



Office of Hon David Parker
Minister of Energy
Minister Responsible for Climate Change Issues
Minister for Land Information

13 NOV 2006

Kit Mouat
Project Manager
High Country Accord
P O Box 10021
CHRISTCHURCH

Dear Kit

Pastoral Leases Valuation Principles

Officials from Land Information New Zealand (LINZ) have verbally briefed me on their presentation to members of the High Country Accord, the High Country Committee of Federated Farmers and the High Country Trustees in Omarama on 2 November 2006.

I understand that the following day, LINZ met with lessee representatives to discuss next steps and that a further meeting is being organised for December, by which time you will have had the opportunity to obtain legal advice on the Crown's interpretation of the rent setting provisions of the Land Act.

LINZ advises me that you were of the view that lessees should not put resources into submissions on the preliminary government response to the Interim Report until the legal uncertainty that you believe exists has been resolved.

Subsequent comments from lessees reported in the media make it clear that lessees suggest this should be resolved through a judicial determination on the valuation principles to be applied for setting rent, rather than the lessees accepting that the legal position is as LINZ believes it to be.

I accept that it is desirable that the legal position be resolved, and in a cost-effective manner. To this end, I have asked LINZ to agree to this course.

I am also aware that lessees have expressed concern that the Government might amend legislation to ensure amenity values are included in the valuation methodology for setting rents in the event of the judicial determination finding against the Crown's interpretation of the Land Act. Lessees have sought an undertaking that the Government would not legislate to overrule the outcome.

The purpose of this letter is to give you that undertaking. I confirm that the Government will abide by the decision of the Courts.

I expect that when officials meet with you in December, you and they will be in a position to agree on the process for application to the Court.

As there is significant public interest in this matter and lessees have asked for public assurances of the Government's intentions, I will be releasing a copy of this letter to the media.

Yours sincerely

A handwritten signature in black ink, appearing to read 'David Parker', written in a cursive style.

Hon David Parker
Minister for Land Information