



The New Zealand Gazette

WELLINGTON: THURSDAY, 18 FEBRUARY 1993

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Using the Gazette

The *New Zealand Gazette*, the official newspaper of the Government of New Zealand, is published weekly on Thursday. Publishing time is 4 p.m.

Notices for publication and related correspondence should be addressed to:

Gazette Office,
Department of Internal Affairs,
P.O. Box 805,
Wellington.
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or lodged at the Gazette Office, Seventh Floor, Dalmuir House, 114 The Terrace, Wellington.

Closing time for lodgment of notices at the Gazette Office is 12 noon on the Tuesday preceding publication (except for holiday periods when special advice of earlier closing times will be given).

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Waikato Polytechnic, Gate 5, Tristram Street, Private Bag, Waikato.

Bowen House, Lambton Quay, Wellington.

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Commercial Edition—Published weekly on Wednesdays.

Customs Edition—Published weekly on Tuesdays.

Special Editions and Supplements—Published as and when required.

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All rates shown are inclusive of G.S.T.

Government Notices

Agriculture and Fisheries

Animals Protection Act 1960

Approval of Code of Ethical Conduct Notice (No. 5217 100/A1/07)

Pursuant to section 19A of the Animals Protection Act 1960, and on the advice of the National Animal Ethics Advisory Committee, I hereby approve the adoption by Autogenous Vaccines of the approved code of ethical conduct of the University of Waikato.

Dated at Wellington this 25th day of November 1992.

JOHN FALLOON, Minister of Agriculture.
go1341

Approval of Code of Ethical Conduct Notice (No. 5218 100/A1/07)

Pursuant to section 19A of the Animals Protection Act 1960, and on the advice of the National Animal Ethics Advisory Committee, I hereby approve the adoption by St Mary's College of the approved code of ethical conduct of Victoria University of Wellington.

Dated at Wellington this 25th day of November 1992.

JOHN FALLOON, Minister of Agriculture.
go1342

Noxious Plants Act 1978

Notice Declaring Wild Ginger (*Hedychium gardnerianum*, and *H. flavescens*) a Class B Noxious Plant (No. 5216; Ag 1570-03-3)

Pursuant to section 19 of the Noxious Plants Act 1978, the Noxious Plants Council hereby declares wild ginger (*Hedychium gardnerianum*, and *H. flavescens*) to be a Class B noxious plant in that part of New Zealand lying within the boundaries of the region of Waikato Regional Council District Noxious Plants Authority.

This notice shall come into effect on the day after its date of notification in the *Gazette*.

Dated at Wellington this 8th day of February 1992.

J. L. RANDALL, Secretary, Noxious Plants Council.
go1343

Education

Education Act 1964

Notice Promulgating the New Curriculum Statement *Mathematics in the New Zealand Curriculum* for Implementation in Primary Schools

Notice

Pursuant to section 75 of the Education Act 1964, as amended by section 5 of the Education Amendment Act (No. 2) 1982, the Minister of Education hereby prescribes as from 1 March 1993, the syllabus for Junior to Form 2 classes of primary schools as described below:

Mathematics in the New Zealand Curriculum

This syllabus defines aims and objectives for mathematics education in New Zealand primary and secondary schools. It sets out in eight levels the achievement objectives for mathematics education in the major strands of mathematics, viz: Mathematical Processes, Number, Geometry, Measurement, Algebra and Statistics. It describes the ways in which the essential skills of the national curriculum will be taught and learned through mathematics education.

Copies of *Mathematics in the New Zealand Curriculum* have been issued to all primary teachers and to all secondary teachers of mathematics. Further copies may be obtained from Learning Media, Ministry of Education, at a cost of \$29.95 per copy.

The syllabus known as *Mathematics: Junior Classes to Standard 4 (1985)* referred to in the syllabus notice made under the Education Act 1964 and published in the *New Zealand Gazette*, 1 August 1985, No. 142, page 3263, and the Forms 1–2 sections of the syllabus known as *Mathematics: Forms 1 to 4 (1987)* referred to in the syllabus notice made under the Education Act 1964 and published in the *New Zealand Gazette*, 27 August 1987, No. 145, page 4067, are hereby revoked as from 28 February 1993.

Dated at Wellington this 8th day of February 1993.

ALEXANDER LOCKWOOD SMITH, Minister of Education.
go1254

Private Schools Conditional Integration Act 1975

Supplementary Integration Agreement

Pursuant to section 10 of the Private Schools Conditional Integration Act 1975, notice is given that a supplementary integration agreement has been signed between the Ministry of Education on behalf of Her Majesty the Queen acting through the Senior Manager, National Operations, Ministry of Education, pursuant to delegated authority, and the proprietor of the following school:

St Patrick's School, Napier.

The said supplementary integration agreement was executed on the 4th day of February 1993. A copy of the supplementary agreement is available for inspection without charge by any member of the public at the district office of the Ministry of Education, 65 Waterloo Road, Lower Hutt.

Dated at Wellington this 12th day of February 1993.

ERIC PEDERSEN, Senior Manager, National Operations.
go1327

Supplementary Integration Agreement

Pursuant to section 10 of the Private Schools Conditional Integration Act 1975, notice is given that a supplementary integration agreement has been signed between the Ministry of Education on behalf of Her Majesty the Queen acting through

the Senior Manager, National Operations, Ministry of Education, pursuant to delegated authority, and the proprietor of the following school:

St Dominic's College, Hendersen.

The said supplementary integration agreement was executed on the 4th day of February 1993. A copy of the supplementary agreement is available for inspection without charge by any member of the public at the district office of the Ministry of Education, 6–10 Nugent Street, Private Bag 92614, Auckland.

Dated at Wellington this 12th day of February 1993.

ERIC PEDERSEN, Senior Manager, National Operations.
go1328

Supplementary Integration Agreement

Pursuant to section 10 of the Private Schools Conditional Integration Act 1975, notice is given that a supplementary integration agreement has been signed between the Ministry of Education on behalf of Her Majesty the Queen acting through the Senior Manager, National Operations, Ministry of Education, pursuant to delegated authority, and the proprietor of the following school:

St Therese's School, Three Kings.

The said supplementary integration agreement was executed on the 4th day of February 1993. A copy of the supplementary agreement is available for inspection without charge by any member of the public at the district office of the Ministry of Education, 6–10 Nugent Street, Private Bag 92614, Auckland.

Dated at Wellington this 12th day of February 1993.

ERIC PEDERSEN, Senior Manager, National Operations.
go1329

Supplementary Integration Agreement

Pursuant to section 10 of the Private Schools Conditional Integration Act 1975, notice is given that a supplementary integration agreement has been signed between the Ministry of Education on behalf of Her Majesty the Queen acting through the Senior Manager, National Operations, Ministry of Education, pursuant to delegated authority, and the proprietor of the following school:

Hato Petera College, Northcote.

The said supplementary integration agreement was executed on the 4th day of February 1993. A copy of the supplementary agreement is available for inspection without charge by any member of the public at the district office of the Ministry of Education, 6–10 Nugent Street, Private Bag 92614, Auckland.

Dated at Wellington this 12th day of February 1993.

ERIC PEDERSEN, Senior Manager, National Operations.
go1330

Supplementary Integration Agreement

Pursuant to section 10 of the Private Schools Conditional Integration Act 1975, notice is given that a supplementary integration agreement has been signed between the Ministry of Education on behalf of Her Majesty the Queen acting through the Senior Manager, National Operations, Ministry of Education, pursuant to delegated authority, and the proprietor of the following school:

Baradene College, Remuera.

The said supplementary integration agreement was executed on the 4th day of February 1993. A copy of the supplementary agreement is available for inspection without charge by any member of the public at the district office of the Ministry of Education, 6–10 Nugent Street, Private Bag 92614, Auckland.

Dated at Wellington this 12th day of February 1993.

ERIC PEDERSEN, Senior Manager, National Operations.
go1331

Supplementary Integration Agreement

Pursuant to section 10 of the Private Schools Conditional Integration Act 1975, notice is given that a supplementary integration agreement has been signed between the Ministry of Education on behalf of Her Majesty the Queen acting through the Senior Manager, National Operations, Ministry of Education, pursuant to delegated authority, and the proprietor of the following school:

Rosmini College, Auckland.

The said supplementary integration agreement was executed on the 4th day of February 1993. A copy of the supplementary agreement is available for inspection without charge by any member of the public at the district office of the Ministry of Education, 6-10 Nugent Street, Private Bag 92614, Auckland.

Dated at Wellington this 12th day of February 1993.

ERIC PEDERSEN, Senior Manager, National Operations.
go1332

Supplementary Integration Agreement

Pursuant to section 10 of the Private Schools Conditional Integration Act 1975, notice is given that a supplementary integration agreement has been signed between the Ministry of Education on behalf of Her Majesty the Queen acting through the Senior Manager, National Operations, Ministry of Education, pursuant to delegated authority, and the proprietor of the following school:

St Michael's School, Taita.

The said supplementary integration agreement was executed on the 4th day of February 1993. A copy of the supplementary agreement is available for inspection without charge by any member of the public at the district office of the Ministry of Education, 65 Waterloo Road, Lower Hutt.

Dated at Wellington this 12th day of February 1993.

ERIC PEDERSEN, Senior Manager, National Operations.
go1322

Supplementary Integration Agreement

Pursuant to section 10 of the Private Schools Conditional Integration Act 1975, notice is given that a supplementary integration agreement has been signed between the Ministry of Education on behalf of Her Majesty the Queen acting through the Senior Manager, National Operations, Ministry of Education, pursuant to delegated authority, and the proprietor of the following school:

St Bernadette's School, Naenae.

The said supplementary integration agreement was executed on the 4th day of February 1993. A copy of the supplementary agreement is available for inspection without charge by any member of the public at the district office of the Ministry of Education, 65 Waterloo Road, Lower Hutt.

Dated at Wellington this 12th day of February 1993.

ERIC PEDERSEN, Senior Manager, National Operations.
go1323

Supplementary Integration Agreement

Pursuant to section 10 of the Private Schools Conditional Integration Act 1975, notice is given that a supplementary integration agreement has been signed between the Ministry of Education on behalf of Her Majesty the Queen acting through the Senior Manager, National Operations, Ministry of Education, pursuant to delegated authority, and the proprietor of the following school:

St Matthew's School, Wainuiomata.

The said supplementary integration agreement was executed on the 4th day of February 1993. A copy of the supplementary agreement is available for inspection without charge by any member of the public at the district office of the Ministry of Education, 65 Waterloo Road, Lower Hutt.

Dated at Wellington this 12th day of February 1993.

ERIC PEDERSEN, Senior Manager, National Operations.
go1324

Supplementary Integration Agreement

Pursuant to section 10 of the Private Schools Conditional Integration Act 1975, notice is given that a supplementary integration agreement has been signed between the Ministry of Education on behalf of Her Majesty the Queen acting through the Senior Manager, National Operations, Ministry of Education, pursuant to delegated authority, and the proprietor of the following school:

St Patrick's School, Wainuiomata.

The said supplementary integration agreement was executed on the 4th day of February 1993. A copy of the supplementary agreement is available for inspection without charge by any member of the public at the district office of the Ministry of Education, 65 Waterloo Road, Lower Hutt.

Dated at Wellington this 12th day of February 1993.

ERIC PEDERSEN, Senior Manager, National Operations.
go1325

Supplementary Integration Agreement

Pursuant to section 10 of the Private Schools Conditional Integration Act 1975, notice is given that a supplementary integration agreement has been signed between the Ministry of Education on behalf of Her Majesty the Queen acting through the Senior Manager, National Operations, Ministry of Education, pursuant to delegated authority, and the proprietor of the following school:

St Joseph's School, Auckland.

The said supplementary integration agreement was executed on the 4th day of February 1993. A copy of the supplementary agreement is available for inspection without charge by any member of the public at the district office of the Ministry of Education, 6-10 Nugent Street, Private Bag 92614, Auckland.

Dated at Wellington this 12th day of February 1993.

ERIC PEDERSEN, Senior Manager, National Operations.
go1326

Inland Revenue

Income Tax Act 1976

Determination G26: Variable Rate Financial Arrangements

This determination may be cited as "Determination G26: Variable Rate Financial Arrangements".

1. *Explanation* (which does not form part of this Determination)

(1) Determination G26 applies to variable rate financial arrangements on which Interest is paid at least annually. Any income or expense relating to a variable rate financial arrangement must be accrued. Determination G26 sets out two alternative methods by which this should be done, and explains the circumstances in which each should be used.

A variable rate arrangement may be a floating rate arrangement or a reviewable rate arrangement.

Floating rate arrangements are those where the Interest rate is

reset periodically according to a predetermined formula. The formula links the Interest rate to an indicator rate such as the bank bill or interbank rate.

Reviewable rate arrangements are those where the Interest rate is set periodically in line with market rates. Any change in the Interest rate reflects and is consistent with changes in market Interest rates. The most common form of reviewable rate loan is a mortgage where the Interest rate is subject to periodic review by the lender.

(2) The income or expense in relation to a variable rate arrangement could consist of:

- (a) Periodic Interest payments as determined from time to time;
- (b) A premium or discount on the issue or face value of the arrangement;
- (c) Fees paid or received in relation to the arrangement.

These amounts must be accrued.

(3) The methods provided in this determination separately accrue:

- (a) Periodic Interest on a daily basis over the income year to which it relates;
- (b) Any discount or premium and fees over the term of the arrangement, on either a straight line basis (Method A) or a yield to maturity basis (Method B).

(4) The critical factor in deciding whether Method A or Method B applies to an arrangement is the size of the premium or discount (including fees) relating to the arrangement.

(a) Method A applies to financial arrangements where there is a small (or no) discount or premium. These are arrangements where the discount or premium and fees (non-contingent fees with a limit of 2% of the core acquisition price, plus contingent fees) is less than 2% of the average amount of principal outstanding over the term of the arrangement. (For a full definition see clause 5 Interpretation).

(b) Method B is of general application, and may be applied to any variable rate financial arrangement within the scope of this determination.

(5) Method A permits the spreading of fees and premium or discount over the term of a financial arrangement on a straight line basis, in proportion to the principal outstanding. The simplest case of Method A occurs where the principal is fixed throughout the term. In that case, the premium or discount and fees are spread on a straight line basis over the term of the arrangement.

(6) Method B can be applied regardless of the amount of fees and premium or discount. It requires the fees and premium or discount to be spread on a yield to maturity basis. Since the future cashflows are not known, the actual yield to maturity rate cannot be calculated, but must be estimated. This is done by using the initial Interest rate (or price or index) and assuming that this rate will apply throughout the term of the financial arrangement.

The spreading of fees and premium or discount may be done on either a per Period basis or a per income year basis. To calculate the yield to maturity, Method B uses either Determination G3: Yield to Maturity Method or Determination G10B: Present Value Calculation Methods and G11A: Present Value Based Yield to Maturity Method.

(7) It is important to note that in both Method A and Method B there is no recalculation or respreading of fees and discount or premium, when there is a change in Interest rate, price, or index. The spreading is done only once, at either the date of acquisition or issue as the case may be.

(8) Interest is calculated separately for each period (or income year) depending on the actual Interest rate applying in the Period (or the Periods within that income year).

(9) A holder of a variable rate financial arrangement to which this determination applies may bring any fees or premium received at the date of issue of the financial arrangement into income at that time.

(10) Those taxpayers to whom section 64C (2A) of the Act applies should use Determination G24: Straight Line Method.

2. *Reference*—This determination is made pursuant to section 64E (1) (b) of the Income Tax Act 1976.

3. *Scope*—Determination G26 shall be applied to any variable rate financial arrangements where:

(a) All of the amounts payable (other than the principal, any discount or premium, and any fees) are either:

- (i) set periodically according to a predetermined formula. That formula must link the amounts payable to economic, commodity, industrial, or financial indices or prices, or banking rates, or general commercial rates; or
- (ii) set periodically by reference to market interest rates; and

(b) The amounts of principal (including any fees and any premium or discount) and the times or intervals at which they are to be advanced and repaid, are known, or are able to be determined, or can reasonably be anticipated, as at the first balance date after issue or acquisition.

(c) Interest is paid at least annually.

Determination G26 provides two alternative methods acceptable for the purposes of section 64C (3) of the Act.

(Note: A determination to which Determination G26 refers may be changed or rescinded by a new determination made by the Commissioner. In such a case, a reference to the old determination is taken to be extended to the new determination.)

4. *Principle*—(1) The income deemed to be derived or expenditure deemed to be incurred by a person in a Period (or income year) is calculated by adding together:

(a) The amount of the Total Finance Charges Excluding Interest allocated to that Period (or income year); and

(b) The amount of Interest payable or receivable in that Period (or income year).

(2) Method A and Method B find and then allocate the Total Finance Charges Excluding Interest to each Period (or an income year) of the financial arrangement. Once this amount has been allocated, the amount of Interest payable or receivable in that Period (or income year) is added to it. This gives the income or expenditure for each Period (or income year) of the financial arrangement.

(a) Method A may only be applied to Small Discount or Premium Financial Arrangements. It results in an allocation to each Period proportionate to the amount of principal outstanding in that Period, and the length of that Period.

(b) Method B may be applied to other financial arrangements. It assumes that the rate, price or index known to apply in the first Period applies to all subsequent Periods. The Act and determinations are used to spread the Total Finance Charges over the term of the financial arrangement. The assumed Interest content of the Total Finance Charges in each Period (or in each income year) is then subtracted.

The yield to maturity method or other permissible method would be used for calculation purposes.

5. *Interpretation*—(1) In this determination, unless the context otherwise requires—

Expressions used have the same meanings as in the Act and where a word or expression is given a particular meaning for the purposes of sections 64B to 64M of the Act, it shall have the same meaning as in this determination.

“the Act” means the Income Tax Act 1976:

“Interest” does not have the meaning given in section 2 of the Act. Rather for the purposes of this determination it

means any periodic payment in relation to the financial arrangement, to the extent intended to provide a return to the lender on the sums provided to the borrower. It does not include fees, discounts, or premiums, or payments effecting a reduction of principal.

“Period” means a term commencing immediately after a payment is payable or receivable, and ending when the next payment is payable or receivable. Where the Period is longer than one year, the Period is deemed to comprise one or more Periods each of one year followed (or preceded, at the option of the holder or issuer as the case may be) by a Period of less than one year.

The duration of the financial arrangement should be evenly divided into Periods, which may be measured in days, weeks, fortnights, months, quarters, half years, or years. If an even division is not possible, then the remainder should be treated as a partial Period, and expressed as a fraction of a full Period.

$$m \times \frac{n}{o}$$

where

m = the number of days in the partial Period

n = number of full Periods in a year

o = number of days in a year

For example, if all other Periods are measured in months then a Period of 5 days would be treated as

$$5 \times \frac{12}{65} = 0.1644 \text{ of a month}$$

There must be no more than two partial Periods in any financial arrangement.

“Small Discount or Premium Financial Arrangements” means a financial arrangement to which this determination applies, in respect of which—

(a) The only variable parts of an amount payable comprise Interest which is:

- (i) Payable at yearly or more frequent intervals; and
- (ii) Is calculated on the amount of the principal outstanding from time to time since the previous Interest payment (or since the date of issue or acquisition if that is later); and

(b) The amount of the Total Finance Charges Excluding Interest (ignoring whether it is a positive or negative amount) is not more than the product of:

- (i) Two per cent; and
- (ii) The expected term of the financial arrangement calculated in years and fractions of a year; and
- (iii) The time-weighted average amount of principal that is reasonably expected to be outstanding during the expected term of the financial arrangement.

Clause 7 of this determination provides examples which show whether or not a financial arrangement is a Small Discount or Premium Financial Arrangement.

“Total Finance Charges” in relation to a financial arrangement means—

(a) For an issuer, the total of all amounts payable by the issuer less the total of all amounts receivable by the issuer, pursuant to the financial arrangement;

(b) For a holder, the total of all amounts receivable by the holder less the total of all amounts payable by the holder, pursuant to a financial arrangement.

Any fees payable in relation to the financial arrangement must be reduced by the amount of item z as defined in sections 64BA (2) or 64BA (3) of the Act.

“Total Finance Charges Excluding Interest” in relation to a financial arrangement means the Total Finance Charges excluding all amounts of Interest payable or receivable.

(2) For convenience, words and phrases defined in this

determination are indicated by initial capital letters, but the absence of a capital letter shall not alone imply that the word or phrase is used with a meaning different from that given by its definition.

6. *Method*—(1) A person may apply Method A to Small Discount or Premium Financial Arrangements, and Method B to any other financial arrangement. In order to determine whether Method A can be applied, use the criteria outlined in the Interpretation clause of this determination.

(2) Method A shall be applied in respect of Periods. Method B may be applied either in respect of income years or Periods.

(3) The proviso to paragraph (a) of section 64C (3) of the Act allows for another method, similar to those in this determination, to also be used.

(4) Once a method has been selected for a financial arrangement, that method must be applied until that financial arrangement matures or is remitted, sold, or otherwise transferred by the person unless the prior consent of the Commissioner to adopt another method is obtained. (The Commissioner’s consent may be given conditionally).

(5) A person who:

(a) is a holder; and

(b) who receives a premium or fee on the issue or acquisition of a financial arrangement

may elect to include that fee or premium in the income derived by that person in the income year of issue or acquisition.

(6) The formula

$$x + y$$

is used to calculate the income derived or expenditure incurred by a person in a Period (or an income year) in relation to the financial arrangement. In this formula:

“x” is the amount of Total Finance Charges Excluding Interest allocated to that Period (or to that income year); and

“y” is the amount of Interest payable or receivable in that Period (or that income year).

(7) Method A and Method B differ in the method used to calculate the value of x.

(a) Under Method A

$$x = \frac{a \times b \times c}{d}$$

where,

“a” is the Total Finance Charges Excluding Interest payable by the issuer or receivable by the holder as the case may be;

“b” is the length of the Period (b = 1 if the Period in question is a full Period, or, for a partial Period, b = a fraction calculated in accordance with the formula given in the clause 5 Interpretation);

“c” is the amount of principal outstanding during the Period;

“d” is the sum of all items (b x c) calculated in respect of every Period;

(b) Under Method B

$$x = e - f$$

Since, in a variable rate arrangement, the rate, price, or index varies during the term of the arrangement, the assumption is made that the rate, price or index that applies to the first Period after the date of issue or acquisition applies to all Periods of the financial arrangement. Using the assumption:

“e” is the income derived, or the expenditure incurred, for a Period (or income year); and

“f” is the Interest deemed to be payable by the issuer or receivable by the holder as the case may be.

The yield to maturity method is used in accordance with the Act and determinations to decide the value of "e".

(8) Amounts calculated using this determination should be apportioned between income years using Determination G1A: Apportionment of Income and Expenditure on a Daily Basis.

7. Examples—(1) Example A (illustrating Method A)

On 12 February 1991 a company issues notes with a face value of \$10,000 for 5 years, at an interest rate of bank bill plus 0.75% pa payable half yearly in arrears. The notes are issued at a discount of 5%. The borrower is a New Zealand company. Contingent fees of 2.5% of \$10,000 are payable by the borrower; there are no non-contingent fees.

There is no change in the principal outstanding over the 5 years. The average principal outstanding is therefore \$10,000, both overall and within each half year Period.

(a) Before calculating the amount of expenditure deemed to be incurred by the borrower over the term of the arrangement, it is first necessary to determine whether Method A or Method B is to be used. For Method A to be used, the arrangement must satisfy the criteria for a Small Discount or Premium Financial Arrangement (see clause 5 Interpretation).

In this example, the Total Finance Charges Excluding Interest payable by the borrower are calculated as follows:

\$	10,000	principal payable
+	250	fees paid
-	9,500	principal received
<hr/>		
a =	750	

Ignoring sign, \$750 is less than the amount which determines whether or not Method A can be used, calculated as follows:

2% × the expected term of the financial arrangement calculated in years and fractions of years (5) × the average principal outstanding (\$10,000)

$$2\% \times 5 \times 10,000 = \$1,000$$

So Method A of this determination may be applied.

(b) The expenditure deemed to be incurred by the borrower in a specific Period is calculated using the formula

$$x + y$$

(i) "x" is the amount of Total Finance Charges Excluding Interest allocated to that Period. Using Method A

$$x = \frac{a \times b \times c}{d}$$

where

a = the Total Finance Charges Excluding Interest payable by the issuer or receivable as the case may be;

b = the length of the Period
= 1 throughout the time of the financial arrangement, as all of the Periods are the same length (half a year)

c = the amount of principal outstanding during the Period;
= \$10,000 in all Periods.

d = the sum of all items (b x c) calculated in respect of every Period;

$$= 1 \times \$10,000 \times 10 \text{ (as there are 10 half year Periods);}$$

$$= \$100,000.$$

$$\text{Therefore, } x = \frac{750 \times 1 \times 10,000}{100,000}$$

$$= \$75 \text{ for each half year Period.}$$

(ii) y is the amount of Interest payable or receivable in the Period.

Therefore, in this example,

$$y = \text{Interest calculated at the bank bill rate plus 0.75\%}$$

(iii) Therefore, the expenditure incurred by the borrower in each half year would be:

$$x + y$$

$$(\$75 + \text{Interest calculated at the bank bill rate plus 0.75\%})$$

This expenditure would be spread using Determination G1A: Apportionment of Income and Expenditure on a Daily Basis.

If the fees were payable to a holder who was a New Zealand taxpayer (but not a cash basis holder), this taxpayer would be deemed to have derived similar amounts of income.

(2) Example B (a further illustration of Method A)

On 12 February 1991 a company issues notes with a face value of \$10,000 for five years at an interest rate of bank bill plus 0.75% pa payable half year ly in arrears. The notes are issued at a discount of 4.5%. The borrower is a New Zealand company.

\$2,000 of the face value of the notes is to be repaid on each anniversary of the issue. There are no fees.

The length of each Period is measured in half years, so b = 1 throughout.

The average principal outstanding over the five years is:

$$\frac{(10,000 + 8,000 + 6,000 + 4,000 + 2,000)}{5} = \$6,000$$

(a) Decide whether Method A can be applied.

The Total Finance Charges Excluding Interest payable by the borrower are equal to:

\$	10,000	principal payable
+	0	fees paid
-	9,550	principal received (after discount)
<hr/>		
a =	450	

Ignoring sign, this is less than:

$$2\% \times 5 \text{ (years)} \times 6,000 \text{ (average principal outstanding)} = \$600$$

So Method A of this determination may be applied.

(b) Calculate the value of x

The following table sets out the allocation of the Total Finance Charges Excluding Interest:

Half Year Period	Principal Outstanding	Sum of (b x c)	Allocation $\frac{a \times b \times c}{d}$
b = 1	c		d
	\$	\$	\$
1	10,000	10,000	75
2	10,000	10,000	75
3	8,000	8,000	60
4	8,000	8,000	60
5	6,000	6,000	45
6	6,000	6,000	45
7	4,000	4,000	30
8	4,000	4,000	30
9	2,000	2,000	15
10	2,000	2,000	15
	Total	60,000	450

(i) y = Interest on the principal outstanding in the half year at the bank bill rate plus 0.75% pa.

(ii) The expenditure incurred by the borrower in each half year Period would be:

$$x \text{ (calculated in accordance with the above table)} + y$$

This expenditure would be spread using Determination G1A: Apportionment of Income and Expenditure on a Daily Basis.

If the fees were payable to a holder who was a New Zealand taxpayer (but not a cash basis holder), this taxpayer would be deemed to have similar amounts of income.

(3) Example C (another illustration of Method A)

This is similar to Example B, but issued at a premium, and seen from the holder's viewpoint. It is somewhat artificial, in order to illustrate a point.

On 12 February 1991 a company borrows \$10,000 for 5 years at an interest rate of bank bill plus 2% pa payable half yearly in arrears.

The money is raised by issuing notes at a premium of 5%. The purchaser is a New Zealand company. Contingent fees of 2% are payable by the issuer to the purchaser (holder).

\$2,000 of the face value of the notes is to be repaid on each anniversary of the issue. The length of each Period is measured in half years, so $b = 1$ throughout.

The average principal outstanding over the five years is:

$$\frac{(10,000 + 8,000 + 6,000 + 4,000 + 2,000)}{5} = \$6,000$$

(a) Decide whether Method A can be applied.

The Total Finance Charges Excluding Interest payable to the lender are equal to:

\$	10,000	principal receivable
+	200	fees received
-	10,500	principal paid
a =	-300	

Ignoring sign, this is less than:

$$2\% \times 5 \times 6,000 = \$600$$

So Method A of this determination may be applied.

(b) The income deemed to be derived by the holder in a Period is calculated using the formula

$$x + y$$

(i) Calculate the value of x

The following table sets out the allocation of the Total Finance Charges Excluding Interest:

Half Year Period $b = 1$	Principal Outstanding c \$	Sum of ($b \times c$) \$	Allocation $\frac{a \times b \times c}{d}$ \$
1	10,000	10,000	-50
2	10,000	10,000	-50
3	8,000	8,000	-40
4	8,000	8,000	-40
5	6,000	6,000	-30
6	6,000	6,000	-30
7	4,000	4,000	-20
8	4,000	4,000	-20
9	2,000	2,000	-10
10	2,000	2,000	-10
		Total d = 60,000	a = -300

Note: x is negative because a premium has been paid.

(ii) y = Interest on the principal outstanding in the half year at the bank bill rate plus 2% pa.

(iii) The income derived by the holder in each half year Period would be:

$$x \text{ (calculated in accordance with the above table) } + y$$

This income would be spread using Determination G1A: Apportionment of Income and Expenditure on a Daily Basis.

(4) Example D (illustrating Method B on a Period Basis)

This example uses Determination G3: Yield to Maturity Method.

A New Zealand company issues notes with a face value of \$10,000 for a term of 3 years at a discount of 10% (\$1,000). The Interest rate is equal to Libor plus 1% pa, and Interest is payable half yearly in arrears. There are no fees.

The Interest rate is 10% in the first Period after issue.

Assuming that this interest rate holds throughout the term of the notes, the yield to maturity is 14.21% pa, calculated at half yearly rests.

(a) Decide whether Method A can be applied.

Total Finance Charges Excluding Interest is equal to:

\$	10,000	principal payable
+	0	fees paid
-	9,000	principal received (after discount)
a =	1,000	

Ignoring sign, this is more than:

$$2\% \times 3 \text{ (years)} \times 10,000 \text{ (average principal outstanding)} = \$600$$

Because the Small Discount or Premium criteria are not met, Method A may not be applied.

(b) The expenditure deemed to be incurred by the borrower in a Period is equal to $x + y$.

(i) Calculate the value of x (Total Finance Charges Excluding Interest allocated to that Period)

$$x = e - f$$

Method B assumes that the Interest rate applying in the first Period (10% in this example) applies throughout the financial arrangement.

"e" is the Total Finance Charge. This is calculated using Determination G3: Yield to Maturity Method (or G10B in conjunction with G11A). The yield to maturity rate is 14.21% pa. (See table for the value of e in each Period.)

"f" is the Interest that would be payable by the borrower if the rate that applied in the first Period after the date of issue applied to all Periods of the financial arrangement.

Since the initial Interest rate is 10% in this example, $f = 500$ for each Period.

(ii) y = the actual Interest paid in a Period. Values for this example are shown in the table below.

(iii) The expenditure deemed to be incurred in each Period using Method B is calculated in the following table:

Period	Total Finance Charges (assuming 10% pa interest) (1)	Interest (at 10% pa) (2)	Total Finance Charges Excluding Interest	Actual interest rate % pa	Actual interest payable	Total expenditure deemed to be incurred
	e	f	$x = e - f$		y	$x + y$
1	640	500	140	10	500	640
2	649	500	149	11	550	699
3	660	500	160	9	450	610
4	671	500	171	9	450	621
5	683	500	183	8	400	583
6	697	500	197	8	400	597
	4,000	3,000	1,000		2,750	3,750

Notes: (1) Based on a yield to maturity of 14.21% pa calculated using Determination G3 and an interest rate of 10% pa throughout.

(2) 10% is the rate applying in the first Period after issue.

Whole dollars and minor adjustments have been made to aid readability. The results still satisfy the requirements of Determination G2: Requirements as to Precision. That Determination allows for the use of results other than those calculated using the Yield to Maturity Method, provided they do not result in a difference of more than \$5 per period.

The total expenditure is confirmed as:

\$	1,000	discount (x)
+	2,750	interest actually payable (y)
\$	3,750	

(Note: In practice the expenditure in the final income year would be determined using the base price adjustment in section 64F of the Act.)

The expenditure for each Period would be apportioned using Determination G1A: Apportionment of Income and Expenditure on a Daily Basis.

If the fees were payable to a holder who was a New Zealand taxpayer (but not a cash basis holder), this taxpayer would be deemed to have derived similar amounts of income.

(5) *Example E (illustrating the application of Methods A and B to a reviewable rate loan)*

A company borrows \$1,000,000 for 5 years. The loan will be repaid on a table mortgage basis over the 5 year period with yearly interest reviews. The initial interest rate is 14.5% pa. A fee of \$10,000 is charged when the loan is drawn down. The company is a New Zealand taxpayer and the issuer in relation to the financial arrangement.

For the purposes of this example, the total expenditure incurred has been calculated using both Method A and Method B.

(a) Method A

The Total Finance Charges Excluding Interest payable by the issuer equals:

\$ 1,000,000	principal payable
+ 10,000	fees paid
<u>- 1,000,000</u>	principal received
a = 10,000	

Ignoring the sign, this is less than:

$2\% \times 5 \times 653,736$ (average principal outstanding)
= \$65,373

Therefore Method A may be applied.

The expenditure deemed to be incurred by the issuer is equal to $x + y$

(i) Calculate the value of x .

The following table sets out the cashflows in relation to the arrangement (based on an initial interest rate of 14.5% pa) and the allocation of the Total Finance Charges Excluding Interest to each income year on a straight line basis, as allowed for in Method A.

Period b = 1	Principal Outstanding c (1)	Payment	Principal Reduction	Interest at 14.5% pa	x = Allocation to each one year period $\frac{a \times b \times c}{d}$
Year 1	1,000,000	294,792	149,792	145,000	3,059
Year 2	850,208	"	171,512	123,280	2,601
Year 3	678,696	"	196,381	98,411	2,076
Year 4	482,315	"	224,856	69,936	1,476
Year 5	<u>257,459</u>	"	<u>257,459</u>	<u>37,333</u>	<u>788</u>
	3,268,678		1,000,000	473,960	10,000

Notes: (1) Calculated at 14.5 % pa

(2) Figures rounded to nearest whole dollar

(3) $b = 1$, since all Periods are the same length $a = 10,000$, and $d = 3,268,678$ throughout the term of the arrangement.

(ii) In this case, "y" is the actual Interest paid in a Period. Values for this example are shown in the table below.

(iii) The expenditure deemed to be incurred in each Period is shown in the table below. The example assumes that the annual payment is adjusted to reflect the move in Interest rates. Thus the principal outstanding in any period will be as calculated in the table above.

Year	Allocation x	Interest rate %	Actual Interest payable y	Total expenditure incurred $x + y$
1	3,059	14.5	145,000 (i)	148,059
2	2,601	13.5	114,778 (ii)	117,379
3	2,076	12.8	86,873	88,949
4	1,476	12.0	57,878	59,354
5	<u>788</u>	12.9	<u>33,212</u>	<u>34,000</u>
	10,000		437,741	447,741

Notes: (1) Figures rounded to whole numbers.

(2) (i) \$1,000,000 (principal outstanding in the first Period) \times 14.5% = \$145,000

(ii) \$850,208 (principal outstanding in the second period) \times 13.5% = \$114,778

(3) The allocation of the Total Finance Charges

Excluding Interest does not change as the Interest rate changes.

(b) Method B

This example assumes that the borrower chose to account for all its variable rate financial arrangements using Method B of this Determination. The expenditure deemed to be incurred is calculated using the formula $x + y$.

In Method B, $x = e - f$.

(i) Calculate e.

The yield to maturity is calculated as 14.923% pa using Determination G3: Yield to Maturity Method and the expected cashflows which are as follows:

(990,000)	principal lent net of fees paid
294,792	annual payments
294,792	"
294,792	"
294,792	"
294,792	"

The table below shows the values of e for each Period.

(ii) Calculate f at an Interest rate of 12.45%, the rate for the first Period. The values for f are shown on the table below.

The following table shows the calculation of the expenditure deemed to be incurred by the borrower.

Period	Total Finance Charges (assuming 14.5% pa Interest)(1)	Assumed Interest at 14.5% (2) Interest	Total Finance Charges Excluding	Actual Interest rate % pa (3)	Actual Interest payable be	Total expenditure deemed to be incurred
	e	f	$x = e - f$		y	$x + y$
1	147,734	145,000	2,734	14.5	145,000	147,734
2	125,790	123,280	2,510	13.5	114,778	117,288
3	100,000	98,411	2,159	12.8	86,873	89,032
4	71,587	69,936	1,651	12.0	57,878	59,529
5	<u>38,279</u>	<u>37,333</u>	<u>946</u>	12.9	<u>33,212</u>	<u>34,158</u>
	483,960	473,960	10,000		437,741	447,741

Notes: (1) Based on the yield to maturity rate of 14.923% pa, calculated using Determination G3 and an Interest rate of 14.5% throughout.

(2) At 14.5% pa; this is the same as in the first table in paragraph (a) of this example.

(3) Actual Interest payable (y) is calculated on principal outstanding in each Period and is the same as the second table in paragraph (a) above.

(4) Figures rounded to whole numbers.

(6) *Example F (illustrating Method B on an income year basis)*

Method B may be applied in respect of Periods or income years. In example D and E, Determination G3 was used to calculate the yield to maturity rate, which was then used to calculate e (Total Finance Charges), for each Period. In the present example, Determination G10B: Present Value Calculation Methods is used in conjunction with Determination G11A: Present Value Based Yield to Maturity Method to calculate the yield to maturity rate and e for each income year. Example F is similar to example D.

On 1 March 1992 a New Zealand investor purchases, for \$9,000 a 3 year note with a face value of \$10,000 maturing 1 March 1995. Interest at Libor plus 1% pa, is payable half yearly in arrears. Fees of 2% of the face value are payable by the borrower to the investor on issue. The investor balances on 31 March and elects to use a 365 day basis.

The Interest rate is 10% pa in the first Period after issue.

Assuming that this Interest rate holds throughout the term of the notes, the yield to maturity is 15.12% pa, calculated at half yearly rests. This allows for the 2% fees, and uses the net purchase price of 9,000 - 200 = 8,800.

Income deemed to be derived during an income year is calculated using the formula $x + y$.

(a) Method A of this determination cannot be used because the Small Discount or Premium Criteria are not met. That is, $2\% \times 3$ (years) $\times 10,000$ (average principal outstanding) = 600 which is smaller than the discount plus fees of \$1,200.

(b) Apply Method B to calculate the value of x .

$$x = e - f$$

The following table sets out the allocation of the Total Finance Charges Excluding Interest (x) between the income years.

Income year ending 31/3	Present value at year end (1)	Assumed amounts receivable during year	Total Finance Charges (2)	Interest at 10% pa	Total Finance Charges Excluding Interest
			e	f	$x = e - f$
1992	8,906	-8,800	106	-	106
1993	9,253	1,000	1,347	1,000	347
1994	9,654	1,000	1,401	1,000	401
1995	-	<u>11,000</u>	<u>1,346</u>	1,000	<u>346</u>
		4,200	4,200		1,200

Notes: (1) Calculated at 15.12% pa in accordance with Method A of Determination G10B: Present Value Calculation Methods.

(2) Calculated in accordance with Determination G11A: Present Value Based Yield to Maturity Method. In the 1994 income year, for example—

Total Finance Charges =

(a)	9,654	Present value at year end
– (b)	0	Amounts payable by holder
+ (c)	1,000	Amounts receivable by holder
– (d)	<u>9,253</u>	Present value at preceding year end
=	1,401	

(c) In this case, y is the actual Interest paid in a Period. Values for this example are shown in the table below.

The income deemed to be derived in each income year will be as follows:

Income year ending 31/3	Period	Actual Interest rate % pa	Interest received in period	Interest received in income year y	Total Finance Charges Excluding Interest x	Income deemed to be derived $x + y$
1992	-	-	-	-	106	106
1993	1	10	500	1,050	347	1,397
	2	11	550			
1994	3	9	450	900	401	1,301
	4	9	450			
1995	5	8	400	800	346	1,146
	6	8	400			
				2,750	1,200	3,950

The total is confirmed as:

	1,200	discount
plus	<u>2,750</u>	interest actually receivable
	3,950	

(Note: In practice the income in the final year would be determined using the base price adjustment in section 64F of the Act.)

If the fees were payable by a borrower who was a New Zealand taxpayer with the same income year end, this taxpayer would be deemed to have incurred similar amounts of expenditure.

This determination is signed by me on the 22nd day of January in the year 1993.

R. D. ADAIR, Deputy Commissioner of Inland Revenue.
go1266

Determination G5B: Mandatory Conversion Convertible Notes

This determination may be cited as "Determination G5B: Mandatory Conversion Convertible Notes".

1. *Explanation* (which does not form part of this determination).

(1) This determination replaces Determination G5A: Mandatory Conversion Convertible Notes for notes entered into on, or after, the date of publication of this determination in the Gazette.

(2) A Mandatory Conversion Convertible Note is a financial arrangement in which the holder of the Note provides money to a company, and the debt is discharged at a future date by the issue of shares (or stock) in that company only. Interest may be payable for the period between the issue of the Note and conversion into shares. Such payments are called Coupon Interest payments.

(3) As a share is an excepted financial arrangement under section 64B of the Act, only the coupon interest payments and amounts attributed to those payments by this determination are regarded as income or expenditure for the purposes of calculating accrual income or expenditure.

(4) Determination G5B prescribes the method to be used when calculating for accrual purposes the income derived or expenditure incurred in respect of a Mandatory Conversion Convertible Note. It also details which amounts are to be included for this calculation, and which are attributable to an excepted financial arrangement.

(5) Determination G5B differs from Determination G5A by providing a method for allocating coupon interest payments between seller and purchaser when a Note is sold part way through an interest period. The seller is to calculate interest that accrues before the date of sale (on a straight-line basis) and that amount is treated as the buyer's acquisition price.

2. *Reference*—This determination is made pursuant to section 64E(1)(b) and (e) section 64E(6) of the Income Tax Act 1976.

3. *Scope of Determination*—Except where its application is specifically excluded in another determination, Determination G5B applies to every Mandatory Conversion Convertible Note which:

(1) is entered into on, or after, the date of publication in the Gazette (however, it does not apply to notes which are issued pursuant to a binding contract entered into before the date of publication), and

(2) meets the following criteria:

(a) conversion into shares of a company is at a predetermined ratio; and

(b) coupon interest payments, if any, are payable at regular intervals of not more than 12 months; and

(c) coupon interest payments are of equal amount, or are set in relation to a market interest rate indicator (if this condition is not satisfied because of the issue date or conversion date of the Note, but the rate at which the payment is calculated is consistent with the other coupon interest payments required under the Note, this determination shall apply as if the condition were met); and

(d) at the date of issue of the Note, the market value of the underlying shares amounts to at least 80% of the acquisition price of the Note; and

(e) the Note is not part of another financial arrangement.

4. *Principle*—(1) A Mandatory Conversion Convertible Note has both debt and equity components. It can be regarded alternatively as:

(a) a loan to a company with repayment in shares (debt component); or

(b) a forward purchase of shares (in which case the holder of the Note is buying a share of a business and has equity in it).

The accruals regime is not intended to deal with equity, and therefore classifies a share (equity in a business) as an excepted financial arrangement (see section 64B).

(2) As a Mandatory Conversion Convertible Note has this dual character, when calculating income/expenditure in relation to

the Note it is first necessary to separate the debt and equity components of the Note.

(3) This determination specifies that, apart from the coupon interest payments and amounts attributed to those payments by this determination, all amounts relate to the underlying shares (equity component), and will not be dealt with under the accruals regime (sections 64B to 64M) when calculating assessable income.

(4) Income and expenditure in respect of the Note is calculated by pro-rata daily apportionment of the coupon interest payment to income years.

(5) For the purposes of this determination it is assumed that any change in the market value of the shares between the issue date of the Note and the conversion into shares is due to the equity component. Therefore the difference in share price can be ignored when calculating income and expenditure.

5. *Interpretation*—In this determination, unless the context otherwise requires:

(1) Expressions used, except the expression "income year", have the same meaning as in section 2 and section 64B of the Income Tax Act 1976.

(a) The "Act" means the Income Tax Act 1976.

(b) "Coupon Interest Payment" means any amount payable on the Note by the Note issuer (borrower) to the Note holder (lender) other than payments relating to the redemption or conversion of the Note.

(c) "Income Year"

(i) When a taxpayer furnishes a return of income under section 15 of the Act for an accounting year ending with a balance date other than the 31st day of March, "income year" means the period of twelve months ending on that balance date.

(ii) For any other person, "income year" means the year ending 31 March in which the income has been derived or expenditure has been incurred by that person.

(d) "Mandatory Conversion Convertible Note", or "Note" means any debenture, bond, certificate, document, Note or writing issued or given by a company:

(i) which provides evidence that the company is indebted to the holder of the Note, whether for a loan to the company, money subscribed to the company or any other liability of the company (whether or not the amount for which the company has issued the Note is secured over the undertaking or any of the assets of the company); and

(ii) which provides for the debt to be discharged only by the issue of shares in the capital of the company. This may be pursuant to a trust deed.

(e) "Underlying Shares" in relation to a Note means the shares or stock into which the Note is convertible, or in which it may be redeemed or paid.

(2) A determination to which Determination G5B refers may be changed or rescinded by a new determination made by the Commissioner. In such a case, a reference to the old determination is taken to be extended to the new determination.

(3) For convenience, words and phrases defined in this determination are indicated by initial capital letters, but the absence of a capital letter shall not alone imply that the word or phrase is used with a meaning different from that given by its definition.

6. *Method*—(1) Amounts to be included when calculating income or expenditure with regard to a Mandatory Conversion Convertible Note:

(a) In respect of income, gain or loss, or expenditure, and also of any other consideration receivable by the holder or payable by the issuer, the amounts taken into account to calculate income/expenditure consist of:

(i) coupon interest payments;

(ii) amounts attributed to coupon interest payments as set out in subclause 6 (3).

(b) In respect of the acquisition price, the amounts to be included when calculating income/expenditure are those attributed to coupon interest payments as set out in subclause 6 (4).

(2) The income derived or expenditure incurred in respect of a Mandatory Conversion Convertible Note shall be calculated by daily apportionment of the coupon interest payments to income years. For the method, see Determination G1A: Apportionment of Daily Income and Expenditure.

(3) If a Mandatory Conversion Convertible Note on which interest is payable is sold part way through an interest period, then it is necessary to apportion the coupon interest payment between the seller and the purchaser. The seller is allocated interest, on a daily straight line basis, that accrues before the date of sale. (See Example C).

Note: If the coupon interest payment is not known until after the date of sale, it shall be assumed to be equal to the coupon interest payment for the previous period (adjusted for any difference in the length of the period).

(4) The portion of the sale price thus attributed to accrued interest and allocated to the seller is, in turn, treated as the purchaser's acquisition price of the financial arrangement. If the purchaser later receives the coupon interest payment for the sale period, then this acquisition price may be immediately offset against the amount received when calculating the amount of income derived from the financial arrangement in that year. (See Example C).

7. Example—EXAMPLE A

On 13 September 1987 a convertible Note is issued for \$100 with an interest coupon of 12% payable half-yearly in arrears. The Note is mandatorily convertible on 13th September 1988 to 10 shares in the issuing company.

The market value of each share at issue date is \$9.00. By conversion date this has risen to \$15.00.

Both the issuer and the holder use a 31 March balance date and apply Determination G1A on a 365 day basis when apportioning daily income and expenditure.

The coupon interest payments are made as follows:

13 March 1988	..	..	..	..	\$6.00
13 September 1988	\$6.00

(a) Year ended 31 March 1988

Coupon payment 13/3/88	\$6.00
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Apportionment of coupon payment due on 13/9/88

There are 18 days between 13 March and 31 March 1988, and 184 days between 13 March and 13 September 1988

$18/184 \times \$6.00$	=	<u>\$0.59</u>
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Income/Expenditure		<u>\$6.59</u>
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(b) Year ended 31 March 1989

As the Note matures in this year the base price adjustment (section 64F of the Act) is required. The formula a - (b + c) is applied:

a = the sum of all amounts paid (\$12.00)

b = acquisition price

c = income/expenditure in previous years (\$6.59)

As all amounts other than the coupon payments are attributable to the underlying shares, the issue price and sharemarket value can be ignored for the purposes of calculating income and expenditure. This effectively gives the

Note an acquisition price of nil (for accrual purposes). Therefore, in this example "b" has a value of zero.

$$\begin{aligned} \text{Income/Expenditure} &= a - (b + c) \\ &= \$12.00 - (0 + \$6.59) \\ &= \$5.41 \end{aligned}$$

EXAMPLE B

On 13 November 1992 a convertible Note is issued for \$100 with an interest coupon of 10% payable half-yearly in arrears, with the exception of the first period which is 5 months. The Note is mandatorily convertible on 13 October 1994 to 10 shares in the issuing company.

The market value of each share at issue date is \$9.00. By conversion date this has risen to \$15.00.

Both the issuer and the holder use a 31 March balance date and apply Determination G1A on a 365 day basis when apportioning daily income and expenditure.

The coupon interest payments are made as follows:

13 April 1992	..	..	..	..	\$4.15
13 October 1992	..	..	..	..	\$5.00
13 April 1993	..	..	..	..	\$5.00
13 October 1993	..	..	..	..	\$5.00

(a) Year ended 31 March 1993

Apportionment of coupon payment due on 13/4/93

There are a total of 151 days in the first period. Of these, 138 are in the year ended 31 March 1993.

$$138/151 \times \$4.15 = \$3.79$$

Income/Expenditure \$3.79

(b) Year ended 31 March 1994

Apportionment of Coupon Payment due on 13/4/93

There are a total of 151 days in the first period. Of these, 13 are in the year ended 31 March 1994

$$13/151 \times \$4.15 = \$0.36$$

Coupon Payment due on 13/10/93 \$5.00

Apportionment of coupon payment due on 13/4/94

There are a total of 182 days in the period between payments. Of these, 169 are in the year ended 31 March 1994

$$169/182 \times \$5.00 = \$4.64$$

Income/Expenditure \$10.00

(c) Year ended 31 March 1995

As the Note matures in this year the base price adjustment (section 64F of the Act) is required. The formula $a - (b + c)$ is applied:

- a = sum of all amounts paid (\$19.15)
 b = acquisition price
 c = income/expenditure in previous years (\$13.79)

As all amounts other than the coupon payments are attributable to the underlying shares, the price and share market values can be ignored for the purposes of calculating income and expenditure. This effectively gives the Note an acquisition price of nil (for accrual purposes), hence in this example "b" has a value of zero.

$$\begin{aligned} \text{Income/Expenditure} &= a - (b + c) \\ &= \$19.15 - (0 + 13.79) \\ &= \$5.36 \end{aligned}$$

EXAMPLE C

The original holder of the Note described in Example B sells the Note on 20 December 1992, for \$120, to a new holder who holds the Note to maturity. The sale of the Note takes place part way through an interest period, so it is necessary to apportion the coupon interest payment between the seller and the purchaser.

The coupon interest payment for this period amounts to \$4.15. Using a straight-line apportionment, \$1.01 of the \$4.15 is attributable to that portion of the period ending 20 December 1992 during which the Note is owned by the original holder. (\$4.15 x 37/151. There are 151 days in the coupon period, and there are 37 days from the beginning of the period until the day that the Note is sold.) This amount of \$1.01 is income to the original holder and acquisition price to the new holder. The original holder would be considered to have sold the equity portion of the convertible Note for \$118.99.

(a) Income for the Original Holder: Year ended 31 March 1993

Since this is the "final Year" of the arrangement from the point of view of the original holder, the base price adjustment is applied, using the following values:

$$\begin{aligned} a &= \text{the sum of all amounts paid } (\$1.01) \\ b &= \text{acquisition price} \\ c &= \text{income/expenditure in previous years } (\$0) \\ \text{Income} &= a - (b + c) \\ &= \$1.01 - (0 + 0) \\ &= \$1.01 \end{aligned}$$

(b) Income for the New Holder: Year ended 31 March 1993

Apportionment of coupon payment 13/4/93

There are a total of 151 days in the first period. Of these, 138 are in the year ended 31 March 1993

$$138/151 \times \$4.15 = \$3.79$$

From this, the holder can subtract the acquisition price \$1.01

Income/Expenditure \$2.78

(b) Year ended 31 March 1993

As for Example B

Income \$10.00

(c) Year ended 31 March 1994

As the Note matures in this year the base price adjustment (section 64F of the Act) is required. The formula $a - (b + c)$ is applied:

$$\begin{aligned} a &= \text{the sum of all amounts paid } (\$19.15) \\ b &= \text{acquisition price } (\$1.01) \\ c &= \text{income/expenditure in previous years } (\$12.78) \\ \text{Income/Expenditure} &= a - (b + c) \\ &= \$19.15 - (\$1.01 + \$12.78) \\ &= \$5.36 \end{aligned}$$

This determination is signed by me on the 22nd day of January in the year 1993.

R. D. ADAIR, Deputy Commissioner of Inland Revenue.
 go1264

Determination G7C: Futures and Options Markets

This determination may be cited as "Determination G7C: Futures and Options Markets".

1. *Explanation* (which does not form part of the determination).

(1) This determination rescinds and replaces Determination G7B: New Zealand Futures and Options Markets and Determination G18: International Futures and Option Markets, both of which were made by the Commissioner on 4 December 1989. This determination differs from Determinations G7B and G18 by amalgamating the two, updating the terminology used in relation to the New Zealand Futures & Options Exchange and members thereof, adding to the list of approved markets on that exchange and to the list of approved overseas futures and options markets, modifying the approved sources of information in respect of those overseas

markets and substituting more relevant and up-to-date examples.

(2) This determination applies where, for the purpose of calculating the income or expenditure of a person in respect of a Futures Contract or Option Contract, it is necessary to determine the price of that contract.

(3) This determination sets out the approved markets, sources of information, and method, used for determining the prices for Futures Contracts and Option Contracts that are either traded on the New Zealand Futures Exchange or denominated in a foreign currency. It does not apply in relation to Option Contracts in respect of shares, as such contracts are "excepted financial arrangements" (as defined in subsection 64B(1) of the Act) and are not subject to the accrual provisions.

2. *Reference*—(1) This determination is made pursuant to subsections 64E (1) and (6) of the Income Tax Act 1976.

(2) This determination rescinds and replaces Determination G7B: New Zealand Futures and Options Markets and Determination G18: International Futures and Option Markets, both of which were made on 4 December 1989.

3. *Scope of Determination*—This determination applies where, for the purpose of calculating the income or expenditure of a person in respect of a Futures Contract or Option Contract, it is necessary to determine the price of that contract. It does not apply in relation to Option Contracts in respect of shares, as such contracts are "excepted financial arrangements" (as defined in subsection 64B (1) of the Act) and are not subject to the accrual provisions. It does, however, apply to options relating to share price indices (such as the NZSE-40 Capital Share Price Index Option Contract).

4. *Principle*—(1) Markets are approved having regard to the following criteria—

(a) The number of participants in the market or having access to the market;

(b) Frequency of trading in the market;

(c) The nature of trading in the market—how the price or rate is determined and how the financial assets are traded on the market;

(d) The existence, in relation to the market, of an appropriate regulatory body established by law;

(e) The potential or demonstrated capacity of a person or group of persons to significantly influence the market;

(f) Significant barriers to entry; and

(g) Discrimination on the basis of quantity bought and sold unless based on the risks involved or the transaction costs or economies of scale.

(2) Sources of information are approved having regard to the following criteria—

(a) Reliance on the sources of information by the market; and

(b) The accessibility of the sources of information by participants in the market.

(3) A method of obtaining a price for Futures Contract or Option Contract is approved if it is determined by an independent source and is adopted by participants in the market.

5. *Interpretation*—(1) In this determination, unless the context otherwise requires—

Expressions used, except the expression "Income Year", have the same meanings as in the Act, and where a word or expression is given a particular meaning for the purposes of sections 64B to 64M of the Act, it shall have the same meaning as in the said sections 64B to 64M.

"The Act" means the Income Tax Act 1976.

"Approved Exchange" means the New Zealand Futures &

Options Exchange and any exchange listed in subclause 6(3) of this determination.

"Futures Contract" means a futures contract traded on the New Zealand futures and options market or on a futures market outside New Zealand.

"Income Year" means—

(a) Where a taxpayer furnishes a return of income under Section 15 of the Income Tax Act 1976 for an accounting year ending with an annual balance date other than the 31st day of March, the period commencing in the day after the end of the immediately preceding accounting year and ending on that balance date;

(b) In respect of the income of any person, the year in which that income has been derived by that person.

"New Zealand Dealer" means a public broker or principal trader on the New Zealand Futures & Options Exchange:

"New Zealand Futures and Options Market" means the market in futures and option contracts administered by the New Zealand Futures & Options Exchange Limited.

"Option Contract" means an option contract traded on the New Zealand futures and options market or on an organised and regulated option market outside New Zealand.

"Subscriber Screen Broadcast" means a screen broadcast by any subscriber to the ticker price feed of the relevant approved exchange.

(2) Any reference in this determination to another determination made by the Commissioner shall be construed as including a reference to any fresh determination made by the Commissioner to vary, rescind, restrict, or extend that determination.

(3) For convenience, words and phrases defined in this determination are indicated by initial capital letters, but the absence of a capital letter shall not alone imply that the word or phrase is used with a meaning different from that given by its definition.

6. *Method*—(1) Determination G7B: New Zealand Futures and Options Markets and Determination G18: International Futures and Option Markets are hereby rescinded with effect from the day on which this determination is signed.

(2) The New Zealand futures and options markets in the following contracts are approved:

Any contracts (other than Option Contracts in respect of shares) listed for trading on the New Zealand Futures & Options Exchange.

(3) In relation to Futures Contracts or Option Contracts traded in foreign markets, the following futures and options markets are approved:

Any contracts (other than Option Contracts in respect of shares) listed for trading on any of the following Approved Exchanges:

American Stock Exchange (AMEX)
 Australian Options Market (AOM)
 Belgian Futures & Options Exchange (Belfox)
 Bolsa de Mercadorias & Futuros (BM&F)
 Budapest Commodity Exchange (BCE)
 Chicago Board of Trade (CBOT)
 Chicago Board Options Exchange (CBOE)
 Chicago Mercantile Exchange (CME)
 Chicago Rice & Cotton Exchange (an affiliate to MidAm)
 Citrus Associates of the New York Cotton Exchange Inc
 Commodity Exchange, Inc (COMEX)
 Copenhagen Stock Exchange
 Deutsche Terminborse (DTB)
 European Options Exchange (EOE)
 Financial Futures Market Amsterdam (FTA)
 Financial Instruments Exchange (FINEX—a division of

NYCE)
 Finnish Options Market Exchange and Clearing House
 (FOM)
 Guarantee Fund for Danish Futures & Options (FUTOP)
 Hokkaido Grain Exchange
 Hong Kong Futures Exchange Ltd (HKFE)
 Index & Options Market (IOM—a division of CME)
 International Monetary Market (IMM—a division of CME)
 International Petroleum Exchange (IPE)
 Irish Futures & Options Exchange
 Kansas City Board of Trade (KCBT)
 Kobe Raw Silk Exchange
 Kobe Rubber Exchange
 Kuala Lumpur Commodity Exchange
 Kuala Lumpur Options & Financial Futures Exchange
 (KLOFFE)
 London Futures & Options Exchange (London Fox)
 London International Financial Futures Exchange (LIFFE)
 London Metal Exchange (LME) Exchange (CBOE)
 Maebashi Dried Cocoon Exchange
 Manila International Futures Exchange
 Marche a Terme International de France (MATIF)
 Marche des Options Negociables de Paris (MONEP)
 Meff Renta Fila
 Meff Renta Vanable
 Mercado de Futuros y Opciones S.A (Merfox)
 Mid America Commodity Exchange (MidAm)
 Minneapolis Grain Exchange
 Montreal Exchange
 Nagoya Textile Exchange
 New York Coffee Sugar & Cocoa Exchange (CSCE)
 New York Cotton Exchange (NYCE)
 New York Futures Exchange (NYFE)
 New York Mercantile Exchange (NYMEX)
 New York Stock Exchange (NYSE)
 OM London Ltd
 OM Stockholm Ltd
 Osaka Grain Exchange
 Osaka Securities Exchange (OSE)
 Osaka Sugar Exchange
 Osaka Textile Exchange
 Oslo Stock Exchange
 Osterische Termin Und Optionenbouse (OTOB)
 Pacific Stock Exchange (PSE)
 Philadelphia Board of Trade (PBOT)
 Philadelphia Stock Exchange (PHLX)
 Singapore International Monetary Exchange (SIMEX)
 South African Futures Exchange (SAFEX)
 Swiss Options & Financial Futures Exchange AG (SOFFEX)
 Sydney Futures Exchange (SFE)
 Tokyo Commodity Exchange
 Tokyo Grain Exchange
 Tokyo International Financial Futures Exchange (TIFFE)
 Tokyo Stock Exchange
 Tokyo Sugar Exchange
 Toronto Futures Exchange
 Toyahashi Dried Cocoon Exchange
 Vancouver Stock Exchange
 Winnipeg Commodity Exchange
 Yokahama Raw Silk Exchange.

(4) The following sources of information for futures and options prices are approved in relation to Futures Contracts or Option Contracts traded on the New Zealand Futures & Options Exchange:

(a) *For New Zealand Dealers*—the Statement of Open Position provided by a New Zealand Dealer.

(b) *For persons other than New Zealand Dealers*—advice as to the price for a Futures Contract or Option Contract given to that person by a New Zealand Dealer, which price shall be obtained from a source approved in paragraph 6 (4) (a) of this determination.

(5) The following sources of information for futures and options prices are approved in relation to Futures Contracts or Option Contracts traded on foreign markets:

(a) A Subscriber Screen Broadcast that quotes prices for Futures Contracts or Option Contracts;

(b) Where a person does not have access to a Subscriber Screen Broadcast, advice as to the price of a Futures Contract or Option Contract from a member of the exchange at which the contract is traded. The price shall be derived from a source approved in paragraph 6 (5) (a) of this determination, and shall be the price at which the member would buy or sell the Futures Contract or Option Contract.

(6) (a) Where, for the purposes of determining the income or expenditure of a person in respect of a financial arrangement, it is necessary to determine the price for a Futures Contract or Option Contract at the end of an Income Year the price for the Futures Contract or Option Contract shall be the market price for that contract in the market in which it is traded on the same exchange, as advised by an approved source of information (in respect of that exchange), at the close of trading on the last permitted day for trading in the person's Income Year. If the relevant contract has not been traded on that day, the price shall be the closing call price as determined by the relevant exchange's clearing house, or the exchange, for margin purposes at the end of that day.

(b) Where, for the purposes of determining income or expenditure of a person in respect of a financial arrangement, it is necessary to determine in New Zealand dollar value of the futures or option contract at the end of the Income Year, the spot rate for the currency in which the Futures Contract or Option Contract is quoted shall be ascertained in accordance with Determination G5D: Foreign Currency Rates, and used to convert the value of the Futures Contract or Option Contract to New Zealand dollars.

Example:

(1) The Statement of Open Position referred to in paragraph 6 (4) (a) of this determination will generally set out information relevant to the particular Futures Contract or Option Contract, including delivery month, number bought and number sold. The following are illustrative examples of advice as to the market price of Futures Contracts and Option Contracts which may be obtained from the New Zealand futures and options market's clearing house by New Zealand Dealers who subscribe to an optional "brokers package" system:

(a)

MERCHANT BANK,
18TH FLOOR, MERCHANT BANK HOUSE
105 SYMONDS STREET
AUCKLAND
TEL -09-123456 FAX -09-123457

**OPEN POSITION
STATEMENT**

TO [TRADING ACCOUNT]

ACCOUNT No. 2222

PAGE No.
MARKET
LOT SIZE & CONTRACT
PRICE/RATE **

DATE: 01/05/92
:1
:NEW ZEALAND FUTURES & OPTIONS EXCHANGE LIMITED
:N\$500,000 FACE VALUE
:90 DAY BANK ACCEPTED BILL
:INDEXED YIELD PER ANNUM

DELIVERY MONTH	No. OF LOTS		TRADE TYPE	DATE OF TRADE	PRICE	REFERENCE NUMBER	PREMIUM RATE	DECLARATION DATE	DEPOSIT	MARKET PRICE	MARGIN	PREMIUM VALUE
	SOLD/ GRANTED	BOUGHT/ TAKEN										
SEP 92		20	Open	12/12/91	90.85					93.13	54062.80CR	
SEP 92	10		Open	20/03/92	92.78					93.13	4168.90	--
SEP 92		10	Open	01/04/92	93.14					93.13	119.30	
SEP 92	10	30	TOTAL								49774.60CR	
SEP 92		20	Open	04/02/92	90.80					92.98	51666.80CR	
DEC 92	0	20	TOTAL								51666.80CR	
DEC 92	10	50	ACCOUNT TOTAL								101441.40CR	

THIS STATEMENT LISTS ALL CONTRACTS AND/OR OPTIONS HELD OPEN BY US ON YOUR ACCOUNT ON THE MARKET AS INDICATED AS AT THE CLOSE OF BUSINESS ON THE DATE HEREON. THE MARKET PRICE IS THE QUOTATION FOR THE APPROPRIATE MONTH(S) FIXED ON THE DATE HEREON.

ISSUED SUBJECT TO THE CORRECTION OF ERRORS AND OMISSIONS

In this example, Merchant Bank has positions in the September 92 and December 92 BBC contracts, which it has acquired at different times.

The market price for September 92 contracts at 1/5/92 was 93.13, and for December was 92.98. The margin column states the unrealised profit in terms of margin deposited and variable margin accumulated and eroded.

Therefore, the transaction of 20 bought BBC futures contracts on 12/12/91 has an unrealised profit of \$54,062.80. Merchant Bank has an unrealised profit of \$49,774.60 for the September 92 maturity, and \$51,666.80 for the December 92 maturity, giving a total of \$101,441.40.

(b)

21 MERCHANT BANK,
18TH FLOOR, MERCHANT BANK HOUSE
105 SYMONDS STREET
AUCKLAND
TEL -09-123456 FAX -09-123457

**OPEN POSITION
STATEMENT**

TO [TRADING ACCOUNT]

ACCOUNT No. 2222

PAGE No.
MARKET
LOT SIZE & CONTRACT
PRICE/RATE **

DATE: 01/05/92
:2
:NEW ZEALAND FUTURES & OPTIONS EXCHANGE LIMITED
:N\$5 VALUE OF 20 X INDEX
:N\$240 CAPITAL SHARE PRICE INDEX
:SHARE PRICE INDEX

DELIVERY MONTH	No. OF LOTS		TRADE TYPE	DATE OF TRADE	PRICE	REFERENCE NUMBER	PREMIUM RATE	DECLARATION DATE	DEPOSIT	MARKET PRICE	MARGIN	PREMIUM VALUE
	SOLD/ GRANTED	BOUGHT/ TAKEN										
JUN 92		50	Call Option	15/04/91	1400		87	29/06/92		91	4000.00CR	
JUN 92	3		Call Option	01/04/92	1450		45	29/06/92		62	1020.00	2700.00
JUN 92	4		Call Option	13/04/92	1450		53	29/06/92		62	720.00	4240.00
JUN 92		3	Call Option	20/04/92	1475		50	29/06/92		50	.00	
JUN 92	6		Put Option	27/04/92	1375		22	29/06/92		23	120.00	2640.00
JUN 92	13	53	TOTAL								2140.00CR	9580.00

THIS STATEMENT LISTS ALL CONTRACTS AND/OR OPTIONS HELD OPEN BY US ON YOUR ACCOUNT ON THE MARKET AS INDICATED AS AT THE CLOSE OF BUSINESS ON THE DATE HEREON. THE MARKET PRICE IS THE QUOTATION FOR THE APPROPRIATE MONTH(S) FIXED ON THE DATE HEREON.

ISSUED SUBJECT TO THE CORRECTION OF ERRORS AND OMISSIONS

In this example, Merchant Bank has a position of 53 bought, and 13 sold call and put options on the NZSE-40 Share Price Index.

The net unrealised profit position of Merchant Bank is indicated in the margin column. The premium value indicates the maximum profit that could be received by the option writer (seller) at the expiration of the option contracts (the declaration date).

If, on the expiration date, there is a debit margin (i.e., loss), that amount will be deducted from the premium value before any profit is realised.

(2) Subclause 6 (5) of this determination refers to a Subscriber Screen Broadcast that quotes prices for Futures Contracts or Option Contracts. Such a service is commonly provided by companies such as Reuters, Telerate and Bloomberg LP. The following are examples of Subscriber Screen Broadcast pages provided by Telerate New Zealand Limited and Reuters New Zealand Limited:

(a)

MONTH	GMT	BID	ASK [LAST]	PREV ₁	PREV ₂	PREV ₃	HIGH	LOW	VOL	P SET
Sep 92	00:19	93.57	93.58	93.58	93.58	93.58	93.60	93.55	4568	93.60
Dec 92	00:19	93.12	93.14	93.13		93.13	93.13	93.1	25	93.14
Mar 93	21:03									
Jun 93	21:03									

1500 Official Cash Settlement Price for Jun 92 is 92.68

S = Settlement Price

P SET = Previous Settlement Price

This is an example of a Subscriber Screen Broadcast page provided by Telerate New Zealand Limited. It shows price information for the three year T-Bond futures contract traded on the Sydney Futures Exchange.

Two maturities are quoted—the September 1992 contract, and the December 1992 contract.

The market price for the September 1992 three year T-Bond futures contract is 93.58 (or 6.42%) being the LAST price at which trades occurred.

(b)

MTH	LAST	BID	ASK	HIS.CL	SETTLE	CL.BD	CLAS	OPEN	HIGH	LOW	VOLUM	TIME
Sep 2	93.58	93.58	93.58	93.60		93.59	93.60	93.58	93.60	93.55	4571	12:20
Dec 2	93.13	93.12	93.14	93.14		93.13	93.15	93.13	93.13	93.13	25	11:02

This is an example of a Subscriber Screen Broadcast provided by Reuters New Zealand Limited, relating to the same Futures Contract as in paragraph 7 (2) (a) above. The market price for the September 1992 three year T-Bond futures contract is 93.58 (or 6.42%), being the LAST price.

(c)

LAST	LAST 1	LAST 2	LAST 3	LAST 4	BID	ASK
91.70	91.70	91.70	91.70	91.69	91.69	91.70
NET.CHNG	CLS.14 NOV 89	OPEN	HIGH	LOW	OPE.BID	OPE.ASK
-0.02	91.68	91.69	91.71	91.69	91.69	91.70
SETTLE	VOLUME	OPEN.INT	CNT.HIGH	CNT.LOW	RTR.NEWS	N.TIME
91.70	1674	24459	130.01	71.24		
CNT.XPRY	LOT.SIZE	LIMIT	STATUS	BKGRND		
18 DEC 89	IM USD		OCL/	....	

This is a different example of a Subscriber Screen Broadcast page provided by Reuters New Zealand Limited. It shows market prices for a Eurodollar Futures contract maturing in December 1989 as traded on the London International Financial Futures Exchange.

The market price of the contract is 91.70, being the last traded price and identified by the description "LAST" (as distinguished from "LAST 1", "LAST 2" etc.). The closing price for the previous trading day is 91.68.

This determination is signed by me on the 22nd day of January in the year 1993.

R. D. ADAIR, Deputy Commissioner of Inland Revenue.
go1255

Internal Affairs

Gaming and Lotteries Act 1977

Appointment to the New Zealand Lottery Grants Board, vice Mrs Lee Burdon

Pursuant to section 116C (3) of the Gaming and Lotteries Act 1977, Her Excellency the Governor-General has been pleased to appoint

Mrs Elizabeth Ann Clayton Batchelor, physiotherapist of Otago

as a member of the New Zealand Lottery Grants Board, vice Mrs Lee Burdon, for a term of office commencing immediately and expiring on the 16th day of September 1994.

Dated at Wellington this 9th day of February 1993.

GRAEME LEE, Minister of Internal Affairs.
go1186

Re-Appointment to the New Zealand Lottery Grants Board

Pursuant to section 116A (2) (d) of the Gaming and Lotteries Act 1977, Her Excellency the Governor-General has been pleased to re-appoint

Mr Tony Farrington, company director of Wellington

as a member of the New Zealand Lottery Grants Board for a term of office commencing on the 17th day of September 1992 and expiring on the 17th day of September 1995.

Dated at Wellington this 9th day of February 1993.

GRAEME LEE, Minister of Internal Affairs.
go1187

Justice

Companies Act 1955

Notice Prohibiting Person From Managing Companies

(Section 189A Companies Act 1955)

To: **Morris Leslie Sands**, formerly of 41 Spencer Street, Crofton Downs, Wellington, now of 37 Huntingdon Street, Wilton, Wellington.

Pursuant to section 189A of the Companies Act 1955, and with the authority of the Securities Commission, I, Neville Owen Harris, Registrar of Companies, hereby prohibit Morris Leslie Sands of 37 Huntingdon Street, Wilton, Wellington, from being an officer or promoter of a company, or being concerned in, or taking part (whether directly or indirectly) in the management of, any company from the date this notice is served on you until (and including) 5 August 1996.

Dated at Wellington this 8th day of February 1993.

[L.S.]

N. HARRIS, Registrar of Companies.
go1334

Notice Prohibiting Person From Managing Companies

(Section 189A Companies Act 1995)

To: **Alan Luke Frost**, formerly of 16 Woodmancote Street, Khandallah, Wellington, now of 76 Nottingham Street, Karori, Wellington.

Pursuant to section 189A of the Companies Act 1995, and with the authority of the Securities Commission, I, Neville Owen Harris, Registrar of Companies, hereby prohibit Alan Luke Frost of 76 Nottingham Street, Karori, Wellington, from being an officer or promoter of a company, or being concerned in, or taking part (whether directly or indirectly) in the management of, any company from the date this notice is served on you until (and including) 5 August 1996.

Dated at Wellington this 8th day of February 1993.

[L.S.]

N. HARRIS, Registrar of Companies.
go1335

Notice Prohibiting Person From Managing Companies

(Section 189A Companies Act 1995)

To: **Sir Peter Tait** of 1 Avon Terrace, Taradale, Napier.

Pursuant to section 189A of the Companies Act 1995, and with the authority of the Securities Commission, I, Neville Owen Harris, Registrar of Companies, hereby prohibit Sir Peter Tait of 1 Avon Terrace, Taradale, Napier, from being an officer or promoter of a company, or being concerned in, or taking part (whether directly or indirectly) in the management of, any company from the date this notice is served on you until (and including) 5 August 1996.

Dated at Wellington this 8th day of February 1993.

[L.S.]

N. HARRIS, Registrar of Companies.
go1336

Criminal Justice Act 1985

Confiscation of Motor Vehicle

In the District Court held at Gisborne, **New Zealand Police v. Samuel John Sidney**, unemployed of 482 Palmerston Road, Gisborne:

Notice is hereby given that on the 9th day of February 1993, an order was made by the District Court, pursuant to section 84 (2) (a) of the Criminal Justice Act 1985, for the confiscation of the following vehicle owned by **Sheryl Lee-Ann Williams**:

1981 Ford Cortina motor vehicle, registration No. KC 1260.

A. C. WHITE, Deputy Registrar, District Court, Gisborne.
go1213

Misuse of Drugs Act 1975

Order for Forfeiture of a Motor Vehicle

Pursuant to section 32 (4) of the Misuse of Drugs Act 1975, an order was made in the Wellington District Court on 20 August 1992 against **Stephen Paul Bredin** for the forfeiture of the following motor vehicle:

1985 Mitsubishi L300 Four-Wheel-Drive. Registration No. OL 3759.

J. H. CRAWFORD, Deputy Registrar.
go1188

Oaths and Declarations Act 1957

Officers in the South Waikato District Council Authorised to Take Statutory Declarations

Pursuant to section 9 of the Oaths and Declarations Act 1957, I hereby authorise the holders for the time being of the office in the service of the local authority specified in the Schedule below to take statutory declarations under the said Act.

Schedule

South Waikato District Council

General Manager.

Director of Corporate Services.

Director of Planning and Regulatory Services.

District Secretary.

Dated at Wellington this 9th day of February 1993.

D. A. M. GRAHAM, Minister of Justice.

(Adm. 3/28/3/3)
go1338

Transport

Transport Act 1962

The Traffic (Westland District) Notice No. 1, 1993

Pursuant to the Transport Act 1962, a delegation from the Minister of Transport, and a subdelegation from the Secretary for Transport dated the 16th day of November 1992, I, John Paul Edgar, Senior Traffic Engineer, give the following notice:

Notice

This notice may be cited as the Traffic (Westland District) Notice No. 1, 1993.

I hereby declare those localities and roads within markings identified in the Legend of and appearing on plan numbered TT9302/1, entitled "Speed Restriction Plan Westland District Hokitika and Kaniere" and held by the Head Office of the Land Transport Division of the Ministry of Transport to be closely populated localities, 70 km/h speed limit areas, limited speed zones, or to be excluded from the limitation as to speed imposed by subsection 52 (1) of the Transport Act 1962, as may be ascertained from the Legend. The said plan and Legend are hereby incorporated in this notice.

The Traffic (Westland District) Notice No. 1, 1991, signed on the 21st day of March 1991*, issued pursuant to section 52 of the Transport Act 1962 and regulation 21 (2) of the Traffic Regulations 1976, is revoked.

Signed at Wellington this 16th day of February 1993.

J. P. EDGAR, Senior Traffic Engineer.

* *New Zealand Gazette*, No. 47, dated 28 March 1991, page 1048.

(RT01/7/72 Westland District)
go1348

The Traffic (Queenstown-Lakes District) Notice No. 1, 1993

Pursuant to the Transport Act 1962, a delegation from the Minister of Transport, and a subdelegation from the Secretary for Transport dated the 16th day of November 1992, I, John Paul Edgar, Senior Traffic Engineer, give the following notice:

Notice

This notice may be cited as the Traffic (Queenstown-Lakes District) Notice No. 1, 1993.

The Traffic (Queenstown-Lakes District) Notice No. 1, 1987, is amended as indicated in the Schedule below.

The road specified in the Schedule is declared to be a closely populated locality for the purposes of section 52 of the Transport Act 1962.

So much of the Traffic (Queenstown-Lakes District) Notice No. 1, 1987, signed on the 13th day of April 1987*, which relates to the road in the Schedule below issued pursuant to section 52 of the Transport Act 1962 and regulation 21 (2) of the Traffic Regulations 1976, is revoked.

Schedule

The First Schedule of the Traffic (Queenstown-Lakes District) Notice No. 1, 1987, is hereby amended by omitting the words "... thence north-easterly, generally, by a right line to the north-western end of Bowen Street; thence easterly, generally, to a point on the western side of Gorge Road 50 metres measured northerly, generally, along Gorge Road from its intersection with Bowen Street ..." in lines 15 to 18 and substituting the words "...; thence north-easterly, generally, by a right line to the southern end of Industrial Place, thence northerly and easterly, generally, along the western and northern sides of Industrial Place to the western side of Gorge Road; thence northerly, generally, along Gorge Road to a point 80 metres measured northerly, generally, along Gorge Road from Industrial Place; ..."

Signed at Wellington this 10th day of February 1993.

J. P. EDGAR, Senior Traffic Engineer.

* *New Zealand Gazette*, No. 59, dated 23 April 1987, page 1800.

(RT01/3/69 Queenstown-Lakes District)
go1345

The Traffic (Matamata Piako District) Notice No. 1, 1993

Pursuant to the Transport Act 1962, a delegation from the Minister of Transport, and a subdelegation from the Secretary for Transport dated the 16th day of November 1992, I, John Paul Edgar, Senior Traffic Engineer, give the following notice:

Notice

This notice may be cited as the Traffic (Matamata Piako District) Notice No. 1, 1993.

The area and roads specified in the First Schedule are declared to be closely populated localities for the purposes of section 52 of the Transport Act 1962.

The roads specified in the Second Schedule are excluded from the limitation as to speed imposed by section 52 of the Transport Act 1962.

The roads specified in the Third Schedule are declared to be 70 kilometre an hour speed limit areas pursuant to regulation 21 (2) of the Traffic Regulations 1976.

The following traffic notices issued pursuant to section 52 of the Transport Act 1962 and regulation 21 (2) of the Traffic Regulations 1976 are hereby revoked:

1. The Traffic (Matamata Piako District) Notice No. 2, 1991, signed on the 2nd day of July 1991.
2. The Traffic (Matamata County) Notice No. 1, 1978, dated the 8th day of March 1978.
3. The Traffic (Piako County) Notice No. 2 1972, dated the 18th day of October 1972.

First Schedule

Situated within Matamata-Piako District at Morrinsville:

All those roads (with the exception of those mentioned in the Second and Third Schedules at Morrinsville) bounded by a line commencing at a point on the south-eastern side of No. 26 State Highway (Hamilton-Kopu) adjacent to the south-eastern end of the Piako River Bridge; thence across the said State highway at right angles from its south-eastern side to its north-western side; thence north-westerly, generally, by a right line to the northern end of Golf Course Road; thence south-westerly, generally, by a right line to a point on the north-eastern side of Studholme Street 260 metres measured north-westerly, generally, along Studholme Street from Goodwin Avenue; thence across Studholme Street at right angles from its north-eastern side to its south-western side; thence due west by a right line for a distance of 500 metres; thence southerly, generally, by a right line to a point on the northern side of No. 26 State Highway (Hamilton-Kopu) 900 metres measured south-westerly, generally, along the said State highway from Avenue Road; thence across the said State highway at right angles from its northern side to its southern side; thence due south by a right line to the southern bank of the Waitakaruru Stream; thence easterly, north-easterly and northerly, generally, along the said bank of the said stream to the commencing point.

Situated within Matamata-Piako District at Waharoa:

No. 27 State Highway (Mangatarata-Tirau): from a point 100 metres measured northerly, generally, along the said State highway from Hawes Street to a point 250 metres measured southerly, generally, along the said State highway from McGowan Street.

Cadman Street.

Casey Street.

Duncan Street: from No. 27 State Highway (Mangatarata-Tirau) to Mills Street.

Factory Road: from Casey Street to a point 200 metres measured northerly, generally, along Factory Road from Landsdowne Road.

Hawes Street.

McGowan Street.

Jones Street.

Mills Street.

Pitt Street.

Walker Street.

Ward Street.

Situated within Matamata-Piako District at Waihou:

No. 26 State Highway (Hamilton-Kopu): from Campbell Road to a point 50 metres measured south-westerly, generally, along the said State highway from McCarthy Street.

Barker Street: from a point 100 metres measured north-westerly, generally, along Barker Street from No. 26 State Highway (Hamilton-Kopu) to Campbell Road.

Campbell Road: from Barker Street to a point 50 metres measured north-easterly, generally, along Campbell Road from Ngutumanga Road.

Factory Road.

First Avenue.

Fourth Street.

Goodfellow Road: from First Avenue to a point 80 metres measured north-easterly, generally, along Goodfellow Road from Second Avenue.

Gould Road.

Lewis Street.

Mackay Crescent.

McCarthy Street.

Ngutumanga Road: from Campbell Road to a point 50 metres measured north-westerly, generally, along Ngutumanga Road from Factory Road.

Second Avenue.

Third Street.

Second Schedule

Situated within Matamata-Piako District at Morrinsville:

Avenue Road South: from the East Coast Main Trunk Railway to the southern boundary of the area described in the First Schedule.

West Street.

Third Schedule

Situated within Matamata-Piako District at Morrinsville:

No. 26 State Highway (Hamilton-Kopu): from Avenue Road to a point 900 metres measured south-westerly, generally, along the said State highway from Avenue Road; and from Seales Road to the north-eastern end of the Piako River Bridge.

Avenue Road North: from Anderson Street to Snell Street.
Snell Street: from Avenue Road North to a point 250 metres measured south-westerly, generally, along Snell Street from Young Street.

Signed at Wellington this 10th day of February 1993.

J. P. EDGAR, Senior Traffic Engineer.

1. *New Zealand Gazette*, No. 148, dated 3 October 1991, page 3133.

2. *New Zealand Gazette*, No. 20, dated 22 March 1978, page 661.

3. *New Zealand Gazette*, No. 92, dated 9 November 1972, page 2413.

(RT01/3/13 Matamata Piako District)
go1347

The Traffic (Gisborne District) Notice No. 1, 1993

Pursuant to the Transport Act 1962, a delegation from the Minister of Transport, and a subdelegation from the Secretary for Transport dated the 16th day of November 1992, I, John Paul Edgar, Senior Traffic Engineer, give the following notice:

Notice

This notice may be cited as the Traffic (Gisborne District) Notice No. 1, 1993.

I hereby declare those localities and roads within markings identified in the Legend of and appearing on plan numbered TT9301/1 and plan numbered TT9301/2 and plan numbered TT9301/3 and plan numbered TT9301/4 and plan numbered TT9301/5, each entitled "SPEED RESTRICTION PLAN, GISBORNE DISTRICT" and held by the Head Office of the Land Transport Division of the Ministry of Transport to be closely populated localities, 70km/h speed limit areas, limited speed zones or to be excluded from the limitation as to speed imposed by subsection 52 (1) of the Transport Act 1962, as

may be ascertained from the Legend. The said plans and Legend are hereby incorporated in this notice.

This notice revokes and is in substitution for all previous Traffic Notices issued pursuant to regulation 21 (2) of the Traffic Regulations 1976, section 52 of the Transport Act 1962, regulation 27A of the Traffic Regulations 1956, section 36 of the Transport Act 1949 and section 3 of the Motor Vehicles Amendment Act 1936, for the former Cook County, Gisborne City, Matakaoa County, Uawa County, Waiapu County and Waikohu County now comprising the Gisborne District.

Signed at Wellington this 15th day of February 1993.

J. P. EDGAR, Senior Traffic Engineer.

(RT01/3/27 Gisborne District)

go1344

Transport (Vehicle and Driver Registration and Licensing) Act 1986

Approval of Traffic Improvement School

Pursuant to section 48 (2) (a) of the Transport (Vehicle and Driver Registration and Licensing) Act 1986, and pursuant to a delegation given by the Secretary for Transport in an instrument of delegation dated the 16th day of November 1992; I, Warren Richard Gillespie Simeon, Manager, Road User Standards, hereby approve as organisations or instructors for the purpose of conducting courses pursuant to regulations 11 (1) (b) (i) and 32 (2) of the Transport (Drivers Licensing) Regulations 1987:

Scorgies Traffic Improvement School under the direction of Kevin McKay Scorgie, Auckland.

Signed at Wellington this 15th day of February 1993.

W. R. G. SIMEON, Manager, Road User Standards.

(File (RU04/7)

go1339

Approval of Defensive Driving Courses

Pursuant to section 48 (2) (a) of the Transport (Vehicle and Driver Registration and Licensing) Act 1986, and pursuant to a delegation given by the Secretary for Transport in an instrument of delegation dated the 16th day of November 1992; I, Warren Richard Gillespie Simeon, Manager, Road User Standards, hereby approve the following organisation for the purposes of section 68 of the Transport Act 1962 and regulations 11 (1) (b) (i) and 32 (2) of the Transport (Drivers Licensing) Regulations 1987:

McCallum Driving School Defensive Driving Course, Paeroa.

Signed at Wellington this 16th day of February 1993.

W. R. G. SIMEON, Manager, Road User Standards.

(File (RU04/5)

go1340

Authorities and Other Agencies of State

Board of the Education and Training Support Agency

Industry Training Act 1992

Telecommunications Education and Skills Standard Organisation Incorporated—Industry Training Organisation

The Board of the Education and Training Support Agency, pursuant to section 5 of the Industry Training Act 1992,

hereby gives notice that the Telecommunications Education and Skills Standard Organisation Incorporated, was granted full recognition as an Industry Training Organisation for the Telecommunications Industry on Monday, the 1st day of February 1993.

Dated at Wellington this 1st day of February 1993.

JOHN MCCARTHY, Chairperson.

au1237

Land Notices

Conservation

Conservation Act 1987

Corrigendum

Declaring Land to be Held for Conservation Purposes

In the notice dated 11 September 1992 and published in the *New Zealand Gazette* of 14 January 1993, No. 2 at page 29 in the Schedule for "S.O. Plan 11696" read "S.O. Plan 11969".

(Cons H.O. LAN 033; C.O. 2.5.3.111)
ln1333

Reserves Act 1977

Change of Classification of a Reserve

Pursuant to the Reserves Act 1977, and to a delegation from the Minister of Conservation, the Regional Conservator of the Department of Conservation, hereby changes the classification of the reserve described in the Schedule hereto, from a local purpose (utility) reserve to a recreation reserve, subject to the provisions of the said Act.

Schedule

South Auckland Land District—Rotorua District

Blackmore Drive Local Purpose (Utility) Reserve

8600 square metres, more or less, being Lot 54, D.P. S. 17566 and Lot 55, D.P. S. 17567, situated in Blocks I and II, Tarawera Survey District, and recorded on NZMS 261, Sheet V16-1000/58.08. Part certificate of title 11C/1189.

Dated at Rotorua this 3rd day of February 1993.

D. A. FIELD, Regional Conservator.

(DOC C.O. R.R.N. 271)
ln1212

1/1

Maori Development

Maori Affairs Restructuring Act 1989

Maori Land Development Notice

Pursuant to section 21 of the Maori Affairs Restructuring Act 1989, the Chief Executive of the Ministry of Maori Development hereby gives notice as follows:

Notice

1. This notice may be cited as Maori Land Development Notice Whangarei 1993, No. 20.
2. The notices referred to in the First Schedule hereto are hereby revoked.
3. The lands described in the Second Schedule hereto are hereby released from Part II of the Maori Affairs Restructuring Act 1989.

First Schedule

Date of Notice	Reference	Registration No.
21 November 1956	<i>New Zealand Gazette</i> , 29 November 1956, No. 66, page 1707	K 59713
23 December 1974	<i>New Zealand Gazette</i> , 16 January 1975, No. 2, page 65	B 565451.1

Second Schedule

North Auckland Land District

All those pieces of land described as follows:

Area ha	Being
90.4942	Motatau No. 2, Section 47A2, situated in Block XII, Motatau Survey District. Part certificate of title, Volume 602, folio 215.
48.4190	Motatau No. 2, Section 46A Block, situated in Blocks XI and XII, Motatau Survey District. All certificate of title, Volume 46C, folio 824.

Dated at Wellington this 12th day of February 1993.

For and on behalf of the Chief Executive of the Ministry of Maori Development.

IAN R. DICK, Manager Rural Loans, Residual Services Unit.
(MMD H.O. 8/6) ³
ln1301

Maori Land Development Notice

Pursuant to section 21 of the Maori Affairs Restructuring Act 1989, the Chief Executive of the Ministry of Maori Development hereby gives notice as follows:

Notice

1. This notice may be cited as Maori Land Development Notice Whangarei 1993, No. 19.
2. The notice referred to in the First Schedule hereto is in relation only to the piece of land described in the Second Schedule hereto, is hereby revoked.
3. The land described in the Second Schedule hereto is hereby released from Part II of the Maori Affairs Restructuring Act 1989.

First Schedule

Date of Notice	Reference	Registration No.
26 May 1955	<i>New Zealand Gazette</i> , 2 June 1955, No. 37, page 908	K 58260

Second Schedule

North Auckland Land District

All that piece of land described as follows:

Area ha	Being
3.9000	Part Lot 1, Deposited Plan 99596 and being part Te Kao 85 Block, situated in Block XII, Muriwhenua Survey District. All certificate of title, Volume 77D, folio 438.

Dated at Wellington this 12th day of February 1993.

For and on behalf of the Chief Executive of the Ministry of Maori Development.

IAN R. DICK, Manager Rural Loans, Residual Services Unit.
(MMD H.O. 8/101) ³
ln1302

Maori Land Development Notice

Pursuant to section 21 of the Maori Affairs Restructuring Act 1989, the Chief Executive of the Ministry of Maori Development hereby gives notice as follows:

Notice

1. This notice may be cited as Maori Land Development Notice Hamilton 1993, No. 4.
2. The notice referred to in the First Schedule hereto is hereby revoked.
3. The land described in the Second Schedule hereto is hereby released from Part II of the Maori Affairs Restructuring Act 1989.

First Schedule

Date of Notice	Reference	Registration No.
30 July 1971	<i>New Zealand Gazette</i> , 12 August 1971, No. 59, page 1601	A 581040

Second Schedule

North Auckland Land District

All that piece of land described as follows:

Area ha	Being
15.1883	Allotment 359A, Parish of Waipipi, situated in Block XII, Awhitu Survey District and Block II, Maoro Survey District. All certificate of title, Volume 248, folio 21.

Dated at Wellington this 12th day of February 1993.

For and on behalf of the Chief Executive of the Ministry of Maori Development.

IAN R. DICK, Manager Rural Lands, Residual Services Unit.
(MMD H.O. 4/101) ³
ln1300

Maori Land Development Notice

Pursuant to section 21 of the Maori Affairs Restructuring Act 1989, the Chief Executive of the Ministry of Maori Development hereby gives notice as follows:

Notice

1. This notice may be cited as Maori Land Development Notice Whangarei 1993, No. 12.
2. The notice referred to in the First Schedule hereto is hereby revoked and amended respectively by omitting all reference to the lands described in the Second Schedule hereto.
3. The lands described in the Second Schedule hereto are hereby released from Part II of the Maori Affairs Restructuring Act 1989.

First Schedule

Date of Notice	Reference	Registration No.
14 December 1992	<i>New Zealand Gazette</i> , 17 December 1992, No. 207, page 1463	-

Second Schedule

North Auckland Land District

All those pieces of land described as follows:

Area ha	Being
26.3146	Omanaia 17, situated in Block VII, Waoku Survey District. Consolidation Order dated 29 November 1950.
11.1263	Omanaia 19, situated in Block VII, Waoku Survey District. Consolidation Order dated 29 November 1950.
29.0463	Omanaia 21, situated in Blocks VI and VII, Waoku Survey District. Consolidation Order dated 29 November 1950.

Dated at Whangarei this 9th day of February 1993.

For and on behalf of the Chief Executive, Ministry of Maori Development:

R. J. TOPP, Regional Manager, Residual Services, Ministry of Maori Development (Taitokerau).
(MMD H.O. 15/1/275, 61/3, 61/3A; R.O. 19/B/1, 19/B/26)³
ln1189

Survey and Land Information

Public Works Act 1981

Land Set Apart as Public School in Waiau Survey District

Pursuant to section 52 (1) of the Public Works Act 1981, and to a delegation from the Minister of Lands, the District Manager, Department of Survey and Land Information,

Invercargill, declares the land described in the Schedule hereto to be set apart as public school.

Schedule

Southland Land District—Southland District

2.4281 hectares, being Lot 1, D.P. 3841, situated in Block XIII, Waiau Survey District. All certificate of title 162/144.

Dated at Invercargill this 15th day of February 1993.

R. W. G. DALGLISH, District Manager.

(DOSLI In. D.O. 955813,814)

ln1337

ICL

Land Acquired for Road in North Shore City

Pursuant to section 20 (1) of the Public Works Act 1981, and to a delegation from the Minister of Lands, the Manager, Lands and Property, Department of Survey and Land Information, Auckland, declares that, an agreement to that effect having been entered into, the land described in the Schedule is acquired for road and shall vest in The North Shore City Council on the date of publication in the *Gazette*.

Schedule

North Auckland Land District

125 square metres, being part Lot 128, D.P. 8074; shown marked "B" on S.O. Plan 65275, lodged in the office of the Chief Surveyor at Auckland.

Dated at Auckland this 11th day of February 1993.

G. A. DAWSON, Manager, Lands and Property.

(DOSLI Ak. D.O. S.O. 65275)

ln1238

ICL

Land Acquired for a Recreation Ground in Waitakere City

Pursuant to section 20 (1) of the Public Works Act 1981, and to a delegation from the Minister of Lands, the Manager, Lands and Property, Department of Survey and Land Information, Auckland, declares that, an agreement to that effect having been entered into, the land described in the Schedule is acquired for a recreation ground and shall vest in The Waitakere City Council on the date of publication in the *Gazette*.

Schedule

North Auckland Land District

1927 square metres, being part Lot 1, D.P. 100640; shown marked "A" on S.O. Plan 64806, lodged in the office of the Chief Surveyor at Auckland.

Dated at Auckland this 11th day of February 1993.

G. A. DAWSON, Manager, Lands and Property.

(DOSLI Ak. D.O. S.O. 64806)

ln1239

ICL

Land Acquired for Road in Rodney District

Pursuant to section 20 (1) of the Public Works Act 1981, and to a delegation from the Minister of Lands, the Manager, Lands and Property, Department of Survey and Land Information, Auckland, declares that, agreements to that effect having been entered into, the land described in the Schedule is acquired for road and shall vest in The Rodney District Council on the date of publication in the *Gazette*.

Schedule

North Auckland Land District

Area
m²

Being

8 Part Lot 5, D.P. 53791; marked "A" on plan.

Area
m²

Being

20 Part Lot 4, D.P. 53791; marked "B" on plan.

Shown marked as above mentioned on S.O. Plan 64514, and lodged in the office of the Chief Surveyor at Auckland.

Dated at Auckland this 11th day of February 1993.

G. A. DAWSON, Manager, Lands and Property.

(DOSLI Ak. D.O. S.O. 64514)

ln1240

ICL

Land Acquired for Road in Far North District

Pursuant to section 20 (1) of the Public Works Act 1981, and to a delegation from the Minister of Lands, the Manager, Lands and Property, Department of Survey and Land Information, Auckland, declares that, an agreement to that effect having been entered into, the land described in the Schedule is acquired for road and shall vest in The Far North District Council on the date of publication in the *Gazette*.

Schedule

North Auckland Land District

Area
m²

Being

2817 Part Section 100, Block II, Whangape Survey District; marked "A" on plan.

295 Part Section 103, Block II, Whangape Survey District; marked "E" on plan.

1243 Part Section 101, Block II, Whangape Survey District; marked "G" on plan.

169 Part Section 100, Block II, Whangape Survey District; marked "B" on plan.

Shown marked as above mentioned on S.O. Plan 51409, lodged in the office of the Chief Surveyor at Auckland.

Dated at Auckland this 17th day of February 1993.

G. A. DAWSON, Manager, Lands and Property.

(DOSLI Ak. D.O. S.O. 51409)

ln1241

ICL

Land Acquired for Road in Waitakere City

Pursuant to section 20 (1) of the Public Works Act 1981, and to a delegation from the Minister of Lands, the Manager, Lands and Property, Department of Survey and Land Information, Auckland, declares that, an agreement to that effect having been entered into, the land described in the Schedule is acquired for road and shall vest in The Waitakere City Council on the date of publication in the *Gazette*.

Schedule

North Auckland Land District

54 square metres, being part Lot 3, D.P. 38969; shown marked "A" on S.O. Plan 64546, lodged in the office of the Chief Surveyor at Auckland.

Dated at Auckland this 12th day of February 1993.

G. A. DAWSON, Manager, Lands and Property.

(DOSLI Ak. D.O. S.O. 64546)

ln1310

ICL

Declaring Land to be Road, and Road Stopped in Manukau City

Pursuant to Part VIII of the Public Works Act 1981, and to a delegation from the Minister of Lands, the Manager, Lands and Property, Department of Survey and Land Information, Auckland declares:

- (a) Pursuant to section 114, the land described in the First Schedule to be road which shall vest in The Manukau City Council; and

(b) Pursuant to section 116, the portion of road described in the Second Schedule to be stopped.

First Schedule

North Auckland Land District

33 square metres, being part Lot 5, D.P. 24684; shown marked "A" on S.O. Plan 66487, lodged in the office of the Chief Surveyor at Auckland.

Second Schedule

North Auckland Land District

48 square metres, adjoining or passing through part Lot 5, D.P. 24684; shown marked "B" on S.O. Plan 66487, lodged in the office of the Chief Surveyor at Auckland.

Dated at Auckland this 12th day of February 1993.

G. A. DAWSON, Manager, Lands and Property.

(DOSLI Ak. D.O. S.O. 66487)

ICL
In1308

Land Acquired for Road in Auckland City

Pursuant to section 20 (1) of the Public Works Act 1981, and to a delegation from the Minister of Lands, the Manager, Lands and Property, Department of Survey and Land Information, Auckland, declares that, an agreement to that effect having been entered into, the land described in the Schedule is acquired for road and shall vest in The Auckland City Council on the date of publication in the *Gazette*.

Schedule

North Auckland Land District

Area m ²	Being
28	Part Lot 11, D.P. 3478; marked "A" on plan.
28	Part Lot 13, D.P. 3478; marked "B" on plan.
28	Part Lot 15, D.P. 3478; marked "C" on plan.
28	Part Lot 17, D.P. 3478; marked "D" on plan.
29	Part Lot 19, D.P. 3478; marked "E" on plan.
59	Part Lots 21 and 23, D.P. 3478; marked "F" on plan.
76	Part Lot 2, D.P. 33052; marked "G" on plan.
69	Part Lot 1, D.P. 3265; marked "H" on plan.
49	Part Lot 2, D.P. 3265; marked "I" on plan.
39	Part Lot 4, D.P. 3265; marked "J" on plan.
27	Part Lot 1, D.P. 74740; marked "L" on plan.

Shown marked as above mentioned on S.O. Plan 64940, lodged in the office of the Chief Surveyor at Auckland.

Dated at Auckland this 12th day of February 1993.

G. A. DAWSON, Manager, Lands and Property.

(DOSLI Ak. D.O. S.O. 64940)

ICL
In1311

Declaring Road to Be Stopped in Rodney District

Pursuant to section 116 of the Public Works Act 1981, and to a delegation from the Minister of Lands, the Manager, Lands and Property, Department of Survey and Land Information, Auckland, declares the portion of road described in the Schedule to be stopped.

Schedule

North Auckland Land District

718 square metres, adjoining or passing through Lot 3, D.P. 152661; shown marked "A" S.O. Plan 66274, lodged in the office of the Chief Surveyor at Auckland.

Dated at Auckland this 12th day of February 1993.

G. A. DAWSON, Manager, Lands and Property.

(DOSLI Ak. D.O. S.O. 66274)

ICL
In1309

Declaring Land to be Road, Road Stopped and Land Taken in Far North District

Pursuant to Part VIII of the Public Works Act 1981 and to a delegation from the Minister of Lands, the Manager, Lands and Property, Department of Survey and Land Information, Auckland, declares:

- Pursuant to section 114, the land described in the First Schedule to be road which shall vest in The Far North District Council and
- Pursuant to section 116, the portions of road described in the Second Schedule to be stopped.
- Pursuant to section 119, the land described in the Third Schedule to be taken and vested in The Far North District Council.

First Schedule

North Auckland Land District

Area ha	Being
0.8390	Crown land reserved from sale, section 122, Land Act 1908; marked "A" on plan.
0.0136	Part Lot 2, D.P. 62335; marked "B" on plan.
0.7774	Crown land; marked "F" on plan.
0.0469	Crown land; marked "H" on plan.
1.1402	Crown land reserved from sale, section 122, Land Act 1908; marked "L" on plan.

Shown marked as above mentioned on S.O. Plan 59314 and lodged in the office of the Chief Surveyor at Auckland.

Second Schedule

North Auckland Land District

Area m ²	Adjoining or passing through
2412	Lot 2, D.P. 62335; marked "E" on S.O. Plan 59314.
8392	Crown land; marked "G" on S.O. Plan 59314.
643	Crown land and Crown land reserved from sale, section 122, Land Act 1908; marked "I" on S.O. Plan 59314.
1393	Crown land and Crown land reserved from sale, section 122, Land Act 1908; marked "J" on S.O. Plan 59314.
8153	Lot 2, D.P. 62335 and Crown land reserved from sale, section 122, Land Act 1908; marked "M" on S.O. Plan 59314.
1152	Lot 1, D.P. 137471; marked "A" on S.O. Plan 64420.
2240	Lot 2, D.P. 137471; marked "B" on S.O. Plan 64420.
282	Part Lot 2, D.P. 62335; marked "A" on S.O. Plan 64967.
1194	Part Lot 1, D.P. 139226; marked "B" on S.O. Plan 64967.
578	Part Lot 2, D.P. 62335; marked "C" on S.O. Plan 64967.

Third Schedule

North Auckland Land District

Area m ²	Being
421	Crown land reserved from sale, section 122, Land Act 1908; marked "K" on plan.
6416	Crown land reserved from sale, section 122, Land Act 1908; marked "N" on plan.

Shown marked as above mentioned on S.O. Plan 59314 and lodged in the office of the Chief Surveyor at Auckland.

Dated at Auckland this 15th day of February 1993.

G. A. DAWSON, Manager, Lands and Property.

(DOSLI Ak. D.O. S.O. 59314)

ln1346

ICL

Road Stopped and Vested in Block VII, Waihua Survey District—Wairoa District

Pursuant to sections 116 (1) and 117 (3) of the Public Works Act 1981, and to a delegation from the Minister of Lands, the District Solicitor, Department of Survey and Land Information, Napier, declares the road described in the Schedule to be stopped and:

- (1) That the stopped road firstly and secondly described (now known as Sections 1 and 2, S.O. 9984) be amalgamated in certificate of title M1/535.
- (2) That the stopped road thirdly and fourthly described (now known as Sections 3 and 4, S.O. 9984) be amalgamated in certificate of title P3/1213.

Schedule

Hawke's Bay Land District

Area

ha

Being

8.3614 Legal road; as shown marked "A" on S.O. 9984.

Area

m²

Being

5230 Legal road; as shown marked "B" on S.O. 9984.

5926 Legal road; as shown marked "C" on S.O. 9984.

Area

ha

Being

1.0260 Legal road; as shown marked "D" on S.O. 9984.

S.O. 9984 is held at the office of the Chief Surveyor at Napier.

Dated at Napier this 5th day of February 1993.

P. H. GRAHAM, District Solicitor.

(DOSLI Na. D.O. 7975-C/352700)

ln1303

ICL

Crown Land Set Apart for Scientific and Industrial Research Purposes in Block XIV, Woodville Survey District

Pursuant to section 52 (1) of the Public Works Act 1981, and pursuant to a delegation from the Minister of Lands, the District Solicitor, Department of Survey and Land Information, Napier, hereby declares the Crown land described in the Schedule hereto, to be set apart for scientific and industrial research purposes.

Schedule

Hawke's Bay Land District

Area

m²

Being

4046 Section 37, Block XIV, Woodville Survey District (S.O. 7844).

Dated at Napier this 12th day of February 1993.

P. H. GRAHAM, District Solicitor.

(DOSLI Na. D.O. 8225-14)

ln1307

ICL

Land to be Set Apart for Meteorological Purposes in Kapiti Coast District

Pursuant to section 52 of the Public Works Act 1981, and to a delegation from the Minister of Lands, the Manager, Lands and Property, Department of Survey and Land Information,

Wellington, declares the land described in the Schedule hereto to be set apart for meteorological purposes.

First Schedule

Wellington Land District

All that piece of land containing 3.0785 hectares, being part Ngarara West B7 Sub 2A, 2B, and 1; shown marked "C" on S.O. 36625.

Dated at Wellington this 10th day of February 1993.

D. I. GRAY, Manager, Lands and Property.

(DOSLI Wn. D.O. 8225-16)

ln1190

ICL

Land Set Apart for Teachers Residence, Rauriki Road, Ngatamahine

Pursuant to section 52 of the Public Works Act 1981, and to a delegation from the Minister of Lands, the District Manager, Department of Survey and Land Information, New Plymouth, declares that, the land described in the Schedule hereto, is hereby set apart for teachers residence and shall vest in the Crown on the date of publication of this declaration in the *Gazette*.

Schedule

Taranaki Land District—Waitomo District

Area

m²

Being

1988 Section 1, S.O. 8576, being the balance of the land in certificate of title 119/22.

Dated at New Plymouth this 15th day of February 1993.

P. A. JACKSON, District Manager.

(DOSLI Np. D.O. C/2020-18)

ln1298

ICL

Land Acquired for Soil Conservation and River Control Purposes in Hauraki District

Pursuant to section 20 of the Public Works Act 1981, and to a delegation from the Minister of Lands, the District Solicitor, Department of Survey and Land Information, Hamilton, declares that, an agreement to that effect having been entered into, the land described in the Schedule hereto is hereby acquired for soil conservation and river control purposes and shall vest in The Waikato Regional Council on the date of publication hereof in the *Gazette*.

Schedule

South Auckland Land District

1.2080 hectares, being Section 1, S.O. 48455; as shown marked "M" on S.O. Plan 48455, lodged in the office of the Chief Surveyor at Hamilton.

Dated at Hamilton this 12th day of February 1993.

W. G. KORVER, District Solicitor.

(DOSLI Hn. 96/092000/4/0/403)

ln1316

ICL

Land Acquired for Soil Conservation and River Control Purposes in Western Bay of Plenty District

Pursuant to section 20 of the Public Works Act 1981, and to a delegation from the Minister of Lands, the District Solicitor, Department of Survey and Land Information, Hamilton, declares that, an agreement to that effect having been entered into, the land described in the Schedule hereto is hereby acquired for soil conservation and river control purposes and shall vest in The Bay of Plenty Regional Council on the date of publication hereof in the *Gazette*.

Schedule**South Auckland Land District**

662 square metres, being part Karangi A3D2B Block; as shown marked "7E" on S.O. Plan 57489, lodged in the office of the Chief Surveyor at Hamilton.

Dated at Hamilton this 11th day of February 1993.

W. G. KORVER, District Solicitor.

(DOSLI Hn. 96/146000/0/137)

1CL

ln1317

Land Acquired for Road in Western Bay of Plenty District

Pursuant to section 20 of the Public Works Act 1981, and to a delegation from the Minister of Lands, the District Solicitor, Department of Survey and Land Information, Hamilton, declares that, an agreement to that effect having been entered into, the land described in the Schedule hereto is hereby acquired for road and shall vest in The Western Bay of Plenty Regional Council on the date of publication hereof in the *Gazette*.

Schedule**South Auckland Land District**

1604 square metres, being part Karangi A3D2B Block; as shown marked "A" on S.O. Plan 59433, lodged in the office of the Chief Surveyor at Hamilton.

Dated at Hamilton this 11th day of February 1993.

W. G. KORVER, District Solicitor.

(DOSLI Hn. 96/146000/0/137)

1CL

ln1318

Land Acquired for Soil Conservation and River Control Purposes in Thames-Coromandel District

Pursuant to section 20 of the Public Works Act 1981, and to a delegation from the Minister of Lands, the District Solicitor, Department of Survey and Land Information, Hamilton, declares that, an agreement to that effect having been entered into, the land described in the Schedule hereto is hereby acquired for soil conservation and river control purposes and shall vest in The Waikato Regional Council on the date of publication hereof in the *Gazette*.

Schedule**South Auckland Land District**

Area m ²	Being
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860 Part Tarakiwhati 2B Block, part D.P. 9063; marked "L" on plan.

80 Part Section 1, S.O. 58429; marked "M" on plan.

As shown marked as above mentioned on S.O. Plan 59043, lodged in the office of the Chief Surveyor at Hamilton.

Dated at Hamilton this 9th day of February 1993.

W. G. KORVER, District Solicitor.

(DOSLI Hn. D.O. 96/092000/4/0/330)

1CL

ln1319

Land Set Apart for the Purposes of a State School in Whakatane District

Pursuant to section 52 of the Public Works Act 1981, and to a delegation from the Minister of Lands, the District Solicitor, Department of Survey and Land Information, Hamilton, declares the land described in the Schedule hereto to be set apart for the purposes of a State school.

Schedule**South Auckland Land District**

1011 square metres, being Allotment 100 of the Town of Richmond. All certificate of title, Volume 767, folio 172, limited as to parcels.

Dated at Hamilton this 11th day of February 1993.

W. G. KORVER, District Solicitor.

(DOSLI Hn. S.G.P. 785)

1CL

ln1320

Land in Hauraki District Set Apart for a Teachers Residence

Pursuant to section 52 of the Public Works Act 1981, and to a delegation from the Minister of Lands, the District Solicitor, Department of Survey and Land Information, Hamilton, declares the land described in the Schedule hereto to be set apart for a teachers residence.

Schedule**South Auckland Land District**

5054 square metres, being part Section 10, Block XII, Piako Survey District, and being part D.P. 17346. All certificate of title, Volume 392, folio 40.

Dated at Hamilton this 12th day of February 1993.

W. G. KORVER, District Solicitor.

(DOSLI Hn. S.G.P. 665)

1CL

ln1321

Land at 34 Courtenay Street Acquired for Road Diversion

Pursuant to section 20 (1) of the Public Works Act 1981, and to a delegation from the Minister of Lands, the District Solicitor, Department of Survey and Land Information, Christchurch, declares that, an agreement to that effect having been entered into, the land described in the Schedule hereto is hereby acquired, subject to Order in Council 630, for road diversion and shall vest in The Christchurch City Council on the date of publication of this declaration in the *Gazette*.

Schedule**Canterbury Land District—Christchurch City**

607 square metres, being Lot 3 on Deposited Plan 5200, all certificate of title, Volume 319, folio 233.

Dated at Christchurch this 9th day of February 1993.

R. J. MILNE, District Solicitor.

(DOSLI Ch. D.O. 35/1/181)

1CL

ln1214

Land at Flat 1, 112 Pages Road Acquired for Road Diversion

Pursuant to section 20 (1) of the Public Works Act 1981, and to a delegation from the Minister of Lands, the District Solicitor, Department of Survey and Land Information, Christchurch, declares that, an agreement to that effect having been entered into, the land described in the Schedule hereto is hereby acquired, the *first* described estate being subject to memoranda of lease No. 972586/1 and 972586/3, for road diversion and shall vest in The Christchurch City Council on the date of publication of this declaration in the *Gazette*.

Schedule**Canterbury Land District—Christchurch City**

Firstly, an estate in fee simple as to an undivided one-half share of 761 square metres, being Lot 5 on Deposited Plan 12769; and *secondly*, an estate of leasehold created by lease No. 972586/1 in Flat 1 and garage and shed with Flat 1 on

Deposited Plan 60196, both the above described estates being comprised and described in all certificate of title 35B/370.

Dated at Christchurch this 9th day of February 1993.

R. J. MILNE, District Solicitor.

(DOSLI Ch. D.O. 35/1/182)
ln1215

1CL

Land Acquired for Addition to Paraheka Scenic Reserve—Gisborne District

Pursuant to section 20 (1) of the Public Works Act 1981, and to a delegation from the Minister of Lands, the District Manager, Department of Survey and Land Information, Gisborne, declares that, an agreement to that effect having been entered into, the land described in the Schedule is acquired for a scenic reserve under the provisions of section 19 (1) (a) of the Reserves Act 1977 and as an addition to the Paraheka Scenic Reserve and shall vest in Her Majesty the Queen on the date of publication in the *Gazette*.

Schedule

Gisborne Land District

Area ha	Being
42.6800	Section 1, S.O. 8634.
54.5600	Section 2, S.O. 8634.

S.O. 8634 is held in the office of the Chief Surveyor at Gisborne.

Dated at Gisborne this 8th day of February 1993.

R. H. WINMILL, District Manager.

(DOSLI Na. D.O. 5350-C2000-04)
ln1304

1CL

Land Acquired for Road—Innes Street, Gisborne City

Pursuant to section 114 (1) of the Public Works Act 1981, and to a delegation from the Minister of Lands, the District Manager, Department of Survey and Land Information, Gisborne declares the land described in the Schedule to be road which vests in The Gisborne District Council.

Schedule

Gisborne Land District

Area m ²	Being
6405	Part Lot 3, D.P. 7130; marked "A" on S.O. 8619 held in the office of the Chief Surveyor at Gisborne.

Dated at Gisborne this 8th day of February 1993.

R. H. WINMILL, District Manager.

(DOSLI Na. D.O. 7975-C063528)
ln1305

1CL

Easements Acquired for Irrigation in Connection with School at Desmond Road, Gisborne

Pursuant to section 20 (1) of the Public Works Act 1981, and to a delegation from the Minister of Lands, the District Manager, Department of Survey and Land Information, Gisborne, declares that, an agreement to that effect having been entered into, the easements described in the Second Schedule hereto are acquired as easements in gross over those parts of the land described in the First Schedule as are specified in the Second Schedule and shall vest in the Crown (hereinafter called "the grantee") for the purposes of irrigation in connection with a school on the date of publication in the *Gazette*. Such easements may be surrendered at any time by notice published in the *Gazette*.

First Schedule

Gisborne Land District

Area m ²	Being
822	Lot 16, D.P. 1399 comprised in certificate of title 5C/1377.

Second Schedule

Gisborne Land District

Right to Convey Electricity

The right to convey electricity over those parts of the land in the First Schedule; marked "A" and "B" on S.O. 8365.

Right to Draw and Convey Water

The right to draw and convey water over the land in the First Schedule; shown marked "B" on S.O. 8365.

Rights and Powers Included in Easements

Right to Convey Electricity

The full, free, uninterrupted and unrestricted right for the grantee and its tenants in common with the grantor and its tenants and any other person lawfully entitled so to do to lay cables under the land over which the easement is granted and along the line defined for the purpose and to convey electricity through such line including the right to use any cables already laid. The rights as contained in clause 5 of the Seventh Schedule to the Land Transfer Act 1952 will apply to this easement *metatis mutandis*.

Right to Draw and Convey Water

As set out in the Seventh Schedule to the Land Transfer Act 1952 under the heading "Right to Convey Water".

S.O. 8365 is held in the office of the Chief Surveyor at Gisborne.

Dated at Gisborne this 10th day of February 1993.

R. H. WINMILL, District Manager.
ln1306

1CL

Regulation Summary

Notice Under the Acts and Regulations Publication Act 1989

Pursuant to the Acts and Regulations Publication Act 1989, notice is hereby given of the making of regulations as under:

<i>Authority for Enactment</i>	<i>Title or Subject-matter</i>	<i>Serial Number</i>	<i>Date of Enactment</i>	<i>Price Code</i>	<i>Postage and Packaging</i>
Maori Trust Boards Act 1955	Maori Trust Boards Regulations 1985, Amendment No. 5	1993/11	15/2/93	5-BY	\$2.30
Corporations (Investigation and Management) Act 1989	Corporations (Investigation and Management) Order 1993	1993/12	15/2/93	2-A	\$1.60
Electoral Act 1956	Electoral Regulations 1981, Amendment No. 11	1993/13	15/2/93	6-BY	\$2.30
Resource Management Act 1991	Resource Management (Approval of Auckland International Airport Limited as Requiring Authority) Order 1993	1993/14	15/2/93	3-BX	\$2.10
Resource Management Act 1991	Water Conservation (Rangitikei River) Order 1993	1993/15	15/2/93	4-BX	\$2.10
Telecommunications Act 1987	Telecommunications Network Operators Order 1993	1993/16	15/2/93	2-A	\$1.60

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