assessed with lessee improvements
- d.
- e. No compensation for lessee improvements to 108-109
- f. 108: Unregistered
- g. Lessee has no ownership in 108-109

2. NEGATIVE PHYSICAL FACTORS

- a.
- b.
- c. External access, 109 Poor
- d. 108-109: Unattractive & erosion prone

3. NEGATIVE MANAGEMENT FACTORS

- a. Although the lessee has always worked on these holdings he did  
not obtain control of them until 1979 aged 44 years
- b.
- c.

4. NEGATIVE FINANCIAL INFLUENCES

- a. 108 is not mortgageable; 109 is poor security
- b. This lessee has obtained development finance but it is being  
used on property with more secure tenure

Table XXI: Influences/Factors Affecting States of Development in Group 6(b)II

LESSEE VII: LEASE (22) 198.9 ha

This lessee is a caretaker for lease 22. It has expired and the owners are debating its future. A long forestry lease to the lessee is seen as undesirable by the owners. The alternative they wish to pursue is one of amalgamation with four adjoining blocks of Maori lease land. This will not be possible until they have all expired in 1984. Lease 22 has very difficult access and is an uneconomic size for pastoral farming. It is at present deteriorating without secure tenure and relying on a tenuous 1984 solution.

LESSEE XXIX: LEASES: (78) 175.4 ha; (79) 109.5 ha; (80) 78.3 ha; (81) 40.2 ha

1. POSITIVE INSTITUTIONAL INFLUENCES

- a. 78-81: 78,79,81 have rights to renewal. Lessee has first refusal on a renewal of 80.
- b. 78-80: Rent 5% capital value
- c. 78: Has no term rent review  
78-79: Rent at renewal assessed less lessee improvements  
80: Term rent review assessed less lessee improvements
- d. 78-81: No extra development demands made
- e.
- f. 79-80: Registered
- g.

2. POSITIVE PHYSICAL INFLUENCES

- a. Area farmed by Lessee 890 ha, 78-81 & 6 other titles, 4 registered leasehold & 2 unregistered titles
- b. 78-81 & all other lessee land form one unit
- c. External access 78-81, Satisfactory
- d. 78-81: Contains strong pastoral land

3. POSITIVE MANAGEMENT INFLUENCES

- a.
- b. Lessee has aerial top dressing facilities to service 78-81
- c.

4. POSITIVE FINANCIAL INFLUENCES

- a. 79 is mortgageable
- b. This lessee has 5 mortgageable leases, 425 ha. Lessee has in years past obtained development finance

1. NEGATIVE INSTITUTIONAL FACTORS

- a.
- b. 81: Rent 6% capital value
- c. 79: Two rent reviews 1st term, three 2nd term,  
80-81: One term rent review  
81: Rent at renewal & 1st term rent review and 79  
rent at term review; assessed with lessee improvements
- d.
- e. No compensation for lessee improvements to 78-81
- f. 78 & 81: Unregistered
- g. Lessee has no ownership in 78-81

2. NEGATIVE PHYSICAL FACTORS

- a.
- b.
- c.
- d.

3. NEGATIVE MANAGEMENT FACTORS

- a. Lessee farm management rating 6. Lessee manages his own properties. Age & illness have restricted the lessee's capabilities
- b.
- c. Lessee supplies only labour

4. NEGATIVE FINANCIAL FACTORS

- a. 78, 81 are not mortgageable, 80 poor security
- b. Development finance was not expended on his part-23 leases

8. Interpretation of Results for Group Seven Leases

Lease Farm Development Rating Group 7(a)

Leases in Group 7(a) shown in Table XXII face a situation where negative factors have outweighed positive influences leaving leases to produce only fair lease farm development results. The leases and their respective lessees are:

Lessee XV	leases 39, 42, 43
Lessee XXXI/II	leases 83, 84, 85
Lessee LII	lease 125

These leases face more negative factors than positive influences on their development yet their lessees are still trying to maintain some sort of development programme.

Leases in this group all face institutional problems. Leases 39, 42 and 43 face a full range of institutional problems. Lease 125 has no right of renewal. Leases 83 to 85 have fewer institutional factors to worry about as there has been an attempt by the lessors to encourage development.

None of the lessees in this group have an ownership interest in their part XXIII leases. Negative physical factors involve a number of problems. For leases 39, 42 and 43 these involve the scattered nature of their lessee's holdings, a situation that causes problems for management. Lease 125 has the disadvantage of being farmed as part of a relatively small unit and like leases 83 to 85 face problems of access and unattractive physical nature.

All lessees have a low farm management rating, each lessee in this group desperately needs assistance with this problem. Lessees XV and XXXI/II have the added difficulty of an inadequate labour supply.

Financial problems facing the lessees and their respective leases are acute.

Overall these leases and their lessees are at present struggling against many constraints to development. This is reflected in their lease farm development results.

Lease Farm Development Rating Group 7(b)I

Leases in Group 7(b)I assessed in Table XXIII face a situation where positive influences have not outweighed negative factors, leases are being maintained in a partly developed state and are only producing a fair output. These leases and their respective lessees are:

Lessee XV	leases 40, 41, 44, 45, 47 (see Table XXII)
Lessee XLIV	lease 112.

Leases 40, 41, 45, 47 are analysed in Table XXII with lessee XV's other leases.

Lease 112 has no right to renewal, is physically unattractive and has not been farmed properly for a number of years. An attempt was made by younger members of the lessee family to salvage the situation but a new lease was required before development finance could be obtained. When a new lease was granted to the lessee's daughter and son-in-law, the financial pressure of the purchase of the associated stock and freehold became too much, a merchantile firm has stepped in to sell them up - an awkward situation as they are owners in the lease.

Lease Farm Development Rating Group 7(b)II

Leases in Group 7(b)II, assessed in Table XXIV, face a situation where negative factors have outweighed positive influences and although still producing a fair output in their partly developed state, are deteriorating. These leases and their respective lessees are:

Lessee XX	lease 60
Lessee XXVI	lease 69
Lessee LI	lease 123, 124 (see Table XIX)
Lessee LVI	lease 135.

All leases in this group face institutional problems. Lease 69 and 135 have an insecure length of tenure and both are unregistered. Lease 60 has rent and rent review problems and like lease 135 has no benefit of lessee ownership.

With respect to physical factors leases 69 and 135 have the disadvantage of being farmed as part of relatively small farm enterprises. Lease 60 suffers from access problems. All the leases are unattractive from the viewpoint of pastoral farming.

From the management standpoint leases 135 and 69 face similar problems i.e. a farm management rating of 7 and an inadequate labour supply situation. 135 however, does have the added difficulty of inadequate aerial topdressing facilities. Lease 60 is peculiar in the fact that it has all the standard management advantages; however, the lessee's intentions are to sell its holdings to a forestry concern, a circumstance not desired for lease 60 by its lessors. As a result, the lessees treat lease 60 as a run-off paddock. They have no future use for it without their other holdings and are unable to sell it to forestry companies.

Negative financial factors have not encouraged lease farm development in this group. Leases 135 and 69 face very straightened circumstances, while lessor policy directions for lease 60 make capital input unprofitable for its lessees.

The outlook for the leases in this group in respect of their development as pastoral units is not good.



Table XXII: Influences/Factors Affecting States of Development in Group 7(a)

LESSEE XV: LEASES: (39) 46.7 ha; (42) 14.7 ha; (43) 18.9 ha	
<p>1. POSITIVE INSTITUTIONAL INFLUENCES</p> <ul style="list-style-type: none"> <li>a. 39, 42, 43: Long term &amp; right to renewal</li> <li>b. 39, 43: Rent 5% capital value</li> <li>c. 39, 43: No term rent review</li> <li>39: Rent at renewal assessed less lessee improvements</li> <li>d. 39, 42, 43: No extra development demands made</li> <li>e.</li> <li>f.</li> <li>g.</li> </ul> <p>2. POSITIVE PHYSICAL INFLUENCES</p> <ul style="list-style-type: none"> <li>a. Area farmed by lessee 694 ha, 39-47 &amp; 9 other unregistered titles</li> <li>b.</li> <li>c. External access 39, 42, 43, Reasonable</li> <li>d. 39, 42, 43: Moderately attractive land</li> </ul> <p>3. POSITIVE MANAGEMENT INFLUENCES</p> <ul style="list-style-type: none"> <li>a.</li> <li>b. Lessee has aerial topdressing facilities to service 39-47</li> <li>c.</li> </ul> <p>4. POSITIVE FINANCIAL INFLUENCES</p> <ul style="list-style-type: none"> <li>a.</li> <li>b.</li> </ul>	<p>1. NEGATIVE INSTITUTIONAL FACTORS</p> <ul style="list-style-type: none"> <li>a.</li> <li>b. 42: One rent review/term</li> <li>c. 42: Rent at review &amp; renewal assessed with lessee improvements</li> <li>43: Rent at renewal assessed with lessee improvements</li> <li>d.</li> <li>e. No compensation for lessee improvements to 39, 42, 43</li> <li>f. 39, 42, 43: Unregistered</li> <li>g. Lessee has no ownership in 39, 42, 43</li> </ul> <p>2. NEGATIVE PHYSICAL FACTORS</p> <ul style="list-style-type: none"> <li>a.</li> <li>b. Lessee holdings are scattered</li> <li>c.</li> <li>d.</li> </ul> <p>3. NEGATIVE MANAGEMENT FACTORS</p> <ul style="list-style-type: none"> <li>a. Lessee farm management rating 7. Lessee incorporation's management committee &amp; their on-farm manager make only a fair management team</li> <li>b.</li> <li>c. Lessee labour supply inadequate &amp; unskilled</li> </ul> <p>4. NEGATIVE FINANCIAL FACTORS</p> <ul style="list-style-type: none"> <li>a. 39, 42, 43 not mortgageable</li> <li>b. The lessee has no mortgageable land assets and has not obtained external development finance</li> </ul>

NOTES ON LESSEE'S OTHER PART-23 LEASES

(i) (40) 17.2 ha; (41) 36.9 ha; (44) 14.5 ha; (45) 35.4 ha; (47) 14.4 ha, Group 7(b)I: These leases are facing almost identical sets of factors & influences as the lessee leases in group 7(a). Given this lack of variance it is likely that the lease's static state has resulted from an inability to spread limited financial & management resources across a large number of scattered properties.

(ii) (46) 65.9 ha; Group 9(b): Relative to leases in Group 7(a) the reason for 46 having a 9(b) rating is its difficult physical nature. It is cold & steep with a severe gorse problem.

LESSEE XXXI/II: LEASES: (83) 202.9 ha; (84) 288.9 ha; (85) 44.9 ha

1. POSITIVE INSTITUTIONAL INFLUENCES

- a. 84, 85: Long term & right to renewal. 83 has 50 year term
- b.
- c. 84, 85: No term rent review  
84, 85: Rent at review assessed less lessee improvements  
83: Rent at term review assessed less lessee improvements
- d. 83-85: No extra development demands
- e.
- f. 83-85: Registered
- g. Lessee has ownership in 84

2. POSITIVE PHYSICAL INFLUENCES

- a. Area farmed by lessee 855 ha, 83-85 & 4 other unregistered titles
- b. 83-85: adjoin, other properties nearby
- c.
- d.

3. POSITIVE MANAGEMENT INFLUENCES

- a.
- b. Lessee has aerial topdressing services to servie 83-85
- c.

4. POSITIVE FINANCIAL INFLUENCES

- a. 83-85: Mortgageable
- b. The lessee has obtained \$12,000 on stock security to develop 83-85. Lessee is committed to the Livestock Incentive Scheme

1. NEGATIVE INSTITUTIONAL FACTORS

- a.
- b. 83-85: Rent 6% capital value
- c. 83 has three term rent reviews
- d.
- e. No compensation for lessee improvements to 83-85
- f.
- g. Lessee has no ownership in 83 & 85

2. NEGATIVE PHYSICAL FACTORS

- a.
- b.
- c. External access, 83-85, very difficult
- d. 83-85: Mainly steep & erosion prone

3. NEGATIVE MANAGEMENT FACTORS

- a. Lessee farm management rating 7, lessee/manager although young & enthusiastic lacks expertise & experience. Needs supervision
- b.
- c. Lessee labour supply inadequate

4. NEGATIVE FINANCIAL FACTORS

- a.
- b. Lessee has no mortgageable land assets apart from 83-85. More development finance appears to be pending official transfer of 83-85 from father (XXXI) to son (XXXII)

LESSEE: L11: LEASE: (125) 295.6 ha

1. POSITIVE INSTITUTIONAL INFLUENCES

- a. 125: Long term
- b. 125: Rent 5% capital value
- c. 125: No term rent review
- d. 125: No extra development demands
- e.
- f. 125: Registered
- g.

2. POSITIVE PHYSICAL INFLUENCES

- a.
- b. Lessee holdings adjoin to form one unit
- c.
- d.

3. POSITIVE MANAGEMENT INFLUENCES

- a.
- b. Lessee has aerial topdressing facilities to service 125
- c. Lessee's son provides adequate labour

4. POSITIVE FINANCIAL INFLUENCES

- a.
- b. Lessee has one mortgageable house site. Lessee's son is trying to obtain a new lease in order to qualify for a development loan

1. NEGATIVE INSTITUTIONAL FACTORS

- a. 125: Has no right of renewal
- b.
- c.
- d.
- e. No compensation for lessee improvements to 125
- f.
- g. Lessee has no ownership in 125

2. NEGATIVE PHYSICAL FACTORS

- a. Area farmed by lessee 297 ha, 125, 1 freehold & 2 other unregistered titles
- b.
- c. External access 125, Difficult
- d. 125: Mainly steep & erosion prone

3. NEGATIVE MANAGEMENT INFLUENCES

- a. Lessee farm management rating 6. Lessee's son manages 125, supervision & experienced guidance could produce a good farm manager
- b.
- c.

4. NEGATIVE FINANCIAL FACTORS

- a. 125: Has no renewal right, thus is poor security
- b. The lessee has very limited sources of security for development finance

Table XXIII: Influences/Factors Affecting States of Development in Group 7(b)I

<p>LESSEE XV: LEASES: (40) 17.2 ha; (41) 36.9 ha; (44) 14.5 ha; (45) 35.4 ha; (47) 14.4 ha (see analysis in Group 7(a))</p> <p>LESSEE XLIV: LEASE: (112) 522.4 ha</p>	
<p>1. POSITIVE INSTITUTIONAL INFLUENCES</p> <ul style="list-style-type: none"> <li>a. 112: Long term</li> <li>b.</li> <li>c. 112: No term rent review</li> <li>d. 112: No extra development demands made</li> <li>e.</li> <li>f. 112: Registered</li> <li>g. Lessee has ownership in 112</li> </ul> <p>2. POSITIVE PHYSICAL INFLUENCES</p> <ul style="list-style-type: none"> <li>a. Area farmed by lessee 532 ha, Lease 112 &amp; 1 small freehold title</li> <li>b. Lessee holdings adjoin to form one unit</li> <li>c.</li> <li>d.</li> </ul> <p>3. POSITIVE MANAGEMENT INFLUENCES</p> <ul style="list-style-type: none"> <li>a.</li> <li>b. Lessee has aerial topdressing facilities to service 112</li> <li>c. Lessee has a supply of family labour</li> </ul> <p>4. POSITIVE FINANCIAL INFLUENCES</p> <ul style="list-style-type: none"> <li>a.</li> <li>b. Lessee has a freehold title adjoining 112 that contains the leases permanent improvements. It is mortgageable. The lessee has applied for a longer lease to qualify for a development loan</li> </ul>	<p>1. NEGATIVE INSTITUTIONAL FACTORS</p> <ul style="list-style-type: none"> <li>a. 112: No right of renewal</li> <li>b. 112: Rent 5% capital value</li> <li>c.</li> <li>d.</li> <li>e. No compensation for lessee improvements to 112</li> <li>f.</li> <li>g.</li> </ul> <p>2. NEGATIVE PHYSICAL FACTORS</p> <ul style="list-style-type: none"> <li>a.</li> <li>b.</li> <li>c. External access, 112 Difficult</li> <li>d. 112: Poor, steep to very steep land</li> </ul> <p>3. NEGATIVE MANAGEMENT FACTORS</p> <ul style="list-style-type: none"> <li>a. Lessee farm management rating 7. Lessee's son-in-law now manages 112. The aging lessee had occupied 112 for many years. It had not improved in this time</li> <li>b.</li> <li>c.</li> </ul> <p>4. NEGATIVE FINANCIAL FACTORS</p> <ul style="list-style-type: none"> <li>a. 112 is not good security without a right of renewal</li> <li>b. The lessee has to date not obtained development finance for lease 112</li> </ul>

Table XXIV: Influences/Factors Affecting States of Development in Group 7(b)II

LESSEE XX: LEASE: (60) 472.7	
<p>1. POSITIVE INSTITUTIONAL INFLUENCES</p> <ul style="list-style-type: none"> <li>a. 60 has long term and right to renewal</li> <li>b.</li> <li>c. 60: Rent at term review &amp; renewal assessed less lessee improvements</li> <li>d. 60: No extra development demands made</li> <li>e.</li> <li>f. 60: Registered</li> <li>g.</li> </ul> <p>2. POSITIVE PHYSICAL INFLUENCES</p> <ul style="list-style-type: none"> <li>a. Area farmed by lessee 6346 ha, 60, 2 freehold &amp; 1 other leasehold title</li> <li>b. 60 adjoins other large lessee holdings</li> <li>c.</li> <li>d.</li> </ul> <p>3. POSITIVE MANAGEMENT INFLUENCES</p> <ul style="list-style-type: none"> <li>a. Lessee farm management rating 3(1). A manager farms this lease for the lessee company</li> <li>b. Lessee has aerial topdressing facilities to service 60</li> <li>c. Lessee labour supply is adequate</li> </ul> <p>4. POSITIVE FINANCIAL INFLUENCES</p> <ul style="list-style-type: none"> <li>a. 60 is mortgageable</li> <li>b. Lessee has substantial area of mortgageable land assets</li> </ul>	<p>1. NEGATIVE INSTITUTIONAL FACTORS</p> <ul style="list-style-type: none"> <li>a.</li> <li>b. 60: Rent 6% capital value</li> <li>c. 60: One rent review/term</li> <li>d.</li> <li>e. No compensation for lessee improvements to 60</li> <li>f.</li> <li>g. Lessee has no ownership in 60</li> </ul> <p>2. NEGATIVE PHYSICAL FACTORS</p> <ul style="list-style-type: none"> <li>a.</li> <li>b.</li> <li>c. External access, 60 Very difficult</li> <li>d. 60 Mainly steep difficult land</li> </ul> <p>3. NEGATIVE MANAGEMENT FACTORS</p> <ul style="list-style-type: none"> <li>a. Lessee is selling to forestry concerns. Owners of 60 do not wish to grant a long forestry lease. 60 is used as a runoff</li> <li>b.</li> <li>c.</li> </ul> <p>4. NEGATIVE FINANCIAL FACTORS</p> <ul style="list-style-type: none"> <li>a.</li> <li>b. Lessee has not made any capital available for development of 60</li> </ul>

LESSEE XXVI: LEASE: (69) 286.1 ha

1. POSITIVE INSTITUTIONAL INFLUENCES

- a. 69: Long term
- b. 69: Rent 5% capital value
- c. 69: Has no term rent review
- d. 69: No extra development demands made
- e.
- f.
- g. Lessee has ownership in 69

2. POSITIVE PHYSICAL INFLUENCES

- a.
- b. 69 & other lessee land form the main lessee unit
- c. External access, 69 Satisfactory
- d.

3. POSITIVE MANAGEMENT INFLUENCES

- a.
- b. Lessee has aerial topdressing facilities to service 69
- c.

4. POSITIVE FINANCIAL INFLUENCES

- a.
- b. Only mortgageable asset owned by the lessee is a small house site

1. NEGATIVE INSTITUTIONAL FACTORS

- a. 69: No right to renewal
- b.
- c.
- d.
- e. No compensation for lessee improvements to 69
- f. 69: Unregistered
- g.

2. NEGATIVE PHYSICAL FACTORS

- a. Area farmed by lessee 419 ha, 69, 1 freehold & 1 other unregistered title
- b.
- c.
- d. 69: Mainly steep & erosion prone

3. NEGATIVE MANAGEMENT FACTORS

- a. Lessee farm management rating 7, 69 is managed by the aging lessee's son
- b.
- c. Lessee's son provides the only labour

4. NEGATIVE FINANCIAL FACTORS

- a. 69 is not mortgageable
- b. Lessee has very limited securable land assets  
He has not obtained finance to develop 69

LESSEE LI: LEASES: (123) 40 ha; (124) 113.6 ha (see analysis Group 6(a))

LESSEE LVI: LEASE: (135) 174.3 ha

1. POSITIVE INSTITUTIONAL INFLUENCES

- a.
- b.
- c.
- d.
- e.
- f.
- g.

2. POSITIVE PHYSICAL INFLUENCES

- a.
- b. 135 is the main lessee unit
- c. External access 135, Very good
- d.

3. POSITIVE MANAGEMENT INFLUENCES

- a.
- b.
- c.

4. POSITIVE FINANCIAL INFLUENCES

- a.
- b.

1. NEGATIVE INSTITUTIONAL FACTORS

- a. 135 is subleased to LVI, length of term, rental & development requirements are not known
- b.
- c.
- d.
- e.
- f. 135: Unregistered
- g. Lessee LVI has no ownership in 135

2. NEGATIVE PHYSICAL FACTORS

- a. Area farmed by lessee 208 ha, 135 & another unregistered title
- b.
- c.
- d. 135 contains some steep difficult land

3. NEGATIVE MANAGEMENT FACTORS

- a. Lessee farm management rating 7. Lessee's son manages the lease on a part time basis
- b. Topdressing by air is difficult
- c. Lessee's son supplies only labour

4. NEGATIVE FINANCIAL FACTORS

- a. 135 is not mortgageable
- b. Lessee has no securable land assets & has not obtained finance to develop 135

9. Interpretation of Results for Group Eight Leases

Lease Farm Development Rating Group 8(b)I

Leases in Group 8(b)I, face a situation where negative factors have outweighed positive influences for development. The leases are being maintained in a deteriorated state and are producing a poor output. The leases and their respective lessees are:

Lessee VIII	lease 23
Lessee XVII	lease 49
Lessee XLI	leases 100, 102, 105, 106, 107 (see Table XVII)

Lessee XLI's leases are all assessed in Table XVII. The two leases remaining in Group 8(b)I and assessed in Table XXV, face negative institutional factors. Lease 23 has no right to renewal while lease 49 is sublet. Both leases are unregistered. Noticeably lease 23 has a large lessee ownership while lease 49 does not; in lease 23's case, given its poor management situation, the lessee ownership interest that could ensure the re-issue of a lease to that lessee should be seen as a constraint to development, not a positive influence.

Negative physical factors are faced only by lease 49 while negative management factors are faced only by lease 23. Both leases face negative financial factors, lease 49's are related to its insecure tenure while lease 23's involve its lessee lacking financial resources.

The circumstances facing each lease in this group are different but the static lease farm development result is the same.

Lease Farm Development Rating Group 8(b) II

Leases in Group 8(b) II, face a situation where negative factors have overpowered positive influences for development. The leases are in a deteriorated state and although still producing a poor output are deteriorating further. These leases and their respective lessees are:



Lessee V	leases 15, 16, 17 (see Table XVI)
Lessee XII	leases 29,30, 31
Lessee XXIV	lease 64
Lessee XXXIV	leases 88, 89
Lessee XLVIII	lease 119
Lessee LIII	lease 128

Leases reviewed in this group in Table XXVI, face few positive influences for development.

Negative institutional factors range from a lack of renewal rights and short lease terms through rent and rent review problems to a lack of lease registration and lessee ownership.

In all but one case leases are farmed as part of a relatively small farm enterprise. Four leases, are not part of the main lesse unit, four have undesirable access and three leases are physically unattractive pastoral farming propositions.

All leases in this group have to contend with lessee management problems, in fact the availability of aerial topdressing facilities is the only positive management influence faced by most of these leases.

One noticeable anomaly in the management category is seen in lease XXIV's case. This lessee is capable of achieving a much higher standard than is exhibited on lease 64. Obviously the family circumstances and the lack of renewal rights on this lease has contributed to its neglect.

All leases except those farmed by lessee XII face very difficult financial circumstances. Lessee XII unfortunately does not use his financial resources to best advantage, a fact that tends to negate the value of that positive influence.

Unless circumstances facing leases in group 8(b) II are drastically altered they will no doubt achieve a 9(b) lease farm development rating.

Table XXV: Influences/Factors Affecting States of Development in Group 8(b)1

LESSEE VIII: LEASE: (23) 564.7 ha	
<p>1. POSITIVE INSTITUTIONAL INFLUENCES</p> <ul style="list-style-type: none"> <li>a. 23: Long term</li> <li>b. 23: Rent 5% capital value</li> <li>c. 23: No term rent review</li> <li>d. 23: No extra development demands made</li> <li>e.</li> <li>f.</li> <li>g. Lessee has large ownership in 23</li> </ul> <p>2. POSITIVE PHYSICAL INFLUENCES</p> <ul style="list-style-type: none"> <li>a. Area farmed by lessee 565 ha, lease 23</li> <li>b. Lease 23 is the lessee's main unit</li> <li>c. External access, 23 Very good</li> <li>d. 23: contains strong pastoral country</li> </ul> <p>3. POSITIVE MANAGEMENT INFLUENCES</p> <ul style="list-style-type: none"> <li>a.</li> <li>b. Lessee has access to aerial topdressing facilities for 23</li> <li>c. Lessee has an adequate supply of labour</li> </ul> <p>4. POSITIVE FINANCIAL INFLUENCES</p> <ul style="list-style-type: none"> <li>a.</li> <li>b.</li> </ul>	<p>1. NEGATIVE INSTITUTIONAL FACTORS</p> <ul style="list-style-type: none"> <li>a. 23: No right to renewal</li> <li>b.</li> <li>c.</li> <li>d.</li> <li>e. No compensation for lessee improvements to 23</li> <li>f. 23: Unregistered</li> <li>g.</li> </ul> <p>2. NEGATIVE PHYSICAL FACTORS</p> <ul style="list-style-type: none"> <li>a.</li> <li>b.</li> <li>c.</li> <li>d.</li> </ul> <p>3. NEGATIVE MANAGEMENT FACTORS</p> <ul style="list-style-type: none"> <li>a. Lessee farm management rating 8, elderly lessee manager lives on 23 coping with rundown improvements, but is trying to set his son up on the lease</li> <li>b.</li> <li>c.</li> </ul> <p>4. NEGATIVE FINANCIAL FACTORS</p> <ul style="list-style-type: none"> <li>a. 23 is not mortgageable</li> <li>b. Lessee has no mortgageable land assets. Merchantile firms have twice sold up his stock</li> </ul>

LESSEE XVII: LEASE: (49) 440.3 ha

1. POSITIVE INSTITUTIONAL INFLUENCES

- a.
- b.
- c.
- d.
- e.
- f.
- g.

2. POSITIVE PHYSICAL INFLUENCES

- a. Area farmed by lessee exceeds 5,500 ha
- b. 49: Adjoins a main lessee unit
- c.
- d.

3. POSITIVE MANAGEMENT INFLUENCES

- a. Lessee farm management rating 3(1). Lessee company has a good farm management team
- b. Lessee has aerial topdressing facilities to service 49
- c. Lessee has a good supply of skilled labour

4. POSITIVE FINANCIAL INFLUENCES

- a.
- b. Lessee freeholds over 5000 ha of land. It has access to considerable development finance

1. NEGATIVE INSTITUTIONAL FACTORS

- a. )
- b. )
- c. ) 49 is sublet to XVII: details of this arrangement are
- d. ) not known
- e. )
- f. 49: Unregistered
- g. Lessee has no ownership in 49

2. NEGATIVE PHYSICAL FACTORS

- a.
- b.
- c. External access, 49 Poor
- d. 49: Mainly steep & erosion prone

3. NEGATIVE MANAGEMENT FACTORS

- a.
- b.
- c.

4. NEGATIVE FINANCIAL FACTORS

- a. 49 is not mortgageable
- b. Insecure title & leasing situation has prevented this lessee from pushing ahead with development

LESSEE XLI: LEASES (100) 87.7 ha;

(102) 97.5 ha; (105) 94.8 ha; (106) 34.1 ha; (107) 40.9 ha (see analysis in Group 5(a))

Table XXVI: Influences/Factors Affecting States of Development in Group 8(b)II

LESSEE V: LEASES: (15) 297.4 ha; (16) 190.4 ha; (17) 398.9 ha (see analysis Group 4(b)II)

LESSEE XII: LEASES: (29) 55 ha; (30) 261.8 ha; (31) 18.1 ha

1. POSITIVE INSTITUTIONAL INFLUENCES

- a. 29-31: Long term & right to renewal
- b.
- c. 30: No term rent review  
29-31: Rent at review & renewal assessed less lessee improvements
- d. 29-31: No extra development demands made
- e.
- f. 29 & 30: Registered
- g. Lessee has ownership in 29 & 30

2. POSITIVE PHYSICAL INFLUENCES

- a. Area farmed by lessee 841 ha, 28-31 & 5 other titles
- b. 29 & 30 are part of the main lessee unit
- c.
- d. 30: An attractive pastoral unit

3. POSITIVE MANAGEMENT INFLUENCES

- a.
- b. Lessee has access to aerial topdressing facilities for 29-31
- c.

4. POSITIVE FINANCIAL INFLUENCES

- a. 29 & 30 are mortgageable
- b. This lessee has 811 mortgageable ha, 29 & 30, 1 freehold & 3 other registered leasehold titles. The lessee has obtained \$30,600 development finance and is committed to the Livestock Incentive Scheme

1. NEGATIVE INSTITUTIONAL FACTORS

- a.
- b. 29-31: Rent 6% capital value
- c. 29 & 31 have one rent review/term
- d.
- e. No compensation for lessee improvements to 29-31
- f. 31: Unregistered
- g. Lessee has no ownership in 31

2. NEGATIVE PHYSICAL FACTORS

- a.
- b. 31 does not adjoin the main lessee unit
- c. External access 29-31 Poor
- d. 29 & 31 poor unattractive land

3. NEGATIVE MANAGEMENT FACTORS

- a. Lessee farm management rating 8. Management on this lessee property is poor. The partners in the lessee management team are not capable or very interested
- b.
- c. Lessee labour supply inadequate & unskilled

4. NEGATIVE FINANCIAL FACTORS

- a. 31 is not mortgageable
- b. Poor management has meant development assistance has not been used to an optimum on 29-31

NOTES ON LESSEE'S OTHER PART-23 LEASES

(i) (28) 10.1 ha Group 9(b): A potentially attractive unit, with very good access. It has the same rent and review terms as 31, is unregistered & does not adjoin the main lessee unit. 29-31 are on their way to a 9(b) rating, 28 has simply reached it first.

LESSEE XXIV: LEASE: (64) 175.4 ha

1. POSITIVE INSTITUTIONAL INFLUENCES

- a. 64: Has long term
- b. 64: Rent 5% capital value
- c. 64: No term rent reviews
- d. 64: No onerous extra development demands made
- e.
- f. 64: Registered
- g. Lessee has ownership in 64

2. POSITIVE PHYSICAL INFLUENCES

- a.
- b. 64 is the main lessee unit
- c. External access 64, Reasonable
- d. 64 contains strong pastoral country

3. POSITIVE MANAGEMENT INFLUENCES

- a.
- b. Lessee has aerial topdressing facilities to service 64
- c.

4. POSITIVE FINANCIAL INFLUENCES

- a.
- b. Lessee has a small area of freehold that could be used as security for development finance

1. NEGATIVE INSTITUTIONAL FACTORS

- a. 64 has no right to renewal
- b.
- c.
- d.
- e. No compensation for lessee improvements to 64
- f.
- g.

2. NEGATIVE PHYSICAL FACTORS

- a. Area farmed by lessee 201 ha, 64, 1 freehold & 1 unregistered title
- b.
- c. Other lessee land does not adjoin 64
- d.

3. NEGATIVE MANAGEMENT FACTORS

- a. Lessee farm management rating 6. This lessee is an estate. The men in the family involved manage the lessee land on a part time basis
- b.
- c. Lessee labour supply poor & inadequate

4. NEGATIVE FINANCIAL FACTORS

- a. 64 is due to expire. It is not mortgageable
- b. Lessee has not obtained finance to develop 64

1. POSITIVE INSTITUTIONAL INFLUENCES

- a. 88-89: Have a long term; 89 has a right to renewal
- b. 88-89: Rent 5% capital value
- c. 88-89: No term rent review
- 89: Rent at renewal assessed less lessee improvements
- d. 88-89: No extra development demands made
- e.
- f.
- g.

2. POSITIVE PHYSICAL INFLUENCES

- a.
- b.
- c. External access 88, Satisfactory; 89, Very good
- d. 89 contains attractive pastoral land

3. POSITIVE MANAGEMENT INFLUENCES

- a.
- b. Lessee has aerial topdressing facilities to service 88 & 89
- c.

4. POSITIVE FINANCIAL INFLUENCES

- a.
- b. The lessee has 3 freehold titles that could be used as security for development finance

1. NEGATIVE INSTITUTIONAL FACTORS

- a. 88: Has no right to renewal
- b.
- c.
- d.
- e. No compensation for lessee improvements to 88 & 89
- f. 88-89: Unregistered
- g. Lessee has no ownership in 88, 89

2. NEGATIVE PHYSICAL FACTORS

- a. Area farmed by the lessee 373 ha, 88-89 & 4 other titles, 3 freehold & 1 unregistered
- b. 88, 89 are separate independent lessee units
- c.
- d. 88 contains unattractive pastoral land

3. NEGATIVE MANAGEMENT FACTORS

- a. Lessee farm management rating 9. No manager or labour is evident on the lessee estate's land
- b.
- c. Lessee uses no labour

4. NEGATIVE FINANCIAL FACTORS

- a. 88 & 89 are not mortgageable
- b. Poor preparation for estate duty & management has resulted in the dissolution of what was once a large successful farming enterprise

1. POSITIVE INSTITUTIONAL INFLUENCES

- a.
- b.
- c. 119: Rent at renewal assessed less lessee improvements
- d. 119: No extra development demands made
- e.
- f.
- g.

2. POSITIVE PHYSICAL INFLUENCES

- a.
- b. 119 is the lessee's main holding
- c.
- d. 119 contains moderately attractive land

3. POSITIVE MANAGEMENT INFLUENCES

- a.
- b. Lessee has aerial topdressing facilities to service 119
- c.

4. POSITIVE FINANCIAL INFLUENCES

- a.
- b.

1. NEGATIVE INSTITUTIONAL FACTORS

- a. 119: Short term, right to renewal only 10 years
- b. 119: Rent 6% capital value
- c.
- d.
- e. No compensation for lessee improvements
- f. 119: Unregistered
- g. Lessee has no ownership in 119

2. NEGATIVE PHYSICAL FACTORS

- a. Area farmed by lessee 368 ha, lease 119
- b.
- c. External access, 119 Very difficult
- d.

3. NEGATIVE MANAGEMENT FACTORS

- a. Lessee farm management rating 8. Lessee has in the last few years abandoned this lease
- b.
- c. No labour used on 119

4. NEGATIVE FINANCIAL FACTORS

- a. 119 is not mortgageable
- b. Lessee has no mortgageable land assets and has not obtained external finance for development. The lessee is committed to the Livestock Incentive Scheme but he has not honoured the commitment involved

LESSEE LIII: LEASE: (128) 12.1 ha

1. POSITIVE INSTITUTIONAL INFLUENCES

- a. 128: Long term & right to renewal
- b.
- c.
- d.
- e.
- f.
- g.

2. POSITIVE PHYSICAL INFLUENCES

- a.
- b.
- c. External access 128, Very good
- d. 128 is a flat arable block

3. POSITIVE MANAGEMENT INFLUENCES

- a.
- b. Lessee has aerial topdressing facilities to service 128
- c.

4. POSITIVE FINANCIAL INFLUENCES

- a.
- b.

1. NEGATIVE INSTITUTIONAL FACTORS

- a.
- b. 128: Rent 6% capital value
- c. 128: Rent at renewal assessed with lessee improvements
- d. 128 contains awkward extra development clauses
- e. No compensation for lessee improvements to 128
- f. 128: Unregistered
- g. Lessee has no ownership in 128

2. NEGATIVE PHYSICAL FACTORS

- a. Area farmed by lessee 438 ha, leases 126-128
- b. 126 is some way from the main lessee unit
- c.
- d.

3. NEGATIVE MANAGEMENT FACTORS

- a. Lessee farm management rating 9. The aged lessee has no manager to help her run her land. 128 is grazed casually by farmers in the district
- b.
- c. Lessee labour supply unreliable and unskilled

4. NEGATIVE FINANCIAL FACTORS

- a. 128 is not mortgageable
- b. The lessee's properties have run down over a period of years a process that corresponded with the aging of the lessee & her late husband. This lessee has no mortgageable land assets, and has not obtained development assistance

NOTES ON LESSEE'S OTHER PART-23 LEASES

(1) (126) 111.5 ha; (127) 314.2 ha Group 9(b): Influences and factors facing 126-127 are similar to those facing 128. One difference is that 126 and 127 adjoin to form the main lessee unit (as such it has not even been casually grazed). Other differences involve 127 being due to expire, a point that negates the value of its registration to the existing lessee.



10. Interpretation of Results for Group Nine Leases

Lease Farm Development Rating Group 9(b)

Leases in Group 9(b), face a situation where negative factors have dominated positive influences in lease farm development. The leases are in a very deteriorated state. These leases and their respective lessees are:

Lessee IX	leases 24, 25
Lessee XII	lease 28 (see Table XXVI)
Lessee XIV	lease 36 (see Table XIV)
Lessee XV	lease 46 (see Table XXII)
Lessee XIX	leases 57, 58, 59
Lessee XXI	lease 61
Lessee XXIII	lease 63
Lessee XXVII	lease 74 (see Table X)
Lessee XXXV	lease 91 (see Table XVII)
Lessee XXXIX	lease 96
Lessee XL	lease 97
Lessee XLIX	lease 120
Lessee LIII	lease 126, 127 (see Table XXVI)
Lessee LIV	lease 131, 132 (see Table XVII)
Lessee LV	lease 134
Lessee LVIII	lease 137

The Institutional Category of Table XXVII contains the highest number of positive influences facing most leases in this group. All but two leases have a right to renewal. Rent and rent review problems faced vary, e.g. lease 96 faces quite severe constraints while 134, 137, 24 and 25 face very few. Only five leases do not have lessee ownership but it is debatable in this group whether lessee ownership has been to the advantage of the lease. It could be it has contributed to the poor state of lease farm development where the lessee/owner is a poor manager. Noticeably nine leases in this group are unregistered, a definite disadvantage from the financial viewpoint.

When considering the physical category there is a heavier weighting of negative factors. Five of the twelve leases are farmed as part of relatively small farming enterprises. All leases adjoin or form the main lessee unit, again this may be a debateable advantage if the total unit is of an uneconomic size for pastoral farming. Seven leases in this group have access problems while nine are physically unattractive pastoral farming propositions. Leases 24 and 25 have no physical problems. This influence has not, however, overcome financial and management factors to increase their lease farm development rating.

Negative management factors predominate. All leases have a farm management rating of less than 5 (i.e. 6 to 9), all but two have a rating of 8 or 9. Only half the leases in this group have adequate aerial topdressing facilities. The use of labour on any of these leases is just about non-existent.

In the financial category only two lessees (three leases) have any significant financial security. These two lessees have a farm management rating of six. They have by choice neglected their leases, all of which are isolated infertile blocks. The finance they have obtained is deemed better used elsewhere.

Leases in this group would require extensive inputs of institutional, human and financial resources to develop them as, or as part of, a pastoral farming enterprise. Whether or not this should be done and if so, how it could be done without alienating the owners of the land means dealing very carefully with the constraints these leases face.

Table XXVII: Influences/Factors Affecting States of Development in Group 9(b)

LESSEE IX: LEASES: (24) 256.9 ha; (25) 340.7 ha	
<p>1. POSITIVE INSTITUTIONAL INFLUENCES</p> <ul style="list-style-type: none"> <li>a. 24, 25: Long term with right to renewal</li> <li>b. 24, 25: Rent 5% capital value</li> <li>c. 24, 25: No term rent review</li> <li>24, 25: Rent at renewal assessed less lessee improvements</li> <li>d. 24: No extra development demands made</li> <li>e.</li> <li>f.</li> <li>g. Lessee has ownership in 24 &amp; 25</li> </ul> <p>2. POSITIVE PHYSICAL INFLUENCES</p> <ul style="list-style-type: none"> <li>a. Area farmed by lessee 634 ha, 24-25, 1 freehold &amp; 1 unregistered title</li> <li>b. 24, 25: Adjoin to form the main lessee unit</li> <li>c. External access 24, 25, Satisfactory</li> <li>d. 24-25: Contains strong pastoral land</li> </ul> <p>3. POSITIVE MANAGEMENT INFLUENCES</p> <ul style="list-style-type: none"> <li>a.</li> <li>b. Lessee has access to aerial topdressing facilities for 24-25</li> <li>c.</li> </ul> <p>4. POSITIVE FINANCIAL INFLUENCES</p> <ul style="list-style-type: none"> <li>a.</li> <li>b. Lessee has a 2 ha area of freehold that could be used as security for development finance</li> </ul>	<p>1. NEGATIVE INSTITUTIONAL FACTORS</p> <ul style="list-style-type: none"> <li>a.</li> <li>b.</li> <li>c.</li> <li>d. 25: Contains extra development demands</li> <li>e. No compensation for lessee improvements to 24 &amp; 25</li> <li>f. 24, 25: Unregistered</li> <li>g.</li> </ul> <p>2. NEGATIVE PHYSICAL FACTORS</p> <ul style="list-style-type: none"> <li>a.</li> <li>b.</li> <li>c.</li> <li>d.</li> </ul> <p>3. NEGATIVE MANAGEMENT FACTORS</p> <ul style="list-style-type: none"> <li>a. Lessee farm management rating 9. This lessee has no one managing his land, he is aged and has occupied 24-25 for many years without farming them</li> <li>b.</li> <li>c. Lessee uses no labour on 24 &amp; 25</li> </ul> <p>4. POSITIVE FINANCIAL FACTORS</p> <ul style="list-style-type: none"> <li>a. 24-25 are not mortgageable</li> <li>b. Lessee has few mortgageable land assets. He has not obtained any development finance to assist in the development of 24-25</li> </ul>

LESSEE XII: Lease (28) 10.1 ha (see analysis in Group 8(b)II)

LESSEE XIV: Lease (36) 84.2 ha (see analysis in Group 4(a))

LESSEE XV: Lease (46) 65.9 ha (see analysis in Group 7(a))

LESSEE XIX: LEASES: (57) 63.9 ha; (58) 124.9 ha; (59) 139.5 ha

1. POSITIVE INSTITUTIONAL INFLUENCES

- a. 57-59: Long term. 57, 59 have right to renewal
- b. 57-58: Rent 5% capital value
- c. 57-58: No term rent reviews  
57,59: Rent at review & renewal assessed less lessee improvements
- d. 57-58: No extra development demands made
- e.
- f. 57: Registered
- g. Lessee has ownership in 59

2. POSITIVE PHYSICAL INFLUENCES

- a. Area farmed by lessee 1958 ha; 57-59 & 14 other titles,  
7 freehold & 4 unregistered titles
- b. 57-59: Adjoin the main lessee unit
- c.
- d.

3. POSITIVE MANAGEMENT INFLUENCES

- a.
- b. Lessee has access to aerial topdressing facilities for 57-59
- c.

4. POSITIVE FINANCIAL INFLUENCES

- a. 57 is mortgageable
- b. Lessee has mortgaged freehold & 325 ha of leasehold to obtain development finance amounting to \$45,000. \$32,200 was obtained under the Livestock Incentive Scheme

1. NEGATIVE INSTITUTIONAL FACTORS

- a. 58: Has no right to renewal
- b. 59: Rent 6% capital value
- c. 59: One rent review/term
- d. 59: Has extra development demands
- e. No compensation for lessee improvements to 57-59
- f. 58-59: Unregistered
- g. Lessee has no ownership in 57-58

2. NEGATIVE PHYSICAL FACTORS

- a.
- b.
- c. External access 57, Very difficult; 58, Difficult,  
59, Very difficult
- d. 57-59: Infertile, steep & erosion prone

3. NEGATIVE MANAGEMENT FACTORS

- a. Lessee farm management rating 6. A poor management committee  
an excellent farm supervisor & poor on-farm staff make up  
this lessee management team
- b.
- c. Lessee uses limited labour on 57-59

4. NEGATIVE FINANCIAL FACTORS

- a. 58 & 59 are not mortgageable
- b. Lessee is not planning to use development finance  
on its part-23 leases

LESSEE XXI: LEASE: (61) 211.5 ha

1. POSITIVE INSTITUTIONAL INFLUENCES

- a. 61: Has a long term & a right to renewal
- b.
- c. 61: Rent at term review assessed less lessee improvements
- d. 61: No extra development demands
- e.
- f. 61: Is Registered

2. POSITIVE PHYSICAL INFLUENCES

- a.
- b. 61 is the lessee's main holding
- c.
- d.

3. POSITIVE MANAGEMENT INFLUENCES

- a.
- b.
- c.

4. POSITIVE FINANCIAL INFLUENCES

- a. 61 is mortgageable
- b.

1. NEGATIVE INSTITUTIONAL INFLUENCES

- a.
- b. 61: Rent 6% capital value
- c. 61: Has one rent review/term  
61: Rent at renewal is assessed with lessee improvements
- d.
- e. No compensation for lessee improvements to 61
- f.
- g. Lessee has no ownership in 61

2. NEGATIVE PHYSICAL FACTORS

- a. Area farmed by the lessee 211 ha, lease 61
- b.
- c. External access 61, Very difficult
- d. 61 is steep & erosion prone

3. NEGATIVE MANAGEMENT FACTORS

- a. Lessee farm management rating 9. Lessee has no grasp of farm management techniques, he neglects 61
- b. Aerial topdressing facilities are inadequate
- c. No use of labour on 61 is evident

4. NEGATIVE FINANCIAL FACTORS

- a.
- b. Lessee has no mortgageable land apart from 61. He has not obtained finance to develop 61

LESSEE: XXIII LEASE: (63) 330.7 ha

1. POSITIVE INSTITUTIONAL INFLUENCES

- a. 63 has a long term & right to renewal
- b.
- c. 63: Has no term rent review
- d. 63: No extra development demands made
- e.
- f.
- g. Lessee has an ownership in 63

2. POSITIVE PHYSICAL INFLUENCES

- a.
- b. 63: Is the main lessee holding
- c.
- d.

3. POSITIVE MANAGEMENT INFLUENCES

- a.
- b.
- c.

4. POSITIVE FINANCIAL INFLUENCES

- a.
- b. The lessee has 7 ha of mortgageable freehold

1. NEGATIVE INSTITUTIONAL FACTORS

- a.
- b. 63: Rent 7% capital value
- c. 63: Rent at review assessed with lessee improvements
- d.
- e. No compensation for lessee improvements to 63
- f. 63: Unregistered
- g.

2. NEGATIVE PHYSICAL FACTORS

- a. Area farmed by lessee 338 ha, lease 63 & 7 ha of freehold
- b.
- c. External access, 63 Difficult
- d. 63 is an unattractive unit

3. NEGATIVE MANAGEMENT FACTORS

- a. Lessee farm management rating 9. Lease 63 is neglected by the lessee
- b. Aerial topdressing is difficult
- c. Lessee labour input is minimal

4. NEGATIVE FINANCIAL FACTORS

- a. 63 is not mortgageable
- b. The lessee has few mortgageable assets & has not obtained development finance

LESSEE XXVII: LEASE (74) 163.7 ha (see analysis in Group 2(a))

LESSEE XXXV: LEASE (91) 55 ha (see analysis in Group 5(a))

LESSEE XXXIX: LEASE: (96) 225.7 ha

1. POSITIVE INSTITUTIONAL INFLUENCES

- a. 96: Has a long term & right to renewal
- b.
- c. 96: Rent at term review & renewal assessed less lessee improvements
- d.
- e.
- f.
- g.

2. POSITIVE PHYSICAL INFLUENCES

- a.
- b. 96: Is the main lessee holding
- c. External access 96, Good
- d.

3. POSITIVE MANAGEMENT INFLUENCES

- a.
- b.
- c.

4. POSITIVE FINANCIAL INFLUENCES

- a.
- b.

1. NEGATIVE INSTITUTIONAL FACTORS

- a.
- b. 96: Rent 6% capital value
- c. 96: Has two term rent reviews
- d. 96: Contains extra development demands
- e. No compensation for lessee improvements to 96
- f. 96: Unregistered
- g. Lessee has no ownership in 96

2. NEGATIVE PHYSICAL FACTORS

- a. Area farmed by lessee 234 ha lease 96 & 4 unregistered titles
- b.
- c.
- d. 96: Is steep and unattractive

3. NEGATIVE MANAGEMENT FACTORS

- a. Lessee farm management rating 9. Lessee displays very little farm management ability
- b. Aerial top dressing facilities for 96 inadequate
- c. Lessee uses no labour on 96

4. NEGATIVE FINANCIAL FACTORS

- a. 96 is not mortgageable
- b. The lessee has no mortgageable land assets & has not obtained finance for the development of lease 96

LESSEE XL: LEASE: (97) 282.3 ha

1. POSITIVE INSTITUTIONAL INFLUENCES

- a. 97: Has a long term & right to renewal
- b. 97: Rent 5% capital value
- c. 97: Has no term rent review
- d. 97: Has no extra development demands
- e.
- f.
- g. Lessee has ownership in 97

2. POSITIVE PHYSICAL INFLUENCES

- a.
- b. 97: Is the main lessee unit
- c. External access, 97 Reasonable
- d.

3. POSITIVE MANAGEMENT INFLUENCES

- a.
- b.
- c.

4. POSITIVE FINANCIAL INFLUENCES

- a.
- b.

1. NEGATIVE INSTITUTIONAL FACTORS

- a.
- b.
- c. 97: Rent at renewal assessed with lessee improvements
- d.
- e. No compensation for lessee improvements to 97
- f. 97: Unregistered
- g.

2. NEGATIVE PHYSICAL FACTORS

- a. Area farmed by lessee 314 ha, lease 97 & 3 unregistered titles
- b.
- c.
- d. 97 is a poor, very steep unit

3. NEGATIVE MANAGEMENT FACTORS

- a. Lessee farm management rating 8. Lessee is a very inexperienced manager
- b. Aerial topdressing facilities for 97 inadequate
- c. 97: Receives very little labour input

4. NEGATIVE FINANCIAL FACTORS

- a. 97: Is not mortgageable
- b. Lessee has no mortgageable land assets and has not obtained finance to help him develop 97



LESSEE XLIX: LEASE: (120) 197.6 ha

1. POSITIVE INSTITUTIONAL INFLUENCES

- a. 120: Has a long term & a right to renewal
- b.
- c. 120: Rent at review & renewal is assessed less lessee improvements
- d. 120: Has no extra development demands
- e.
- f. 120: Registered
- g. Lessee's wife has ownership in 120

2. POSITIVE PHYSICAL INFLUENCES

- a.
- b. 120: Is the lessee's main holding
- c. External access, 120 Reasonable
- d. 120 contains some strong pastoral land

3. POSITIVE MANAGEMENT INFLUENCES

- a.
- b. Lessee has aerial topdressing facilities to service 120
- c.

4. POSITIVE FINANCIAL INFLUENCES

- a.
- b.

1. NEGATIVE INSTITUTIONAL FACTORS

- a.
- b. 120: Rent 6% capital value
- c. 120: Has one rent review/term
- d.
- e. No compensation for lessee improvements to 120
- f.
- g.

2. NEGATIVE PHYSICAL FACTORS

- a. Area farmed by lessee 198 ha, lease 120 & 2 other small unregistered titles
- b.
- c.
- d.

3. NEGATIVE MANAGEMENT FACTORS

- a. Lessee farm management rating 8. The lessee is a station carpenter, not an experienced farm manager
- b.
- c. Lessee family provides minimal labour

4. NEGATIVE FINANCIAL FACTORS

- a. 120 is mortgageable
- b. Lessee has no property to mortgage apart from 120. Lessee has not been able to obtain development finance for 120. 120 contained many breaches of lease covenant when the lessee obtained it. Lessee acquired the lease as a matter of family honour

LESSEE LIIII: LEASES: (126) 111.5 ha; (127) 314.2 ha (see analysis in Group 8(b)II)

LESSEE LIV: LEASES: (131) 36.4 ha; (132) 54.9 ha (see analysis in Group 5 (a))

LESSEE LV: LEASE: (134) 934.3 ha

1. POSITIVE INSTITUTIONAL INFLUENCES

- a. 134: Has a long term
- b. 134: Rent 5% capital value
- c. 134: Has no term rent review
- d. 134: Has no additional lease covenants
- e.
- f.
- g. Lessee family has ownership in 134

2. POSITIVE PHYSICAL INFLUENCES

- a. Area farmed by lessee 994 ha, lease 134 & 1 unregistered title
- b. 134 is the main lessee unit
- c.
- d.

3. POSITIVE MANAGEMENT INFLUENCES

- a.
- b.
- c.

4. POSITIVE FINANCIAL INFLUENCES

- a.
- b.

1. NEGATIVE INSTITUTIONAL FACTORS

- a. 134: Is due to expire without renewal
- b.
- c.
- d.
- e. No compensation for lessee improvements to 134
- f. 134 Unregistered
- g.

2. NEGATIVE PHYSICAL FACTORS

- a.
- b.
- c. External access, 134 Poor
- d. 134 is infertile, steep & erosion prone

3. NEGATIVE MANAGEMENT FACTORS

- a. Lessee farm management rating 9. Lessee has no effective manager
- b. Aerial topdressing facilities for 134 inadequate
- c. Very little labour is used by the lessee

4. NEGATIVE FINANCIAL FACTORS

- a. 134 is not mortgageable
- b. The lessee has no mortgageable land assets & has not obtained finance for lease farm development

1. POSITIVE INSTITUTIONAL INFLUENCES

- a. 137: Has a long term
- b. 137: Reng 5% capital value
- c. 137: Has no term rent review
- d. 137: No extra development demands made
- e.
- f.
- g.

2. POSITIVE PHYSICAL INFLUENCES

- a. Area farmed by lessee 1430 ha; lease 137 & 1 freehold title
- b. 137: Adjoins the lessee freehold
- c.
- d.

3. POSITIVE MANAGEMENT INFLUENCES

- a.
- b.
- c.

4. POSITIVE FINANCIAL INFLUENCES

- a.
- b. Lessee has 1122 ha of freehold that has been used as security for development finance

1. NEGATIVE INSTITUTIONAL FACTORS

- a.
- b.
- c.
- d.
- e. No compensation for lessee improvements to 137
- f. 137: Unregistered
- g. Lessee has no ownership in 137

2. NEGATIVE PHYSICAL INFLUENCES

- a.
- b.
- c. External access 137, Very difficult
- d. 137 is steep & very isolated

3. NEGATIVE MANAGEMENT FACTORS

- a. Lessee farm management rating 6. Lessee/manager concentrates on his horticultural activities
- b. Aerial topdressing facilities for 137 are not good
- c. Lessee labour is concentrated on horticulture

4. NEGATIVE FINANCIAL FACTORS

- a. 137 is not mortgageable
- b. Lessee has not used any finance he has obtained on lease 137

## SUMMARY OF RESULTS

Positive influences on and negative factors affecting the development of part XXIII leases studied in this thesis have operated in varying combinations to produce different states of lease farm development. Leases from Lease Farm Development Rating Group 1(a) through to Group 9(b) exhibit these varying combinations but no one specific combination could be said to be solely identified with any particular group of leases. This also applies to any particular factor or influence. Each lease has to cope with a variety of circumstances, different combinations of factors and influences facing different leases have in fact produced the same or similar results. This diversity makes analysis difficult. General trends can, however, be identified when summarising assessments of negative factors facing leases in each of the lease farm development groups and by reviewing the reasons individual lessees had for developing some leases and not others.

Throughout, institutional factors played an important role in constraining lease farm development, although they could not be said to specifically cause a particular state of development. Any one lease in Group 1(a) could be said to face the same institutional factors as any one of those leases in Group 9(b). What was noticed, however, was that most lessees with more than one lease tended to concentrate their development efforts on leases with relatively long terms and with rights of renewal available, i.e. leases not yet in their second term. This did not always occur as some lessees were seen to have concentrated development efforts on leases due to expire, in order to comply with lease covenants and thus to have a better chance of obtaining a new lease. Rent and rent review problems were faced by leases in all groups. It was considered that their weight as negative factors affecting development tended to increase with the number of other problems a particular lessee and his leases faced. Leases in Group 5(a), 5(b) I, 6(a), 6(b) I and 7(a) are perhaps the leases most critically affected by rent problems. The lessees in these groups struggle to maintain a standard or to better their leases, added rent difficulties do not help. Lessees with leases only in groups 6(b) II, 7(b) I, 7(b) II and groups 8 and 9 and have financial problems, tend not to pay their rent anyway.

Extra onerous development demands did not occur with high frequency and where they did were often ignored as impracticable. Lessees who do make a reasonable development effort are not usually penalized for placing little importance on these demands. They exist as a result of the lessor's concern for the possible neglect of a lease and can be used to force the surrender of a lease, though such a course is rarely resorted to. It is interesting to note that these extra clauses are most prevalent in group 9(b) leases. No compensation for lessee improvement to leases is a clause standard for all part XXIII leases in the Tairāwhiti Land District. It can be seen to have two effects that are noticeable when a lease is in its second term. The first and the most prevalent is a lessee will stop developing that lease for fear that there will be no time to recover the investment before the lessors have the choice of withholding a new lease. The second, more rare effect, is that lessees for fear of losing existing investments develop their leases in order to endear themselves to the lessors and thereby improve their chances of getting a new lease. It would not be wise for the lessors, on review of lessees with leases carrying varying lease farm development ratings, to assume that no compensation for lessee improvements would have the latter effect. A lack of lease registration is not directly associated with a poor lease farm development rating as leases in Groups 1(a) and 2(a) are not registered. The full impact of a lack of lease registration comes when it is associated with negative physical management and financial factors, a predominance of which are found in the poorer lease farm development rating groups. A lack of lessee ownership can on review be considered to have little effect on whether or not a lease is developed. If anything it may be an undesirable influence if a lease is being held by an owner who is not capable of managing it, as are some leases in Group 9(b).

Physical factors are seen as having a more determining effect on a leases development than institutional factors. It is clear that many leases in groups 6, 7, 8 and 9 are farmed as part of relatively small farm enterprises, as opposed to those in groups 1 to 5 inclusive. When there are a number of titles farmed by a lessee, proximity to the main lessee holding has management advantages for a lease but it does not, alone, determine a lease's state of development. In a number of cases,

individual lessees have neglected leases isolated from their main units but those leases also tend to be physically unsuited to pastoral farming. Further, a constraint to lease farm development could be said to exist when a lease is of an uneconomic size and yet forms most of the main lessee unit, a circumstance that predominates in groups 8 and 9. External access when it is a negative factor alone can only be seen as a problem to compound other problems. It is a difficulty that has been overcome and has not been the sole reason for a lease being in groups 8 or 9. Of those lessees who farm leases that fall in a number of groups, many tend to concentrate their energies on those leases more physically suited to pastoral farming, unattractive and isolated leases have been penalized by even the most capable lessees if they have not already been cleared and maintained. An unattractive, physical nature has not deterred all lessees with this type of lease but it has definitely affected the development decisions of some lessees.

Invariably it was found that farm management factors are critically related to a lease's farm development rating. The lessee, farm manager or management team have to decide whether or not to develop a lease. They have to assess the possibilities for successful development given the limitations of their resources. For the leases studied the results of a development programme embarked upon tended to reflect to a large extent that leases, lessee farm management rating. Where leases have been maintained it was more often than not in a manner that again reflected their lessee's farm management rating. Very rarely in fact did a lease's development rating exceed its lessee's farm management rating, a point which indicates that this rating is a limiting factor where the state of a lease's development is concerned. It is pleasing to see that there are a number of fairly capable lessees seen in groups 1 to 4, in the sample studied. It is also interesting to note that their part XXIII leases are included as an integral part of their relatively large farming enterprises. Unfortunately, as one creeps further through the lease farm development rating group's, management difficulties and small holdings become real problems. Lessee farm management ratings (LFMR) were observed in groups 5, 6 and 7 as being average to fair only. It must be suggested in many cases in these groups that the limited nature of resources generally have not attracted

a strong farm management rating influence. Lessees with a FMR of between 5 and 7 inclusive do, however, exhibit considerable human potential, especially where they have decided to develop a lease. It is unfortunate that resources have not been made available to develop them as farmers. Groups 8 and 9 contain leases that face hopeless management circumstances, management capable of coping with the few resources available simply do not exist, a factor that is deplorable and particularly sad when associated with a significant number of lessee owners. Unfortunately, for many leases in Groups 8 and 9 the LFMR factor is responsible for placing an upper limit on their development. It is important to note that although a LFMR of 8 or 9 places the upper limit to development, where leases do not face this factor other problems are responsible for their poor lease farm development rating. When one reviews lessees who hold a number of part XXIII leases that fall in a variety of groups, it is clear that, leases not limited by their lessee's FMR, i.e. with a lease farm development rating poorer than its LFMR, they face other limiting factors. Development actually embarked upon is dependent on all resources available, if institutional, physical, financial, labour or top dressing constraints exist a lessee is likely to make a conscious decision not to develop that lease and/or not to bring the lease up to a standard he has been shown capable of attaining and maintaining. On observation of lessees in the category referred to the principle reasons for not developing leases, were a lease being less physically attractive to farm, a lease having less secure tenure and limited financial and labour resources. Leases were also found to suffer from their lessee's age, infirmity and other personal traits, exhibited in one case by a lessee feeling that any capital input on his part XXIII leases would not be warranted. Aerial topdressing facilities appear to be available to all but the most isolated leases and as such are not really a factor that limits development, just a factor that compounds the problems of isolation facing leases, those in groups 8 and 9 in particular. Labour difficulties tend to reflect existing problems with straightened financial resources and is a factor prevalent among leases in groups 6 to 9.

Financial factors constraining development were found to reflect other realty and personality problems faced by a lease and its particular lessee.



In Groups 1(a) and 2(a) there is not an over abundance of realty influences but management or personality influences made up for any lack. Realty and personality influences are strong in groups 3 and 4 and this is reflected in the generous amounts of external finance lessees in these groups were able to obtain. Personality and realty influences weaken markedly in Groups 5 through to 9. These are noticed as they go hand in hand with an increase in the negative financial factors faced. In Groups 1 to 4 a lack of lease registration where complemented by a core of other securable assets has not been a significant constraining factor on lease farm development. In Groups 5 to 9 inclusive a lack of lease registration often impairs the security value of the only asset available to the lessee. When observing lessees with more than one lease in a single group, insecure tenure and unattractive physical nature tend to result in a lease being discriminated against with respect to development when financial resources are scarce.

The institutional, physical, managerial and financial factors that effectively combine to constrain lease farm development in the final analysis include all those factors initially proposed in chapter five, yet their importance varies; if negative, a lessees farm management ability is perhaps the most significant constraint to a leases development. The total area farmed by a lessee would come next; then the physical suitability of the leases concerned to pastoral farming, followed by the security of their tenure and the length of time remaining in their term which is, as such, related to a lack of compensation for lessee improvements to a lease. Given these negative factors or any combination of them, a lease will face a constraining effect on its development, other negative factors will have a compounded constraining effect on the leases development.

Given the unique way that negative factors have tended to combine themselves they should be dealt with in the main at the lease level. It is crucial however, that this be done in a manner compatible with the political and social attitudes of the maori owners.

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## CHAPTER SEVEN

### CONCLUSION AND RECOMMENDATIONS

The successful pastoral development of 36,000 ha of Part XXIII/53 hill country lease land in the Tairāwhiti land district is of political and economic importance to both its Maori owners and the nation as a whole. From the national viewpoint successful development contributes to desired increases in total agricultural production. From the viewpoint of the Maori owners it provides economic returns, consolidates possession of the land and bestows valued "mana". Yet despite these benefits it was found that a relatively high proportion of the leases studied in this thesis had not been involved in successful development programmes.

It was shown in Chapter Two, Figure 2.2 that forty six per cent of the area studied exhibited states of development and production well below potential, a further fifteen percent, while having better states of production was not being developed to its full potential and in one case was actually reverting.

To discover the reason for this situation institutional, physical, financial and managerial factors that could have restrained development were identified for each lease and development group in which these leases were classified. It was hoped that an analysis of these factors, constraining and/or encouraging lease development, would have identified specific factors or groups of factors that significantly contributed to a low state of development. The results of this analysis were reported in Chapter Six. The analysis was a subjective one aimed at discovering broad trends. Such trends then may have been useful in formulating policy recommendations for combating specific constraints or sets of constraints. However, as the results of Chapter Six illustrated no strong trends were discernible. It is, of course, possible that a more scientific analysis, using tools of multivariate analysis, would have shown clear differences between groups. However it is the authors opinion that such differences (even if statistically significant) would not be a viable base for forming recommendations to overcome the present stagnant development situation.

Given the findings of Chapter Six all types of recommendations could be made to overcome some of the negative factors and to encourage the

positive factors. However as no broad trends could be determined from the analysis such an approach would have to be an ad hoc one. This type of approach is only workable on a lease by lease basis and it operates on the assumption that, any specific sets of negative factors dealt with, will be the only ones to arise in a particular lease term. It is therefore the opinion of the author that such an attack would be highly unsatisfactory. Such an approach would deal with the specific problems as observed (i.e. the symptoms) rather than attack the more basic problems of the inflexibility and unsuitability of Part XXIII of the 1953 Maori Affairs Act as a basis for land administration. The successful development of less developed leases demands the ability to cope with varied problems as they arise. Management and administration of land should be a dynamic process capable of dealing with changing circumstances. Land dealt with under part XXIII/53 is denied this type of flexibility.

Trying to develop land facing the variety and complexity of influences and factors less developed leases do, with a static law, is difficult. The uniqueness of any situation in its reaction to varying circumstances demands a dynamic administration, one capable of continually reassessing development, of accepting limits and of extending its potential. The provisions of part XXIII/53 are too inflexible to fill such a role, they tend to compound problems facing leases by providing very limited ways of changing an existing situation.

If part XXIII/53 is kept as a basis for administering land, less developed leases, irrespective of any policy dealing with specific negative lease farm development factors, are not likely to be viable development propositions. Part XXIII/53 in regard to leasing land is a frigid piece of legislation that creates frustration among both lessors and lessees.

In the opinion of the authors, and this is based on the extensive analysis of the previous six chapters, a move toward 438/53 trusts would provide an administrative unit able to act for the owners in farming matters and capable of making appropriate decisions at the right time. Relative to part XXIII/53, 438/53 trust orders (as discussed in Chapter Four) can have greater flexibility in matters of land administration and therefore have the ability to deal with many situations and possibilities of solving them. Critically trusts have the power to initiate a pattern of land

utilization, giving owners an active as opposed to passive role in deciding the fate of their land.

Therefore because of the above, the recommendations that follow from the analysis done will deal mainly with changes to the institutional structure, rather than with possible ad hoc changes to the current situation.

With this in mind there should be strong moves on the part of government to eliminate the use of part XXIII/53 as a continuing basis for the administration of hill country units. Government policy should encourage the use of 438/53 trusts and incorporations as viable alternative administrative structures for Maori rural land. Impetus for this change should come through the auspices of a bureaucracy tailored for the job. This impetus should not, as has been suggested, be the responsibility of the Maori Land Court. (1).

Facilities that could aid the implementation of a policy encouraging the use of 438/53 trusts for rural Maori freehold land, exist in the forms of Maori Land Advisory Committees and The Maori Trustee. Maori Land Advisory Committees are capable of initiating the land utilization studies that would be required if informed flexible trust documents are to be drafted. Planning for utilization of land can be assisted by the Maori Trustee co-operating in the drafting of 438/53 lease documents. The Maori Trustee can also provide vital professional assistance in the administration of 438/53 trusts.

Inter departmental co-operation with respect to land utilization studies could assist the effectiveness of a policy encouraging 438/53 trusts for rural Maori freehold land. But unfortunately the complex nature of Maori land tenure has resulted in a negative attitude towards dealing with it. Ministry of Agriculture and Fisheries personnel have not exhibited the diplomacy, patience or command of the law that is required. To instruct the Maori Affairs Department to support Maori Land Advisory Committees in a push towards 438/53 trusts at the moment would be inadequate. As a result of the internal structure of the department there would be immediate priority clashes with housing and social welfare

considerations. Social Welfare and housing policies have predominated at the expense of a comprehensive rural land development policy. The existing personnel and financial thrust of the department will not allow it to effectively pursue a policy encouraging the formation of trusts and incorporations.

If matters of rural Maori land development are to be accorded any priority, then alternative bureaucratic units autonomous of the existing administration are required. These units must be capable of giving the policy mooted the strong administrative back-up that it required. Maori Land Advisory Committees already in existence would provide a good base for one such unit. They have the potential to initiate plans to collect small scattered hill country units, under 438/53 trusts with one common responsible trustee and where relevant to initiate part XXIV/53 development (this source of financing was discussed in Chapter Four). Such a movement by Maori Land Advisory Committees towards 438/53 trusts and incorporations will involve title improvements. These improvements will demand the expansion of existing facilities for development finance. Government has the advantage of being able to accommodate any need for increased development finance through Maori Land Advisory Committees. Government must be prepared to do this if it wishes to encourage increased production.

The Maori Trustee is in the ideal position to take up the role of responsible trustee in 438/53 trusts but has to date in a number of districts been reluctant to accept this position. The Maori Trustee should be involved in a new bureaucracy with personnel available to fulfil such of a role. The Maori Trustees Officers are in a position to know of impending lease expiries and thus could assist with planning and advice on land utilization. To carry out this job effectively these officers must be seen to represent the interests of owners in land development. The Maori Trustee should not have the possible effectiveness of his position as an advisor and planner compromised, as it is at present, by poor administrative back-up and role conflict within the existing bureaucracy.

It is critical that Government policy involving 438/53 trusts and incorporations provides assurances that long term alienation of land from its owners will not occur. There should be a directive to any

bureaucracy involved stating that the objectives of moves to 438/53 trusts are not to facilitate the leasing or sale of land, but in fact to facilitate the development and pastoral farming of the said land. Part XXIV/53 provides the cheapest method of developing land but has not been used to its full potential because of fears involving long term loss of the land. These fears must be allayed with definite dates for revesting the blocks in owner trusts. Long term forestry leases are to be avoided especially where the potential for development of forestry of owner trusts exists as undoubtedly it does in the Tairāwhiti Land District.

For a Maori Land development policy to be successful it must recognise Maori sentiment. Using the existing forms of Maori Land Advisory Committees, the Maori Trustee, 438/53 Trusts and incorporations is a start, but the nature of these bodies must be sensitive to the economic and social needs of Maori owners. Policy directives should work to ensure this sensitivity.

The degree to which 438/53 trusts or incorporations will be more positive as exhibited by more and better land development will depend upon whether expert advice on Maori land management is available. To date a lack of this has been a major stumbling block. Although it is important to have a well structured policy for Maori land development the level of its achievement will be determined by the quality of people who implement it. Personnel making up Maori Land Advisory Committees, the Maori Trustees Office and their bureaucratic support systems must be suitably qualified. The lack of expertise in Maori Land Management exhibited in the past by these bodies have undoubtedly limited development initiatives. To rectify this situation members of Maori Land Advisory Committees should be required to hold qualifications in farm management, valuation and in Maori land administration. Where these qualifications do not exist, an avenue of appeal against appointments made by the minister must be available. Those people working in any proposed bureaucracy should at least hold qualifications comparable with those held by personnel in the Rural Banking and Finance Corporation with the added requirement of a legal and administrative background in Maori land management. The funding of such a bureaucracy must allow it to attract, employ and motivate an adequate number of qualified people.



The Maori Trustee has acknowledged a lack of trained personnel, a difficulty that has impaired the ability of officers to carry out the trustee's duties. For the sake of the Maori Trustee, Maori Land Advisory Committees, Maori people and Maori land generally, tertiary education institutions should provide papers on Maori land management. There is a definite demand for Maori land administration papers. At the University level, unfortunately, Maori studies and Agriculture faculties have sadly neglected the subject, this situation should be rectified. It is clear that Maori land development cannot be left to people, as it has in the past, who are not professionally qualified.

If any professional person working in a bureaucracy is to maintain a high level of motivation, policy directives must be clear and responsibilities defined. On this basis it would be difficult for the Maori Trustee or Maori Land Advisory Committees to be anything other than autonomous of the existing Maori Affairs Administration. The office of Maori Trustee has the unfortunate problem at present of not being seen to be independent of the Maori Affairs department. The Maori Trustee should reinforce his autonomy by not having his senior officers in any way associated with that of the secretary of Maori Affairs or the Maori Affairs department. Similarly, Maori Land Advisory Committees should have an administrative structure independent of the existing order and responsible to a Maori land board who's sole priority would be the farming and development of Maori land for the long term benefit of its owners.

It would be unwise for any new bureaucracy to be responsible to any body other than government, the representative base of the New Zealand people. There have been strong moves on the part of the New Zealand Maori Council to take over the role of policy making for the Maori people. Although this Council is a legally constituted lobby group, it does not have a structure in law that ensures its members are directly accountable to the Maori people (2). To hand over the power to dictate policy to a group that is not subject to democratic checks and balances undermines the principles on which New Zealand as a country operates. If the New Zealand Maori Council suggests that they have the right to represent Maori interests they must be taken to task. Let them stand before the people, if their claims of representation of Maoridom are valid, no doubt the Maori people will vindicate their stand. It is unfortunate that

legislation governing their election to office at present is so manifestly inadequate in ensuring that it is the will of the majority of Maori people in New Zealand.

The wisdom of removing power from central government to a separate interest group, no matter how representative, must be questioned. The New Zealand Maori Council has limited political influence and critically no say in the allocation of taxpayers money, so they immediately stand at a disadvantage. Crucially government would not be accountable to such a group. The New Zealand Maori Council in a bid for power would leave themselves open to accusations of precipitating an apartheid style system and thus invite an excuse to be classed as a second rate financial priority (3). An intermediary group like the New Zealand Maori Council reduces the accountability of government for policy. A situation that cannot work in the long run to the advantage of the Maori people.

Channels of communication between the people and policy makers must however be maintained. There are four members of parliament who have been charged by the Maori people to represent their interests. They should be included at the electorate level on regional Maori Land Advisory Committees to provide an acknowledgement of their democratic status.

The large areas of Maori land that are unoccupied, informally occupied or leased under part XXIII/53 are under stress and with the passage of time this stress is increasing. Each generation that passes compounds title difficulties and the problems of locating owners to initiate policy. A coordinated motivated and comprehensive Maori rural land development directive from government is becoming a critical necessity if the problem of less developed Maori lease land is to have a sane political solution. There should be no illusion that this would be a purely magnanimous move on the part of government given the potential for increased primary produce export receipts. The onus is on the government to act immediately and professionally to terminate the use of part XXIII of the 1953 Maori Affairs Act as a basis for the long term utilization of multiply owned Maori hill country and to encourage the formation of 438/53 trusts and incorporations through a new independent and vigorous bureaucracy.

FOOTNOTES TO CHAPTER SEVEN

- (1) Recommendations recently made by the New Zealand Maori Council to Government suggested that the Maori Land Court should be the vehicle for changes in policy on Lease Land.
- (2) The Maori Community Development Act 1962 No. 133 Government Printers
- (3) Kaupapa New Zealand Maori Council Government Printers 1983.



THE VIABILITY OF DEVELOPING MAORI LEASEHOLD  
LAND: THE CASE OF PART XXIII HILL COUNTRY  
LEASES IN THE TAIRAWHITI LAND DISTRICT

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Georgina Maree Iritana Tattersfield

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APPENDIX I: APPROXIMATE AREA AND TENURE OF MAORI LAND AT 31.3.77 IN HECTARES

<u>District:</u>	<u>Whangarei</u>		<u>Hamilton</u>		<u>Rotorua</u>		<u>Gisborne</u>		<u>Wanganui</u>		<u>Palm. North</u>		<u>Christchurch</u>		<u>TOTAL</u>	
Rural leasehold land	No. Leases	Area	No. Leases	Area	No. Leases	Area	No. Leases	Area	No. Leases	Area	No. Leases	Area	No. Leases	Area	No. Leases	Area
Reserved lands									370	20075	3	175	120	2650	493	22900
Vested lands	16	1115	2	40	2	65	14	550	9	2600	5	290	1	40	49	4700
Pt XXV/53	15	340	77	2950	2	25	2	240	15	500	2	115	6	330	119	4500
Pt XIX/53	29	1150	137	5900	285	18600	221	9700	184	9100	93	3600	3	450	952	48500
Pt XXIII/53	24	1200	187	13200	414	24500	498	44400	557	30750	226	8700	37	3250	1943	126000
Pt XXIV/53	149	9400	122	6600	119	9300	72	5100	73	6500	10	1000	4	1100	549	39000
S 438/53	195	6100	12	1000	219	19600	51	1900	23	1200	43	1300	16	300	562	31400
<u>Total Leases</u>	428	19305	537	29690	1041	72090	868	61890	1231	70725	382	15180	187	8120	4667	277000
<u>Incorporations</u>		23600		16500		53900		122700		97600		8300		8400		331000
<u>Pt XXIV Development Blocks</u>		14000		17000		30000		28000		19000		-		-		108000
<u>Other Maori Land</u> (Unoccupied, occupied without tenure or freehold)		78695		60410		139410		43010		153975		69720		53780		599000
<u>TOTAL</u>		135600		123600		295400		255600		341300		93200		70300		1315000

Source: Report of the Committee appointed to investigate problems associated with farming Maori leasehold land. Farming of Maori Leasehold Land. Government Printers, May 1978.

APPENDIX II

(Approved by the District Land Registrar, Wellington, No. 069049.2)

**MEMORANDUM OF LEASE**

(Under Part XXIII of the Maori Affairs Act 1953)

WHEREAS the persons whose names are set out in the Certificate of Title/Provisional Register/Order hereinafter mentioned (hereinafter together and together with their respective successors in title referred to as "the Lessors") are registered as proprietors of an estate in fee simple as tenants in common subject however to such encumbrances liens and interests as are notified by memoranda underwritten or endorsed hereon in ALL THAT piece of land (hereinafter referred to as "the said land") situated in the

containing  
or less being

hectares

be the same a little more

AND WHEREAS THE MAORI TRUSTEE is duly authorised to execute this instrument of alienation as agent of the owners under Part XXIII of the Maori Affairs Act 1953 and pursuant to a resolution of the assembled owners of the said land duly confirmed by the Maori Land Court. NOW THEREFORE the Maori Trustee by virtue of the powers conferred upon him by the said Part XXIII doth hereby execute these presents as agent of the owners for the time being of the said land and as such agent DOTH HEREBY LEASE to (hereinafter together and together with his/her/their respective executors administrators and lawful and permitted assigns referred to as "the Lessee(s)") all the said land to be held by the Lessee(s) as tenant(s) for the term (hereinafter referred to as "the said term") of

years from and including the

day of

19

yielding and paying therefor:

(a) For and during the first years of the said term the yearly rental of

(b) For and during the balance of the said term a yearly rental calculated on the basis of dollars per centum of the capital value of the said land according to a special Government Valuation of the said land to be made at the expense of the Lessee(s) as in the last month of the last of the said first years or a yearly rental equal to the rental first hereinbefore mentioned whatever shall be the greater provided always that for the purposes of such calculation there shall be deducted from the said capital value the value of all improvements made on or to the said land during the term hereof by the Lessee(s) and subsisting at the date of valuation.

or (b) For and during each year period of the said term thereafter a yearly rental calculated on the basis of dollars per centum of the capital value of the said land according to a special Government Valuation of the said land to be made at the expense of the lessee(s) as in the last month of the last year of the year period immediately preceding or a yearly rental equal to the rental payable in respect of the immediately preceding year period whatever shall be the greater provided always that for the purposes of such calculation there shall be deducted from the said capital value the value of all improvements made on or to the said land during the term hereof by the lessee(s) and subsisting at the date of valuation.

PROVIDED THAT such rental shall be not less than the rental payable for and in respect of any preceding year of the said term: SUBJECT to the following covenants conditions and restrictions:

AND THE LESSEE(S) DOTH/DO HEREBY COVENANT WITH THE LESSORS AS FOLLOWS:

1. THAT the Lessee(s) will pay without any deductions the rent hereby reserved half-yearly in advance on the day of the months of and in each and every year of the said term to the Maori Trustee at his office at or at such other place or places in New Zealand

as the Maori Trustee may from time to time direct and will in addition when making each and every such payment of rent pay to the Maori Trustee without any deductions his commission for his services in accordance with the provisions in that behalf contained in section 231 (5) of the Maori Affairs Act 1953 in respect of such rent so paid.

2. THAT the Lessee(s) will during the said term and as and when the same shall become due and payable duly and punctually pay and discharge all rates taxes charges (including electric light and power charges) levies and assessments (other than Landlord's Land tax) which during the said term may be rated taxed charged levied assessed or made payable in respect of the said land (all such rates taxes charges levies and assessments in respect of the first and last years of the said term being apportioned between the parties hereto and the Lessee(s) will pay his/her/their proportion thereof whether or not the same shall be due and payable before the commencement or after the termination of the said term).

3. THAT the Lessee(s) and his/her/their successors in title respectively shall not assign sublet or part with the possession of the said land or any part thereof for the whole or any part of the said term without the consent of the Maori Trustee in writing first had and obtained PROVIDED THAT such consent shall not be unreasonably or arbitrarily withheld in the case of an assignment sub-letting or parting with possession in favour of a reputable and solvent person or body corporate.

4. THAT the Lessee(s) will prior to the commencement of the last year of the said term or earlier if called upon by the Maori Trustee so to do erect and put upon the boundaries of the said land upon which no substantial fence exists a "sufficient fence" within the meaning of the Fencing Act 1908: PROVIDED ALWAYS and notwithstanding anything hereinbefore contained the Lessee(s) shall be responsible for complying with the provisions of such Act with regard to all notices issued thereunder with reference to the said land during the said term.

5. THAT the Lessee(s) will at all times during the said term repair and keep and maintain in good and substantial repair all buildings and other erections fences gates hedges culverts dams drains crossings fixtures stockyards and improvements of every description now or hereafter standing or being upon or growing on the said land and will renew all such parts thereof as shall become decayed or unserviceable and will at the end or sooner determination of the said term yield up the same in like good order and condition and the Lessee(s) will during the said term and at intervals of not more than five years or if and when otherwise required so to do by the Maori Trustee paint in a workmanlike manner all the outside (including the roof) woodwork and ironwork of all buildings now or hereafter to be erected upon the said land with two coats of proper oil colour or synthetic paint suitable for use in the locality.

6. THAT the Lessee(s) will at the cost in all things of the Lessee(s) insure and keep insured all buildings and other structures of an insurable nature for the time being erected on the said land to the full insurable value thereof against loss or damage by fire in the names of the Lessors and of the Lessee(s) for their respective interests or as the Maori Trustee shall from time to time direct with the State Insurance Office or some other reputable insurance office in New Zealand previously approved in writing by the Maori Trustee and the Lessee(s) will on written demand being made of the Lessee(s) by any one or more of the Lessors or by his/her/their duly authorised agent or by the Maori Trustee forthwith and at the cost in all things of the Lessee(s) produce to the person making such demand at the address in New Zealand specified in such demand for inspection by such person the policy of insurance relating to the fire insurance hereinbefore mentioned together with (if also demanded) all or any receipts or receipt for any premiums or premium paid with reference to such policy and in the event of the said buildings and other structures or any of them being destroyed or damaged by fire then (but subject always to the prior rights of any mortgagee of the said land) all moneys received by the Lessors under and by virtue of any such insurance shall forthwith be expended by the Lessors in reinstating or repairing the buildings or structures so destroyed or damaged PROVIDED ALWAYS that the Lessors shall be under no duty whatsoever to expend in reinstating or repairing any such buildings or structures any greater sum of money than that actually received by them as the proceeds of such insurance.

7. THAT the Lessee(s) will subject to the provisions of clause 18 hereof and to any express modifications of this clause 7 hereof hereinafter contained lay down the said land in good English grasses and clovers within five years of the commencement of the said term and will during the said term cultivate use and manage all such parts of the said land as now are or shall hereafter be brought into pasture in a proper and husbandlike manner and will not impoverish or waste the same but will keep the same in good heart and condition and will at the end or sooner determination of the said term leave all of the said land laid down in good permanent English grasses and clovers of the descriptions and proportions usually sown in the district in which the said land is situated and suitable for the said land.

8. THAT the Lessee(s) will use the most approved modern methods to eradicate all noxious weeds that are such by law from time to time in the district in which the said land is situate growing on the said land or upon the near half of any road adjoining the said land and will grub up and destroy all gorse growing as aforesaid otherwise than in or upon a true line of fence without contribution from the Lessors and will duly and punctually comply with all directions of the Lessors and the Maori Trustee as to the methods to be used or otherwise and also with all the provisions of the Noxious Weeds Act 1950 and all Regulations thereunder PROVIDED ALWAYS that the Lessee(s) shall have no claim against the Lessors in respect of the reasonable expenses mentioned in section 10 of the said Act and the Lessee(s) shall indemnify the Lessors and keep the Lessors safe harmless and indemnified against all contributions costs charges and expenses which the Lessors may be called upon or compelled to pay under the said Act.

9. THAT the Lessee(s) will at least once in every year of the said term clean and open all ditches drains and watercourses on the said land and will keep the same clear and unobstructed at all times during the continuance of the said term.

10. THAT the Lessee(s) will not at any time during the said term overstock the said land and will not during the last year of the said term depasture upon the said land a greater number of stock than the Lessee(s) shall have had depasturing upon the said land during the 12 months of the said term immediately precedent to such last year.

11. THAT the Lessee(s) will while using the said land as a dairy farm in all respects comply with all the provisions of the Dairy Industry Act 1952 and all Regulations made thereunder so far as the same relate to the said land and under no circumstances shall the Lessors be liable to pay or to contribute to any expenditure by the Lessee(s) on buildings or other improvements upon the said land notwithstanding the provisions of section 8 of the said Act.

12. THAT the Lessee(s) will not at any time during the said term without the prior written consent of the Maori Trustee request or permit any Electric Power Board to install any motor electric wires electric lamps or other electrical fittings or equipment on or about the said land or to do or cause or permit to be done any act deed matter or thing whereby any charge under section 119 of the Electric Power Boards Act 1925 or any Regulations thereunder shall or may be created upon the said land in respect of the same.

13. THAT the Lessee(s) will in a husbandlike manner and at the proper season for so doing in each year topdress so much of the said land as shall be laid down in pasture with good quality artificial manure suitable to the nature of the soil and of a quantity normally used in the district in which the said land is situated and if called upon by the Maori Trustee so to do will produce to him proper and sufficient evidence of compliance by the Lessee(s) with the foregoing provisions of this clause 13 hereof.

14. THAT the Lessee(s) will not during the said term take or permit or suffer to be taken from the said land or any part thereof more than three crops other than grass in successive years and will at the expiration of the said term leave the said land laid down in good permanent English grasses and clovers as provided by clause 7 hereof.

15. THAT the Lessee(s) will at his/her/their own cost and expense do all things in relation to the said land necessary to comply with the provisions of the Noxious Animals Act 1956 and the Agricultural Pests Destruction Act 1967 and all Regulations thereunder respectively and to keep the said land free and clear of rabbits and all other noxious vermin and will indemnify the Lessors and keep the Lessors safe harmless and indemnified against all contributions costs charges and expenses which the Lessors may be called upon or compelled to pay under the said Acts and Regulations respectively.

16. THAT the Lessee(s) will not allow pigs to roam at large over the said land but will at all times keep them properly ringed and in proper pig-proof enclosures not exceeding in all hectares in extent.

17. THAT the Lessee(s) will forthwith pay all costs and expenses incurred in the preparation completion and stamping of these presents and the counterpart or duplicate hereof and all costs and expenses incurred by the Lessors or by the Maori Trustee in relation to any notice or any proceedings with reference to these presents under the provisions of the Property Law Act 1952 relating to forfeiture and relief against forfeiture (notwithstanding that and whatever the means by which such forfeiture may be avoided).

18. THAT the Lessee(s) will keep all native bush and all shrubbery shelter ornamental and other trees at any time growing upon the said land in good order and condition and will not without the prior written consent of the Maori Trustee cut down damage or destroy or permit to be cut down damaged or destroyed any of the said native bush shrubbery shelter ornamental and other trees and will use all proper and reasonable means to preserve the same and will not remove or permit to be removed from the said land any fencing posts timber or firewood PROVIDED HOWEVER that the Lessee(s) may use for his/her/their own requirements on the said land for repairing or erecting fences and for firewood any logs or dead timber on the said land and PROVIDED FURTHER that the property in the timber of all such trees shall in any case remain with the Lessors.

19. THAT the Lessee(s) will not call upon or compel the Lessors to contribute to the cost of erecting repairing or maintaining any boundary fence which may now or hereafter be erected between the said land and any other land adjacent thereto of which the Lessors or any one or more of the Lessors are the owners PROVIDED ALWAYS that this covenant shall not enure for the benefit of any purchaser or Lessee(s) from the Lessors of such adjacent land so as to deprive the Lessee(s) of any rights the Lessee(s) would have (but for this covenant) against the occupier (other than the Lessors or any one or more of the Lessors) of any such adjacent land.

20. THAT in burning off or lighting fires upon the said land the Lessee(s) will in all respects comply with the provisions of the Forest and Rural Fires Act 1955 and all Regulations thereunder and will use every care and precaution to prevent fires from spreading to properties adjoining or near to the said land and will indemnify the Lessors and keep the Lessors safe harmless and indemnified against all claims for damage caused by any fire lit by the Lessee(s) or his/her/their servants agents invitees or licensees and so spreading as aforesaid and against all contributions costs charges and expenses which the Lessors may be compelled to pay pursuant to the provisions of the said Act or otherwise howsoever with reference to any such fire or fires or otherwise.

AND THE LESSORS DO HEREBY COVENANT WITH THE LESSEE(S) AS FOLLOWS:

21. THAT the Lessee(s) having performed and observed the covenants and conditions on his/her/their part herein contained or implied shall be entitled on the termination by effluxion of time of the said term (unless a renewed term be created as hereinafter appears and in such case the Lessee(s) shall be entitled on the termination by effluxion of time of such renewed term) to such sum by way of compensation as shall be equal to dollars per centum of the value at such termination as determined in the manner hereinafter provided of all improvements of the kind more particularly set out in the Schedule hereto which have been effected by the Lessee(s) and which are in existence on the said land at the expiration of the said term or at the expiration of such renewed term PROVIDED HOWEVER that in respect of buildings no compensation shall be payable unless the Maori Trustee has previously to the erection thereof approved in writing the plans and specifications therefor and the Maori Trustee shall be under no duty to approve any such plans or specifications.

22. THAT for the purpose of ascertaining the amount of the compensation (if any) to which the Lessee(s) shall be so entitled under the foregoing clause 21 hereof the value of the said improvements shall be determined by a special valuation thereof to be made by the Valuer-General in accordance with the provisions of section 244 of the Maori Affairs Act 1953 and the fee for making such valuation shall be borne by the Lessee(s).

23. THAT when the Lessee(s) make on the said land any improvement of the kind referred to in clause 21 hereof the Lessee(s) shall be entitled on written application to the Maori Trustee to have particulars of the nature of those improvements recorded at the cost of the Lessee(s) in the manner prescribed by subsection 4 of section 249 of the Maori Affairs Act 1953.

24. THAT on the written request of the Lessee(s) by notice in writing to the Maori Trustee made not less than six months nor more than nine months before the expiration of the said term and if there shall not at the time of such request be any existing breach or non-observance of any of the covenants on the part of the Lessee(s) herein contained but not otherwise the

Lessors will at the expense of the Lessee(s) grant to the Lessee(s) a lease of the said land for a further term of \_\_\_\_\_ years from the expiration of the said term the Lessee(s) yielding and paying therefor--

- (a) For and during the first \_\_\_\_\_ years of the said further term a yearly rent calculated on the basis of \_\_\_\_\_ dollars per centum of the capital value of the said land according to a special Government Valuation of the said land to be made at the expense of the Lessee(s) as in the last month of the expired term or a yearly rent equal to the rent payable for and in respect of the last year of the expired term whichever shall be the greater.
- (b) For and during the balance of the said further term a yearly rent calculated on the basis of \_\_\_\_\_ dollars per centum of the capital value of the said land according to a special Government Valuation of the said land to be made at the expense of the Lessee(s) as in the last month of the said first \_\_\_\_\_ years of the said further term or a yearly rent equal to the rent payable for and in respect of the said first \_\_\_\_\_ years of the said further term whichever shall be the greater PROVIDED ALWAYS that for the purposes of any calculation to be made pursuant to the foregoing provisions of this clause 24 hereof there shall be deducted from the said capital value the value of all improvements made on or to the said land during the expired term or the said further term by the Lessee(s) and subsisting at the date of valuation.

such lease to contain the like covenants and provisions as are herein contained EXCEPT this present covenant for renewal.

AND IT IS HEREBY MUTUALLY AGREED AND DECLARED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

25. THAT the Maori Trustee may at all reasonable times during the said term enter upon the said land himself or by his agent officer or servant for the purpose of viewing the state and condition of the said land and of the buildings and erections thereon.

26. THAT notwithstanding anything hereinbefore contained there are hereby excepted and reserved from this demise all milling timber merchantable timber flax coal lignite stone clay kauri-gum and other metals or minerals whatsoever in or upon the said land and also full power and liberty to the Lessors their agents servants grantees or licensees to enter upon the said land for the purpose of searching for working winning getting and carrying away all such milling timber merchantable timber flax coal lignite stone clay kauri-gum and other metals and minerals reserved as aforesaid and for such purposes to make such roads erect such buildings sink such shafts and do all such other things as may be necessary: PROVIDED ALWAYS that the Lessors shall pay a fair compensation to the Lessee(s) for all loss or damage sustained by the Lessee(s) by the exercise of any such powers by the Lessors and the amount of any such compensation shall in default of agreement between the Maori Trustee (as agent for the Lessors) and the Lessee(s) be determined by two arbitrators (one to be appointed by the Maori Trustee and the other to be appointed by the Lessee(s)) and in case such arbitrators cannot agree then by their umpire all such arbitration to be in accordance with the provisions of the Arbitration Act 1908 and these presents shall for the purpose of any such arbitration be deemed to be a submission under the said Act.

27. THAT if the Lessee(s) shall at any time or times make default in the performance of any one or more of the covenants conditions or provisions on the part of the Lessee(s) herein expressed or implied it shall be lawful for the Lessors (without prejudice to any right of re-entry or other right) to perform any such covenant condition or provision on behalf of the Lessee(s) (and if necessary for so doing to enter upon the said land) and all moneys paid and expenses incurred in so doing and also all costs incurred by the Lessors in connection therewith shall be forthwith repaid at the said Office to the Maori Trustee or at such other place or places as aforesaid as agent for Lessors by the Lessee(s) together with interest thereon at the rate of ten dollars per centum per annum and shall be recoverable by distress under the Distress and Replevin Act 1908 or otherwise as if the same were rental in arrear hereby reserved and it shall be lawful for the Lessors or any agent of the Lessors or the Maori Trustee or his agent officer or servant at all times for such purpose to enter upon the said land with such workmen and other persons as the Lessors or the agent of the Lessors or the Maori Trustee or his agent shall think fit and to remain there for such time as in the circumstances shall be reasonable and proper.

28. THAT in case the rental or the said commission or any other money payable hereunder or any part thereof shall be unpaid by the Lessee(s) on any day on which the same ought to be paid and shall remain unpaid for one month thereafter whether the same shall have been lawfully demanded or not or in case any Lessee shall become bankrupt or insolvent or shall compound with or assign such Lessee's estate for the benefit of such Lessee's creditors or in case of the breach non-observance or non-performance by the Lessee(s) of any covenant condition or restriction herein on the part of the Lessee(s) contained or implied then and in every such case it shall be lawful for the Lessors forthwith or at any time thereafter without notice or suit other than any notice required to be given by reason of the provisions of section 118 of the Property Law Act 1952 to enter upon any part of the said land in the name of the whole and thereby to determine the estate of the Lessee(s) under these presents but without releasing the Lessee(s) from liability in respect of any breach of any of the said covenants conditions and restrictions.

29. THAT the covenants powers and conditions implied in leases by the Property Law Act 1952 shall be implied herein except in so far as the same are hereby modified or negated.

30. THAT any of the terms conditions or provisions of these presents which are not expressly or impliedly contained in or covered by the said resolution of the said assembled owners passed under the said Part XXIII of the Maori Affairs Act 1953 or the conditions or modifications or confirmation thereof by the said Court shall be deemed to be terms conditions and provisions which have been agreed upon between the Lessors and the Lessee(s).

31. THAT save as hereinbefore expressly stipulated no compensation shall be payable to the Lessee(s) in respect of any improvements effected by the Lessee(s) upon the said land during the said term.

32. THAT neither the Lessors nor the Maori Trustee shall be under any duty to take any steps or to expend any money in order to enable these presents to be registered pursuant to the provisions of the Land Transfer Act 1952 and the Lessee(s) hereby acknowledges that all costs of survey for any purposes to the standard contemplated in Section 34(9) of the Maori Affairs Act 1953 and then without recourse to Section 411 of that Act shall be paid solely by the Lessee(s).

33. THAT the liability of the Lessee(s) hereunder shall be joint and several (should there be more than one Lessee hereunder) and the obligations of the Lessee(s) hereunder shall be deemed to be several.





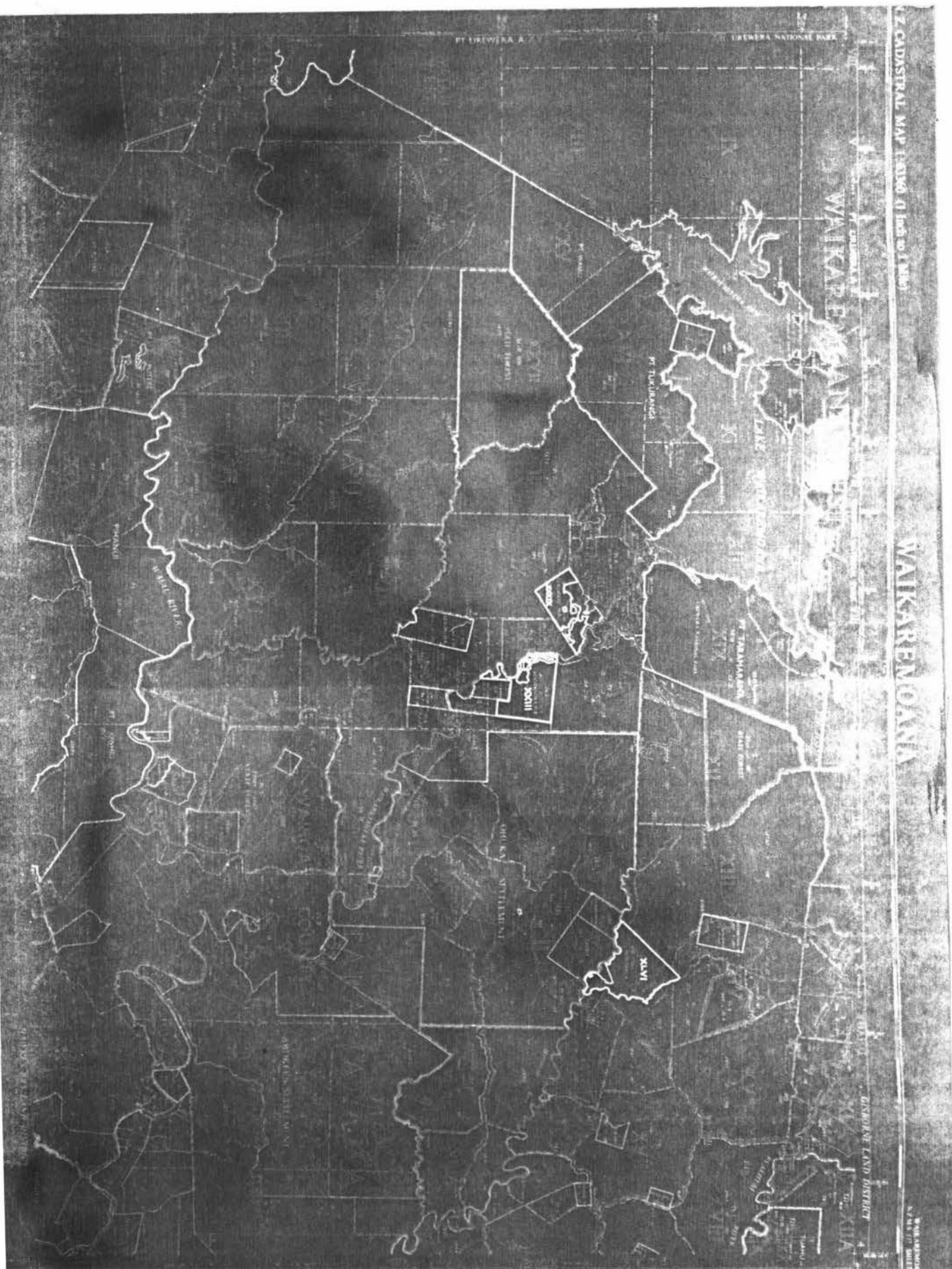
Adapted from *The Māori Today* (cover)

North Island: major tribal boundaries in nineteenth and twentieth centuries.  
Virtually the whole of the South Island has been occupied by only one major tribe,  
Ngai Tahu.

APPENDIX IV

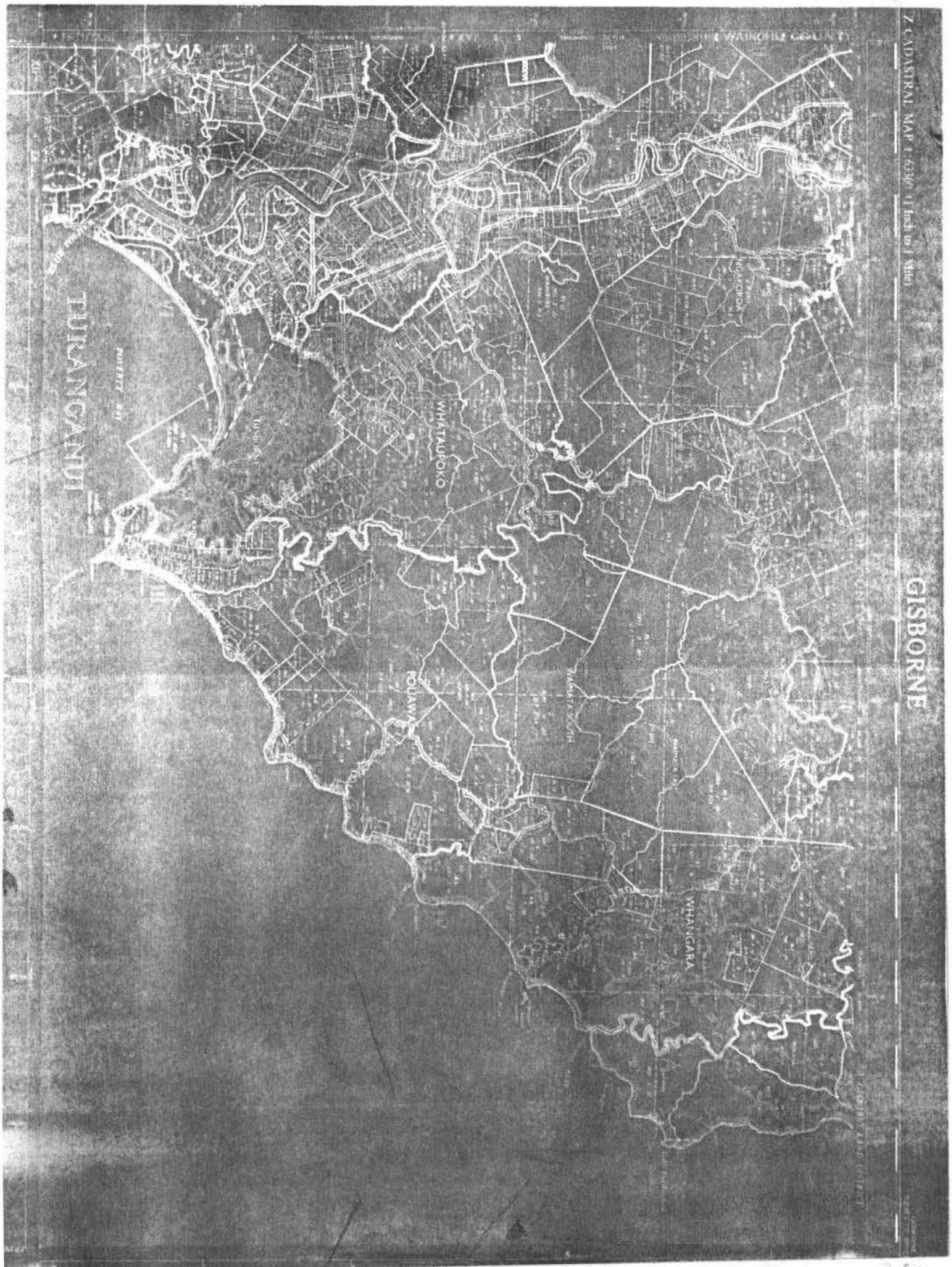








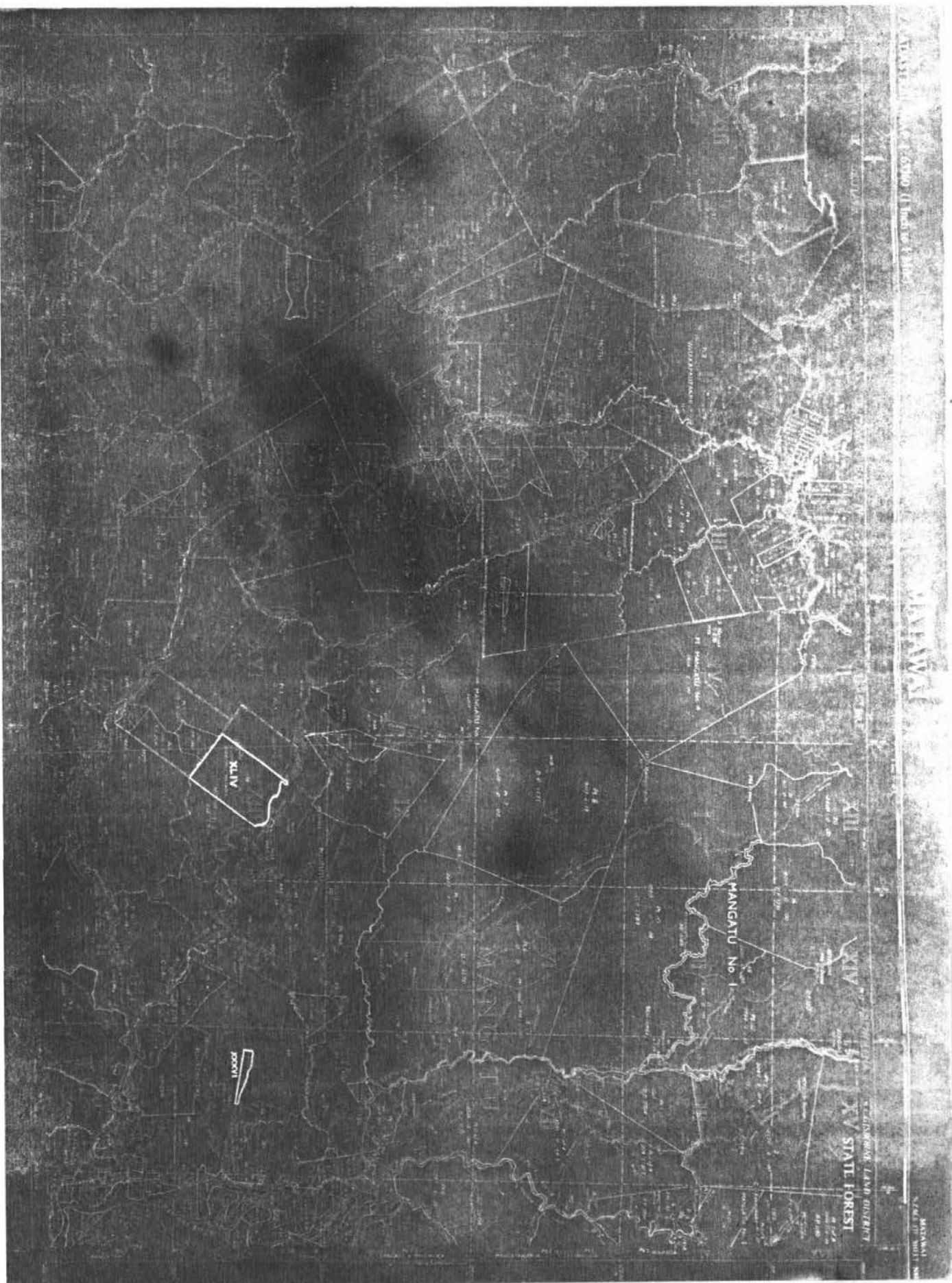




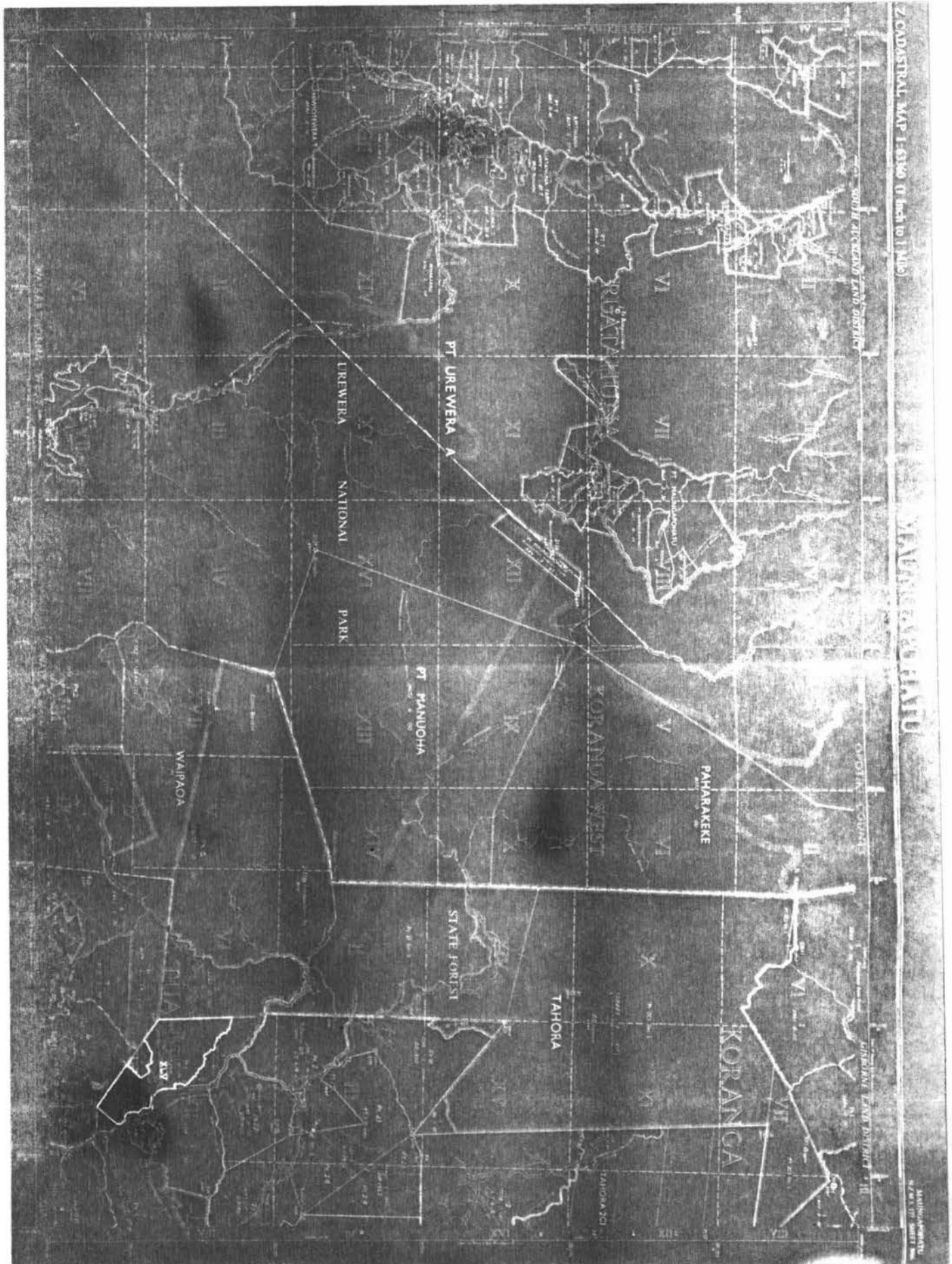
Z CADASTRAL MAP 1:63,500 (1 inch to 1 mile)

GISBORNE

1:63,500

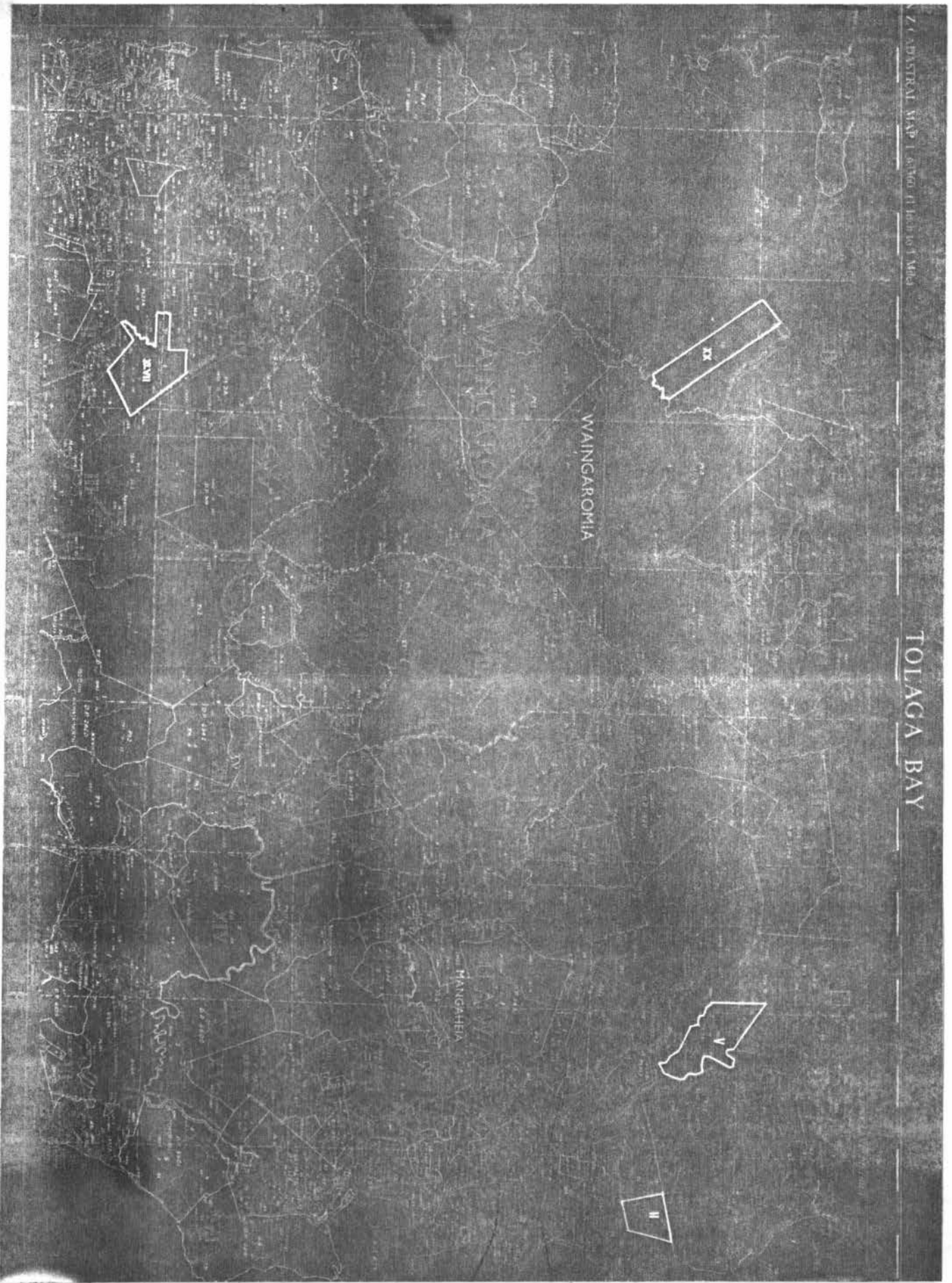




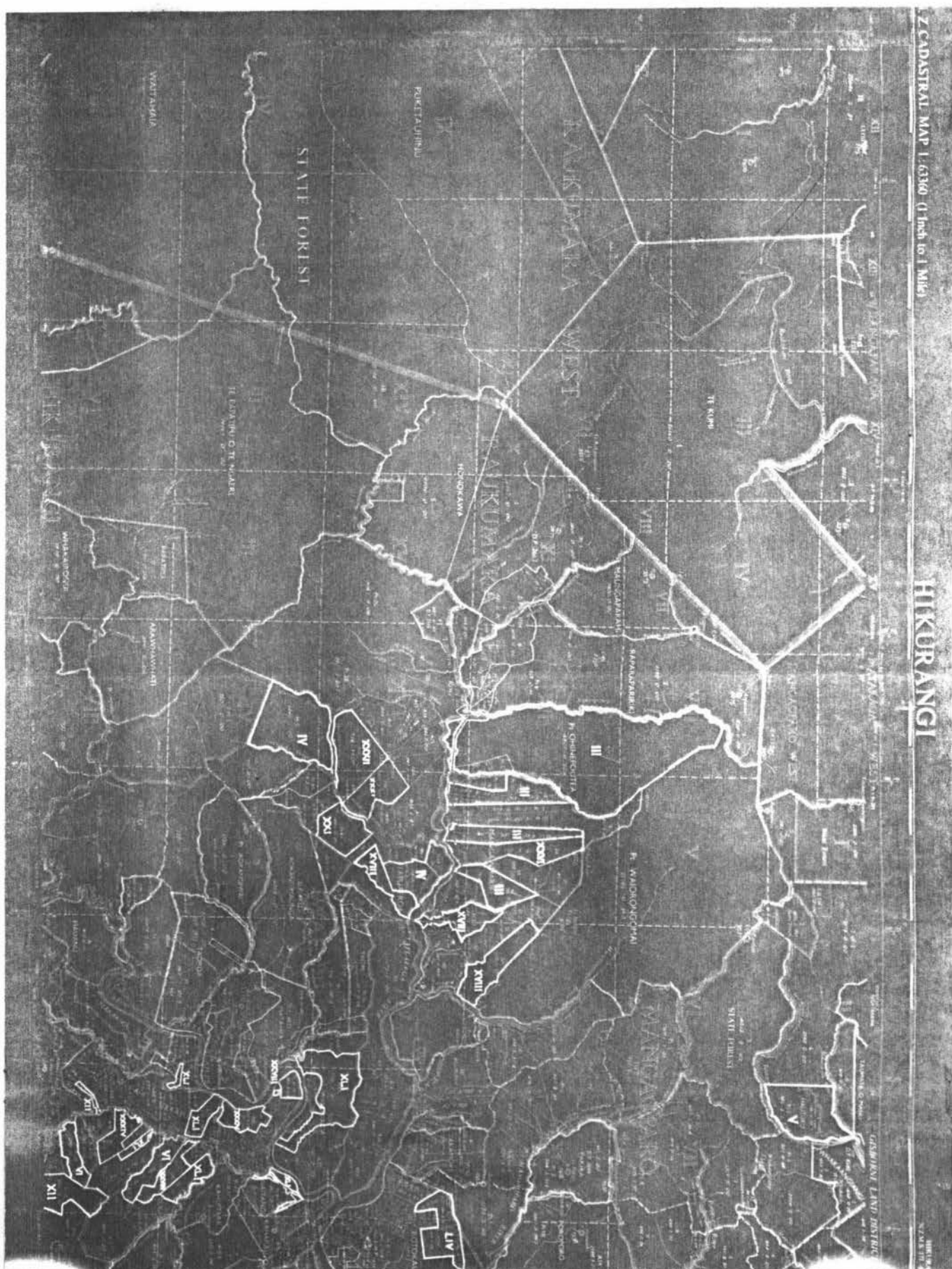


1:50,000 ADASTRAL MAP 1 60100 01 1000 001 1000

TOLAGA BAY







ASTRAL MAP 1:63,000 (1 inch = 1 mile)

# TOKOMARU BAY









# RUNAWAY

APPENDIX V

11 AUG 1980

<b>INSPECTION REPORT: LEASEHOLD PROPERTY</b> <small>(Complete in field or car immediately after inspection)</small>		FILE NO. 12/173/3 LEASE NO. TYPE: 11 XIII/53
Reason for inspection: <u>                    </u>		
1. Lessee:	Name:	Address: <u>                    </u>
Leased Area(s):	Legal description:	
<u>                    </u>		
Tenure: <u>                    </u>	21 Years from <u>                    </u>	Expiry date: 22/ 12 /85
Right of renewal: <u>                    </u>	Years:	Area: 103 ac: 2 r: 00 p. 28 ha: 100.7 m <sup>2</sup>
Compensation provisions: <u>                    </u>		
2. Normal Covenants: (Check here and include any qualifying comments in para 3)		
Assessment of farming standard		
Maintenance of - Buildings	Satisfactory	Unsatisfactory
- Pasture	"	" X
- Fencing, including hedges	" X	"
- Drains, ditches, etc.	" X	"
Timber felled and/or property removed without authority?	No X	Yes
Property assigned, sub-let or charged?	No X	Yes
Application and type of fertiliser adequate?	Yes X	No
Any noxious weeds or pests?	No X	Yes
Insurance on buildings: \$.....	Adequate	Insufficient
Rating authority: (a) .....	Rates paid to (a) .....	
(b) .....	(b) .....	
3. Breaches of Normal Covenants: Detail breach:		Cost to Remedy
<u>                    </u> <u>                    </u> <u>                    </u>		\$5600



<p><b>Special Covenants:</b> Estates Clerk to list in brief form and Inspector to report on compliance and include cost of remedying and breach</p>	
1.	Erect boundary fence within 7 years
2.	Repair & maintain
3.	Insurance
4.	G.D. Grasses
5.	Erradicate noxious
6.	Topdress annually

**Improvements effected since last inspection:**

Fences repaired & replaced

**Any further comments?**

Block is about 1/2 in. soil & 1/2 in. wet, poorly-draining clay flat, in quite good grass

<p>Time of arrival: 2 p.m.</p> <p>Time of departure: 3 p.m.</p> <p>Travelling time: about 5 mins</p> <p>Total time involved: 1 hr 5 mins</p> <p>Mileage: about 2 miles</p>	<p>Next inspection:</p> <p>Position Sheet noted:</p> <p>Review Register noted:</p> <p>*Fee fixed Insp. fee \$15.00 mileage fee \$1.13</p> <p>Admin. fee \$5.00</p> <p>Fees Register noted 12 11-6-80</p>
<p>Inspector</p> <p>8 / 8 / 90</p>	<p>Estates Clerk</p> <p>1 / 1</p>

\*Fee to include travelling and inspection time but not mileage.

APPENDIX VI

Lessee Number	Part 23 Lease No. X) <u>LFDR</u>	Area (ha.)	Summary of information on the general condition of Part 23 lease
I	1) <u>6a</u>	291.4	<p>This lease is predominantly clear and in fair pasture that is sporadically top-dressed. It is carrying 2,000 stock units.</p> <p>The eastern portion is prone to movement and slumping. Production described as fair.</p> <p>Potential for pastoral development lies with subdivision, improved stock and pasture management and erosion control measures on prone areas.</p>
II	2) <u>2b</u>	191.0	<p>The lease is in fairly good condition. It runs 8 E.E./ha. It faces hard summer conditions. The land is predominantly clear.</p> <p>The lessees did clear a small area of it while they had a sublease on it between 1971 and 1976, but there was little to clear after this.</p> <p>The lessees obtained the lease in 1978 from a man who at that time was partitioning out a substantial area of the lessee incorporation. An owner in the incorporation who wished to farm on his own account .</p> <p>The potential for further pastoral development on this lease is limited. Some pole planting could be warranted for erosion control.</p>
III	3) <u>1a</u>	218.0	<p>A severe erosion problem exists on this block. The lessee farms it well, always keeping this limitation in mind.</p> <p>There are some good flats suited to pastoral farming. However, the hills are more suited to protection/production and erosion control forestry.</p> <p>Grassing covenants in the lease are impractical. The lessee has had to weigh them carefully against the need to keep protective cover on. He has managed fairly well.</p>
	4) <u>1a</u>	31.8	<p>This lease along with the rest of the lessees holdings is well top-dressed and the pasture is in very good condition. The stock are in excellent condition.</p> <p>This is a small steep block that at present has little potential for further pastoral development. Erosion control forestry planting could be considered.</p>

	5) <u>la</u>	108.0	<p>Pastures and stock are in excellent condition. There is very little potential for pastoral development remaining.</p> <p>Cover has been kept on the moving and very steep country. Some selective erosion control forest plantings in association with his other leases could be considered.</p>
	6) <u>la</u>	116.6	<p>This block is well farmed in association with the lessees adjoining holdings. The same comments made above apply to this lease as well.</p>
	7) <u>la</u>	192.0	<p>This block has 70 ha of scrub and bush that is both uneconomic and impractical to cut (protects against the slumping and erosion).</p> <p>On the clear area a vigorous grazing policy has led to high pasture quality.</p> <p>Potential for pastoral development is limited.</p>
	8) <u>la</u>	2046.0	<p>This block has erosion problems. Given this it is as clear as is desirable. The pasture has greatly improved with fertilizer application.</p> <p>The lessee has occupied this lease since 1974, breaches of lease covenant were allowed to exist until the lease was officially obtained in 1976.</p> <p>Its potential for pastoral development is limited, however potential for afforestation is extensive.</p>
	9) <u>la</u>	67.7	<p>Pasture and stock are in good condition. The block, however, has an erosion problem. The lessee has left some scrub and bush cover to help control it.</p>
IV	10) <u>6a</u>	376.9	<p>Of the lease 237 ha is in scrub and is unsuited to pastoral development. 40 ha are reverting rapidly, 80 ha are clear and 20 ha have recently been cleared.</p> <p>The lessee has made a definite effort to start clearing this lease.</p> <p>It is an infertile block with the rate of clearance in one area being matched by reversion in another. Recent development finance may help this situation, providing the stock, fertilizer and sub-division needed to retain pasture in production.</p> <p>This lease has a relatively limited pastoral potential.</p>

	11) <u>6a</u>	439.0	<p>On this lease there are 112 ha of flat, 56 of which are in swamp and 56 of which are in reasonable pasture. Scrub covers 215 ha of very steep hill and 110 ha of moderate hill. All the moderate hill could be cleared.</p> <p>Potential for pastoral development is in scrub clearance, and swamp drainage (this has been attempted but proved to be difficult).</p>
	12) 13) <u>3a</u> <u>3a</u>	187.9) 77.0)	<p>Only about 20 ha of this country was clear when the present lessee took over. Within 8 months he had cleared and rootraked 80 ha; it is now in pasture. He is at present starting another 130 ha clearance programme.</p> <p>He would be wise, however, to leave the steeper hills and erosion prone areas covered.</p>
	14) <u>4a</u>	542.4	<p>178 ha of this block is in scrub. The rest is clear. It is a difficult lease subject to flooding and severe erosion. It struggles to carry 5 E.E./ha.</p> <p>It requires erosion control plantings and its potential in the main lies with forestry.</p>
V	15) <u>8b(II)</u>	297.4	<p>Of this lease, 81 ha is thick scrub, the rest is rough pasture. Fences and buildings are in total dis-repair. A face along the river is eroding badly.</p> <p>The stocking rate is low. No cattle are kept. The lease has not been top-dressed.</p> <p>The lease is due to expire and will be returned to the owners. It must be remembered that this block is not an economic unit on its own and would have to be farmed with other, preferably adjoining blocks.</p>
	16) <u>8b(II)</u>	190.4	<p>The stocking rate on this lease is very low; no cattle are kept.</p> <p>The pasture on this lease is rank but species are well balanced. There has been no top-dressing done on this lease.</p> <p>Fences are poor and some fern reversion is evident.</p> <p>This block is isolated and predominantly steep with a high proportion of scrub cover.</p> <p>At present the manager of this lease is negotiating to take it over on its renewal. He is also hoping to obtain lease 17.</p>



	17) <u>8b(II)</u>	398.9	<p>This lease is in the same neglected condition as leases 15) and 16).</p> <p>It is felt, that without sub-division and stock allowing better grazing management, that the small remaining clear area will revert quickly.</p>
	18) 19) <u>4b(II)</u> <u>4b(II)</u>	102.0) 371.5)	<p>These leases were mainly clear and in good condition in 1978. By 1980 scattered regeneration was evident.</p> <p>At present it seems that like the lessees other leases these will be neglected. This is unfortunate as they are reasonably well developed.</p>
VI	20) <u>3a</u>	118.0	<p>All the scrub remaining on this block (57 ha) is now being cleared by the lessees. Existing pasture and stock are in very good condition.</p> <p>Promises to become an excellent pastoral block.</p>
	21) <u>3a</u>	163.5	<p>The lessees and the previous lessee have over the past 6 years almost completely cleared this block and laid it in pasture.</p> <p>An excellent pasture sward exists and stock are in peak condition.</p>
VII	22) <u>6b(II)</u>	198.9	<p>On this lease there exists 35 ha of scrub. The remainder of the block is in a fair condition. It is an isolated lease. Erosion is a problem and for this reason scrub should not be cleared when it covers prone areas. The three adjoining Maori leases are not in as good a condition as this lease. The lessee has been barely interested in maintaining any of the four Maori leases in its possession.</p> <p>A pastoral potential for this particular lease exists only if it can be farmed with the three adjoining lease blocks and a 450 ha Maori lease owned by a neighbouring station. The owners of the four smaller leases are seeking to amalgamate their titles with the larger 450 ha lease.</p> <p>The larger lease (450 ha) with which the amalgamation is being negotiated is not in the same size or access position. Its owners are thus less inclined to consider amalgamation or other possibilities.</p>

			This leaves the other blocks with few alternatives to afforestation leases with Lands and Survey or the Forestry Service.
VIII	23) <u>8b(I)</u>	564.7	<p>This lease is divided into two paddocks, one of 82 ha and the rest. The stock are in fair order for the conditions they face, 500-1,000 S.U. are run.</p> <p>Pasture is fair with some light tauhinu and fern showing through.</p> <p>The lower country away from the coast (approximately 235 ha) is in heavy scrub. Some 10 ha of this area was cleared ten years ago and is holding exceptionally well. The country is considered strong and well worth developing.</p> <p>The buildings are in a very poor state; the homestead is well over 100 years old.</p> <p>Aesthetically the coastal part of the lease is magnificent as are the ancient fishing grounds associated with it. The emotional attachment of the lessee/owner and his wife to this land is strong. They and their family have occupied the land for many years. About 12 years ago the lessee had a chance to freehold the block, however no finance meant that the offer lapsed.</p>
IX	24) 25) <u>9b</u> <u>9b</u>	256.9) 340.7)	Both blocks can only be described as completely run-down and neglected. Little clear area remains. These blocks are moderately steep, 400 ha of them could have considerable pastoral value. The remaining area is low fertility erosion prone country.
X	26) <u>3b</u>	1361.9	<p>This block is predominantly clear and well run. Erosion control is well established with 1600 planted poles and 31 brush dams constructed in the early 70's. Pastures are good, 150 tonnes of super and 500 lbs of clover are spread each year. The lease is subdivided into twenty paddocks.</p> <p>The potential for further pastoral development is now limited.</p>
XI	27) <u>4a</u>	256.0	This lease block contains one of the highest mountains on the East Coast of the North Island. Only half of the lease is a remote pastoral proposition. This block has been very poorly farmed in the past. The present lessees have done a little subdivision with electric fences. But their main contribution has been a metal access road.

			The potential for pastoral development is very poor.
XII	28) <u>9b</u>	10.1	In 1976 a quarter of this lease was in grass; by 1979 it had completely reverted to scrub. This lease has a good potential for pastoral farming if it is farmed with adjoining land.
	29) <u>8b(II)</u>	55.0	This is a steep unattractive block. Its pasture is in poor condition and some reversion is evident. Fences are in poor repair. No topdressing is done.
	30) <u>8b(II)</u>	261.8	This block was in a neglected state at the commencement of the lease.  Since then it has deteriorated further. Only 40 ha of scattered grass now exists, the rest of the block is in thick and often heavy manuka. Most of this scrub is on potentially reasonable pastoral country.
	31) <u>8b(II)</u>	18.1	On this lease 2.7 ha is clear, the rest is in heavy manuka. 1.8 ha could be cleared. The rest has limited pastoral potential.
XIII	32) <u>6b(I)</u>	381.7	On this lease there is 60 ha of steep hill in heavy manuka. 15 ha of this land is totally undevelopable.  The pasture on the hills is fair. On most of the flat reasonable.  Continued fertilizer application, over-sowing, subdivision and stock with the appropriate management is required if this block is to reach its full pastoral potential. Little further clearance is sensible .
XIV	33) <u>4a</u>	21.2	On this lease there is a bluff covered in scrub but the rest of the block is clear and in good topdressed pasture. There is little development potential as such though some erosion control is needed.
	34) <u>4a</u>	15.6	This lease block rises above 300 metres. On the steep hill bush cover amounts to 5 ha. The rest of the block is in reasonable topdressed pasture. There is development potential in respect of subdivision, stocking and pasture management. But bush should be left on for erosion control.
	35) <u>4a</u>	145.2	121 ha of this lease block is medium/easy hill in reasonable pasture. The rest of the block shows scattered regeneration and scrub on the steep faces.

			<p>In the early 70's 24 ha's of scrub was cut and put in pasture.</p> <p>Fencing problems have occurred on the steeper boundaries that are subject to erosion.</p>
	36) <u>9b</u>	84.2	<p>Most of this block was clear in 1917 however since then and prior to the lessee obtaining the lease it had reverted totally. It is now covered in heavy Rewa-rewa and scrub. The block is predominantly steep, relatively infertile sandstone country. Fencing is a problem as it is erosion prone.</p> <p>The leases potential for pastoral development is not great.</p>
	37) <u>4a</u>	45.7	<p>This block is actually two small leases lumped together. Both are very easy blocks, clear and in good topdressed pasture. It is fenced to suit the lessees style of farming and the mobility of the land. A new airstrip, existing house and woolshed are in good order.</p> <p>Pastoral development potential fairly limited.</p>
	38) <u>4b(I)</u>	53.4	<p>This block is partly clear and pastures are reasonable. It has an erosion problem.</p>
XV	39) <u>7a</u>	46.7	<p>8 ha of this lease is in grass; 10 ha is in scrub; the rest is in bush. The lessee incorporation although struggling has made some improvements.</p> <p>The grassed area has been drained, the gorse regrowth sprayed and the fences repaired. The scrub could be cleared off the more stable areas of the lease, however the bush is too heavy to clear profitably.</p> <p>As with all the lessees holdings this lease is coastal and prone to summer droughts. The heavy imbalance of cattle to sheep on this and other lessee holdings is unfortunate as it does not suit the nature of the country.</p>
	40) <u>7b(I)</u>	17.2	<p>A small rough unattractive title, 4 ha of which is in scrub. It adjoins lease 41) and is predominantly moderate hill (there is a little flat). All the scrub could be cleared.</p>
	41) <u>7b(I)</u>	36.9	<p>A block of reasonable coastal bluffs clear and in fair pasture, regrowth is controlled.</p> <p>There is a need for erosion control measures.</p>

			<p>Its pastoral potential lies with pasture improvement and a better balance of sheep to cattle.</p>
	42) <u>7a</u>	14.7	<p>A badly shaped lease block. It runs from a wettish flat area to light shaley hills.</p> <p>The lessee has recently cut, burnt and oversown 4 ha and is working on the remaining 2.5 ha of scrub.</p> <p>Pasture is responding well to topdressing. Fences are, however, in poor condition and require upgrading.</p> <p>This lease adjoins lease 43. Erosion control measures are required on both these leases.</p>
	43) <u>7a</u>	18.9	<p>The lessee has cleared, burnt and oversown all scrub on this lease. The fences, however, are in poor repair and the pasture is only fair.</p>
	44) 45) <u>7b(I)</u> <u>7b(I)</u>	14.5) 35.4)	<p>Both these blocks adjoin and are in reasonable pasture. Very little scrub exists to be cleared. Riverbank erosion is, however, a problem that needs attention.</p>
	46) <u>9b</u>	65.9	<p>This is an unattractive, steep cold lease block. There is very little clear area.</p> <p>The block has a gorse problem and is prone to severe erosion. Its pastoral potential as such is limited.</p>
	47) <u>7b(I)</u>	14.4	<p>This lease is mainly flat, clear and in reasonable pasture. Scrub covers the gullies.</p>
XVI	48) <u>3a</u>	421.7	<p>This erosion prone lease was in very poor order when the lessee obtained it in 1966.</p> <p>They however, threw themselves into intensive pastoral development. Very little of the 140 ha of scrub is now left. All pasture is oversown and topdressed regularly.</p>
XVII	49) <u>8b(I)</u>	440.3	<p>The lessee with careful management should be able to run this lease as a pastoral block. 340 ha is clear and in rough pasture. Present lease covenants on total clearance are impractical .</p> <p>At the moment the lessee has pushed tracks into the lease, maintained fences and controlled regrowth. This is an improvement on the previous sub-lessees and head lessees performance. They had allowed the block to run down.</p>

			<p>Further development in the form of pasture improvement, sub-division and erosion control plantings are unlikely unless a more secure head lease can be obtained by the lessee.</p>
XVIII	<p>50) <u>4a</u></p>	194.3	<p>There is a considerable area of good farm-land on this lease block. It, however, has very difficult access, poor facilities and an erosion problem along its extended river boundary.</p> <p>This lessee obtained the lease in 1975 from a lessee who was a poor farmer. The latter it seems allowed the present lessee to graze it for some years.</p> <p>In 1977 the block still had 160 ha of heavy scrub on it. There was a further 10 ha of light scrub and 24 ha of rough grass.</p> <p>Fences were poor partly as a result of erosion along the river. The lessees wandering stock were a problem in the area.</p> <p>In 1978 and 1979 the lessee started an extensive development programme by clearing rostraking, fertilizing and oversowing 40 ha of scrub. Pastures and fences were upgraded, the wetter flats were drained and rushes cleared. Further clearance was planned for 1980.</p> <p>It must be noted that in 1977 some owners began actions for damages as a result of non-compliance with lease covenants. These complaints were made by owners hoping to obtain the lease for themselves.</p> <p>If the lease had gone on unattended this may have been a better alternative for the land and the total number of owners.</p>
	<p>51) <u>4b(I)</u></p>	281.2	<p>This lease is predominantly steep country subject to severe earth movement. It is generally clear with only small patches of scrub. Pasture is in good condition but fences have been difficult to maintain.</p> <p>Erosion along a river boundary and on the steep hill faces has been severe.</p> <p>Erosion control plantings are necessary.</p> <p>The leases potential for pastoral development as such lies with subdivision, pasture and stock management (the latter can be a little haphazard).</p> <p>Farm buildings on this block are very old (almost falling down).</p>



	<p>52) <u>5b(I)</u></p>	<p>154.5</p>	<p>The scrub cover on this block amounts to 68 ha. It, however, covers steep unstable country.</p> <p>The lessee is not required to clear it.</p> <p>Severe slipping is occurring close to the leases boundary. It is at present contained on an adjoining block, however, control measures on this lease are vital.</p> <p>In fact protective farm/forest is almost a requirement for most of this block.</p> <p>A further 10 ha of this block is also facing river erosion.</p> <p>Pasture on the easier country is, however, in good condition. It is topdressed and regrowth is controlled.</p>
	<p>53) <u>5b(I)</u></p>	<p>219.0</p>	<p>This is an awkwardly shaped block with a narrow access to the main road criss-crossed by a stream.</p> <p>The lease is predominantly clear and in fair pasture. There is, however, 10 ha of steep face covered in raw erosion scars.</p> <p>The potential for the pastoral development of this lease involves fertilizer, fencing and follow through. Erosion control plantings are also necessary.</p>
	<p>54) <u>6b(I)</u></p>	<p>158.5</p>	<p>There is 45 ha of scrub on this lease; 15 ha on flat plateau and 20 ha on moderate to steep hill could be cleared. However, the remaining 10 ha of scrub and 5 ha of bush should not be cleared. This cover provides some protection from the erosion that plagues the area. Approximately 24 ha of steep hill on the lease has been abandoned to stream erosion and 13 ha of flat have also virtually disappeared into a river.</p> <p>There is 70 odd ha of fair to good top-dressed pasture on the lease.</p> <p>Fences on the block are in very poor repair.</p> <p>As such the blocks potential for development involves clearance, erosion control planting and subdivision.</p>
	<p>55) <u>5b(I)</u></p>	<p>243.7</p>	<p>On this lease there is approximately 160 ha of steep mobile hill. 125 ha of this area is in scrub, 35 ha is clear and in rough grass.</p> <p>There is 53 ha of scrub on the more moderate hill that could be cleared.</p> <p>The balance of the lease is in new grass.</p> <p>This lease is critically erosion prone and</p>



	56) <u>4a</u>	68.3	<p>although 53 ha could be cleared, it, as a whole, would be better planted in protection/production forest.</p> <p>The original head lessee of this block had to sub-lease it as he was in debt to stock firms (he was also an owner). He in 1975 transferred Lease 56) to his son and Lease 50) to the lessee concerned here.</p> <p>This lease has been sublet to the lessee for some time.</p> <p>The boundary fences on this block are sound and the pasture that covers it is fair. It is a flat clear lease. It has got, however, a severe river bank erosion problem. 25 ha of the block has simply disappeared.</p> <p>The lease is also prone to flooding at 5 yearly intervals.</p> <p>This block requires sub-division, erosion control and better management of its pasture if it is to reach its full potential.</p>
XIX	57) <u>9b</u>	63.9	<p>This lease block contains a high proportion of steep hard sandstone country. It suffers from severe erosion on its coastal face.</p> <p>Little more than 16 ha of the block is clear. The pasture is rough. At present it is not stocked.</p>
	58) <u>9b</u>	124.9	<p>This block is steep, infertile and prone to erosion. It is almost totally in scrub. There is potential for 40 ha of clearance on the easier slopes, but in the main it would be better left to totally regenerate. Pines are not particularly suited to this type of country.</p>
	59) <u>9b</u>	139.5	<p>The country on this lease is broken and slumping. It is now covered in thick scrub and heavy bush.</p> <p>The present lessee felt it uneconomic to start any pastoral development. The lessee wants a meeting with owners to discuss the impractical lease covenants.</p>
XX	60) <u>7b(II)</u>	472.7	<p>This is a relatively infertile block of land. It is steep and very isolated.</p> <p>350 ha is in poor pasture showing scattered regrowth; 50 ha is rolling country in reasonable pasture; the rest is steep scrub covered face.</p>

			<p>This block is unattractive and perhaps better suited to forestry. The lessee has however, neglected it. It has been treated as a run off paddock. It is poorly fenced and not topdressed.</p> <p>On its own this block is an uneconomic pastoral proposition; as such it's best chances lie in afforestation along with the adjoining country. This is unlikely to eventuate due to owners objections to long afforestation leases.</p>
XXI	61) <u>9b</u>	211.5	<p>This lease runs itself. The lessee has spent very little time on it.</p> <p>Of the block, 80 ha is in scrub. The rest is in fair to poor pasture. Some scrub could be cleared, however, great care would have to be taken as the country is very unstable.</p> <p>Its true potential for development given its physical nature is forestry.</p>
XXII	62) <u>6b(I)</u>	433.3	<p>68 ha of flat on this block is reasonably well farmed. A further 32 ha of flat however requires more drainage, clearance and subdivision. The block has a small area of unstable coastal dunes fronting the sea. They need planting.</p> <p>There is 80 ha of foothill; it is in poor grass.</p> <p>The remainder of the block is infertile steep to very steep country. It is covered in scrub. This steep hill has very little potential for pastoral development. If cleared it could only be very extensively grazed.</p> <p>Further, erosion control requires that a lot of protective cover be left.</p> <p>Potential for pastoral development, as such, lies with drainage, clearance and subdivision on the flats, overall pasture improvement and erosion control plantings. The manager has a potential that could benefit from some expert supervision for a period of time.</p>
XXIII	63) <u>9b</u>	330.7	<p>The low river flats on this lease are covered in blackberry. The terrace flat and hill areas are in fern and manuka.</p> <p>In 1972 the lessee did clear a 30 ha area of scrub and fern. It, however, reverted quickly.</p> <p>Production forest has been an alternative suggested.</p>

XXIV	64) <u>8b(II)</u>	175.4	<p>This block is solitary and relatively small. The lease is tied up in a family estate and the block itself has no permanent on-farm staff. It has tended to be neglected and at present expiry without renewal is pending.</p> <p>At least 2/3 of this lease is in scrub. The remaining pasture is poor and has not been topdressed. The fences are in total disrepair.</p> <p>An extremely steep area of sea frontage is eroding badly.</p> <p>This block definitely has a pastoral development potential. All but some steep gullies and other erosion prone areas could be cleared. Some control plantings are needed on areas already clear. Most of it could then be grazed on a semi-intensive basis.</p> <p>The block is unfortunately too small to form an economic unit. Its best hope lies with a competent adjoining farmer.</p>
XXV	65) 66) 67) 68) <u>5b(I)</u> <u>5b(I)</u> <u>5b(I)</u> <u>5b(I)</u>	33.1) 29.4) 79.7) 60.3)	<p>The titles on these leases have recently been amalgamated. The blocks adjoin and have been farmed as one for some time. They are too small to be of any use on their own.</p> <p>In total there is 74 ha of reasonable pasture on these leases. It is not topdressed. There is 15 ha of scrub and there is approximately 113 ha of light bush.</p> <p>Lease 66 and 67 both have clauses protecting the native bush (much of it covers steep cliffs).</p> <p>The scrub on these leases could be cleared and the pasture upgraded. Further subdivision is also warranted.</p>
XXVI	69) <u>7b(II)</u>	286.1	<p>This lease rises to over 1000m a.s.l. 100 ha is covered in bush.</p> <p>The pasture on the block is poor. There is a low fertilizer input and the stocking rate is low.</p> <p>Fences are in shocking disrepair; the block is generally run as one big paddock. Mass musters often include stock from surrounding blocks.</p> <p>Erosion is prevalent on the steeper clear faces.</p>

XXVII	70) 71) 72) 73) <u>2a</u> <u>2a</u> <u>2a</u> <u>2a</u>	335.0) 186.0) 285.9) 475.7)	<p>These leases are farmed as one unit. Leases 71) and 72) carry the majority of the lessees 3,200 breeding ewes and their supporting stock. They are mainly easy hill with some flat. The lessee has in his time cleared, rootraked and put in pasture on most of these two leases.</p> <p>Lease 70) is steep but the lessee has cleared it of 200 ha of scrub. It is now predominantly in good topdressed pasture. There is a lagoon and scenic mudpools on this lease.</p> <p>Recently the lessee has cleared and put in pasture some 250 ha of lease 73. The clearance of this steep fern covered country was done with the aid of cattle and electric subdivision.</p> <p>Both leases 70) and 73) could in areas be considered for protection/production and erosion control plantings. The lessee at present sensibly does not overburden these blocks with stock.</p>
	74) <u>9b</u>	163.7	<p>This block is perhaps the most isolated lease considered in this study. It is not farmed by lessee XXVII. It is subleased out.</p> <p>The sub-lessee is not a farmer and has neglected the block.</p> <p>An adjoining farmer grazes the 50 ha of rough grass on the lease. It is split by a large gorge. There are few fences and it has an Australian sedge problem.</p> <p>This block is unattractive to any but an adjoining owner. Such a lessee could clear a 60 ha area of scrub and do some basic upgrading but beyond that the block has little potential for pastoral development.</p>
XXVIII	75) <u>4b(I)</u>	57.6	<p>A flat block, that was swampy but has been drained by the lessee. It is still wet but the pastures are reasonable (topdressed) and the rushes are controlled. Fences are in good order.</p> <p>Erosion protection has also been done where a river is cutting the bank away.</p> <p>The block is intensively grazed for most of the year.</p> <p>There is limited potential for further development.</p>
	76) <u>4b(I)</u>	66.2	<p>A flat well farmed block in reasonable topdressed pasture. Fences are in good</p>

	77) <u>4b(I)</u>	118.0	<p>order. Willows and poplars help control river bank erosion. (This block does have the added protection of a flood control scheme). It is intensively grazed.</p> <p>This lease is an easy hill block that is semi-intensively grazed. It is all clear and in good topdressed pasture.</p> <p>Poles have been planted for erosion control.</p>
XXIX	78) <u>6b(II)</u>	175.4	<p>This lease block rises to above 1000 metres. It contains 135 ha of steep mobile country of which 50% is in scrub.</p> <p>There is 40 ha of clear easy country in the centre of the lease. It is in an untidy condition.</p>
	79) <u>6b(II)</u>	109.5	<p>On this lease there is 65 ha of steep hill and stream gullies. This area is in scrub.</p> <p>There is 45 ha of easy hill and flat terraces. These areas are clear and in fair pasture. Some slumping is evident on the easy hill.</p>
	80) <u>6b(II)</u>	78.3	<p>On this lease 23 ha of steep hill is in scrub and 16 ha of terrace country is in scrub.</p> <p>The remaining area is wet flat that has been difficult to drain. It is in quite good pasture. There is some streambank erosion on this flat.</p>
	81) <u>6b(II)</u>	40.2	<p>Some 10 ha of this block was laid in pasture by the lessee several years ago. It is in a reasonable condition now.</p> <p>The remaining area is steep and in scrub. Some streambank protection is required.</p> <p><u>FOOTNOTE TO LEASES 78) to 81)</u></p> <p>The clear areas on leases 78) to 81) are all topdressed and subdivision on the blocks is quite good and still in reasonable condition.</p> <p>A limited labour factor is causing stock and pasture management to slip.</p>
XXX	82) <u>5a</u>	647.9	<p>This lease carries a dairy unit involving 130 cows.</p> <p>There is 110 ha of flat land, clear and in good pasture.</p> <p>There is 30 ha of wet flat; 10 ha has been drained and cleared but 20 ha is</p>

			<p>still wet and in rush cover.</p> <p>The remaining area of this lease is steep to very steep hill that is scrub and bush covered. This area has a very limited potential for pastoral development.</p> <p>The lease as a result of Maori Affairs finance has a new milking shed.</p> <p>The lessees manager used Maori Affairs finance to increase herd numbers and start a swamp drainage and clearance programme.</p> <p>His priority at the moment is a new dwelling. The one on the lease that has been occupied by the lessee and her family till now is actually a very old, small, rundown cottage.</p> <p>Potential for further development on this lease lies with more swamp clearance and drainage.</p>
XXXI XXXII	83) <u>7a</u>	202.9	<p>This lease block has a peculiar and interesting lease document.</p> <p>Boundary fences and subdivision requirements are specifically laid out with target dates.</p> <p>Clearance, grassing and improvement of existing pasture is also specifically dealt with.</p> <p>Further, if the lessee disagrees with these terms he has recourse to arbitration. It is important to note however that the legal situation surrounding this type of arbitration is clouded at present.</p> <p>The lease document states that a mountainous area on the lease is excluded from its main provisos. The lessee is not obliged to clear any land that is erosion prone or can be reasonably considered an uneconomic pastoral development proposition.</p> <p>It is a balanced sensible lease document showing some sensitivity to the nature of the country, i.e. predominantly steep and erosion prone.</p> <p>The length of the lease is sensible. It gives the lessee incentive to develop and makes the owners specific directives more palatable.</p> <p>The lessee and his son have not abused the spirit of the lease terms, forging ahead with boundary fencing and increased subdivision using electric fences. Some 150 ha of poor pasture is being upgraded.</p> <p>The small patches of clearable manuka have gone but there is still a need to plant more trees for erosion control.</p>



	84) <u>7a</u>	288.9	<p>The lessees are doing a good job. It could, however, be better with improved management.</p> <p>A reasonable block of hill country, spoilt like the lessees other Part 23 leases by isolation and very difficult access.</p> <p>The lessee is trying to co-ordinate a development programme on this lease similar to that on lease 83). At present there is 150 ha of moderate hill in fair pasture. There is 70 ha of steep hill, half in fair pasture and half in scrub.</p> <p>There is 60 ha of sheer rock in some scrub cover.</p> <p>Stock and pasture management are keys to improving this block successfully. Erosion control measures are also needed on some steep faces (an adjoining block suffers from massive gully erosion).</p>
	85) <u>7a</u>	44.9	<p>A steep clear block in poor pasture. The lessee is trying to co-ordinate a development programme on this lease similar to that on leases 83) and 84).</p>
XXXIII	86) 87) <u>5b(I)</u> <u>5b(I)</u>	250.6) 12.8)	<p>These leases are in reasonable topdressed pasture. Fences are adequate.</p> <p>Some attention is required to regrowth on an 80 ha area involving a catchment board erosion control programme. This area in the early 70s was planted with 2,000 poles and had constructed on it 15 debris dams.</p> <p>The oversize homestead on the home block is in very poor repair. The lessee and his son are trying to buy it and a small area of land around it in order to upgrade it.</p>
XXXIV	88) <u>8b(II)</u>	122.1	<p>Nearly 36 ha of manuka exists on this steep block. Perhaps 10 ha of the more stable area that it covers could be cleared. Varigated thistle is becoming a problem. Pastures are long and rank. There has been no stock on this lease for over a year.</p> <p>A main river boundary requires erosion control.</p> <p>This block does have a pastoral potential if it is run in conjunction with another larger unit. There is definitely room for pastoral development.</p>
	89) <u>8b(II)</u>	127.5	<p>Nearly 52 ha of regrowth and scrub exists on this lease. It is an easy attractive pastoral block. Its pasture has received the same treatment and is in the same condition as that on lease 88).</p>



			Clearance, oversowing, fertilizer and sub-division are all required to develop this block's pastoral potential. The lease should be run with other land units for it is not an economic size on its own. It is best suited to semi-intensive grazing.
XXXV	90) 91) <u>5a</u> <u>9b</u>	193.9) 55.0)	Lease 90) is undergoing some long overdue development. This lease contains warm flat and moderate to easy hill country. The lessee is at present clearing some 40 ha of remaining scrub off it and improving its pasture. It promises to be a good fattening unit.  The smaller lease is steep and in heavy scrub cover.
XXXVI	92) 93) <u>3b</u> <u>3b</u>	50.2) 131.1)	Both these blocks are in good pasture. Fully clear and well subdivided. As both adjoin other lessee holdings access problems are minimised.
XXXVII	94) Not known	323.9	This block is predominantly steep and runs up into a high rainfall area. It is almost totally clear.  Its pasture requires careful management. The low fertility of the block tends to favour native grasses and not clover.  The steep area of this block is cold. Its steep gullies need erosion control.  The river flats on the block are more attractive but blackberry has always been a problem.  This has been a well kept block, however it is not known whether the new lessees are continuing to develop it.
XXXVIII	95) <u>5a</u>	345.8	Little development is being carried out on this lease at present, but some development was done in 1976, 30 ha of scrub being cleared. Regrowth on this area needs to be controlled. 60 ha of scrub remains. It provides good cover for erosion prone areas. The pastures on this attractive block are fair; their fertilizer application tends to be inadequate. Apart from this the lease is fairly well maintained.  This is country that does not revert easily and would respond to better pasture management. Pole planting in areas cleared by the stream may soon be necessary.
XXXIX	96) <u>9b</u>	225.7	This lease is mainly moderately steep to steep hill. It is abandoned and almost

			<p>totally in scrub.</p> <p>The block is also scattered with house sites partitioned out by owners.</p> <p>The leases potential for development could lie with pastoral farming or forestry.</p>
XL	97) <u>9b</u>	282.3	<p>A very steep infertile lease. At least 50% of it is incapable of development. Unfortunately the remaining area has been allowed to revert by the lessee and his father. It is now totally covered in scrub.</p> <p>Its potential for development is with forestry or perhaps an adjoining farmer.</p>
XL/XVIII	98) <u>4a</u>	33.1	<p>This lease is occupied by lessee XVIII without legal tenure. He has put it into good topdressed pasture. It is now an attractive piece of flat land, well fenced and maintained.</p> <p>River erosion is a problem that needs to be tackled.</p>
XLI	99) <u>5b(I)</u>	17.8	<p>A small flat lease. Ten hectares is cropped. A further 7 ha is in poor grass and is prone to frequent flooding. Riverbank erosion is becoming severe and needs to be controlled.</p>
	100) <u>8b(I)</u>	87.7	<p>This lease is moderately steep hill, 50% of which is in scrub and 50% in poor pasture.</p> <p>The lessee in his 9 years of occupation has not developed this lease. Some 40 ha of it should be cleared and grassed. The remaining area should also be upgraded if its full potential as a pastoral unit is to be achieved.</p>
	101) <u>5a</u>	121.8	<p>This block is warm and attractive. The flats are broken, slightly undulating and wet in places. They do, however, constitute reasonable cropping propositions.</p> <p>The lessee has cleared 50 ha of scrub off this lease, 11 ha remains as erosion control in the gullies. Pastures are average (not topdressed). The potential for pastoral development on this lease lies with adequate fertilizer, increased subdivision (at present in 6 paddocks) and better pasture management.</p>
	102) <u>8b(I)</u>	97.5	<p>This lease is small, steep and awkwardly shaped. It has 83 ha of scrub cover, which in the main would be unprofitable and unwise to clear.</p>

	103) <u>5a</u>	313.2	<p>There is 16 ha of flat in poor pasture. This could be upgraded.</p> <p>This block is only of any use if it is farmed as at present with an adjoining block.</p> <p>This block is steep but 250 ha of it is in reasonable pasture.</p> <p>The lessee has spent a lot of time and effort on the lease and it shows.</p> <p>The only scrub on the block is that left for erosion control.</p> <p>Its potential for further pastoral development is becoming limited.</p>
	104) <u>5a</u>	66.2	<p>The lessee has improved this lease since he took it over. Pastures on this flat block are now in reasonable condition and fences have been repaired.</p> <p>He could clear 5 ha of manuka and start protecting his river boundary against erosion. His pasture would be improved with an increased fertilizer input. More subdivision could be warranted.</p>
	105) 106) <u>8b(I)</u> <u>8b(I)</u>	94.8) 34.1)	<p>There are 100 ha of scrub on these two leases that could be cleared. The lessee has only cleared and put in pasture 10 ha.</p> <p>This and a further 10 ha of pasture is in reasonable condition.</p> <p>A lot of potential for pastoral development exists between these two leases.</p>
	107) <u>8b(I)</u>	40.9	<p>There is 36 ha of scrub on this lease. Most of it could be cleared. A few areas should be left to help control erosion. There is definitely room for improvement on this lease.</p>
XLII	108) 109) <u>6b(I)</u> <u>6b(I)</u>	207.1) 66.4)	<p>Both these blocks have severe erosion problems. About 20 ha of lease 108) has been made useless by erosion and a falling stream bed.</p> <p>Fences have also been difficult to maintain.</p> <p>Prior to the lessee obtaining the lease from his father, 165 ha were clear, 70 being cleared by the lessee's father; now only 90 ha of clear area remains. The pasture on these leases is reasonable although fertilizer has tended to be inadequate.</p>

XLIII	110) 111) <u>3b</u> <u>3b</u>	60.3) 159.3)	Both blocks are predominantly clear, pastures are clean and responding well to topdressing. The mobile country has been planted. The fences are all well maintained. The pastoral development potential of these leases is limited.
XLIV	112) <u>7b(I)</u>	522.4	<p>This lease block is predominantly long steep hill.</p> <p>There is 60 ha of scrub on the lease that should be cleared. Scattered regeneration could also be dealt with.</p> <p>Pastures are poor and need upgrading; very little topdressing has been done. The lessee and his brothers did make attempts to develop this lease, however, their resources tended to be inadequate. Little has been done recently.</p> <p>There is considerable potential for pastoral development on this lease. Clearance, oversowing, topdressing, fencing and stock are required. Better pasture and stock management would also be needed if production is to be lifted. The lessee's son-in-law would benefit from the planning and supervision required by the Rural Bank in association with its lending.</p>
XLV	113) <u>4a</u>	688.0	<p>The fertility of this strongly rolling to moderately steep hill country lease is low. It is predominantly clear. The fences and pastures are in a reasonable condition.</p> <p>The lessee in the early 70s carried out substantial development, clearing and putting into pasture over 100 ha of fern covered country.</p> <p>The potential for further development on this block is becoming limited as the lessee is continuing to pour in time and money.</p>
XLVI	114) <u>3a</u>	379.7	<p>The lessee has already cleared 150 ha of scrub off this block. There is a further 150 ha to clear (a programme is underway at present).</p> <p>The lessee is intending to develop this block into a deer farm. He has already trapped most of his herd.</p> <p>The lessee at present also has his eye on a small neighbouring freehold block (35 ha) where he could build a house and other permanent improvements to be associated with the lease.</p>

			He is investigating possibilities for subdividing out the area he needs. His neighbour wants the balance. The lessee has already run up against opposition from planning authorities.
XLVII	115) 116) 117) 118) <u>3a</u> <u>3a</u> <u>3a</u> <u>3a</u>	172.4) 56.8) 248.7) 16.2)	<p>These blocks are isolated and have difficult access. They have been poorly farmed in the past, however the new lessee is putting a great deal of effort into reversing the effects of previous management. The lessee is proceeding to clear large areas of scrub, grassing, fertilizing and subdividing as they go. Clear areas are also being improved with fertilizer over-sowing and subdivision. Electric fences are being used successfully.</p> <p>The lessees extensive and progressive development programme financed by the Rural Bank is developing these blocks into good farmland.</p>
XLVIII	119) <u>8b(II)</u>	367.9	<p>This is an attractive hill country block. It would be suited to semi-intensive grazing if it were clear. At present no more than 20% of it is clear. The lessee did maintain the clear area for a few years after obtaining the lease and he did put in a small set of cattle yards. However he has not set foot on the lease since 1978.</p> <p>He will be forced to surrender this lease at its renewal review.</p> <p>This block has considerable appeal for adjoining farmers. Its potential for pastoral development is good.</p> <p>Two competent adjoining farmers have expressed interest; they however, want better terms (at least 15 years secure term is required for a land development encouragement loan). This request is reasonable but it remains to be seen whether enough owners can be gathered to form a quorum to approve such a request.</p>
XLIX	120) <u>9b</u>	197.6	<p>This lease was very rundown when the lessee took it over. It continued to deteriorate and is now almost totally covered in scrub.</p> <p>A large capital input and considerable expertise is required to develop the pastoral potential in this block.</p>
L	121) Not known	164.9	The lessee has occupied this block for many years although it did not obtain the lease until 1973.

			<p>The block is moderately steep to steep hill. Little could be determined about its condition after 1975. By 1975 it had not been improved at all. It was in need of blackberry control, fertilizer and subdivision.</p>
LI	122) <u>6a</u>	61.0	<p>A predominantly flat block that is good cropping or farming land. All the lease is in good pasture, except 4.4 ha of gullies and sidlings, which are badly gorse infested. This area is, however, being sprayed.</p> <p>The manager has recently increased internal subdivision from 4 paddocks to 10 with 100 chains of good permanent electric fences.</p>
	123) <u>7b(II)</u>	40.0	<p>This block is half clear and half in scrub. It is an unstable lease, earth movement making fencing particularly difficult. A soil stabilisation programme will have to be done before any clearance is carried out.</p> <p>This block has been neglected, its pasture has not been topdressed or oversown, and it is in poor condition.</p> <p>This block has some potential for pastoral development, however, its mobility means forestry should be considered.</p>
	124) <u>7b(II)</u>	113.6	<p>This is a steep block prone to slumping. A large area of moving hill is in scrub.</p> <p>The lessee has built brush dams and planted poles to assist erosion control.</p> <p>The pasture on the block is in poor condition. It has not been topdressed or oversown. The block is ringfenced but not subdivided.</p>
LII	125) <u>7a</u>	295.6	<p>A long narrow section rising from a river that runs along one boundary.</p> <p>There is 242 ha of scrub on this block.</p> <p>It is prone to erosion. Upstream this has caused the rivers shingle bed to rise, in turn causing surface water flooding on the leases' flats.</p> <p>The existing pasture on this lease is fair only. It has never been topdressed.</p> <p>The manager is increasing subdivision, and putting small areas into grass.</p> <p>Further clearance, topdressing, subdivision, stock and an erosion control programme would be required to increase production on this block.</p>



LIII	126) <u>9b</u>	111.5	Predominantly good pastoral country. It is covered in scrub. 10 ha of scattered grass remains. The cottage occupied by the lessee is barely habitable. The flats frequently flood and are not fully developed. The block was at one stage fully developed.
	127) <u>9b</u>	314.2	This block was totally clear at one stage. It is now covered by some 160 ha of scrub. Pasture is poor.
	128) <u>8b(II)</u>	12.1	<p>A small odd piece of land stuck out on its own. Mainly flat, half of it is in fair pasture, the rest in bush and scrub.</p> <p>It should be farmed with an adjoining block of land.</p> <p><u>A Footnote to Leases 126), 127) and 128)</u></p> <p>In total some 700 sheep roam leases 126), 127) and 128. They are lucky to be shorn once a year. Their numbers are steadily diminishing.</p> <p>These three leases have a definite potential for pastoral development.</p>
LIV	129) 130) 131) 132) 133) <u>5a</u> <u>5a</u> <u>9b</u> <u>9b</u> <u>5b(I)</u>	64.1) 23.6) 36.4) 54.9) 51.0)	<p>Leases 129), 130) and 133) are easy hill country blocks that are predominantly clear and have good pastures.</p> <p>Leases 131) and 132) are covered in heavy manuka. They are steep erosion prone blocks. The lessee has done development on lease 129) and 130). This development was haphazard.</p> <p>Of 26 ha clearance done in the early 1970's 13 ha quickly reverted through lack of follow-up. A mistake fortunately not repeated in the mid 1970's when 40 ha was cleared.</p> <p>Leases 131) and 132) are not good development propositions and have not been tackled by the lessee. Lease 133) is being maintained in a partly developed state although there is room for development.</p>
LV	134) <u>9b</u>	934.3	<p>No more than 100 ha at the front of this lease can be considered a remote pastoral proposition. This area is the only part of the lease that is clear. Most of the block is very steep and covered in scrub. Its potential for development is forestry.</p> <p>The lessee is trying to maintain the lease frontage, but pastures are still poor (no topdressing is done) and the stock are in need of better attention.</p>



LVI	135) <u>7b(II)</u>	174.3	<p>This lease is a long thin block. It is divided into three paddocks.</p> <p>An area amounting to 80 ha is steep bush clad gorge. The remaining area is in poor pasture.</p> <p>Scattered regeneration is evident. The block is not topdressed.</p>
LVII	136) <u>5a</u>	1184.7	<p>The major portion of this lease is steep and in heavy native bush. Of the remaining area there is 390 ha of average pasture and 70 ha of scrub. There is a lot of scattered scrub on the clear area. Earth-flow erosion is a problem.</p> <p>Development by the lessee's manager has been haphazard. In 1969 30 ha of scrub was cut but lack of follow-up resulted in its total reversion.</p> <p>In 1977/78 40 ha of scrub was more successfully brought into pasture. Fences were also upgraded. At this point some Rural Bank assistance had been made available.</p> <p>This block has a pastoral potential that could be developed. It would involve the clearance, oversowing, fertilization, fencing and stocking of 70 ha now in scrub. It would involve slashing rushes, eradicating gorse and scattered scrub and upgrading the existing pasture. Better stock and pasture management is required.</p>
LVIII	137) <u>9b</u>	305.7	<p>This is an unattractive block, very isolated and awkwardly shaped. It is predominantly very steep hill.</p> <p>The lessee and his father at one stage in the late 1960's brought 140 ha of scrub on the lease into productive pasture (there has never been any more than 150 ha of clear land on this block). At present only 75 ha of this block remains clear and maintained. The rest is reverting. This block has never had enough stock or internal fence.</p> <p>The lessee only maintains the block if there is surplus cash available. Expiry is pending.</p> <p>Access to the block involves a two hour ride on horse back.</p> <p>A limited potential for pastoral development may exist for a farmer with marginally better access.</p>

APPENDIX VII

Lessee No.	Lease No.	Area (ha)	Start Date	Expiry Date	Term Yrs	Initial Period of XYrs	Rent PA	1st Review Period of XYrs	Rent PA	2nd Review Period of XYrs	Rent PA	Renewal Years	Initial Period of XYrs	Rent PA	1st Review Period of XYrs	Rent PA	2nd Review Period of XYrs	Rent PA
I	1	<u>291.4</u>	6.70	5.91	21	10	6% CV	11	6% CVLI	-	-	21	10	6%CVLI	11	6%CVLI	-	-
II	2	<u>191.0</u>	11.71	11.92	21	10	6% CV	11	6% CVLI	-	-	21	10	6% CV	11	6% CVLI	-	-
III	3	218.0	10.64	9.85	21	21	\$288.00	-	-	-	-	21	21	5%CVLI	-	-	-	-
	4	31.8	1.55	1.80	25	25	\$38.00	-	-	-	-	25	25	5%CVLI	-	-	-	-
	5	108.0	1.55	1.80	25	25	\$36.00	-	-	-	-	25	25	5%CVLI	-	-	-	-
	6	116.6	1.55	1.80	25	25	\$200.00	-	-	-	-	25	25	5%CVLI	-	-	-	-
	7	192.0	6.56	6.81	25	25	\$240.00	-	-	-	-	25	25	5%CVLI	-	-	-	-
	8	2046.0	.76	.97	21	10	\$6540.00	11	6%CVLI	-	-	21	10	6%CVLI	11	6%CVLI	-	-
	9	<u>67.7</u>	5.74	4.95	21	10	\$141.00	11	6%CVLI	-	-	21	10	6% CV	11	6%CVLI	-	-
		2780.1 -----																
IV	10	376.9	12.59	12.80	21	21	\$580.00	-	-	-	-	21	21	5%CVLI	-	-	-	-
	11	439.0	9.68	9.83	15	5	\$495.00	10	6%CVLI	-	-	15	5	6%CVLI	10	6%CVLI	-	-
	12	187.9	1.72	1.97	25	12	\$183.00	13	6%CVLI	-	-	25	12	6%CVLI	13	6%CVLI	-	-
	13	77.0	1.72	1.97	25	12	\$288.00	13	6%CVLI	-	-	25	12	6%CVLI	13	6%CVLI	-	-
	14	<u>542.4</u>	5.70	4.95	25	12	\$936.00	13	6%CVLI	-	-	25	12	6%CVLI	13	6%CVLI	-	-
		1623.2 -----																
V	15	297.4	11.59	10.80	21	21	5% CV	-	-	-	-	N11	-	-	-	-	-	-
	16	190.4	6.59	5.80	21	21	\$187.00	-	-	-	-	21	21	5% CV	-	-	-	-
	17	398.9	4.65	4.86	21	21	\$324.00	-	-	-	-	N11	-	-	-	-	-	-
	18	102.0	7.70	6.91	21	21	5% CV	-	-	-	-	N11	-	-	-	-	-	-
	19	<u>371.5</u>	7.70	6.91	21	21	\$1725.00	-	-	-	-	N11	-	-	-	-	-	-
		1360.2 -----																
VI	20	118.0	4.71	12.2012	42	10	\$264.00	10	6%CVLI	10	6%CVLI	N11	3rd re- newal period 12 yrs	6%CVLI	-	-	-	-
	21	<u>163.5</u> 281.5 -----	7.72	6.93	21	21	\$1100.00	-	-	-	-	21	10	6%CVLI	11	6%CVLI	-	-

Footnotes: CV = Capital Value  
CVLI = Capital Value less lessee Improvements

Lessee No.	Lease No.	Area (ha)	Start Date	Expiry Date	Term Yrs	Initial Period of XYrs	Rent PA	1st Review Period of XYrs	Rent PA	2nd Review Period of XYrs	Rent PA	Renewal Years	Initial Period of XYrs	Rent PA	1st Review Period of XYrs	Rent PA	2nd Review Period of XYrs	Rent PA
VII	22	198.9 =====	1.55	12.79	25	25	7/6 per acre	-	-	-	-	N11	-	-	-	-	-	-
VIII	23	564.7 =====	11.64	10.85	21	21	\$628.00	-	-	-	-	N11	-	-	-	-	-	-
IX	24	256.9	8.59	7.80	21	21	\$350.00	-	-	-	-	21	21	5%CVLI	-	-	-	-
	25	340.7 597.6 =====	3.62	2.83	21	21	4/- per acre	-	-	-	-	21	21	5%CVLI	-	-	-	-
X	26	1361.9 =====	2.48	2.98	50	50	5/- per acre	-	-	-	-	N11	-	-	-	-	-	-
XI	27	256.0 =====	10.70	9.91	21	10	\$120.00	11	6%CVLI	-	-	N11	-	-	-	-	-	-
XII	28	10.1	8.69	8.90	21	10	\$24.00	11	6%CVLI	-	-	21	10	6%CVLI	11	6%CVLI	-	-
	29	55.0	6.69	5.90	21	10	\$147.00	11	6%CVLI	-	-	21	10	6%CVLI	11	6%CVLI	-	-
	30	261.8	8.70	7.91	21	21	\$645.00	-	-	-	-	21	21	6%CVLI	-	-	-	-
	31	18.1 345.0 =====	9.70	9.91	21	10	\$45.00	11	6%CVLI	-	-	21	10	6%CVLI	11	6%CVLI	-	-
XIII	32	381.7 =====	7.62	6.83	21	21	\$1062.00	-	-	-	-	21	21	5%CVLI	-	-	-	-
XIV	33	21.2	3.69	3.90	21	21	5%CV	-	-	-	-	21	21	5%CVLI	-	-	-	-
	34	15.6	3.69	3.90	21	21	5%CV	-	-	-	-	21	21	5%CVLI	-	-	-	-
	35	145.2	1.61	1.82	21	21	\$179.68	-	-	-	-	N11	-	-	-	-	-	-
	36	84.2	1.60	12.80	21	21	\$16.50	-	-	-	-	21	21	5%CVLI	-	-	-	-
	37	45.7	11.66	10.87	21	10	\$574.00	11	6%CVLI	-	-	21	10	6%CVLI	11	6%CVLI	-	-
	38	53.4 365.3 =====	6.67	6.88	21	21	5% CV	-	-	-	-	N11	-	-	-	-	-	-
XV	39	46.7	5.63	5.84	21	21	\$82.00	-	-	-	-	21	21	5%CVLI	-	-	-	-
	40	17.2	6.61	6.82	21	21	\$37.50	-	-	-	-	21	21	5%CVLI	-	-	-	-

Lessee No.	Lease No.	Area (ha)	Start Date	Expiry Date	Term Yrs	Initial Period of XYrs	Rent PA	1st Review Period of XYrs	Rent PA	2nd Review Period of XYrs	Rent PA	Renewal Years	Initial Period of XYrs	Rent PA	1st Review Period of XYrs	Rent PA	2nd Review Period of XYrs	Rent PA
	41	36.9	4.70	3.95	25	10	\$105.00	15	6%CV	-	-	25	10	6%CVLI	15	6%CV	-	-
	42	14.7	8.68	7.89	21	10	\$33.00	11	6%CV	-	-	21	10	6%CV	11	6%CV	-	-
	43	18.9	2.59	2.80	21	21	\$37.39	-	-	-	-	21	21	5%CV	-	-	-	-
	44	14.5	9.72	8.93	21	10	\$56.00	11	6%CVLI	-	-	21	10	6%CVLI	11	6%CVLI	-	-
	45	35.4	9.72	8.93	21	10	\$384.00	11	6%CVLI	-	-	21	10	6%CV	11	6%CVLI	-	-
	46	65.9	6.72	5.93	21	21	\$102.00	11	6%CVLI	-	-	21	10	6%CV	11	6%CVLI	-	-
	47	14.4	9.72	8.93	21	10	\$201.00	11	6%CVLI	-	-	21	10	6%CV	11	6%CVLI	-	-
		264.6																
XVI	48	421.7	8.66	8.87	21	10	\$2898.00	11	6%CVLI	-	-	21	10	6%CVLI	11	6%CVLI	-	-
XVII	49	440.3	3.68	3.89	21	10	6%CV	11	6%CVLI	-	-	21	10	6%CV	11	6%CVLI	-	-
XVIII	50	194.3	12.67	11.88	21	10	\$250.00	11	6%CVLI	-	-	21	10	6%CV	11	6%CVLI	-	-
	51	281.2	11.72	10.97	25	12	\$600.00	13	6%CVLI	-	-	N11	-	-	-	-	-	-
	52	154.5	6.71	5.92	21	21	\$185.00	-	-	-	-	N11	-	-	-	-	-	-
	53	219.0	5.77	5.98	21	7	\$1866.00	7	6%CVLI	7	6%CVLI	N11	-	-	-	-	-	-
	54	158.5	5.78	4.99	21	21	5%CV	-	-	-	-	N11	-	-	-	-	-	-
	55	243.7	1.74	12.94	21	21	5%CVLI	-	-	-	-	N11	-	-	-	-	-	-
	56	68.3	12.62	11.83	21	21	\$47.00	-	-	-	-	21	21	5%CVLI	-	-	-	-
		1319.5																
XIX	57	63.9	3.59	2.80	21	21	5%CV	-	-	-	-	21	21	5%CVLI	-	-	-	-
	58	124.9	3.59	2.80	21	21	\$59.50	-	-	-	-	N11	-	-	-	-	-	-
	59	139.5	6.66	6.87	21	10	\$610.00	11	6%CVLI	-	-	21	10	6%CVLI	11	6%CVLI	-	-
		328.3																
XX	60	472.7	6.71	6.92	21	10	6%CV	11	6%CVLI	-	-	21	10	6%CVLI	11	6%CVLI	-	-
XXI	61	211.5	7.71	7.96	25	12	6%CV	13	6%CVLI	-	-	25	12	6%CV	13	6%CVLI	-	-

Lessee No.	Lease No.	Area (ha)	Start Date	Expiry Date	Term Yrs	Initial Period of XYrs	Rent PA	1st Review Period of XYrs	Rent PA	2nd Review Period of XYrs	Rent PA	Renewal Yrs	Initial Period of XYrs	Rent PA	1st Review Period of XYrs	Rent PA	2nd Review Period of XYrs	Rent PA
XXII	62	433.3	2.63	2.84	21	21	\$665.00	-	-	-	-	21	21	5%CVLI	-	-	-	-
XXIII	63	330.7	10.72	10.93	21	21	\$238.00	-	-	-	-	21	21	7%CV	-	-	-	-
XXIV	64	175.4	10.59	10.80	21	21	5%CVLI	-	-	-	-	N11	-	-	-	-	-	-
XXV	65	33.1	6.69	6.90	21	10	6%CV	11	6%CVLI	-	-	21	10	6%CV	11	6%CVLI	-	-
	66	29.4	6.69	6.90	21	10	6%CV	11	6%CVLI	-	-	21	10	6%CV	11	6%CVLI	-	-
	67	79.7	11.68	11.89	21	10	6%CV	11	6%CVLI	-	-	21	10	6%CV	11	6%CVLI	-	-
	68	60.3	6.69	6.90	21	10	6%CV	11	6%CVLI	-	-	21	10	6%CV	11	6%CVLI	-	-
		202.5																
XXVI	69	286.1	4.76	3.97	21	21	5%CVLI	-	-	-	-	N11	-	-	-	-	-	-
XXVII	70	335.0	1.71	12.91	21	10	6%CV	11	6%CVLI	-	-	21	10	6%CVLI	11	6%CVLI	-	-
	71	186.0	8.60	7.81	21	21	\$200.00	-	-	-	-	21	21	5%CVLI	-	-	-	-
	72	285.9	3.59	2.80	21	21	5%CV	-	-	-	-	21	21	5%CVLI	-	-	-	-
	73	475.7	7.59	7.80	21	21	\$520.00	-	-	-	-	21	21	5%CVLI	-	-	-	-
	74	163.7	3.64	2.85	21	21	5%CV	-	-	-	-	21	21	5%CVLI	-	-	-	-
		1446.3																
XXVIII	75	57.6	4.62	3.83	21	21	5%CVLI	-	-	-	-	N11	-	-	-	-	-	-
	76	66.2	7.63	6.84	21	21	5%CVLI	-	-	-	-	N11	-	-	-	-	-	-
	77	118.0	1.63	12.83	21	21	\$200.00	-	-	-	-	N11	-	-	-	-	-	-
		241.8																
XXIX	78	175.4	9.59	8.80	21	21	\$620.00	-	-	-	-	21	21	5%CVLI	-	-	-	-
	79	109.5	7.63	6.84	21	10	\$179.00	5	5%CV	6	5%CV	21	5	5%CVLI	5	5%CV	5	5%CV
	80	78.3	12.64	12.85	21	10	\$318.00	11	5%CVLI	-	-	N11	-	-	-	-	-	5%CV same for next 6 yrs
												but has 1st refusal						
	81	40.2	1.65	12.85	21	10	\$200.00	11	6%CV	-	-	21	10	6%CV	11	6%CVLI	-	-
		403.4																

Lessee No.	Lease No.	Area (ha)	Start Date	Expiry Date	Term Yrs	Initial Period of XYrs	Rent PA	1st Review Period of XYrs	Rent PA	2nd Review Period of XYrs	Rent PA	Renewal Years	Initial Period of XYrs	Rent PA	1st Review Period of XYrs	Rent PA	2nd Review Period of XYrs	Rent PA
XXX	82	647.9 =====	7.74	7.2024	50	10	6%CV	10	6%CVLI	10	6%CVLI	N11	3rd review 10	6%CVLI	4th re- view 10	6%CVLI	-	-
XXXI	83	202.9	5.72	4.2022	50	14	6%CV	14	6%CVLI	14	6%CVLI	N11	3rd review 8	6%CVLI	-	-	-	-
XXXII	84	288.9	8.70	7.95	25	25	6%CV	-	-	-	-	25	25	6%CVLI	-	-	-	-
	85	44.9 536.7 =====	8.70	7.95	25	25	6%CV	-	-	-	-	25	25	6%CVLI	-	-	-	-
XXXIII	86	250.6	12.65	11.86	21	10	5%CV	11	6%CVLI	-	-	21	10	6%CVLI	11	6%CVLI	-	-
	87	12.8 263.4 =====	8.63	7.84	21	21	5%CVLI	-	-	-	-	N11	-	-	-	-	-	-
XXXIV	88	122.1	1.63	12.83	21	21	\$370.00	-	-	-	-	N11	-	-	-	-	-	-
	89	127.5 249.6 =====	6.60	6.81	21	21	5%CV	-	-	-	-	21	21	5%CVLI	-	-	-	-
XXXV	90	193.9	1.71	12.91	21	10	\$770.00	11	6%CVLI	-	-	N11	-	-	-	-	-	-
	91	55.0 248.9 =====	3.59	2.80	21	21	\$134.00	-	-	-	-	21	21	5%CVLI	-	-	-	-
XXXVI	92	50.2	7.61	6.82	21	21	\$163.00	-	-	-	-	21	21	5%CV	-	-	-	-
	93	131.1 181.3 =====	4.68	4.89	21	10	7%CV	11	7%CVLI	-	-	21	10	7%CV	11	7%CVLI	-	-
XXXVII	94	323.9 =====	9.69	9.90	21	7	\$900.00	7	6%CVLI	7	6%CVLI	N11	-	-	-	-	-	-
XXXVIII	95	345.8 =====	4.64	4.85	21	21	\$428.00	-	-	-	-	N11	-	-	-	-	-	-
XXXIX	96	225.7 =====	7.69	7.90	21	7	6%CV	7	6%CVLI	7	6%CVLI	21	7	6%CVLI	7	6%CVLI	7	6%CVLI

Lessee No.	Lease No.	Area (ha)	Start Date	Expiry Date	Term Yrs	Initial Period of XYrs	Rent PA	1st Review Period of XYrs	Rent PA	2nd Review Period of XYrs	Rent PA	Renewal Years	Initial Period of XYrs	Rent PA	1st Review Period of XYrs	Rent PA	2nd Review Period of XYrs	Rent PA
XL / XVIII	97	282.3	8.60	7.81	21	21	\$177.00	-	-	-	-	21	21	5%CV	-	-	-	-
	98	<u>33.1</u>	2.65	1.86	21	21	5%CV	-	-	-	-	21	21	6%CVLI	-	-	-	-
		<u>315.4</u> =====																
XLI	99	17.8	10.65	9.86	21	10	6%CV	11	6%CVLI	-	-	21	10	6%CV	11	6%CVLI	-	-
	100	87.7	9.71	8.96	25	12	6%CV	13	6%CVLI	-	-	25	12	6%CV	13	6%CVLI	-	-
	101	121.8	5.77	5.98	21	7	6%CV	7	6%CVLI	7	6%CVLI	N11	-	-	-	-	-	-
	102	97.5	10.77	10.98	21	7	6%CV	7	6%CVLI	7	6%CVLI	N11	-	-	-	-	-	-
	103	313.2	4.72	3.97	25	12	6%CV	13	6%CVLI	-	-	25	12	6%CV	13	6%CVLI	-	-
	104	66.2	9.65	8.2015	50	25	6%CV	25	6%CVLI	-	-	N11	-	-	-	-	-	-
	105	94.8	4.72	3.97	25	12	6%CV	13	6%CVLI	-	-	25	12	6%CV	13	6%CVLI	-	-
	106	34.1	1.72	1.97	25	12	6%CV	13	6%CVLI	-	-	25	12	6%CV	13	6%CVLI	-	-
	107	<u>40.9</u>	7.71	7.96	25	12	6%CV	13	6%CVLI	-	-	25	12	6%CV	13	6%CVLI	-	-
		<u>874.0</u> =====																
XLII	108	207.1	1.69	12.89	21	10	6%CV	11	6%CVLI	-	-	21	10	6%CV	11	6%CVLI	-	-
	109	<u>66.4</u>	3.68	3.89	21	21	5%CVLI	-	-	-	-	N11	-	-	-	-	-	-
		<u>273.5</u> =====																
XLIII	110	60.3	2.70	2.91	21	21	5%CVLI	-	-	-	-	N11	-	-	-	-	-	-
	111	<u>159.3</u>	2.70	2.91	21	21	5%CVLI	-	-	-	-	N11	-	-	-	-	-	-
		<u>219.6</u> =====																
XLIV	112	<u>522.4</u> =====	10.71	10.92	21	21	5%CVLI	-	-	-	-	N11	-	-	-	-	-	-
XLV	113	<u>688.0</u> =====	9.75	8.96	21	21	5%CVLI	-	-	-	-	N11	-	-	-	-	-	-
XLVI	114	<u>379.7</u> =====	1.70	1.91	21	10	\$354.00	11	6%CVLI	-	-	21	10	6%CV	11	6%CVLI	-	-
XLVII	115	172.4	9.74	9.95	21	10	6%CV	11	6%CVLI	-	-	21	10	6%CV	11	6%CVLI	-	-



Lessee No.	Lease No.	Area (ha)	Start Date	Expiry Date	Term Yrs	Initial Period of XYrs	Rent PA	1st Review Period of XYrs	Rent PA	2nd Review Period of XYrs	Rent PA	Renewal Years	Initial Period of XYrs	Rent PA	1st Review Period of XYrs	Rent PA	2nd Review Period of XYrs	Rent PA
	116	56.8	9.74	9.95	21	10	6%CV	11	6%CVLI	-	-	21	10	6%CV	11	6%CVLI	-	-
	117	248.7	9.74	8.95	21	7	6%CV	7	6%CVLI	7	6%CVLI	N11	-	-	-	-	-	-
	118	<u>16.2</u> 494.1 -----	9.74	9.95	21	10	6%CV	11	6%CVLI	-	-	21	10	6%CV	11	6%CVLI	-	-
XLVIII	119	<u>367.9</u> -----	5.71	5.81	10	10	\$475.00	-	-	-	-	10	10	6%CVLI	-	-	-	-
XLIX	120	<u>197.6</u> -----	6.73	6.98	25	12	\$660.00	13	6%CVLI	-	-	25	12	6%CVLI	13	6%CVLI	-	-
L	121	<u>164.9</u> -----	1.75	6.95	21	21	5%CV	-	-	-	-	N11	-	-	-	-	-	-
LI	122	61.0	7.77	6.98	21	7	\$2912.00	7	by arbitration with Maori Trustee	7	by arbitration	21	7	by arbitration	7	by arbitration	7	by arbitration
	123	40.0	4.65	4.86	21	21	5%CVLI	-	-	-	-	N11	-	-	-	-	-	-
	124	<u>113.6</u> 214.6 -----	1.66	1.87	21	21	6%CV	-	-	-	-	21	21	6%CVLI	-	-	-	-
LII	125	<u>295.6</u> -----	2.65	2.86	21	21	5%CV	-	-	-	-	N11	-	-	-	-	-	-
LIII	126	111.5	4.60	3.81	21	21	\$204.00	-	-	-	-	21	21	5%CVLI	-	-	-	-
	127	314.2	3.59	3.80	21	21	2/- per acre	-	-	-	-	N11	-	-	-	-	-	-
	128	<u>12.1</u> 437.8 -----	8.67	8.88	21	21	6%CV	-	-	-	-	21	21	6%CV	-	-	-	-
LIV	129	64.1	1.66	1.87	21	21	6%CV	-	-	-	-	21	21	6%CV	-	-	-	-
	130	23.6	7.65	6.86	21	21	6%CV	-	-	-	-	21	21	6%CV	-	-	-	-
	131	36.4	6.63	5.84	21	21	5%CVLI	-	-	-	-	N11	-	-	-	-	-	-

Lessee No.	Lease No.	Area (ha)	Start Date	Expiry Date	Term Yrs	Initial Period of XYrs	Rent PA	1st Review Period of XYrs	Rent PA	2nd Review Period of XYrs	Rent PA	Renewal Years	Initial Period of XYrs	Rent PA	1st Review Period of XYrs	Rent PA	2nd Review Period of XYrs	Rent PA
	132	54.9	5.62	4.83	21	21	\$47.50	-	-	-	-	Nil	-	-	-	-	-	-
	133	51.0 230.0 =====	12.61	11.82	21	21	5%CVLI	-	-	-	-	Nil	-	-	-	-	-	-
LV	134	934.3 =====	1.64	12.84	21	21	5%CVLI	-	-	-	-	Nil	-	-	-	-	-	-
LVI	135	174.3 =====	1.60	12.80	21	21	\$226.00	-	-	-	-	21	21	5%CVLI	-	-	-	-
LVII	136	1184.7 =====	4.58	3.79	21	7	\$4000.00	7	by arbitration	7	by arbitration	Nil	-	-	-	-	-	-
LVIII	137	305.7 =====	1.63	12.83	21	21	5%CV	-	-	-	-	Nil	-	-	-	-	-	-

APPENDIX VIII



YOUR REF

OUR REF 18/242/1

**OFFICE OF THE MAORI TRUSTEE**

GOVERNMENT BUILDINGS  
CNR LOWE STREET & READS QUAY  
TELEPHONE 89 035  
PRIVATE BAG GISBORNE  
TELEGRAMS: MAORIFAIRS

26 September 1980

COPY SENT TO SOLICITORS IN GISBORNE & WAIROA (ALL)

Dear Sirs,

Maori Trustee Rent Review Clause

As you are aware there has been a request to the Maori Trustee to advise the provisions for fixing rent upon review in future leases.

After considering the recommendations of the Mege-Kingi report and other proposed forms of rent review the Maori Trustee will be including the following clause in future lease documents.

"For each succeeding period of        years of the said term such yearly rent as the Maori Trustee shall determine PROVIDED THAT such rental shall be not less than the rental payable for and in respect of any preceding year of the said term and that the lessee shall not be required to pay rent on value added by improvements effected by the lessee since commencement of the lease term".

For the purpose of determining the rent as aforesaid, the Maori Trustee shall:

- (a) Three months prior to each rent revision date apply to the Valuer General for a recommended rent. The fee for this recommendation to be paid by the lessee;
- (b) Determine the new rent using the 'recommended rent' as a basis with adjustment for any special circumstances;
- (c) Give notice to the lessee of the revised rent supported by a copy of the Valuer General's Certificate as to the recommended rent. Such notice to state the basis for the Maori Trustee's assessment of the new rent and a statement that the lessee may appeal against the new rent in writing to the Maori Trustee within one calendar month of the date of the notice of the revised rent.

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In the event of such an appeal the Maori Trustee and the lessee shall thereupon each appoint an assessor who shall between them determine the rent. In the event of disagreement by the assessors, rent shall be fixed by an umpire appointed by the assessors. The Lessee and lessor shall each be responsible to pay the fees of his assessor and shall pay the fee of the umpire in equal shares'.

Where it is proposed to allow compensation for improvements, we propose that the lease document schedules the improvements to be carried out by the lessee and the dates by which each work is to be completed. If the lessee proposes to make additional improvements he must obtain prior written consent of the lessor and on completion shall be entitled to have a record made of the approved improvements and the cost of making them. A similar record will be made of required improvements.

Provision for compensation would be the exception rather than the rule. Renewal of the lease will be in the same form as the original lease but without rights of renewal or compensation for any improvements whatsoever.

Final details have not been worked out yet but it is hoped that the above proposals for our new leases will be of assistance in your deliberations.

The Maori Trustee will be prepared to divulge the source of advice but he must retain the right to decide subject to a right of power or Arbitration.

I trust this will be of assistance in considering future resolutions for Meetings of Owners.

Yours faithfully,

(B.R. Green)  
for MAORI TRUSTEE

APPENDIX IX

Lessee Number	Lease Number	Area (ha)	Special Lease Covenants	Lease Registered Yes/No	Lessee interest in Ownership of Part 23 Lease (1)
I	1	291.4	No topdressing clauses	Yes	19%
II	2	191.0	-	Yes	-
III	3	218.0	-	No	-
	4	31.8	Leave cropped land and pig enclosure in grass	Yes	-
	5	108.0	Leave cropped land and pig enclosure in grass	Yes	5%
	6	116.6	-	Yes	-
	7	192.0	-	Yes	-
	8	2046.0	-	No	-
	9	67.7	-	Yes	Family holdings
IV	10	376.9	-	No	-
	11	439.0	Lay flat in grass in 5 years	No	-
	12	187.9	-	Yes	-
	13	77.0	-	Yes	-
	14	542.4	-	Yes	-
V	15	297.4	-	Yes	-
	16	190.4	-	Yes	-
	17	398.9	-	No	-
	18	102.0	-	Yes	-
	19	371.5	-	Yes	-
VI	20	118.0	-	Yes	2.5%
	21	163.5	Erosion control considered	Yes	-
VII	22	198.9	-	Yes	-
VIII	23	564.7	-	No	Lessee/wife 30%
IX	24	256.9	No topdressing clause	No	4.5%
	25	340.7	Clear 80 ha in first term	No	6.0%
X	26	1361.9	-	Yes	-
XI	27	256.0	Topdressing and clearance only if economic	Yes	-
XII	28	10.1	-	No	1.5% family holdings
	29	55.0	-	Yes	.5%
	30	261.8	-	Yes	2.5%
	31	18.1	-	No	-
XIII	32	381.7	-	No	Lessee 11.5% Family 30%

Lessee Number	Lease Number	Area (ha)	Special Lease Covenants	Lease Registered Yes/No	Lessee Interest in Ownership of Part 23 Lease (1)
XIV	33	21.2	-	Yes	-
	34	15.6	-	Yes	-
	35	145.2	Attend to 12 ha scrub	Yes	-
	36	84.2	-	No	-
	37	45.7	-	Yes	-
	38	53.4	-	Yes	-
XV	39	46.7	-	No	-
	40	17.2	Grassing/Weed Control as far as it practicable	No	-
	41	36.9	-	No	-
	42	14.7	-	No	-
	43	18.9	-	No	-
	44	14.5	-	No	-
	45	35.4	-	No	-
	46	65.9	-	No	-
	47	14.4	-	No	-
XVI	48	421.7	-	Yes	-
XVII	49	440.3	Sub lease	No	Primary lessee's family are owners
XVIII	50	194.3	Fence land at 23ch pa clear grass and topdress 26 acres p.a.	No	-
	51	281.2	-	No	-
	52	154.5	Take all reasonable steps to stop manuka regrowth	No	-
	53	219.0	Clear grass 10 ha scrub. Erect 2400 m internal fence. Not classed as Lessee Improvements at rent renewals.	No	-
	54	158.5	-	No	-
	55	243.7	Prior to 1977 cut 12 ha clear, sow and cut 12 ha before June 1978	Yes	-
	56	68.3	Sublease	o	Lessee family holding
	57	63.9	-	Yes	-
XIX	58	124.9	-	No	-
	59	139.5	Clear grass and topdress scrub etc at 16 ha p.a.	No	Lessee Incorporation has member holdings.
	60	472.7	Consult Maori Trustee on ways to improve block. Grass all that can be.	Yes	-
XXI	61	211.5	-	Yes	-

Lessee Number	Lease Number	Area (ha)	Special Lease Covenants	Lease Registered Yes/No	Lessee Interest in Ownership of Part 23 Lease (1)
XXII	62	433.3	In 6th year of lease clear grass 20 ha then each year the same till 180 ha done. Comply with Catchment Board direction on better drainage.	No	12.5%
XXIII	63	330.7	-	No	1.5%
XXIV	64	175.4	-	Yes	Family owners
XXV	65	33.1	-	Yes	-
	66	29.4	Clauses protecting Native Bushes	Yes	-
	67	79.7	Clauses protecting Native Bushes	Yes	-
	68	60.3	-	Yes	-
XXVI	69	286.1	-	No	Family holdings
XXVII	70	335.0	-	No	-
	71	186.0	-	No	-
	72	285.9	-	No	75%
	73	475.7	-	No	-
	74	163.7	-	No	-
XXVIII	75	57.6	-	No	-
	76	66.2	-	No	-
	77	118.0	-	No	-
XXIX	78	175.4	-	No	-
	79	109.5	-	Yes	-
	80	78.3	-	Yes	-
	81	40.2	-	No	-
XXX	82	647.9	Grass where applicable. Fencing modifications.	No	Family holdings.
XXXI	83	202.9	Fencing/development modifications arbitrated with Maori Trustee.	Yes	-
XXXII	84	288.9	-	Yes	Small family holding
	85	44.9	-	Yes	-
XXXIII	86	250.6	-	Yes	-
	87	12.8	-	No	-
XXXIV	88	122.1	-	No	-
	89	127.5	No compulsory annual topdressing	No	-



Lessee Number	Lease Number	Area (ha)	Special Lease Covenants	Lease Registered Yes/No	Lessee Interest in Ownership of Part 23 Lease (1)
XXXV	90	193.9	-	Yes	-
	91	55.0	-	No	-
XXXVI	92	50.2	Fencing modifications to suit land.	No	-
	93	131.1	-	Yes	-
XXXVII	94	323.9	-	Yes	-
XXXVIII	95	345.8	Noxious weed clause only one in lease	Yes	20% interest
XXXIX	96	225.7	Grass within 10 years. Owners permitted to partition out house sites.	No	-
XL	97	282.3	-	No	Large family holdings
XL/XVIII	98	33.1	-	No	-
XLI	99	17.8	-	No	-
	100	87.7	-	No	-
	101	121.8	-	Yes	Family holdings
	102	97.5	-	Yes	-
	103	313.2	-	Yes	Small family holdings
	104	66.2	-	No	-
	105	97.8	-	No	Large family holding
	106	34.1	-	No	.007%
	107	40.9	-	No	-
XLII	108	207.1	Erosion control clause	No	-
	109	66.4	Grass where practicable	Yes	-
XLIII	110	60.3	-	Yes	-
	111	159.3	-	Yes	-
XLIV	112	522.4	-	Yes	5% holding
XLV	113	688.0	-	Yes	55% holding
XLVI	114	379.7	Clear grass, topdress 311 ha in 7 years	Yes	-
XLVII	115	172.4	-	Yes	-
	116	56.8	-	Yes	42% holding
	117	248.7	-	Yes	-
	118	16.2	-	Yes	-
XLVIII	119	367.9	-	No	-

Lessee Number	Lease Number	Area (ha)	Special Lease Covenants	Lease Registered Yes/No	Lessee Interest in Ownership of Part 23 Lease (1)
XLIX	120	197.6	-	Yes	Wife holds 2.5%
L	121	164.9	-	No	-
LI	122	61.0	-	Yes	2% interest
	123	40.0	-	Yes	-
	124	113.6	Erosion control clause	No	-
LII	125	295.6	-	Yes	-
LIII	126	111.5	-	No	-
	127	314.2	-	Yes	-
	128	12.1	Partitioning out of house sites permitted.	No	-
LIV	129	64.1	-	Yes	29% interest
	130	23.6	In first year required to topdress and oversow whole block.	No	5% interest
	131	36.4	Leave in grass	Yes	Wife has interest
	132	54.9	Leave in grass	Yes	5% interest
	133	51.0	Leave in grass	No	9% interest
LV	134	934.3	-	No	Family holdings
LVI	135	174.3	-	No	-
LVII	136	1184.7	-	No	7.5% holding
LVIII	137	305.7	As far as practicable lay in grass in 5 years	No	-

FOOTNOTES:

- (1) Ownership interest could only be traced by the author on the lessee's common name. Difficulties arose when the lessee had more than one name. Further, shareholdings of immediate relatives were relevant but difficult to trace if Christian and/or maiden names were unknown. Shareholdings of relatives were also difficult to trace.

Lessee Number	Lessee Maori or Pakeha	Lessees registered area of (a), (b), (c) in ha; the number of titles involved listed in brackets			Lessees unreg. area of (a), (b) in ha; Title No. in brackets		Total Area Farmed (ha)	Mortgages Known to be held by Lessee				
		(a) Freehold	(b) Non Part 23 Leases	(c) Part 23 Leases	(a) Part 23 Leases	(b) Other Lease, Freehold and informal tenure.		Mortgagee	Mortgaged stock/ chattels and/or Area (ha)	Date Issued	Amount	Purpose
I	Maori Inc.	399.6(3)	-	291.4(1)	-	-	691.0	a) RBFC (1) b) RBFC c) BNSW (4)	691.0 691.0 Stock	1978 1979 1976	\$51,000 \$22,500 varies	Devt Standard (2) Devt LDE (3) Seasonal finance
II	Maori Inc.	2463.7(6)	182.1(1)	191.0(1)	-	283.1(6)	3119.9	a) RBFC b) B of MA(5) c) B of MA d) BNZ (6) e) RBFC	2836.8 Stock/ chattels Stock/ chattels Stock/ chattels	1979 1966 1966 1965 1980	\$88,000 \$132,100 \$53,580 \$20,000	Devt LDE Granted under Section 460 Maori Affairs Act 1953 for devt develop- ment LIS (7)
III	Maori	-	-	516.1(5)	2264.0(2)	-	2780.1	a) RBFC b) RBFC c) Dalgety NZ Ltd(8) d) RBFC e) RBFC f) Dalgety NZ Ltd g) RBFC	516.1 67.7 448.4 Stock/ chattels Stock/ chattels Stock/ chattels	1980 1977 1972 1977 1978 1977 1977	\$28,000 \$5,000 varies see loan (b) up to \$5,000 varies \$20,364	Devt stand- ard/LDE Devt standard Seasonal finance see loan (b) Seasonal support (9) Seasonal finance Devt standard
IV	Pakeha	-	-	807.3(3)	815.9(2)	-	1623.2	a) RBFC b) RBFC c) RBFC d) RBFC e) RBFC	807.3 Stock/ chattels 807.3 Stock/ chattels Stock/ chattels	1980 1980 1980 1980 1980	\$12,240 see loan (a) \$22,416 see loan (c) \$38,150	Devt standard see loan (a) Devt stand- ard/LDE see loan (c) Devt stand- ard/LDE

continued over/

Lessee Number	Lessee Maori or Pakeha	Lessees registered area of (a), (b), (c) in ha; the number of titles involved listed in brackets			Lessees unreg. area of (a), (b) in ha; Title No. in brackets		Total Area Farmed (ha)	Mortgages Known to be held by Lessee				
		(a) Freehold	(b) non Part 23 Leases	(c) Part 23 Leases	(a) Part 23 Leases	(b) Other Lease, Freehold and informal tenure		Mortgagee	Mortgaged Stock/ chattels and/or Area (ha)	Date Issued	Amount	Purpose
IV contd								f) RBFC				LIS
V	Pakeha	3.1(1) Substantial holdings out of the district very recent acquisition of 1,000	-	961.3(4)	398.9(1)	40.4(1)	exceeds 1403.7	a) Private b) Dalgety NZ Ltd c) as above	473.5 Stock/ chattels as above	1978 1978 1975	\$20,000 varies varies	Purchase of lease Seasonal finance as above
VI	Maori/ Pakeha	1977.5(6)	8.0(1)	281.5(2)	-	-	2267.0	a) RBFC b) RBFC c) RBFC d) Private e) RBFC	1674.0 1674.0 1674.0 1674.0	1978 1979 1979 1979 1978	\$71,690 \$45,400 \$12,000 \$45,000 \$33,084	Purchase Standard/ LDE Devt Purchase LIS
VII	Govt Dept (10)	-	-	198.9(1)	-	-	substantial	-	-	-	-	-
VIII	Maori	-	-	-	564.7(1)	-	564.7	a) Dalgety NZ Ltd	Stock/ chattels	1975	varies	Seasonal finance
IX	Maori	2.0(1)	-	-	597.6(2)	34.3(1)	633.9	a) RBFC b) RBFC c) W & K(11)	Stock/ chattels 2.0 Stock/ chattels	1976 1976 1979	\$1,300 see loan (a) varies	Seasonal Support Seasonal finance
X	Pakeha Trust	substantial	substantial	1361.9(1)	-	-	substantial	-	-	-	-	-
XI	Public Company	substantial	substantial	256.0(1)	-	-	substantial	-	-	-	-	-

continued over/

Lessee Number	Lessee Maori or Pakeha	Lessees registered area of (a), (b), (c) in ha; the number of titles involved listed in brackets			Lessees unreg. area of (a), (b) in ha; Title No. in brackets		Total Area Farmed (ha)	Mortgages Known to be held by Lessee				
		(a) Freehold	(b) Non Part 23 Leases	(c) Part 23 Leases	(a) Part 23 Leases	(b) Other Lease, Freehold and informal tenure		Mortgagee	Mortgaged Stock/ chattels and/or Area (ha)	Date Issued	Amount	Purpose
XII	Maori partnership/ Estate	.5(1)	493.8(3)	316.8(2)	28.2(2)	2.0(1)	841.3	a) RBFC b) RBFC c) Dalgety NZ Ltd d) W & K e) RBFC	409.6 729.2 26.4 Stock	1978 1979 1970 1977 1979	\$5,000 \$30,600 varies	Seasonal support Devt standard Transfer of previous owners debt Seasonal finance LIS
XIII	Maori	-	-	-	381.7(1)	.2(1)	381.9	a) RBFC b) Dalgety NZ Ltd c) Family d) Dalgety NZ Ltd	Stock Stock Stock/ chattels Chattels	1977 1978 1978 1978	up to \$5,000 varies \$6,500 varies	Seasonal support Seasonal finance Accrued interest Seasonal finance
XIV	Pakeha	259.3(4)	414.0(2)	281.1(5)	84.2(1)	-	1038.6	a) RBFC b) RBFC	273.1 213.9	1978 1976	\$8,600 \$5,000	LIS Seasonal support
XV	Maori Inc.	-	-	-	264.6(9)	429.6(9)	694.2	-	-	-	-	-
XVI	Private Company	over 4000	-	421.7(1)	-	-	over 4500	a) RBFC	-	-	over \$60,000	Devt
XVII	Private Company	over 5000	-	-	440.3(1)	-	over 5,500	-	-	-	-	-

Lessee Number	Lessee Maori or Pakeha	Lessees registered area of (a), (b), (c) in ha; the number of titles involved listed in brackets			Lessee unreg. area of (a), (b) in ha; Title No. in brackets		Total Area Farmed (ha)	Mortgages Known to be held by Lessee				
		(a) Freehold	(b) Non Part 23 Leases	(c) Part 23 Leases	(a) Part 23 Leases	(b) Other Lease, Freehold and informal tenure		Mortgagee	Mortgaged Stock/ chattels and/or Area (ha)	Date Issued	Amount	Purpose
XVIII	Maori	997.2(4)	639.1(4) (subleases 98.	243.7(1)	1075.8(6) 33.1 ha)	151.6(4)	3173.6	a) RBFC b) RBFC ex State Advances c) RBFC d) RBFC e) Dalgety NZ Ltd	997.2 955.7 Stock Stock Stock/ chattels	1978 1973 1977 1977 1977	\$45,900 \$40,000 \$25,500 up to \$5,000 varies	Devt Standard LDE Devt Standard Devt Standard Seasonal support Seasonal finance
XIX	Maori Inc.	735.7(7)	770.7(3)	63.9(1)	264.4(2)	123.9(4)	1958.4	a) Maori Trustee b) RBFC c) RBFC d) RBFC e) RBFC	146.7 494.5 1245.7 1245.7 1245.7	1965 1976 1980 1980 1979	\$22,000 \$5,000 \$25,000 ) \$20,000 ) \$32,200	Lease purchase Seasonal support Devt Standard and LDE LIS
XX	Private Company	4594.1(2)	1280.0(1)	472.7(1)	-	-	6346.8	-	-	-	-	-
XXI	Maori	-	-	211.5(1)	-	-	211.5	a) Dalgety NZ Ltd	211.5	1974	varies	Seasonal finance
XXII	Maori	-	-	-	433.3(1)	-	433.3	a) Dalgety NZ Ltd b) as above c) RBFC d) Loan for development granted by RBFC but not uplifted as won a Kiwi Lottery	Stock Stock Stock	1975 1977 1977	varies varies up to \$5,000	Seasonal finance as above Seasonal support
XXIII	Maori	7.3(1)	-	-	330.7(1)	-	338.0	-	-	-	-	-
XXIV	Maori Estate	8.0(1)	-	175.4(1)	-	17.9(1)	201.3	-	-	-	-	-

continued over/

Lessee Number	Lessee Maori or Pakeha	Lessees registered area of (a), (b), (c) in ha; the number of titles involved listed in brackets			Lessees unreg. area of (a), (b) in ha; Title No. in brackets		Total Area Farmed (ha)	Mortgages Known to be held by Lessee				
		(a) Freehold	(b) Non Part 23 Leases	(c) Part 23 Leases	(a) Part 23 Leases	(b) Other Lease, Freehold and informal tenure		Mortgagee	Mortgaged Stock/ chattels and/or Area (ha)	Date Issued	Amount	Purpose
XXV	Pakeha	23.5(2)	-	202.5(4)	-	18.9(4)	244.9	a) Building Society b) As above c) RBFC	23.5 23.5 -	1976 1977 1979	\$4,000 \$2,000 -	Not stated as above LIS
XXVI	Maori	.2(1)	-	-	286.1(1)	132.9(1)	419.2	a) RBFC b) Dalgety NZ Ltd	Stock/ chattels Stock	1977 1980	up to \$5,000 varies	Seasonal support Seasonal finance
XXVII	Maori	-	-	-	1446.3(5)	- (sublet: 163.7ha)	1282.6	a) RBFC b) RBFC c) RBFC d) RBFC e) RBFC f) RBFC g) WNMA(12) h) RBFC	1446.3 1446.3 Stock 1446.3 1446.3 Stock Titles taken on stock and Maori Land Stock	1976 1976 1976 1978 1978 1978 1976 -	\$51,000 \$5,000 see loan (b) \$23,976 \$15,300 Associated with above loans (d) and (e) varies -	Devt Standard Seasonal support See loan (b) Devt Standard LDE As above Associated with above loans (d) and (e) Seasonal finance LIS
XXVIII	Pakeha Estate	788.4(7)	69.8(3)	-	241.8(3)	70.5(6)	1170.5	-	-	-	-	-
XXIX	Pakeha	-	366.2(4)	187.8(2)	215.6(2)	120.4(2)	890.0	a) RBFC b) RBFC ex State Advances c) BNZ d) Dalgety NZ Ltd	193.4 193.4 193.4 520.8	1975 1972 1968 1970	\$16,320 \$10,200 varies varies	Devt Standard Devt Standard Seasonal finance

continued over/



Lessee Number	Lessee Maori or Pakeha	Lessees registered area of (a), (b), (c) in ha; the number of titles involved listed in brackets			Lessees unreg. area of (a), (b) in ha; Title No. in brackets		Total Area Farmed (ha)	Mortgages Known to be held by Lessee				
		(a) Freehold	(b) Non Part 23 Leases	(c) Part 23 Leases	(a) Part 23 Leases	(b) Other Lease, Freehold and informal tenure		Mortgagee	Mortgaged Stock/ chattels and/or Area (ha)	Date Issued	Amount	Purpose
XXIX contd								e) Dalgety NZ Ltd	Stock/ crops	1980	varies	Seasonal finance
XXX	Maori	-	-	-	647.9(1)	-	647.9	a) Board of MA b) as above c) as above d) BNZ	Stock Stock Stock Stock	1975 1976 1978 1975	\$15,000 ) \$15,000 ) \$5,650 ) varies	Dairy farm Establish- ment Seasonal finance
XXXI ) XXXII )	Maori Maori (father and son)	-	-	536.7(3)	-	318.3(4)	855.0	a) RBFC b) RBFC c) RBFC d) Dalgety NZ Ltd e) Dalgety NZ Ltd f) RBFC	44.9 Stock Stock Stock Stock -	1976 1976 1978 1978 1978 -	\$5,000 see above \$12,000 varies varies -	Seasonal support loan (a) Devt Standard Seasonal finance Seasonal finance LIS
XXXIII	Pakeha	121.2(7)	19.6(1)	250.6(1)	12.8(1)	8.9(1)	413.1	a) RBFC ex State Advances b) as above c) RBFC ex State Advances d) RBFC e) RBFC	271.4 334.4 271.4 371.8 371.8	1971 1973 1975 1977 1977	\$1,000 \$29,580 \$1,500 \$22,440 \$10,200	Suspensory loan Purchase Devt Standard Devt Standard Devt Standard
XXXIV	Maori Estate	19.1(3)	-	-	249.6(2)	104.8(1)	373.5	-	-	-	-	-
XXXV	Maori Estate	280.1(1)	25.0(2)	193.9(1)	55.0(1)	-	554.0	a) BNSW	Stock/ chattels	1977	varies	Seasonal finance

continued over/

Lessee Number	Lessee Maori or Pakeha	Lessees registered area of (a), (b), (c) in ha; the number of titles involved listed in brackets			Lessee unreg. area of (a), (b) in ha; Title No. in brackets		Total Area Farmed (ha)	Mortgages Known to be held by Lessee				
		(a) Freehold	(b) Non Part 23 Leases	(c) Part 23 Leases	(a) Part 23 Leases	(b) Other Lease, Freehold and informal tenure		Mortgagee	Mortgaged Stock/ chattels and/or Area (ha)	Date Issued	Amount	Purpose
XXXVI	Maori Trust	substantial	substantial	131.1(1)	50.2(1)	-	substantial	a) RBFC	supplied	considerable	devt finance	
XXXVII	Pakeha Family Joint	1082.2(2)	-	323.9(1)	-	-	1406.1	a) RBFC b) Private c) Private d) RBFC e) RBFC	1406.1 1406.1 1406.1 1406.1 -	1976 1976 1977 1980 1980	\$122,110 \$80,000 \$120,000 \$15,987 -	Purchase Purchase Purchase LDE LIS
XXXVIII	Maori Estate	-	-	345.8(1)	-	82.1(1)	427.9	-	-	-	-	-
XXXIX	Maori	-	-	-	225.7(1)	8.0(4)	233.7	-	-	-	-	-
XL	Maori	-	-	-	315.4(2) (Lease 98 is sublet to lessee XVIII)	37.1(3)	319.4	a) Broadlands b) Finance c) Company	Chattel Chattel Chattel	1976 1978 1979	\$500 \$1100 \$700	Landrover Landrover Landrover
XLI	Maori	-	-	532.5(3)	341.5(6)	63.4(4)	937.4	a) RBFC b) W & K c) W & K d) W & K	435.0 Stock Stock Stock	1980 1977 1977 1978	\$12,240 varies varies varies	Devt standard/LDE Seasonal finance As above As above
XLII	Pakeha	231.6(2)	969.8(3)	66.4(1)	207.1(1)	-	1474.9	a) RBFC b) RBFC c) RBFC ex State Advances d) Private e) Private f) RBFC ex State Advances	1201.4 1201.4 555.4 712.4 276.4 276.4	1979 1979 1963 1979 1961 1967	\$20,400 \$10,000 \$5,100 \$30,400 \$54,000 \$6,000	Devt standard/LDE As above Housing Housing Not stated Devt Standard

continued over/

Lessee Number	Lessee Maori or Pakeha	Lessees registered area of (a), (b), (c) in ha; the number of titles involved listed in brackets			Lessees unreg. area of (a), (b) in ha; Title No. in brackets		Total Area Farmed (ha)	Mortgages Known to be held by Lessee				
		(a) Freehold	(b) Non Part 23 Leases	(c) Part 23 Leases	(a) Part 23 Leases	(b) Other Lease, Freehold and informal tenure		Mortgagee	Mortgaged Stock/ chattels and/or Area (ha)	Date Issued	Amount	Purpose
XLII Contd								g) BNSW h) Family i) Family j) Family	405.5 Stock Stock Stock	1960 1979 1979 1976	\$5,000 \$2,600 \$4,004 \$20,000	Not stated Not stated Not stated Not stated
XLIII	Pakeha	376.8(4)	-	219.6(2)	-	-	596.4	a) RBFC ex State Advances b) RBFC ex State Advances c) RBFC d) RBFC e) RBFC f) RBFC g) W & K	376.8 376.8 376.8 376.8 376.8 Stock Stock	1970 1970 1977 1977 1979 1975 1975	\$70,200 \$1,000 \$23,460 \$11,964 \$25,000 See loan (a) varies	Purchase Suspensory loan Devt Standard Devt Standard Devt Standard/LDE Seasonal finance
XLIV	Maori	9.7(1)	-	522.4(1)	-	-	532.1	a) Dalgety NZ Ltd b) RBFC	Stock 532.1	1980 1977	varies \$5,000	Seasonal finance Seasonal support
XLV	Maori	370.1(2) (substantial land owned jointly with family)	942.0(1)	688.0(1)	-	32.7(1)	exceeds 2032.8	a) RBFC ex State Advances b) RBFC c) Lands & Survey d) Private e) RBFC f) Dalgety NZ Ltd	1630.0 1940.6 1940.6 310.6 1940.6 Stock	1971 1977 1977 1974 1980 1976	\$5,100 \$11,220 \$41,000 \$17,000 \$6,250 varies	Devt Standard Devt Standard Freeholding Crown Lease Not stated Devt LDE Seasonal finance
XLVI	Pakeha	-	-	379.7(1)	-	-	379.7	a) RBFC  (security taken over relatives property)	967.7	1979	\$80,000	Devt Standard/LDE

continued over/

Lessee Number	Lessee Maori or Pakeha	Lessees registered area of (a), (b), (c) in ha; the number of titles involved listed in brackets			Lessees unreg. area of (1), (b) in ha; Title No. in brackets		Total Area Farmed (ha)	Mortgages Known to be held by Lessee				
		(a) Freehold	(b) Non Part 23 Leases	(c) Part 23 Leases	(a) Part 23 Leases	(b) Other Lease, Freehold and informal tenure		Mortgagee	Mortgaged Stock/ chattels and/or Area (ha)	Date Issued	Amount	Purpose
XLIV contd								b) W & K c) RBFC	Stock (pending \$72,500 LDE/Std Devt)	1979	varies	Seasonal finance
XLVII	Pakeha Trust	562.3(12) 322 ha Freehold mortgaged	64.1(2) 290.2 ha lease separately	494.1(4) also in Hawkes Bay	-	-	1120.5	a) RBFC b) RBFC c) RBFC d) ANZ(13)	1732.7 1732.7 1732.7 Stock	1979 1979 1979 1978	\$158,000 \$75,000 \$51,564 varies	Devt Standard Devt LDE LIS Seasonal finance
XLVIII	Pakeha	-	-	-	367.9(1)	-	367.9	a) WNMA b) RBFC	Stock -	1978 -	varies -	Seasonal finance LIS
XLIX	Maori	-	-	197.6(1)	-	.6(2)	198.2	-	-	-	-	-
L	Pakeha Station	524.6(1) (Hawkes Bay)	- (difficult to trace holdings in Hawkes Bay)	-	164.9(1)	-	689.5	-	-	-	-	-
LI	Maori Inc.	853.6(3)	224.6(6)	101.0(2)	113.6(1)	143.7(11)	1436.4	a) BNSW	Stock	1980	varies	Seasonal finance
LII	Maori	.2(1)	-	295.6(1)	-	1.4(2)	297.2	a) RBFC b) RBFC c) Dalgety NZ Ltd	Stock .2 Stock	1976 1976 1977	\$5,000 See loan (a) varies	Seasonal support (a) Seasonal finance
LIII	Maori	-	-	314.2(1)	123.6(2)	-	437.8	a) RBFC b) WNMA	Stock Stock	1976 1977	up to \$5,000 varies	Seasonal support Seasonal finance
LIV	Maori	-	-	155.4(3)	74.6(2)	12.5(2)	242.5	-	-	-	-	-

continued over/

Lessee Number	Lessee Maori or Pakeha	Lessees registered area of (a), (b), (c) in ha; the number of titles involved listed in brackets			Lessees unreg. area of (a), (b) in ha; Title No. in brackets		Total Area Farmed (ha)	Mortgages Known to be held by Lessee				
		(a) Freehold	(b) Non Part 23 Leases	(c) Part 23 Leases	(a) Part 23 Leases	(b) Other Lease Freehold and informal tenure		Mortgagee	Mortgaged Stock/ chattels and/or Area (ha)	Date Issued	Amount	Purpose
LV	Maori Estate	-	-	-	934.3(1)	60.0(1)	994.3	a) Marac Finance	Car	1977	\$540	Not stated
LVI	Maori Inc.	-	-	-	174.3(1)	33.9(1)	208.2	-	-	-	-	-
LVII	Maori	2.3(2)	-	-	1184.7(1)	-	1187.0	a) RBFC b) RBFC c) RBFC d) Dalgety NZ Ltd	Stock Stock 2.3 Stock	1975 1978 1978 1976	up to \$5,000 \$20,000 See loan (b) varies	Seasonal support Devt Standard (b) Seasonal finance
LVIII	Pakeha	1124.2(1)	-	-	305.7(1)	-	1429.9	a) Marginal Lands Board b) RBFC c) Private d) RBFC e) Dalgety NZ Ltd f) Dalgety NZ Ltd	1124.2 1124.2 1124.2 Stock Stock Stock	1979 1979 1978 1976 1976 1980	\$49,100 \$72,650 \$86,000 Not known varies varies	Refinance of Family debt Devt Std LDE Purchase Stock Purchase Seasonal finance Seasonal finance

FOOTNOTES:

- (1) Rural Banking and Finance Corporation.
- (2) Development: Standard as defined by the RBFC (NB Standard is occasionally shortened to Std).
- (3) Development: Land Development encouragement Loan as defined by RBFC.
- (4) Bank of New South Wales.
- (5) Board of Maori Affairs.
- (6) Bank of New Zealand.
- (7) Livestock Incentive Scheme: As defined by RBFC. (NB Not all the information desired was readily available on this scheme).
- (8) A Mercantile Firm.
- (9) Seasonal support as offered by RBFC.
- (10) It would have been a strain on the resources of this study to have traced all the holdings of the Government and the Companies involved as lessees. The lessees that fall into the latter category are all well known, large and profitable companies.
- (11) Williams and Kettle: A mercantile firm.
- (12) Wrightson NMA: A mercantile firm.
- (13) Australia New Zealand Banking Group.

APPENDIX XI

Lessee No. Farm Management Rating (FMR) Lease No. ..)	Relevant notes on Management of Lessee's Holdings	Labour and topdressing facilities on lessee's holdings
I FMR 6 1)	<p>This lessee is a Maori land incorporation run by a Committee of Management through a supervisor.</p> <p>In this case the supervisor is competent but the on-farm staff are poor. This situation has tended to lead to a less than efficient use of development finance.</p> <p>Lease 1) adjoins the incorporation's other properties. All the properties are contiguous.</p>	<p>There is one farm manager and one married shepherd on the lessee's holding. There is a heavy reliance on contract workers.</p> <p>There is an on-farm airstrip and manure bin.</p>
II FMR 2 2)	<p>The lessee incorporation's properties are run by a competent supervisor/on-farm manager and a Committee of Management.</p> <p>On its freehold the lessee has recently cleared 60 ha of scrub and is in the process of clearing a further 121 ha.</p> <p>All the lessee's properties are contiguous.</p>	<p>The lessee has one on-farm manager/supervisor. Two married shepherds. Labour is well trained. Some casual and contract labour is used.</p> <p>An airstrip and bin on farm.</p>
III FMR 1 3) 4) 5) 6) 7) 8) 9)	<p>In this case the lessee manages all his holdings himself. He is dedicated and hardworking. A competent farmer. His holdings consist solely of the Part 23 leases listed in this table.</p> <p>Leases 4) to 7) are well established farming enterprises after 25 years under the control of the lessee and his father (the previous lessee).</p> <p>Lease 8) represents a remarkable organisational achievement as the lessee, to get the lease, had to muster over 40% of the ownership interests in the block. The block had over 1,000 owners. On obtaining the new lease the rent went up from \$440.00 per annum to \$6,500.00 per annum.</p> <p>Lease 9) has been with the lessee for the duration of the present term and lease 3) since 1978. As a result they have improved markedly.</p> <p>It is interesting to note that a trust is at present being negotiated to enable the mineral rights of the block to be explored.</p> <p>All these leases are managed well and are as clear as is sensible for pastoral farming on erosion prone country. Fences are all maintained well. Overall 6,000 breeding ewes, 300 breeding cows and supporting stock are carried. This stock number is considered optimum. The lessee has a lambing percentage of 105.</p> <p>The lessee's holdings do not all adjoin. Leases 4), 5), 6) and 8) are contiguous. Leases 7) and 3) are within half a mile on a reasonable road, but Lease 9) is a considerable distance from the main unit.</p>	<p>The lessee and his two sons provide high quality labour.</p> <p>There is an on-farm airstrip.</p>
IV FMR 3 10) 11) 12) 13) 14)	<p>An extremely hard-working lessee/manager. His holdings consist solely of the Part 23 leases discussed here. He obtained them all very recently by way of transfer.</p> <p>Leases 10) and 11) are a considerable distance from leases 12), 13) and 14).</p> <p>Leases 10) and 11) are five miles apart.</p> <p>Leases 12) and 13) are contiguous. Lease 14) is two miles over rough country from leases 12) and 13).</p>	<p>Lessee does nearly all his own labour. Very little contract or casual labour is used.</p> <p>Leases 10) to 14) have no airstrip.</p> <p>Neighbour's facilities must be used.</p>

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<p>V FMR 4 15) 16) 17) 18) 19)</p>	<p>This absentee lessee usually hires reasonable managers to run his properties on the East Coast. He, however has refused to provide any development finance and has kept his managers on very tight expenditure budgets. He was sued for damages on leases 15), 16) and 17) by the owners.</p> <p>The part 23 leases considered here are the lessees main holdings in the district at present.</p> <p>Leases 15), 16) and 17) are run together as a separate unit. Leases 16) and 17) are contiguous and lease 15) is within two miles.</p> <p>Leases 18) and 19) are run as another concern. They are contiguous.</p> <p>These leases are only a small physical part of the lessees total land enterprises. This enterprise is based in another district.</p>	<p>There is a manager on leases 15), 16) and 17). There is also a manager on leases 18) and 19). Some casual and contract labour is used.</p> <p>Labour supply on all leases is not adequate.</p> <p>Leases 15), 16) and 17) have no airstrip in the vicinity.</p> <p>Leases 18) and 19) have good topdressing facilities.</p>
<p>VI FMR 3 20) 21)</p>	<p>A father has recently transferred his holdings to his son and daughter-in-law. He, however, still very competently controls much of their management. The part 23 leases considered here are not contiguous, but each adjoins one or other of four lessee holdings in the area. Lessee holdings in this area are within a reasonable proximity for management. Several larger, steeper holdings are some distance away.</p>	<p>Family labour is competent and in good supply on this lessee's holdings.</p> <p>Airstrip and bin are available</p>
<p>VII FMR 3(1) 22)</p>	<p>The lessee considered here involves a large Lands and Survey station. The station is mainly freehold, but does have four Maori leasehold sections (950 ha). This leasehold is steep but contains the best pastoral land on the station. All these leases have fallen due, however, the owners are waiting on amalgamation possibilities with another adjoining lease that falls due in 1984. For this reason they have allowed the station to continue running the leases. They are at present carrying stock. The rest of the Lands and Survey Block is being put into trees.</p> <p>Only lease 22) comes under Part 23 of the 1953 Maori Affairs Act.</p>	<p>Permanent labour and management are based on the station concerned.</p> <p>It also has a good airstrip.</p>
<p>VIII FMR 8 23)</p>	<p>The lessee manager's holdings consist solely of the Part 23 lease considered here.</p> <p>The lessee's wife, holds two small leases elsewhere that he runs for her.</p> <p>The lessee is not a capable farm manager. Co-operation with a farm supervisor/advisor might help.</p> <p>The lessee's sons have potential. The large Part 23 lease may be transferred to one of them.</p> <p>Finance for the lessee has always been limited.</p>	<p>The lessee and his family provide the labour.</p> <p>There is access to an airstrip.</p>
<p>IX FMR 9 24) 25)</p>	<p>The lessee manager is old and has no grasp of farm management techniques. The lessee does not and has not farmed his holdings at all. All his holdings are contiguous.</p>	<p>No permanent labour is used on this lessee's holdings.</p> <p>The lessee does not work on his holdings.</p> <p>There is access to an airstrip.</p>
<p>X FMR 3(1) 26)</p>	<p>The lessee is a trust representing a large established land owning family. Its holdings are extensive. The Part 23 lease considered here adjoins these holdings. It is a relatively small part of the total enterprises involved. The lease has been with the family since the 1880's.</p>	<p>Good labour is associated with the trust's properties. There are good facilities for top-dressing.</p>

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	A comfortable, conservative and successful management approach has been used on the lessees holdings.	
XI FMR 3(1) 27)	An International lumber company holds the Part 23 lease considered here. This company has large forestry holdings in the area and its operations are expanding.  It has farm management expertise of a high quality available.	Labour and good topdressing facilities are associated with this lessees holdings.
XII FMR 8 28) 29) 30) 31)	The Estate involved in these holdings is administered in part and supervised by the deceased owners son (Lessee A). He, with a partner (Lessee B), holds further areas of land.  The Estate holds leases 28) and 29) along with .5 ha of freehold and a further 121.4 ha of lease.  The partnership holds leases 30) and 31) along with 374.4 ha of other lease land.  The estates and the partnership's holdings are generally contiguous. The Part 23 leases numbered 28) and 31) however, do not adjoin the main block. They are both over a mile away (they do not adjoin each other).  Lessee A's management contribution on both the estate and the partnership holdings has been poor. The estate's holdings are very run down. The lessee's partner has only a slightly better grasp of farm management techniques.	Lessee B provides the permanent labour on this lessee's holdings. Management tends to be supervised by Lessee A who provides a small labour input.  Some casual labour is used. There is limited access to airstrip facilities.
XIII FMR 6 32)	The lessee's holdings consist almost solely of the Part 23 lease considered here. This lease has been a family concern for many years. It was handed down from a father to his son. The son is now the lessee/manager.  Finance has always been a problem for the lessees on this lease.  In 1974 the present lessee showed considerable industry and enthusiasm, however, by 1977/78 financial burdens began to tell. As a farm manager the lessee is below average.	Lessee/manager and his family provide the labour. Aerial topdressing facilities are adequate.
XIV FMR 4 33) 34) 35) 36) 37) 38)	This lessee runs a well established farming unit that consists of 365.3 ha of Part 23 lease, 45.4 ha of freehold and 361.9 ha of crown lease.  A sound and conservative manager/lessee runs the unit with an even hand, not discriminating against the Maori leases. He is, however, aging and has recently purchased a 266.0 ha property closer to town. At present he still lives on the hill country block.	A new airstrip and bin have been put on lease 37).  The lessee manages the hill country unit with the assistance of a competent married man. A manager has been hired to cope with his 266 ha property near town.
XV FMR 7 39) 40) 41) 42) 43) 44) 45) 46) 47)	The lessee in this case is a Maori Land Incorporation. It holds 18 blocks that have an average size of 38.6 ha. These holdings are scattered over a distance of 5 miles. Most of them, however, do appear to adjoin or at least are close to another of the lessee's holdings. They are unfortunately very disorganised from a management viewpoint.  The lessee's holdings were very poorly managed up until 1971. After that a new manager improved the situation.  All the lessee's holdings are unregistered and thus finance is very limited. The lessee Incorporation has trouble making ends meet. To their credit is the fact that they have topdressed their holdings with 80 tonnes of super for the past two years.	Manager and single shepherd provide only a fair quality of labour.  An airstrip is available on this lessee's holdings.
XVI FMR 3(1) 48)	The lessee is a private company representing a large well established farming family. The lessee's holdings are extensive. The managers on the lessee's holdings	Labour and facilities associated with the lessee's holdings are good.

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	<p>are competent traditional farmers.</p> <p>The Part 23 lease considered here adjoins the lessee's other holdings.</p>	
<p>XVII FMR 3(1) 49)</p>	<p>The sub-lessee (referred to as the lessee) is a company that has a large area of holdings.</p> <p>It also has considerable expertise in and equipment for pastoral land development. After consultation with the Rural Bank it also appears that they may have land development encouragement loans to assist them in pastoral development (not listed on table C as difficult to confirm in title searches).</p> <p>A competent management factor is associated with the lessee's holdings.</p> <p>The Part 23 lease considered here adjoins the lessee's other holdings giving a definite advantage for access.</p>	<p>Good labour and an airstrip are situated on the lessee's holdings.</p>
<p>XVIII FMR 4 50) 51) 52) 53) 54) 55) 56)</p>	<p>This lessee/manager is a pioneer farmer who came to the East Coast in the 1930's. His holdings in the area are extensive.</p> <p>Although he is aging he is still an above average farm manager. His sons may soon take over his holdings. They, however, do not have his drive or level of competence.</p> <p>This lessee's intimate knowledge of the East Coast and its people has given him a considerable advantage in land acquisition and occupation.</p> <p>He is a hard working self-made man.</p> <p>This lessee's holdings fall into 5 separate units.</p> <p>A) Lease 55) adjoins a 97 ha lease which in turn adjoins lease 54). Lease 54) adjoins 3.2 ha of freehold as well as a 64.5 ha lease. Directly across a river is 500 ha of freehold. Close by is lease 52) adjoining 40 ha of another lease. 100.2 ha of lease and some freehold (38.3 ha) are in the same vicinity.</p> <p>B) Lease 51) adjoins a 466.9 ha lease which adjoins 455 ha of freehold (the home block).</p> <p>C) Lease 50) is close to a small lease of 21.4 ha.</p> <p>D) Lease 53).</p> <p>E) Lease 56).</p> <p>There are three other small leases held without legal tenure amounting to 70 ha. One appears to be associated with (C) and the other two with block (E). One of the latter two is in fact lease 98).</p>	<p>The lessee and his family provide the permanent labour. Labour quality tends to be fair only. Services for topdressing vary according to the unit considered.</p> <p>A) uses neighbours airstrip. B) airstrip on freehold. C) available on lease. D) available on lease. E) available on lease.</p>
<p>XIX FMR 6 57) 58) 59)</p>	<p>This lessee is a Maori Land Incorporation. Its land holdings are substantial. It has struggled under poor management for a number of years. Recently the Committee of Management obtained the services of an extremely competent farm supervisor. He is familiar with Maori land administration and has struck a responsive chord with the on-farm staff.</p> <p>Under supervision the development of their freehold properties has forged ahead.</p> <p>The Part 23 leases considered here adjoin the lessee's other holdings.</p>	<p>Labour on the Incorporation is associated with its ownership. It has a manager/owner whose experience and ability is limited. His performance, however, is improving with guidance from the new supervisor.</p> <p>The Incorporation has an airstrip and bin on-farm.</p>
<p>XX FMR 3(1) 60)</p>	<p>This lessee is a private farming company that runs a 6,000 ha station. The station has been run for many years by a competent farmer. It has recently been the subject of some controversy with respect to its possible sale to an oil company wishing to put it in trees.</p>	<p>Good labour and topdressing facilities are associated with this station.</p>

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	The part 23 Maori lease considered here adjoins the station concerned.	
XXI FMR 9 61)	<p>The Part 23 lease considered here is the only holding of the lessee/manager.</p> <p>The lessee is a station hand who has shown no grasp of farm management techniques. He has little or no chance of raising money for development.</p>	Topdressing facilities are some distance away. No labour apart from the lessee's minimal input is used.
XXII FMR 6 62)	<p>The Part 23 lease considered here is the lessee's only holding. The lessee is a substantial owner in the block. She and her late husband ran the lease for many years. Its running had until very recently (1979) been plagued by lack of finance and difficulties with the ownership situation.</p> <p>The lessee in 1979 applied to the Rural Bank for assistance to develop the block. The loan was offered and security was to be taken over her stock which she owned unencumbered. This loan was not uplifted. (A little after the loan was applied for the lessee won a large sum of money in a lottery).</p> <p>The lessee's son is at present the manager of the block. His management of the farm is, however, below average.</p>	<p>The lessee's family provide poor quality labour.</p> <p>There are topdressing facilities available.</p>
XXIII FMR 9 63)	<p>The Part 23 lease considered here is the lessee's main holding. The lessee's family have an ownership interest in the block.</p> <p>Unfortunately, the lessee is not interested in maintaining or developing this block.</p> <p>He is a full-time commercial deer hunter and does not live on the lease.</p> <p>To his credit the lessee is keen to hand the lease over to the local marae trust so that they can have a chance to develop it with other land for the benefit of the local Tuhoe people.</p> <p>The marae trust has approached the Maori Affairs Department for assistance.</p>	<p>Topdressing from the air is hazardous as a power station adjoins the property.</p> <p>The lessee's labour input is minimal.</p>
XXIV FMR 6 64)	<p>The Part 23 lease considered here is the main holding of a family estate.</p> <p>The lessee family has worked the block for many years. The boys of the family run the lease as a sideline to their own farms around the district.</p> <p>The management situation as such is rather haphazard.</p>	<p>Family labour and some poor casual labour is used.</p> <p>Aerial topdressing facilities are available.</p>
XXV FMR 5 65) 66) 67) 68)	<p>The Part 23 leases considered here are this lessee's main pastoral holdings. The only other area he holds is a small block near town associated with his dwelling. The lessee is a stock agent who farms the leases concerned on a part time basis only. His management ability is average.</p>	<p>The lessee provides the only labour used.</p> <p>Neighbours topdressing facilities are available.</p>
XXVI FMR 7 69)	<p>A father and son management team runs the Part 23 lease considered here with another adjoining 133 ha Maori lease.</p> <p>The father is an owner in the blocks that he leases. He is aging and leaves most of the work on the farm to his son.</p> <p>His son has potential, but lacks farm management experience and would benefit from supervision.</p> <p>The lessee and his son are coping with basic management remarkably well considering the state of their leases.</p>	<p>The son of the lessee provides most of the labour. Some contract labour is used.</p> <p>A neighbours airstrip is available for use.</p>

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<p>XXVII FMR 2</p> <p>70) 71)</p> <p>72) 73)</p> <p>74)</p>	<p>This lessee's holdings consist almost solely of the Part 23 Maori leases considered here.</p> <p>Although he is older now and in poor health he still supervises their management. He has been doing an excellent job. His ability and keenness gave the Rural Bank the incentive to lend him development finance. They took security over his stock and his unregistered Part 23 Maori leases.</p> <p>The lessee started himself off farming and was prudently backed by a local stock firm. He has trained his two sons and they are now very good stockmen.</p> <p>All the leases considered here except lease 74) adjoin. The lessee is a part owner in one of these leases.</p>	<p>The lessee's sons provide most of the labour due to the lessee's poor health. They are well trained.</p> <p>They have an on-farm airstrip.</p>
<p>XXVIII FMR 4</p> <p>75)</p> <p>76)</p> <p>77)</p>	<p>The lessee in this case is an estate. It has an 1,100 ha area of holdings. The deceased whose estate it is was a pioneer farmer on the East Coast.</p> <p>He and his son acquired many bits and pieces of Maori land. They tended to be scattered around a freehold block where the lessee lived.</p> <p>The Part 23 Maori leases considered here have been held by the estate and the deceased lessee before it for many years. They are separated but each is either close to or adjoins one or other of the lessee's small holdings. All are within 5 miles of the home property.</p> <p>The deceased's son supervises the estates properties. There is a permanent on-farm manager to cope with most day to day activities. Management is conservative but sound. A commercial and two stud flocks are run on the lessees debt free holdings.</p>	<p>Permanent manager and staff of (3) provides most of the labour. Labour is good quality.</p> <p>There is a bin and airstrip on-farm.</p>
<p>XXIX FMR 6</p> <p>78) 79)</p> <p>80) 81)</p>	<p>This lessee's holdings are contiguous, making up one block.</p> <p>The lessee/manager of these properties is aging (65 to 70 years old) and is losing interest in maintaining his holdings. Stock and pasture management is becoming a little beyond the lessee's physical capability.</p>	<p>Minimal labour is provided by the lessee. Little occasional labour is used.</p> <p>A neighbours airstrip is available.</p>
<p>XXX FMR 5</p> <p>82)</p>	<p>The Part 23 lease considered here is the lessee's sole holding. The lessee's family are owners.</p> <p>She has held the lease on the block for many years.</p> <p>Recently the lessee and her husband left this lease block to move into semi-retirement on a small unsurveyed lease acquired by the lessees husband.</p> <p>Their son has remained on the lease considered here and is continuing to manage it reasonably well as a dairy unit.</p>	<p>The lessee's son and his wife manage the lease single-handed.</p> <p>All facilities are easily available.</p>
<p>XXXI) XXXII) FMR 7</p> <p>83) 84)</p> <p>85)</p>	<p>The holdings of these two lessees are made up predominantly of the Part 23 leases considered here. The remainder of their holdings are in two blocks, within 2 miles of the Part 23 lease blocks.</p> <p>The two lessees considered here are father and son, the father is the legal lessee. He is transferring his Part 23 leases to his son. The son is resident on these holdings, the father has a full time job elsewhere. The father sees his capacity as that of farm supervisor.</p> <p>The father is a poor farm manager; the son is better at applying the principles. He would, however, benefit from supervision.</p>	<p>The son provides the permanent labour. This is, however, inadequate.</p> <p>A neighbours airstrip is available.</p>

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XXXIII FMR 5 86) 87)	<p>This lessee's family in generations past, owned large tracts of land in this area of the East Coast. Now family holdings have shrunk to the extent that the Part 23 leases considered here make up in area 65% of their total holdings. All their other holdings adjoin these contiguous leases. Lease 86) has always been considered by the lessee and his family as the home block.</p> <p>The management of the lessees holdings has been barely average. His son recently took over their management. He is more interested in the horticultural development of their freehold than the pastoral development of their Part 23 leasehold land.</p>	<p>The only permanent labour is the lessee's son.</p> <p>An airstrip is available.</p>
XXXIV FMR 9 88) 89)	<p>The lessee in this case is an estate. It is in the process of being sold up for death duties. The deceased whose estate it is, at the time of his death in 1977, held an 800 ha unit. Most of the freehold involved has been sold. The non-contiguous Part 23 leases considered here, are the major portion of what remains. They have been neglected by the estate and the aging lessee before it.</p>	<p>No labour used, no manager evident.</p> <p>An airstrip is available.</p>
XXXV FMR 5 90) 91)	<p>This lessee is an estate whose holdings consist of:</p> <ol style="list-style-type: none"> <li>(1) the Part 23 leases considered here;</li> <li>(2) two similar leases that adjoin leases 90) and 91);</li> <li>(3) a 280 ha area of freehold a short distance away.</li> </ol> <p>The estate's trustees have appointed an average manager and supervisor to run these properties.</p> <p>A beneficiary of the estate lives on the freehold area and provides most of the labour.</p>	<p>The on-farm manager and a beneficiary of the estate provide the permanent labour. Labour is of a reasonable standard.</p> <p>An airstrip and bin are available.</p>
XXXVI FMR 3(1) 92) 93)	<p>This lessee has large areas of freehold scattered throughout the Gisborne district.</p> <p>Lease 92) adjoins one large station owned by the lessee.</p> <p>Lease 93) adjoins another large station owned by the lessee.</p> <p>Neither lease is discriminated against. Both large stations are competently managed. Lease 92) and 93) do not adjoin.</p>	<p>Good facilities and labour are available on this lessee's holdings.</p>
XXXVII FMR 4 94)	<p>These lessees acquired their holdings in 1976. Their properties form one large block.</p> <p>The Part 23 Maori lease considered here is a physically integral part of their 1,400 ha unit. The other properties form a 'U' shape around it. The lessee's are a little worried about losing this lease as their unit would suffer markedly. (It has 10 years to run and no right of renewal).</p> <p>The family on this farm are reputed to be competent farm managers.</p>	<p>The family provides the permanent labour.</p> <p>All facilities are available on-farm.</p>
XXXVIII FMR 5 95)	<p>In this case the lessee is an estate. Its holdings are made up of two contiguous blocks. The larger one being the Part 23 lease considered here and the smaller one being a 82 ha lease.</p> <p>The trustees of the estate have appointed an average manager and a supervisor to run its holdings.</p>	<p>A permanent on-farm manager provides adequate labour. Some casual labour is used.</p> <p>Airstrip and facilities are available on an adjoining block.</p>
XXXIX FMR 9 96)	<p>The Part 23 Maori lease considered here is the absentee/lessees sole official holding.</p>	<p>Labour is available but none is used. The lessee does a minimal amount of work.</p>

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		Facilities do not exist on the block.
XL FMR 8 97)	This lessee's holdings have all been handed down from his father. They consist of the Part 23 leases considered here and three smaller leases. The latter are contiguous but the two Part 23 leases are not, they do not adjoin the lessees other blocks. The lessee attempts to farm lease 97) and the three smaller blocks. Lessee XL is a very inexperienced manager; he requires supervision.	The lessee provides his labour occasionally. No other labour is used on lease 97).  No facilities are available on lease 97). Facilities are available to lease 98).
XL/XVIII FMR 4 98)	Lease 98 is farmed by Lessee XVIII	
XLI FMR 5 99) 100) 101) 102) 103) 104) 105) 106) 107)	<p>The holdings of this lessee are many and fragmented. Although he works very hard he has tended to take on more than he can cope with. A complex family situation involving honour seems to have prompted him on.</p> <p>He only holds 63 ha outside the Part 23 leases considered here.</p> <p>His total holdings fall into 5 separate blocks as follows:</p> <ol style="list-style-type: none"> <li>(1) Lease 104) and two adjoining Maori freehold blocks (7.5 ha)</li> <li>(2) Leases 105) and 106) (contiguous blocks).</li> <li>(3) Leases 102) and 103) (contiguous blocks).</li> <li>(4) Leases 101), 100), 107) and a 46 ha area grazed by the lessee (all contiguous blocks).</li> <li>(5) Lease 99) and an unregistered lease of 9 ha (contiguous blocks).</li> </ol> <p>Blocks 1, 4 and 5 are closer to each other than to blocks 2 and 3. Blocks 2 and 3 are well separated.</p> <p>Until recently this lessee and his brother held leases 12), 13) and 14), however, they could not cope with them. The Part 23 leases concerned were deteriorating rapidly.</p> <p>They were transferred for a consideration that involved the new lessee taking over their total indebtedness with respect to lease covenants.</p> <p>It is important to know that until a few years ago the lessee was in partnership with his brother. The partnership was dissolved to give the farmer of the two (Lessee XLI) a better return for what had been all his work. Leases 99) and 100) were transferred from the partnership in 1978. Leases 101) and 104) have always been the lessee's as have the other non Part 23 blocks mentioned.</p> <p>The remaining Part 23 leases are in the process of being transferred from the partnership to the lessee.</p>	<p>The lessee and his family provide the labour. Labour is not always competent and is not always available.</p> <p>Facilities are available to all the lessee's properties.</p>
XLII FMR 4 108) 109)	<p>All this lessee's holdings are contiguous. The Part 23 leases considered here make up in area 18% of his total holdings.</p> <p>The lessee competently manages his freehold and settlement leases.</p> <p>Although the lessee is in his 40's most of these holdings have only recently been transferred from his father.</p>	<p>The lessee and several permanent staff provide adequate labour.</p> <p>All facilities are available on-farm.</p>

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XLIII FMR 3 110) 111)	<p>The lessee's holdings are contiguous. The Part 23 Maori leases considered here make up in area 38% of his total holdings. He is a competent farmer who keeps his blocks in good order.</p> <p>Development is proceeding steadily on his freehold blocks.</p>	<p>The lessee provides the permanent labour.</p> <p>All facilities are available.</p>
XLIV FMR 7 112)	<p>This lessee's main holding is the Part 23 lease considered here. It is adjoined by a small area of freehold that carries yards and other farm buildings associated with the lease.</p> <p>The present lessee is aging and is trying to transfer the lease considered here to his daughter and son-in-law. They are managing the block at present. The lessee has not managed this lease on a full time basis for many years. He has always had other job commitments. In the past financial assistance has been limited.</p> <p>Recently assistance for development has become more likely. The lessee has applied for a new longer lease on the Part 23 block numbered 112).</p>	<p>The lessee and his family provide all the labour.</p> <p>Facilities are available.</p>
XLV FMR 4 113)	<p>All the holdings of this lessee are contiguous. The Part 23 lease considered here makes up in area 34% of his total holdings. He is a substantial owner in this block.</p> <p>This lessee has been managing these well established properties for many years. He and his brothers also run a joint family holding amounting to approximately 2,200 ha.</p>	<p>The lessee and his family provide most of the labour. Labour is reasonably competent.</p> <p>All services available on-farm.</p>
XLVI FMR 3 114)	<p>The Part 23 lease considered here is the sole holding of this lessee.</p> <p>This lessee has only recently taken over the lease concerned.</p> <p>He is young, enthusiastic, determined and capable.</p> <p>To obtain money to develop the lease the lessees family allowed him to use their freehold along with his lease as security.</p> <p>The previous lessee transferred the lease as he did not have the resources to meet the onerous lease covenants. It is interesting to note that the owners placed a covenant in the lease regarding transfer. First priority is to go to an owner, second to a Maori and third to the rest.</p>	<p>The lessee/manager provides most of the labour.</p> <p>Facilities are available on neighbouring blocks.</p>
XLVII FMR 3 115) 116) 117) 118)	<p>This lessee is a Hawkes Bay family farming trust. The Part 23 leases considered here and the lessee's other holdings in the Gisborne district are contiguous and are farmed as one unit. The lessee only acquired this unit recently.</p> <p>The Part 23 leases form in area 28% of the lessees holdings in both Gisborne and the Hawkes Bay.</p> <p>One beneficiary of the trust supervises the unit in Gisborne and another young beneficiary is the on-farm manager. They make a determined and enthusiastic pair.</p>	<p>Good labour and facilities are associated with this lessee's holdings.</p>
XLVIII FMR 8 119)	<p>The Part 23 Maori lease considered here is this absentee lessee's only holding. He is not a capable farm manager and the lease has been neglected.</p>	<p>Topdressing facilities are on an adjoining block.</p> <p>No labour is used.</p>
XLIX FMR 8	<p>This lessee is a station carpenter in late middle age. The Part 23 lease considered here is his only pastoral</p>	<p>The lessee and his family provide a minimal labour</p>

continued over/

120)	<p>holding.</p> <p>The lessee's farm management ability and experience is limited.</p> <p>He felt obliged as a matter of family honour to take on this lease.</p>	<p>Input.</p> <p>Facilities are available on adjoining properties.</p>
L FMR 4 121)	<p>This lessee is a large family owned station. The stations holdings lie predominantly in the Hawkes Bay Land Registry (it was thus difficult to trace their exact area).</p> <p>These properties are known, however, to be substantial. The management on these properties is associated with its ownership and known to be good.</p>	<p>Good labour and facilities are associated with this lessee holdings.</p>
L.I FMR 6 122) 123) 124)	<p>This lessee is a Maori Land Incorporation. Its holdings are divided into three separate areas:</p> <p>(1) Lease 123) and 124), a freehold area of 805.6 ha, a small freehold block of 34.6 ha and 143.7 ha of other tenure. (These blocks are contiguous).</p> <p>(2) 224.6 ha of registered lease and a small area of freehold. (These blocks are contiguous). This area is some distance away from area 1.</p> <p>(3) Lease 122 is out on its own.</p> <p>The manager of these holdings is an owner in the Incorporation; further it also appears that he is an owner in the Part 23 leases considered here.</p> <p>The manager maintains the structural improvements on these holdings well. He, however, does not have a good grasp of stock and pasture management.</p>	<p>Manager and station staff provide the labour. Some casual labour is used. Labour considered adequate.</p> <p>An airstrip is available.</p>
L.II FMR 6 125)	<p>The lessee in this case is old and sick. His holdings consist predominantly of the Part 23 lease considered here.</p> <p>The lessee's son is at present applying for a new lease on this block. This would make it eligible for a development loan.</p> <p>The lessee's son has been managing the lease for his father. He is young and enthusiastic. Supervision due to his lack of experience would not go astray.</p>	<p>The lessee's son provides adequate labour.</p> <p>A number of airstrips are close to this block.</p>
L.III FMR 9 126) 127) 128)	<p>The lessee considered here is a sick old woman. Her holdings consist of the Part 23 leases on this table. They were transferred from her husband in a run down state on his death in 1976.</p> <p>Leases 126) and 127) adjoin but lease 128) is some distance down the main road.</p> <p>This lessee is not a farmer and lives alone on the properties concerned. She receives little help from her family.</p>	<p>The lessee's sons provide a minimal labour input.</p> <p>Facilities for topdressing are available.</p>
L.IV FMR 5 129) 130) 131) 132) 133)	<p>This lessee is the full time manager of a Maori Land Incorporation. He has a large shareholding in this Incorporation. Its holdings amount to 500 ha. This area adjoins the Part 23 leases considered here and several other small blocks that he holds.</p>	<p>The lessee and his son provide most of the labour on these holdings. Labour is considered adequate.</p> <p>An airstrip is available.</p>
LV FMR 9 134)	<p>This lessee is an estate. The holdings of the lessee involve two lease blocks, one considered on this table and one other.</p> <p>These two blocks are not contiguous.</p> <p>A beneficiary of the estate manages its holdings. He</p>	<p>Topdressing facilities are some distance away. Some family labour is used.</p>

continued over/

	does this on a part time basis. He is a school teacher not a farmer.	
LV1 FMR 7 135)	The Maori Land Incorporation dealt with here appears to only have two holdings. A sublease on the Part 23 lease considered here and one other small block held informally. The main shareholders in the Incorporation are an agricultural contractor and his son. The son manages the lease concerned on a part time basis.	Power pylons have made topdressing by air difficult.  The Incorporation provides family labour of a fair quality.
LVII FMR 5 136)	This lessee's properties are made up predominantly of the Part 23 lease considered here.  The lessee's son manages this lease.  The lessee is at present negotiating a new lease to 136) on behalf of his son to whom he is transferring his other properties.	The lessee's family provide labour of average quality. Supply is not always adequate.  All facilities are available.
LVIII FMR 6 137)	This lessee's holdings consist of two blocks. One, the Part 23 lease considered here, two, a large area of adjoining freehold.  The lessee has occupied and managed these properties for years although they were only recently transferred from his father.  His father acquired the freehold property from the Maori people in the early 1960's. It is predominantly steep, a small area by the house was used by the lessee and his father to grow kiwifruit. This is now a major income earner for the lessee.	The lessee provides some labour. He also hires casual and contract workers. This labour is concentrated on horticultural activities.  Facilities are available.

APPENDIX XII

Lessee Number	Part 23 Lease Number	Area (ha)	Topography/Recommended Land Use: Ha/Landclass					External Access	
			Category 1 (a) (b)		Category 2 (a) (b)		Category 3 (a) (b) (c)		Category 4 (a)
I	1	291.4	VIe 6 145.7				VIIe 20 15.7	VIIe 18 7.6 VIIe 13 122.4	Reasonable
II	2	191.0	IIIw 1 37.2	VIe 7 142.3	VIIe 2 11.5				Difficult
III	3	218.0	IIIs 1 15.3		VIIe 6 51.2 VIIe 4 15.3		VIIe 18 118.8	VIIIe 4 17.4	Satisfactory
	4) 5) 6)	31.8 ) 108.0) 116.6)	IIIs 1 9.0		VIIe 6 42.3 VIIe 4 75.5		VIIe 18 116.7	VIIIe 4 12.9	Leases 4 to 6 Satisfactory
	7	192.0			VIIe 6 99.9 VIIe 4 12.5		VIIe 18 71.0	VIIIe 4 8.6	Satisfactory
	8	2046.0	IIIs 1 81.8		VIIe 6 266.0 VIIe 4 173.9 VIIe 4 3.4		VIIe 18 460.4	VIIIe 4 1063.9	Satisfactory
	9	67.7					VIIe 13 64.3		Difficult
IV	10	376.9			VIIe 1 111.2		VIIe 11 201.6	VIIIe 3 64.1	Very Difficult
	11	439.0	IIIw 1 56.7	VIe 9 110.0 IVw 1 56.7	VIIe 8 162.9			VIIIe 3 52.7	Very Good
	12) 13)	187.9) 77.0)	IIIs 1 90.1	VIe 12 95.4	VIIe 4 45.0		VIIe 18 34.4		Very Difficult Very Difficult
	14	542.4	VIe 13 75.9		VIIe 6 287.5		VIIe 15 179.0		Very Difficult
V	15	297.4					VIIe 14 62.5 VIIe 12 223.0	VIIe 18 11.9	Very Difficult
	16	190.4						VIIe 15 190.4	Very Difficult
	17	398.9	VIe 13 161.6					VIIe 18 171.5	Poor
	18) 19)	102.0) 371.5)	IIIw 1 139.7	VIe 7 137.3	VIIe 2 97.1	VIIe 4 23.7	VIIe 17 75.7		Leases 18 & 19 Satisfactory
VI	20	118.0	IIIw 1 5.9	VIe 12 112.1					Off main road but must ford stream
	21	163.5	IIIw 1 5.7	VIe 12 66.2	VIIe 4 91.6				Off main road but must ford stream
VII	22	198.9			VIIe 1 135.2		VIIe 14 63.7		Very Difficult

continued over/



Lessee Number	Part 23 Lease Number	Area (ha)	Topography/Recommend Land Use: Ha/Landclass					External Access	
			Category 1 (a) (b)		Category 2 (a) (b)		Category 3 (a) (b) (c)		Category 4 (a)
XVII contd.							VIIe 18 57.2		
XVIII	50	194.3	IIIw 1 114.6	VIe 9 65.1		VIIe 8 10.7		VIIIe 3 3.9	Very Diffi- cult
	51	281.2					VIIe 15 281.2		Satisfactory Summer. Poor Winter.
	52	154.5	IIIs 1 16.2	VIe 12 32.5		VIIe 4 39.4		VIIe 18 66.4	Very diffi- cult
	53	219.0	IIw 1 5.5		VIIe 1 213.5				Although off highway, very difficult
	54	158.5	IIIs 1 34.9 IIIs 2 23.0			VIIe 4 69.7 VIIe 6 1.6	VIIe 12 9.5	VIIe 18 19.8	Reasonable
	55	243.7		VIe 13 30.5		VIIe 6 49.9		VIIe 13 163.3	Very diffi- cult
	56	68.3	IIw 1 68.3						Reasonable
XIX	57) 58)	63.9) 124.9)	IIw 1 3.8	VIe 10 56.7 VIe 12 13.2	VIIe 1 41.5		VIIe 9 73.6		Very diffi- cult Difficult
	59	139.5		VIe 12 8.4		VIIe 4 125.5		VIIe 13 5.6	Very diffi- cult
XX	60	472.7		VIe 4 203.3		VIIe 3 7.1	VIIe 9 47.3 VIIe 16 193.8 VIIe 17 9.4	VIIIe 4 11.8	No legal access. Very difficult physical access.
XXI	61	211.5					VIIe 13 196.7 VIIe 15 1.0 VIIe 18 13.8		Very diffi- cult
XXII	62	433.3	IIIw 1 99.7			VIIe 21 23.8	VIIe 11 303.3	VIIIe 2 6.5	Poor
XXIII	63 *	330.7	IIIw 1 IIIs 3 31.4	VIe 6 182.0			VIIe 9 115.7 VIIe 11 1.6		Poor. Must also ford a stream
XXIV	64	175.4		VIe 7 101.7	VIIe 2 67.5			VIIIe 2 6.2	Reasonable
XXV	65) 66) 67) 68)	33.1) 29.4) 79.7) 60.3)	IIIw 1 25.3	VIe 1 86.1			VIIe 17 91.1		) leases 65 to ) 68 satis- ) factory
XXVI	69	286.1	IIIs 1 18.6			VIIe 6 117.3	VIIe 18 105.9	VIIIe 4 44.3	Satisfactory

continued over/

Lessee Number	Part 23 Lease Number	Area (ha)	Topography/Recommended Land Use: Ha/Landclass						External Access		
			Category 1 (a) (b)		Category 2 (a) (b)		Category 3 (a) (b) (c)			Category 4 (a)	
XXVII	70) 71) 72) 73)	335.0) 186.0) 285.9) 475.7)	IVe 1 359.1 VIe 13 19.2 VIe 12 6.4		VIIe 4 153.9		VIIe 10 VIIe 12 89.8 32.1 VIIe 13 378.4 VIIe 15 51.3 VIIe 18 38.5		VIIe 3 153.9	) Leases 70 to ) 73 all have ) reasonable ) access in ) summer. Poor ) in winter.	
	74	163.7			VIIe 8 122.0				VIIe 3 41.7		Very difficult (by boat)
XXVIII	75	57.6	IIw 1 57.6							Good	
	76	66.2	IIw 1 66.2							Satisfactory	
	77	118.0	IIw 1 1.7 IIIw 1 1.8		VIe 12 60.2 VIIe 4 54.3					Close to main road but must ford a stream	
XXIX	78) 79) 80) 81)	175.4) 109.5) 78.3) 40.2)	IIw 1 68.6 IIIw 1 82.7		VIe 12 78.7 VIIe 4 98.8		VIIe 13 74.6			Leases 78 to 81 all satisfactory	
	82	647.9	IIw 1 29.2 IIIw 1 110.2		VIe 6 142.5 VIe 9 35.6 VIIe 8 58.3				VIIe 3 272.1	Very good	
	XXXI ) XXXII)	83	202.9	IIIs 1 2.0		VIIe 4 150.1		VIIe 18 32.5		IIIs 1 18.3	Very diffi- cult
		84) 85)	288.9) 44.9)			VIIe 6 40.1 VIIe 4 108.5		VIIe 15 121.8		IIIs 1 63.4	Very difficult Very difficult
XXXIII	86) 87)	250.6) 12.8)	IIIw 1 50.1				VIIe 14 213.3			) Leases 86 & ) 87 satisfac- ) tory	
XXXIV	88	122.1					VIIe 13 122.1			Satisfactory	
	89	127.5	IIIw 1 2.6		VIe 12 124.9					Very good	
XXXV	90) 91)	193.9) 55.0)	IIIw 1 47.3		VIe 12 58.5 VIIe 4 138.1		VIIe 13 5.0			Very good Reasonable	
XXXVI	92	50.2			VIIe 1 50.2					Very diffi- cult	
	93	131.1 181.3	IIIw 1 62.9		VIe 3 68.2					Very diffi- cult	
XXXVII	94 *	323.9	IIIs 3 25.9 VIe 1 35.6 VIe 6 249.4 VIe 11 3.3				VIIe 9 9.7			Reasonable	
XXXVIII	95	345.8	VIe 12 273.2		VIIe 4 12.1		VIIe 13 60.5			Very Good.	

continued over/



Lessee Number	Part 23 Lease Number	Area (ha)	Topography/Recommended Land Use: Ha/Landclass				External Access
			Category 1 (a) (b)	Category 2 (a) (b)	Category 3 (a) (b) (c)	Category 4 (a)	
XXXIX	96 *	225.7	VIe 6 176.0 VIe 1 2.3 IVe 2 45.1		VIIe 14 2.3		Good
XL	97	282.3			VIIe 11 282.3		Reasonable
XL/ XVIII	98	33.1	IIIs 1 5.3 IIw 1 18.9	VIIe 4 8.9			Reasonable
XLI	99	17.8	IIw 1 17.8				Reasonable
	100	87.7	IIw 1 .9 IIIw 1 6.1		VIIe 13 80.7		Very good
	101	121.8	IIw 1 12.0	VIe 12 74.6	VIIe 4 35.2		Poor
	102) 103)	97.5) 313.2)	IIw 1 16.4		VIIe 18 106.8 VIIe 13 287.5		Leases 102 & 103 have very difficult access.
	104	66.2	IIw 1 46.3	IVe 2 19.9			Very good
	105) 106)	94.8) 34.1)		VIe 12 9.7	VIIe 1 119.2		) Leases 105 & ) 106 reason- ) able
	107	40.9	IIIw 1 3.7	VIe 12 37.2			Close to main road but across a stream
XLII	108	207.1		VIIe 4 132.5	VIIe 18 74.6		Reasonable
	109	66.4		VIIe 4 35.9	VIIe 18 30.5		Poor
XLIII	110)* 111)*	60.3) 159.3)	VIe 6 203.1			VIIIe 2/ VIIe 9 16.5	Reasonable Satisfactory
XLIV	112	522.4	IIIs 2 18.3	VIIe 2 483.2		VIIIe 2 20.9	Difficult
XLV	113 *	688.0	VIe 11 502.2 VIs 3 17.2	VIIe 2 6.9	VIIe 9 24.1	VIIIe 2 137.6	Satisfactory
XLVI	114 *	379.7	IIIs 3 17.1 VIe 1 239.2 VIe 10 3.8		VIIe 11 119.6		Reasonable

continued over/

Lessee Number	Part 23 Lease Number	Area (ha)	Topography/Recommended Land Use: Ha/Landclass				External Access
			Category 1 (a) (b)	Category 2 (a) (b)	Category 3 (a) (b) (c)	Category 4 (a)	
XLVII	115) 116) 117) 118)	172.4) 56.8) 248.7) 16.2)		VIIe 2 494.1			Leases 115 to 118 have difficult access
XLVIII	119 *	367.9	VIIe 6 239.1 VIIe 14 33.1 VIIe 10 77.3		VIIe 9 18.4		Very difficult
XLIX	120	197.6	VIIe 12 164.0	VIIe 4 3.0	VIIe 13 30.6		Reasonable
L	121 *	164.9	IIIs 3 9.1 VIIe 7 148.4	VIIe 5 7.4			Off main road across a stream
LI	122	61.0	IIw 1 61.0				Good
	123	40.0		VIIe 4 27.2 VIIe 3 12.8			Poor
	124	113.6			VIIe 20 106.8 VIIe 18 6.8		Satisfactory
LII	125	295.6	IIIs 1 23.6	VIIe 4 107.9	VIIe 12 164.1		Difficult
LIII	126	111.5	IIIw 1 43.5 VIIe 2 10.0 VIIe 6 54.6	VIIe 2 3.4			Very good
	127	314.2	IIIw 1 84.8 VIIe 6 36.1 VIIe 2 44.0	VIIe 1 149.3			Very good
	128	12.1	IIIw 1 11.6	VIIe 8 .5			Very Good
LIV	129) 130) 131) 132) 133)	64.1) 23.6) 36.4) 54.9) 51.0)	IIw 1 18.4 VIIe 1 75.9 IIIs 2 6.9 VIIe 2 29.9		VIIe 13 98.9		) leases 129 ) to 133 ) satisfactory
LV	134	934.3	IIIe 1 28.0 IIIw 1 65.4 IIIs 2 9.4		VIIe 11 831.5		Poor
LVI	135	174.3	IIIw 1 25.3 VIIe 6 61.0	VIIe 8 13.1		VIIIe 3 3.5 VIIIe 4 71.4	Very good

continued over/

Lessee Number	Part 23 Lease Number	Area (ha)	Topography/Recommended Land Use: Ha/Landclass						External Access	
			Category 1 (a) (b)		Category 2 (a) (b)		Category 3 (a) (b) (c)			Category 4 (a)
LVII	136	1184.7	IIIw 1 29.6	VIe 6 225.1 IVe 1 23.7	VIIe 1 53.3	VIIe 8 130.3		VIIe 13 319.9	VIIIe 3 402.8	Very good
LVIII	137	305.7	IIIw 1 3.1	VIe 9 3.0		VIIe 8 235.4			VIIIe 3 64.2	No legal access physically difficult
<p>* The symbols used for these leases can be found on the Hawkes Bay Legion of the Land use Resource Inventory worksheet (categories 1) to 4) do not apply to the leases concerned)</p>										

	<u>Recommended Land Use</u>	<u>Land Use Description</u>
Category 1	(a) Arable farming	Classes II & III
	(b) Arable & pastoral farming	Classes IV & VI
Category 2	(a) Conservation farming and farm scale forestry	Units VIIe 1, 2, 5, 7, & VIIw
	(b) Conservation farming, farm scale and large scale forestry on some areas	Units VIIe 3, 4, 6, 8, 19, & 21
Category 3	(a) Large scale production forest (low priority for protection)	Units VIIe 9, 10, 11, & 17
	(b) Large scale & farm scale protection/production forest (medium priority for protection)	Units VIIe 12, 14, 16, & 20
	(c) Large scale protection/ production forest (high priority for protection)	Units VIIe 13, 15, 18
Category 4	Protection forest	Class VIII

These categories only apply to leases in the Waiapu, Cook and Waikou Counties.

(Source: [5] 6).

GLOSSARY

<i>ariki</i>	: high chief, paramount chief
<i>hapū</i>	: section of a tribe, sub-tribe
<i>iwi</i>	: tribe
<i>kaumātua</i>	: elder, especially a 'family' or community leader
<i>mana</i>	: inherent power and prestige; power of supernatural origin; authority, influence, prestige
<i>marae</i>	: community assembly ground; open space associated with a meeting-house and used for community assembly
<i>Pakeha</i>	: Maori word in common use by both races for New Zealanders of European stock
<i>Putea</i>	: basket
<i>rangatira</i>	: aristocrat; chief of <i>hapū</i> , director of an enterprise
<i>runanga</i>	: council of sub-tribal or tribal elders, assembly
<i>tangata whenua</i>	: a person connected with a place through a line of occupying ancestors and preferably also owning 'Maori land' there
<i>tairāwhiti</i>	: eastern
<i>tūrangawaewae</i>	: literally, a standing place for the feet; used to describe the <i>marae</i> and 'Maori land' shares

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