

To: Hon Damien O'Connor, Minister for Land Information
Hon Barbara Edmonds, Associate Minister of Finance

ASSESSMENT REPORT: Taumata Plantations Limited

Special Forestry Test – Application for Standing Consent

Date	5 September 2023	Classification	IN CONFIDENCE: Commercially sensitive
LINZ reference	202200328 BRF 24-095	Deadline	19 September 2023

Purpose

LINZ seeks your decision on an application for standing consent to acquire sensitive land for forestry purposes under the Overseas Investment Act 2005 (the **Act**).

Action sought

1. Review this report and consult with each other if desired.
2. Determine whether to grant consent and, if so, on what conditions.
3. Indicate your decision from page 3.

Toitū Te Whenua Land Information New Zealand (LINZ) Contacts

Name	Position	Contact	First contact
Pedro Morgan	Lead Advisor	04 460 2785	<input checked="" type="checkbox"/>

Released under the Official Information Act 1982

A. Summary

1. The Applicant (Taumata Plantations Limited - **TPL**) is seeking a standing consent to acquire sensitive land for forestry purposes.¹
2. TPL was formed for the purposes of holding various North Island forestry estates originally acquired by Hancock Group from Carter Holt Harvey Limited in 2006. TPL owns or controls over 157,000 hectares (123,400 planted) of forestry estate in the North Island² and is one of the largest forestry owners in New Zealand.
3. TPL contracts with Manulife Investment Management Forest Management (NZ) Limited (**MFM (NZ)**) to manage its forestry estate. MFM (NZ) is the largest forestry management company in New Zealand.
4. TPL seeks this standing consent to acquire small parcels of land as part of boundary adjustments, small forestry blocks (up to 2,500 ha) adjoining or in the vicinity of its existing forestry estates and to renew, re-grant or extend existing forestry leases and forestry rights.
5. For the reasons set out in this report, LINZ's recommendation is to **grant consent**.

Key information

Applicant	Taumata Plantations Limited (Canada 42.35%, Australia 27.89%, United Kingdom 15.17%, United States of America 14.59%)	
Application type	Standing Consent (forestry activities) for overseas investments in sensitive land.	
Requested scope of standing consent	Interest types	Freehold, leasehold and forestry rights
	Land types	Existing forests
	Location	North Island
	Max transactions	15 transactions
	Max total area	20,000 ha
	Max area per transaction	2,500 ha
	Requested duration	Five years from the Consent date

¹ Under Schedule 4, clause 3 of the Act.

² as at 31 December 2021

Timing

6. The Overseas Investment Regulations 2005 specify the total assessment timeframe for this application is 100 working days. This application is now outside of the statutory timeframe, after being delayed while LINZ waited for the report of the Ministerial Inquiry into Land Use and the Government's response.

B. Decision

Core tests

7. I determine that:
- (a) The 'relevant overseas person' (ROP) is solely Taumata Plantations Limited (the Applicant).
- (b) The 'individuals with control of the relevant overseas person' (IWC) are:

Individuals with control	Role
Michael Nicholas Allen	Directors of Taumata Plantations Limited
Stephen John Baldwin	
Anthony Joseph Cascio	
Marc Christopher deBree	
Robert Bruce Mervyn Green	
Angeleen Dian Jenkins	
Bruce Raymond Manley	
Stephen Peter Nicholas Ping	
Thomas Gerald Sarno	
Wilfred Steiner	
Murray James Taggart	
Eduardo Aurelio Hernández Fernández	

8. None of the ROP and IWC have established any of the factors contained in section 18A(4) of the Act.
9. I am satisfied that the investor test in section 18A has been met.

Hon Damien O'Connor

Agree

Disagree

Hon Barbara Edmonds

Agree

Disagree

10. I am satisfied, in relation to the remaining criteria for a forestry activities standing consent set out in clause 3 of Schedule 4 of the Act, that:

(a) The following conditions will be, or are likely to be, met:

- (i) conditions that must be imposed for the purpose of ensuring that the special test relating to forestry activities (the **Special Forestry Test**) is met for each overseas investment under the standing consent;
- (ii) conditions that must be imposed requiring farm land/farm land securities to be offered for acquisition on the open market to non-overseas persons;³
- (iii) conditions that must be imposed requiring that LINZ be notified of each transaction settled under the Standing Consent; and
- (iv) additional conditions that may be imposed including conditions limiting the land that can be acquired under the standing consent.

(b) The Applicant has adequate processes in place for meeting the requirements of Regulation 29 (that is – the continuation of existing arrangements, existing conditions of consent, and log supply obligations).

(c) The Applicant has a strong track record of compliance with the Act (or corresponding laws overseas) and with conditions and other requirements imposed under it.

Hon Damien O'Connor

Agree

Disagree

Hon Barbara Edmonds

Agree

Disagree

Limits

11. The consent is to be limited as set out in the attached schedule of limits.

National interest

12. I note that a national interest assessment is not required under section 20A of the Act and the Minister of Finance has not notified a transaction of national interest under section 20B of the Act.

³ LINZ recommends against granting a standing consent allowing the acquisition of farm land, making this condition redundant.

Decision

13. My ultimate decision is to:

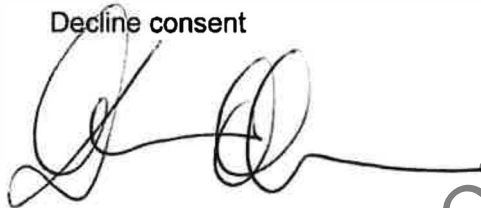
Hon Damien O'Connor

Grant consent subject to the conditions in the Proposed Decision in **Attachment 1** (reflecting the limits sought by the Applicant)

Grant consent subject to the conditions in the Proposed Decision in **Attachment 1**, modified in accordance with the limits in the schedule of limits

Grant consent with amended conditions provided on:

Decline consent



Hon Damien O'Connor

Date: 11/9/23

Hon Barbara Edmonds

Grant consent subject to the conditions in the Proposed Decision in **Attachment 1** (reflecting the limits sought by the Applicant)

Grant consent subject to the conditions in the Proposed Decision in **Attachment 1**, modified in accordance with the limits in the schedule of limits

Grant consent with amended conditions provided on:

Decline consent



Hon Barbara Edmonds

Date: 9/10/23

Released under the Official Information Act 1982

C. Background

14. The 'special test relating to forestry activities' (or 'special forestry test') was introduced in 2018 as an alternative pathway to the Benefit to New Zealand test (**Benefit test**).
15. The Government created the special forestry test as a more permissive pathway in recognition of the significant role of the forestry sector for New Zealand and its reliance on foreign direct investment, and to support other Government priorities including the One Billion Trees Programme. This change was made in response to the Benefit test being administratively challenging for forestry investors, as well as the importance of the forestry sector to New Zealand.
16. The special forestry test is a lighter touch way to screen forestry investment. It is an objective, checklist-style test that focuses on:
 - (a) ensuring the relevant land will be used for forestry purposes, and
 - (b) maintaining the status quo in relation to such things as environmental protection, public access and log supply contracts.
17. The special forestry test does not consider the benefits or detriments of a particular investment and provides limited room for the exercise of ministerial discretion.
18. 'Standing consents' for investments under the special forestry test allow an investor to apply for consent before identifying the land they want to acquire (a form of 'pre-approval' or 'advance consent').
19. Standing consents avoid the need to make an application for consent for each transaction, providing:
 - (a) certainty for both purchaser and vendor
 - (b) reducing settlement times, and
 - (c) reducing costs.
20. Six forestry standing consents were granted since they became available in 2018. A summary of these standing consents is set out in **Attachment 4**.

D. Criteria for granting a standing consent

21. Ordinarily, Ministers must be satisfied that either the special forestry test or the benefit test is met before granting consent to a forestry investment. However, the standing consent regime allows Ministers to grant consent in advance of a transaction in certain circumstances.
22. Ministers may grant a standing consent if satisfied that the statutory criteria are met. At a high level, investors seeking a standing consent must satisfy Ministers of four criteria:
 - (a) they meet the investor test
 - (b) that the conditions imposed on the standing consent will, or are likely to be, met
 - (c) they have adequate processes in place for meeting the requirements set out in Overseas Investment Regulations 2005 (e.g. continuing existing arrangements, existing consent conditions, and log supply obligations), and
 - (d) they have a strong record of compliance with the Act and with conditions and other requirements imposed under it.

23. The criteria for a standing consent does not allow for the consideration of the broader impacts of an investment (for example, the impact on local communities or the environment).
24. LINZ assesses the investor test in **Section E**, the Applicant's reasons for seeking a standing consent and proposed scope in **Section F**, the requirements for a forestry standing consent in **Section G**, standing consent conditions in **Section H**, the residual discretion to decline a standing consent in **Section I**, and national interest matters in **Part J**.

E. Applicant and investor test

4. This section describes the Applicant and assesses whether the investor test is met.

Business Activities

5. Taumata Plantations Limited (TPL or the **Applicant**) is a New Zealand registered company (number 1861621) incorporated in September 2006.
6. TPL is an investment holding company which was created and is managed by Manulife Investment Management Timberland and Agriculture Inc (MIMTA) pursuant to an **Investment Management Agreement**.
7. TPL was formed for the purpose of holding the various North Island forestry estates originally acquired by the Hancock Group from Carter Holt Harvey Limited in 2006⁴ (which at the time comprised approximately 240,500 hectares of freehold and leasehold land) on behalf of its shareholders. At that time, this was the largest forestry transaction ever in New Zealand.
8. TPL is one of the largest forestry owners in New Zealand's in terms of area and value, with S9(2)(b)(ii) of assets for the 2022 financial year. It owns or controls over 157,000 hectares (123,400 ha planted) of forestry estate in the North Island.⁵
9. TPL directly owns some of its forestry estates, but the majority are held by its wholly owned subsidiary companies. As such, TPL has requested the standing consent apply to both itself, and its wholly owned subsidiaries.
10. TPL's forestry estates are managed by Manulife Investment Management Forest Management (NZ) Limited (MFM (NZ))⁶, pursuant to a **Forest Management Agreement** between MFM (NZ) and MIMTA.

MIMTA and MFM(NZ)

11. MIMTA is a forestry and agricultural investment manager, which manages over S9(2)(b)(ii) of farmland assets and over S9(2)(b)(ii) in forestry assets (as at 31 March 2021) across Australia, Canada, Chile, New Zealand and the United States of America. MIMTA is headquartered in Boston, MA. MIMTA is a signatory to the United Nations Principles for Responsible Investment.
12. MFM (NZ) is the largest forestry management company in New Zealand in terms of area and value. MFM (NZ) holds both Forest Conservation Fund and Programme for the Endorsement of Forest Certification certificates.

⁴ Case 200620057

⁵ as at 31 December 2021

⁶ Formerly known as Hancock Forest Management New Zealand Limited, a wholly owned subsidiary of Manulife Investment Management Timberland and Agriculture (Australasia) Pty Limited (a wholly owned subsidiary of MIMTA).

Ownership

13. The shares of TPL are held as follows:

- The Manufacturers Life Insurance Company, which holds a 42.35% interest;
- BNP Paribas Nominees Pty Limited (solely in its capacity as nominee for BNP Paribas Securities Services as custodian for UniSuper Limited as trustee for UniSuper), which holds a 27.89% interest;
- Stafford Taumata Nominee Limited, which holds a 15.17% interest;
- Teachers Insurance and Annuity Association of America, which holds a 7.05% interest;
- Great River Timber LLC, which holds a 4.06% interest; and
- Taumata I LLC, which holds a 2.94% interest.

The Manufacturers Life Insurance Company

14. The Manufacturers Life Insurance Company was incorporated in Canada in 1887.
15. It provides financial services to personal and business clients, and asset management services to institutional customers.
16. The Manufacturers Life Insurance Company is wholly owned by Manulife Financial Corporation, a company incorporated in Canada and listed on the Toronto (TSX), New York (NYSE), Hong Kong (SEHK) and Philippine (PSE) Stock Exchanges. The shares of Manulife Financial Corporation are widely held, with no shareholder holding an interest more than 10%.

BNP Paribas Nominees Pty Limited

17. BNP Paribas Nominees Pty Limited is an Australian trustee company which acts as master custodian to UniSuper Limited, the trustee of UniSuper.
18. UniSuper is an Australian superannuation fund dedicated to academic and general staff in Australia's higher education and research sector.
19. UniSuper Limited was incorporated in Australia in 1982.⁷ As trustee of the UniSuper fund, UniSuper Limited holds a group of pooled assets for the benefit of the UniSuper fund's members.
20. UniSuper Limited's shares are held by Australian universities, with each university holding one share.
21. LINZ considers that UniSuper is likely a non-New Zealand Government Investor, to whom the national interest test would *usually* be applied. However, for reasons set out in **Section J**, the national interest test does not apply to standing consents and so nothing strictly turns on UniSuper's status.

Control

22. Operational management and control of TPL and its forestry estates are the responsibility of MIMTA and MFM (NZ) pursuant to the Investment Management Agreement and the Forest Management Agreement respectively.

⁷ Australian Company Number 006027121

23. The Forest Management Agreement specifies delegations of decision-making authority and authority limits for MFM (NZ) in relation to contracts, permits, expenses, invoices and other internal business matters of TPL.
24. Approval of budgets is made by the MIMTA chief operations officer, MIMTA managing director, MIMTA Australia managing director or the Board of Directors of TPL (the **Board**).
25. Delegations are controlled by the Board and decisions regarding delegations are made by the Board.
26. Pursuant to the Investment Forest Management Agreement, MIMTA and MFM (NZ) review proposed acquisitions and divestments and provide recommendations to the Board.
27. The Board has the authority to approve all acquisitions and divestments and decides on any major capital or operating expenditure in relation to TPL's business.
28. Neither the Manufacturers Life Insurance Company nor BNP Paribas Nominees Pty Limited/UniSuper Limited have any operational control over TPL.
29. The shareholders do not hold any decision making powers in respect of TPL, except those normally granted to shareholders at law. This includes the powers to appoint and remove directors, however such directors are selected and nominated by MIMTA. The directors are independent and not employees of the shareholders.

Relevant overseas person and individuals with control

30. LINZ recommends that the '**relevant overseas person**' (**ROP**) is solely the Applicant - Taumata Plantations Limited (TPL).
31. LINZ recommends that the '**individuals with control of the relevant overseas person**' (**IWC**)⁸ in their capacity as directors of TPL are:

Individuals with control
Michael Nicholas Allen
Stephen John Baldwin
Anthony Joseph Cascio
Marc Christopher deBree
Robert Bruce Mervyn Green
Angeleen Dian Jenkins
Bruce Raymond Manley
Stephen Peter Nicholas Ping
Thomas Gerald Sarno
Wilfred Steiner
Murray James Taggart
Eduardo Aurelio Hernández Fernández

⁸ Section 15.

Summary of investor test

32. The ROP and IWC established none of the factors contained in section 18A(4) of the Act.
33. For the reasons set out above, LINZ's conclusion is that the investor test has been met.

F. Requested standing consent

34. In this section LINZ describes the Applicant's reasons for seeking a standing consent and the scope of the standing consent requested. LINZ also briefly examines the Applicant's existing business including historic log quality and volumes, as these provide context for the scope of the requested standing consent.

Reason for the standing consent/investment strategy

35. TPL seeks its first forestry standing consent. It intends to use this consent to:
 - acquire small parcels of land as part of boundary adjustments with neighbouring landowners in situations where the legal boundaries do not align with natural geographic boundaries or historic usage;
 - acquire relatively small (up to 2,500 hectare) forestry blocks adjoining or in the vicinity of its existing estates; and
 - renew, re-grant or extend existing forestry leases and forestry rights in the ordinary course of business.
36. TPL considers that the above acquisitions are 'ordinary course of business' transactions that are usual and incidental to operating a large forestry estate. In the event that TPL wished to acquire a large, standalone forestry estate that was not in the vicinity of its existing forest estates, TPL would apply for a separate consent under the Act and not rely on a standing consent.
37. Obtaining a standing consent will be of significant benefit to TPL as it will:
 - allow TPL to proceed with the types of transactions listed above without the need to obtain prior consent under the Act;
 - allow TPL to enter into contracts which are not conditional on obtaining consent under the Act which will mean that they are completed in a shorter timeframe;
 - TPL will be considered a more preferable purchaser as opposed to other overseas bidders who require consent under the Act; and
 - reduce costs for TPL due to the smaller fee that is payable for standing consent transactions.

Silvicultural practices and destination of logs

38. During the course of its assessment LINZ requested further information regarding TPL's past silvicultural practices and the destination of logs produced. Specifically, LINZ requested that TPL provide it with the following:
 - information about intended silviculture practices for acquisitions to be made under the standing consent;
 - an analysis of the type/quality of logs sold in the past;
 - any modelling available showing the expected type/quality of logs currently being grown (especially those due to be harvested in the next 10 years); and

- an analysis of the where logs have been sold in the past broken down between domestic and export, and if possible to include a breakdown by grade of logs.

Intended silvicultural practices

39. TPL intend to keep investing in predominantly *Radiata* Pine species. An optimal silvicultural regime which is relevant to the land acquired will be implemented.
40. TPL does not typically undertake pruning but does thin the trees around age 10 (targeting a final crop stocking of 600 stems per hectare). Its rotation timeframes for *Radiata* crops are typically between 25 – 30 years. Following harvest of the trees, TPL will either export them or sell them within the domestic market.

Quality of logs sold historically

41. Between 2013 and 2022, TPL's average log grade production was as follows:
 - Pruned logs S9(2)(b)(ii) (total harvest volume S9(2)(b)(ii)³);
 - Sawlogs S9(2)(b)(ii) (total harvest volume S9(2)(b)(ii)³);
 - Pulp logs S9(2)(b)(ii) (total harvest volume S9(2)(b)(ii)³);
 - Residues S9(2)(b)(ii) (total harvest volume S9(2)(b)(ii)³); and
 - Douglas-fir and other minor species S9(2)(b)(ii) (total harvest volume S9(2)(b)(ii)³).

Expected quality of logs currently being targeted

42. TPL projects its production for the next ten years to be as follows:
 - Pruned logs S9(2)(b)(ii) (total harvest volume S9(2)(b)(ii) m³);
 - Sawlogs S9(2)(b)(ii) (total harvest volume S9(2)(b)(ii)³);
 - Pulp logs S9(2)(b)(ii) (total harvest volume S9(2)(b)(ii)³); and
 - Douglas-fir and other minor species S9(2)(b)(ii) (total harvest volume S9(2)(b)(ii)³).
43. TPL has noted that its domestic pulp sales are governed by long-term wood supply agreements S9(2)(b)(ii) S9(2)(b)(ii)
44. Further details TPL's projected log production are included at **Attachment 2**.

Breakdown of logs between domestic and export

45. TPL states its preference is to supply to the domestic market where customer grade specifications can be met. TPL export logs when no domestic market exists (or is prohibitively uneconomic).
46. Between 2013 and 2022, TPL supplied an average of 55% of its logs to the domestic market (total harvest volume of 18,508,023 m³) and 45% to the export market (total harvest volume 15,148,811 m³).

47. The tables below show the volume of TPL's exports and domestic sales and the respective proportion of these sales between the 2016 and 2021 calendar years:

- Volume (m³) of exports and domestic sales

<i>Calendar year</i>	S9(2)(b)(ii)
2016	
2017	
2018	
2019	
2020	
2021	
Total	

- Proportion of exports and domestic sales

<i>Calendar year</i>	<i>Export</i>	<i>Domestic</i>
2016	S9(2)(b)(ii)	
2017		
2018		
2019		
2020		
2021		
Total		

Scope of the standing consent

48. The following table outlines the scope of the standing consent requested. This scope of explored further in LINZ's advice on the proposed limits of the standing consent in Section H.

Interest types	Freehold, leasehold and forestry rights
Land types	Existing forestry land and land for conversion (but note that LINZ recommends granting standing consent for existing forestry land only)
Location	North Island
Max transactions	15
Max total area	20,000 ha
Max area per transaction	2,500 ha
Request duration	Five years from the Consent date

G. Requirements for a forestry standing consent

49. This section addresses the remaining criteria for a forestry standing consent:
- the conditions that will be imposed on the consent (both mandatory and discretionary) are likely to be met;⁹
 - the Applicant has adequate processes in place for meeting the requirements set out in regulations (continuing existing arrangements, existing consent conditions and log supply obligations);¹⁰
 - the Applicant has a strong record of compliance with the Act or corresponding laws overseas, and with conditions and other requirements imposed under the Act or the relevant laws.¹¹
50. This section first describes the processes and systems the Applicant will use to meet the above criteria. It then addresses whether these criteria have been met.
51. Various mandatory and discretionary conditions of consent will be imposed which will ensure that all standing consent (forestry activities) requirements will be met. These consent conditions are included in **Attachment 1**.

Processes for complying with requirements

52. TPL will continue to engage its solicitors Anderson Lloyd to review each investment under the standing consent to ensure it complies with the requirements of the standing consent and that any conditions will be complied with.

Pre-acquisition legal review

53. TPL will undertake due diligence including reviewing maps, satellite imagery, stand data and physical inspections of the properties.
54. TPL will engage with the vendors/grantor/lessors of the relevant interest being acquired to obtain any information necessary to inform Anderson Lloyd's review.
55. Anderson Lloyd's pre-acquisition legal review will include obtaining an accredited agent Land Certificate, reviewing overseas investment decision summaries, LIM reports, relevant district plans, title information and aerial mapping.
56. Anderson Lloyd will also review publicly available information such as the New Zealand Heritage List/Rārangī Kōrero, the Archaeological Association database, the Walking Access Maps on the Walking Access Commission Ara Hīkoi Aotearoa website and will make enquiries with Department of Conservation, Heritage New Zealand and the Walking Access Commission where necessary.

Post-acquisition implementation

57. The Risk and Assurance Manager for MFM (NZ)¹² will be responsible for managing the standing consent programme for TPL and will work together with MFM (NZ)'s regional managers to ensure the requirements of the standing consent are complied with.
58. Copies of consents are held by relevant contractors and operations staff.
59. MFM (NZ)'s Environmental Manager will oversee compliance with all conditions of consent using TPL's Environmental Management System (**EMS**). An annual audit of

⁹ Schedule 4, clause 3(2)(b) of the Act.

¹⁰ Schedule 4, clause 3(2)(c) of the Act. The relevant regulations are set out in reg 29 of the Overseas Investment Regulations 2005.

¹¹ Schedule 4, clause 3(2)(d) of the Act.

¹² Lynda McCalman

TPL's land holdings will be completed to ensure that OIA requirements are being complied with.

Compliance with conditions of consent

60. The Act requires that standing consents include mandatory conditions to ensure that, for each investment the consent will apply to:¹³
- the requirements of the Special Forestry Test are met;
 - the farm land advertising requirements are met;¹⁴ and
 - LINZ is notified of the transaction and how the requirements of the regulations will be met in respect of it.
61. The Act also provides for additional, discretionary conditions to be imposed.¹⁵ This may include conditions limiting the scope of the standing consent.
62. For a standing consent to be granted, the conditions that will be imposed on the consent must be likely to be met. The table in **Attachment 3** sets out why LINZ consider those conditions will likely be complied with.
63. LINZ is satisfied that the conditions that will be imposed on the standing consent are likely to be met having regard to:
- the nature of TPL's business – which is entirely forestry related;
 - TPL's reasons for acquiring the land under the standing consent – to grow its forestry estate;
 - the due diligence processes set up by TPL;
 - the pre-acquisition legal review imposed under the conditions of consent;
 - TPL's track record of compliance.

Processes for meeting requirements in regulations

64. The second criterion for a standing consent is that the Applicant has adequate processes in place for meeting the requirements set out in regulations. Those requirements are that:¹⁶
- existing arrangements in respect of the land for certain purposes must be continued. This includes arrangements for public access, and for protecting indigenous flora and fauna, trout, salmon, wildlife and game, historic places or areas and wāhi tapu, and Māori reservation land;
 - existing conditions of consent relating to the same purposes referred to above must be complied with; and
 - existing log supply obligations will be met.
65. The existence of these arrangements, conditions and obligations will be identified through TPL's normal due diligence processes (outlined above).

¹³ Schedule 4, clause 3(3) of the Act.

¹⁴ This condition is not applicable - the scope of the standing consent requested only includes the acquisition of forestry land (i.e., the acquisition of farm land will not be permitted under the consent).

¹⁵ Schedule 4, clause 3(4) of the Act.

¹⁶ Overseas Investment Regulations 2005, regulation 29(2) and 29(5) (definition of "specified purpose").

66. MFM (NZ) will enter spatial information for the new forestry assets acquired into its GIS based land information system and will incorporate any existing arrangements into the EMS to ensure that they are managed properly and taken into account when planning and undertaking operations.
67. Any existing indigenous reserve areas or special habitats will be managed to no less a standard that required by the Forest Stewardship Council (FSC). TPL has been certified to the FSC since 2004 and has been audited annually. It advises that no significant issues have arisen since it was first certified by FSC.
68. In addition, identified indigenous reserve areas are protected under indigenous reserves management processes and will be managed in accordance with NZS AS 4708 (Sustainable Forest Management)¹⁷, the NZ Forest Accord¹⁸, the National Environmental Standard for Plantation Forestry and any relevant Regional or District Plan rules.
69. TPL has management protocols in place for key species utilising the production forest (e.g. kiwi, falcon, bats). TPL will:
- seek advice from Department of Conservation staff and ecologists if forestry operations could affect existing habitats;
 - undertake work under the direction of a qualified archaeologist when heritage sites are encountered; and
 - consult with iwi regarding the management of wahi tapu and Māori reservations sites.
70. TPL has a history of allowing recreational use for a wide range of activities (including walking, horse riding, motorcycle riding, mountain biking, hunting and bird shooting) where it is compatible with safety, environmental compliance and management of fire risk through a permit system.
71. Any existing access arrangements will be transferred into the online MFM (NZ) access permitting system to ensure they continue. This system requires anyone who wishes to access MFM (NZ) land to undertake a health and safety induction online before requesting a permit for access. Permits will only be issued to people with a current health and safety induction certificate (which is valid for 12 months).
72. MFM (NZ)'s Woodflow Manager manages log supply agreements, and will manage any existing log supply agreements as follows:
- Long term log supply agreements typically specify how the parties will manage the delivery of logs. Typically these agreements involve monthly tracking of volume and meeting the party involved.
 - Short term domestic log sales are almost all based on quarterly agreed volumes and negotiated price. Actual deliveries are managed between the MFM (NZ) woodflow team and individual customer representatives. There is considerable flexibility to match supply with customer requirements at a weekly and even daily level.
73. LINZ is satisfied that TPL has adequate process in place for meeting requirements in the regulations.

¹⁷ The objective of this standard is to provide forest managers with cultural, economic, environmental and social requirements that support the sustainable management of forests.

¹⁸ An agreement between forestry interests and the environment and conservation organisations that made up the New Zealand Rainforest coalition.

74. **Special Condition 2** will require TPL to undertake certain due diligence steps which will identify whether any qualifying existing arrangements, prior consent conditions or log supply obligations exist.

Compliance record

75. The final criterion for the issue of a standing consent is that the Applicant has a strong record of compliance with the Act or corresponding overseas laws.

Previous consents

76. The following table lists previous overseas investment consents¹⁹ held by the Applicant and entities related to the Applicant:

Case No.	Consent Holder	Investment
200520056		The acquisition of shares and notes in CNI Timber Holdco, which held a forestry right over 6,420ha of the Tahorakuri forest through a subsidiary (CNI Timber Operating Company Limited).
200620057	Hancock Natural Resource Group, Inc ²⁰	The acquisition of the Carter Holt Harvey Forest Estates comprising: <ul style="list-style-type: none"> up to 176,902ha of freehold land; up to 63,615ha of leasehold land; up to 100% of the securities of NZ Forest Products Limited, AHL Group Limited, Carter Holt Harvey Equities (No.12) Limited and Carter Holt Harvey Forest Holdings Limited.
201210001		The acquisition of a freehold interest in approximately 72ha of land located at Kinleith, Motueka Valley Highway and State Highway 12. These small parcels of stopped roads were overlooked as part of the original 2006 acquisition.
200910015	Hancock Natural Resource Group Inc	The acquisition of rights or interests in further shares and other securities in TPL
201610079	The Manufacturers Life Insurance Company	The acquisition of rights or interests in further shares and other securities in TPL.
201610081	Unisuper Limited	The acquisition of rights or interests in further shares and other securities in TPL.

77. LINZ does not have any record of non-compliance relating to TPL or the consents held by entities related to TPL. No retrospective applications have been required and all conditions have been complied with to the satisfaction of LINZ.
78. On balance, LINZ's view is that the Applicant and entities related to the Applicant have a sufficiently strong record of compliance with the Act and consent conditions to be recommended for a standing consent.

¹⁹ All of these consents were under the benefits to New Zealand pathway

²⁰ Now Manulife Investment Management Timberland and Agriculture Inc (MIMTA)

79. However, it is ultimately a matter for Ministers to determine whether you are satisfied they meet the 'strong record of compliance' criterion.

H. Standing consent conditions

79. This section sets out how the requirements for the mandatory conditions will be met, and proposes other conditions, including possible limits on the scope of the standing consent.

Limits on the standing consent

80. The Act *permits* Ministers to grant a standing consent subject to **other conditions**, including:
- (a) conditions about the land in relation to which the consent may apply (for example, limits by total land area, location of land, and geographic type of land); and
 - (b) limits on the number of overseas investments for which the standing consent can be relied on.
81. The Act does not expressly prescribe what you can and cannot take into account when deciding what (if any) additional conditions or limits should be imposed. In the absence of such express direction, LINZ considers that you should take into account the purpose of the Act generally, along with the purpose of the special forestry test pathway and standing consent regime specifically.
82. The purpose of the Act is set out in section 3:
- 3 Purpose**
- (1) *The purpose of this Act is to acknowledge that it is a privilege for overseas persons to own or control sensitive New Zealand assets by—*
 - (a) *requiring overseas investments in those assets, before being made, to meet criteria for consent; and*
 - (b) *imposing conditions on those overseas investments.*
 - (2) *This Act also has the purpose of managing certain risks, such as national security and public order risks, associated with transactions by overseas persons.*
83. The Act does not expressly state the purpose of the special forestry test (or the related standing consent). However, the purpose of the special forestry test emerges clearly from the language of the test itself and from the Parliamentary materials dating to the time of its enactment and recent amendment.
- (a) The purpose of the changes introduced by the Overseas Investment Amendment Act 2018 (as they related to forestry) was to encourage investment in forestry by improving the coherency and simplicity of the overseas investment regime. Further investment in forestry would support the Government's goal to see one billion trees planted.
 - (b) The special forestry test was a key element of simplifying the screening of forestry investments.
 - (c) Standing consents under the special forestry test were for investors who could demonstrate a strong record of compliance with the Overseas Investment Act or similar rules overseas, further simplifying the regime for this class of investors.

84. Changes to the special forestry test in 2022 made one material change: limiting the test to existing forestry assets only (meaning that the test can no longer be used for farm land being converted to forestry).
85. The more the limits depart from those imposed previously (whether the effect is to make a standing consent more permissive or less permissive), the greater the likelihood that you will be required to give reasons for imposing those additional conditions or limits.
86. A number of standing consents have recently expired or will expire over the next two years and six forestry standing consents²¹ are all being processed with decisions to be made in the coming months. In light of this, and in light of recent changes to the Overseas Investment Act as it relates to forestry, LINZ understands that the Minister for Land Information wishes that the conditions and limits imposed on standing consents be reviewed to ensure that they remain appropriate.
87. In light of the range of options set out below and the Minister for Land Information's wish that the limits be reviewed, LINZ proposes to separately document your decisions on limits once you have had an opportunity to review this report.
88. The proposed conditions of consent at **Attachment 1** reflect the scope sought by TPL, and would be modified to give effect to any other limits that you might choose to impose.

Limits on type on acquisition of farm land

89. LINZ recommends limiting the standing consent to existing forestry only.
90. TPL initially sought a standing consent which included farm land for conversion to forestry. However, TPL was advised by LINZ in September 2022 that any forestry standing consents could only be for existing forests. The Applicant subsequently responded that it was aware that special forestry test standing consents granted following enactment of the Amendment Act would not be permitted to include farm land.
91. TPL's application was made before the 16 August 2022 changes to the Act and could lawfully be granted in respect of farm land for conversion to forestry. However, LINZ considers that Parliament's clear intention was that transactions entered into after 16 August should meet the benefit to New Zealand test, and allowing a standing consent for farm land would be contrary to that clear intention.
92. LINZ therefore recommends that the standing consent be limited to existing forestry land only.

Limits on land tenure

93. TPL seeks a standing consent for freehold, leaseholds and forestry rights.
94. LINZ considers that these forms of tenure are all consistent with TPL's investment plan and are all common ways to invest in forestry assets.
95. LINZ recommends that the standing consent allow for investments in forestry rights, leasehold interests, and freehold interests in land.

Limits on location of land

96. TPL seeks a standing consent for land across the entire North Island. This is consistent with TPL's investment plan.

²¹ One of these, Application 202200124 by Summit Forests NZ Limited was recently granted consent in August 2023.

97. LINZ has identified two models for limiting the location of land beyond the boundaries of the North Island:
- (a) You might reasonably conclude that investments are more likely to be successful (for both TPL and for New Zealand) if they are near to existing TPL assets.
 - (b) You might also reasonably conclude that investments nearer to processing facilities or export ports are more likely to be successful (again, for both TPL and for New Zealand). If you were inclined to this approach, you might consider limiting the standing consent to existing forests within:
 - (i) 125km (or some other distance) of an export port, or
 - (ii) 125km (or some other distance) of at least two facilities capable of processing all logs from the land.²²
98. In addition to these limits, LINZ recommends *excluding* land in the *Gisborne Region* and *Wairoa District* from the standing consent. The Government's response to the Ministerial Inquiry into Land Use aims to achieve sustainable land use that meets the current and future needs of the environment, communities and iwi, hapū and landowners.
99. The Government's response will be in two phases:
- (a) first, reducing risk in the near term, and
 - (b) second, strengthening resilience to future severe weather events and supporting the transition to more sustainable, lower risk, land uses and practices at a district and national scale.
100. Some of the changes required to deliver the second stage may take many years, and granting a standing consent (which necessarily will be subject to generic conditions suitable for any property) would deny you the ability to impose conditions in future cases in order to support the Government's response.

Limits on number of transactions and size of land

101. TPL seeks a standing consent for up to:
- (a) 15 transactions,
 - (b) 2,500 ha per transaction, and
 - (c) 20,000 ha in total.
102. LINZ recommends that you consider the following options:
- (a) Option 1
 - (i) One option is to grant the standing consent as requested by TPL, with no further limits on transaction numbers or land area.
 - (b) Option 2:
 - (i) Alternatively, you could impose *lower* limits. For comparison, the standing consents granted to other investors previously are detailed in **Attachment 4**.

²² 100km is the average distance from forest to port or processing plant, although the average varies by region.

103. Note that the consent has been drafted to make it clear that transactions may include the acquisition of multiple parcels of land (having contiguous boundaries) within the same forest from multiple registered owners where each sale and purchase agreement (SPA) is conditional on the completion of all other SPAs and is a single transaction for the purposes of the Act. This is consistent with the treatment of those transactions under one-off consents under the special forestry test.

Limits on the duration of the standing consent

104. TPL seeks a five-year standing consent.
105. LINZ's standard approach to limiting the duration of standing consents is to define two dates, by which the transaction can be:
- (a) entered into, and
 - (b) completed.
106. LINZ recommends that TPL be given *three years* from the date of the standing consent to enter into a transaction, and *12 months* from the date the transaction is entered into to complete the transaction. LINZ considers that this duration appropriately balances the need for TPL to have sufficient time to make use of the standing consent with the need for the consenting framework to keep pace with future legislative and policy changes.

Mandatory conditions

107. The Act *requires* that Ministers grant consent subject to certain **mandatory conditions**:
- (a) ensuring that the special forestry test is met,
 - (b) ensuring that the consent holder does not acquire farm land without it first being advertised, and
 - (c) ensuring that LINZ is notified of transactions.
108. Special condition 4, 5 and 6 will ensure that the special forestry test is met, by:
- (a) ensuring that the relevant land will be, or is likely to be, used exclusively, or nearly exclusively, for forestry activities; and
 - (b) ensuring that land will not be, or is not likely to be, used, or held for future use, for any residential purposes, except in permitted circumstances;
 - (c) ensuring that any 'existing arrangements' will continue to be implemented and maintained;
 - (d) ensuring that existing consent conditions in respect of the land are complied with;
 - (e) ensuring that any log supply obligations are honoured; and
 - (f) ensuring that whenever a crop of trees is harvested on the relevant land, a new crop will be established to replace it.
109. LINZ considers that a special condition ensuring that TPL does not acquire farm land without it first being advertised is unnecessary, as the proposed standing consent is limited to existing forestry assets only.
110. Special condition 3 will ensure that LINZ is notified of transactions.

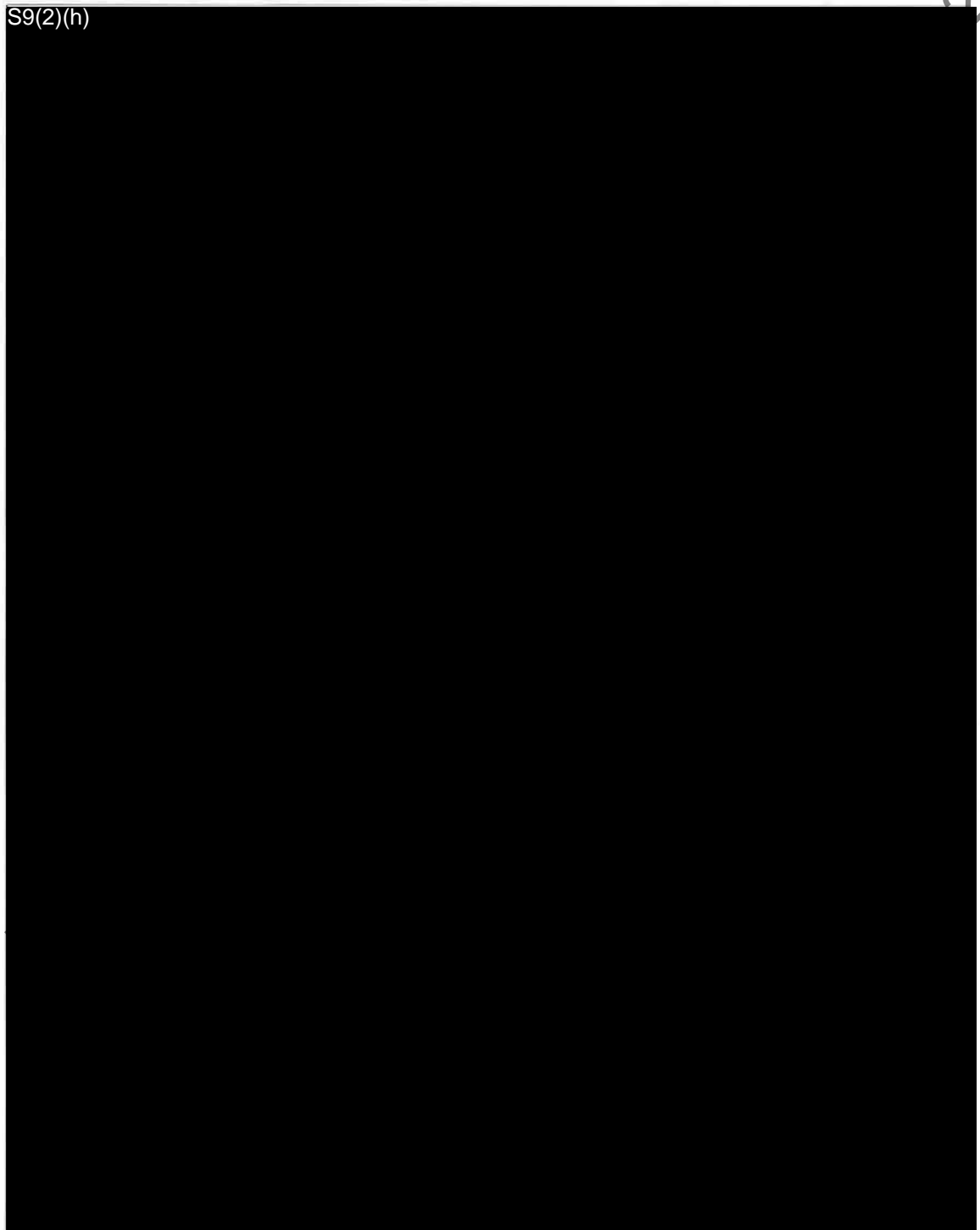
Other conditions

111. The Act *permits* Ministers to grant a standing consent subject to **other conditions**. LINZ does not recommend imposing other conditions.

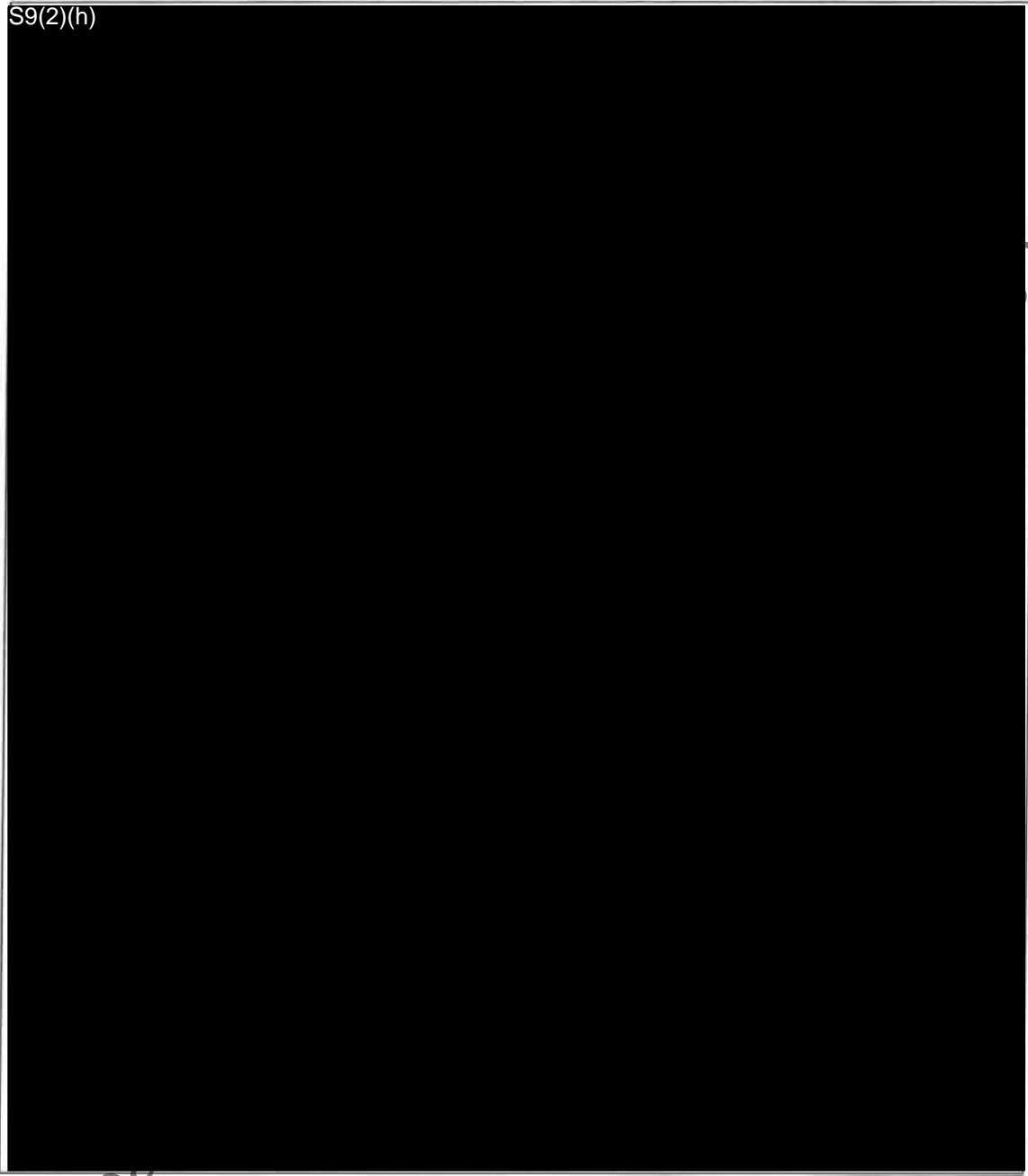
I. Residual discretion to decline a standing consent

112. There is a residual discretion to decline to grant a standing consent, even if the criteria for consent are otherwise met.

S9(2)(h)



S9(2)(h)



J. Not a transaction of national interest

80. The National Interest test does not apply to applications for a standing consent. LINZ has therefore not referred this application to the Minister of Finance and he has not declined consent.
81. Note that despite the test not applying, LINZ considers that UniSuper is *likely* a non-New Zealand Government investor to whom the national interest test would *usually* be applied.

82. UniSuper is an Australian superannuation fund dedicated to academic and general staff in Australia's higher education and research sector. UniSuper Limited's shares are held by 37 Australian universities, with each university holding one share. Most or all of the university shareholders are funded, owned or controlled by Australian states or the Australian Federal Government, and LINZ considers that UniSuper is likely a non-New Zealand government investors.
83. UniSuper was previously screened under the National Security and Public Order notification regime in respect of its acquisition of up to 19.99% of Chorus Limited (which operates New Zealand's largest fixed line telecommunications network). LINZ's advice to the Minister of Finance was that the transaction was a "very low risk transaction" and recommended that he allow the transaction to proceed. That advice was accepted by the Minister of Finance.
84. LINZ is directed that the starting point is the assumption that overseas investment is in New Zealand's national interest, and that we should only recommend the Minister of Finance exercise his discretion for a national interest assessment if the proposed investment:²³
- could pose risks to New Zealand's national security or public order;
 - would grant an investor significant market power within an industry or result in vertical integration of a supply chain;
 - has foreign government or associated involvement that was below the more than 25 per cent ownership or control interest threshold for automatic application of the national interest test, but granted that government (and/or its associates) disproportionate levels of access to or control of sensitive New Zealand assets;;
 - would have outcomes that were significantly inconsistent with or would hinder the delivery of other Government objectives;
 - raises significant Treaty of Waitangi issues; or
 - relates to a site of national significance (e.g. significant historic heritage).
85. Even if the national interest *did* apply, LINZ does not consider that this application engages any of these risk factors.

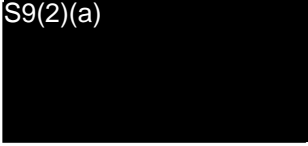
K. Conclusion and recommendation

86. After considering the Application, LINZ's view is that:
- a) the investor test has been met, and
 - b) all other requirements for a forestry standing consent have been met:
 - i) the conditions imposed on the consent are likely to be met
 - ii) the Applicant has adequate processes in place for meeting requirements of the Special Forestry Test in the regulations, and
 - iii) the Applicant has a strong record of compliance with the Act.
87. LINZ's recommendation is therefore to **grant consent**.

²³ Ministerial Directive Letter (24 November 2021) at 46 and Annex at 11.

88. If you agree, LINZ refers you to **Attachment 1** to review the **Proposed Decision** (including consent conditions), and to **paragraphs 7 to 13** of this Assessment Report to record your decision.

S9(2)(a)



Pedro Morgan

Lead Advisor Overseas Investment

Date: 5 September 2023

L. List of Attachments

Attachment 1	Proposed decision
Attachment 2	Log production forecasts
Attachment 3	Compliance with conditions of consent
Attachment 4	Forestry standing consents

Released under the Official Information Act 1982

Attachment 1: Proposed decision

Standing Consent for Overseas Person to Acquire Sensitive New Zealand Land

Read this consent carefully - you must comply with all the conditions. If you do not, you may be required to dispose of land acquired under this consent and/or be subject to fines or other penalties. We may also vary or revoke this standing consent.

Consent

Decision date: **THIS APPLICATION HAS NOT BEEN DECIDED**

The following people have been given the following consent:

Case	202200328
Consent type	Standing Consent (forestry activities) for overseas investments in sensitive land.
Consent	The Consent Holder may give effect to overseas investments in sensitive land, subject to the limits and conditions set out below.
Consent Holder/s	(a) Taumata Plantations Limited (company number 1861621) (b) any 100% subsidiary company of Taumata Plantations Limited We will also refer to each Consent Holder and the Consent Holders together as you .
Limits	(a) You may complete no more than 15 overseas investment transactions; (b) You may acquire interests in no more than 20,000 hectares of sensitive land in total ; (c) the maximum land area per transaction is 2,500 hectares; (d) the sensitive land must already be used exclusively or nearly exclusively for Forestry Activities, and must not include farm land or residential land; (e) You may only acquire interests in land that is located in the North Island, but excluding land in the Gisborne Region and Wairoa District; (f) this Standing Consent cannot be used to acquire an investment in a strategically important business as described in section 20A(1)(c) or (d) of the Act.
Entry Date	[date] being three years from the Consent date
Completion Date	[date] being 12 months from the Entry date

Conditions

Your Consent is subject to the special conditions, standard conditions and reporting conditions (**Conditions**) set out below. You must comply with them all. Be aware that if you do not comply with the Conditions the Consent may be revoked or varied, you may be subject to fines or other penalties, and you may also be required to dispose of land acquired under this Consent.

We may vary the Conditions after you notify us of a transaction to record any existing arrangements, conditions of consent, or log supply obligations you must comply with. We may also vary the conditions for other purposes with your agreement. We may do so by adding schedules to this consent (one for each investment transaction requiring variation).

In the Consent and the conditions, we refer to Toitū Te Whenua Land Information New Zealand as LINZ, us or we.

Definitions

Act means the Overseas Investment Act 2005.

A transaction is **complete** when:

- you become the registered owner of an interest in land;
- an unregistered interest in land commences;
- you are recorded in the issuer's security register as the holder of securities, or
- you have substantially paid the purchase price and are treated by the vendor as the owner of assets other than those described above.

Crop of trees means

- any **new crop of trees** that will be established on the land;
- any **existing trop of trees** that had already been established on the land; and
- any **replanted crop of trees** replanted in accordance with Special Condition 7;

but for the avoidance of doubt excludes trees that were not planted with the intention of being harvested to provide wood, such as native species planted in riparian margins.

Forestry Activities has the same meaning as in the Act and for the avoidance of doubt excludes permanent forestry.

Fresh or Seawater Areas has the same meaning as in the Act.

Grouped Transaction means the acquisition of multiple parcels of land within the same forest from one or more registered owners where each sale and purchase agreement (**SPA**) is conditional on the completion of all other SPAs and is a single transaction for the purposes of the Act.

Land means the relevant land in relation to an overseas investment in sensitive land acquired under this Standing Consent.

Legal Review means a review by either a New Zealand lawyer who has experience with the Act or by the Consent Holder's in-house legal department, to confirm a Transaction is covered by this Consent and what the Consent Holder must do to comply with the Conditions.

Notification Template means the notification template for transactions settled under a standing consent published on our website and updated from time to time.

Regulations means Overseas Investment Regulations 2005.

Relevant investment means, in respect of a failure to comply with a condition, all of the assets acquired in the same transaction as the interest in land in respect of which the condition was not complied with.

Sensitive Land Certificate means a certificate for the purposes of Schedule 1 of the Overseas Investment Act 2005 (as published on our website and updated from time to time) completed by a land professional or lawyer experienced in providing such certificates.

Standing Consent Checklist means the pre-investment checklist for standing consents published on our website and updated from time to time.

Termination Period means the period during which the Consent Holders may terminate a transaction, on grounds which include that the transaction is not covered by the Consent or the Consent Holders cannot comply with the Conditions.

Transaction has the same meaning as in the Act and for the avoidance of doubt includes a Grouped Transaction.

WAAN means water areas acquisition notice.

Worker Accommodation means forestry worker accommodation that complies with section 16A(4)(c) of the Act.

Any term or expression that is defined in the Act or Regulations and used, but not defined, in this consent has the same meaning as in the Act or Regulations.

Special Conditions

You must comply with the following **Special Conditions**. These apply specifically to this Consent and include conditions that we must impose under the Act.

Details	Required date
Automatic condition: Fresh or Seawater Areas	
You must, in relation to the Fresh or Seawater Area(s), comply with all provisions of Schedule 5 of the Act.	By the times set out in schedule 5.
You must provide a draft WAAN to FSAapplications@linz.govt.nz .	At least 15 working days before settlement of any transaction entered into under this consent.
You must lodge the WAAN on the title.	Immediately following the transfer and before registering any other interests on the title of Land acquired pursuant to this consent.

Details	Required date
Special Condition 1: When transactions may be entered into and completed	
You may enter into transactions.	Until the Entry Date.
You may complete transactions.	By the Completion Date.
Special Condition 2: due diligence	
<p>You must do the following for each transaction</p> <ol style="list-style-type: none"> 1. complete a Standing Consent Checklist (if we have published one); 2. obtain a Sensitive Land Certificate; 3. obtain confirmation from the Vendor as to whether there are any requirements that must be met under regulation 29(2) (e.g. any existing arrangements, conditions of consent, or log supply obligations); and 4. obtain a Legal Review. 	Before entering into a transaction or during the Termination Period.
You must not settle a transaction in reliance on this Standing Consent unless that transaction is covered by this Standing Consent and you can comply with the Conditions.	At all times.
<p>If you do not comply with this condition,</p> <ul style="list-style-type: none"> • this Standing Consent will cease to apply and you will not be able to enter into or complete further transactions; and • Standard Condition 6 will apply and we may require you to dispose of the relevant investment. 	
Special Condition 3: notice of individual acquisitions	
You must notify us of each transaction settled under this Standing Consent using LINZ's Notification Template (Notification)	As soon as you can, and no later than 2 months after settlement.
Special Condition 4: land must be used for Forestry Activities	
The Land must be used exclusively, or nearly exclusively, for Forestry Activities.	At all times.
<p>You must ensure that no more than 5% (by area) of each crop of trees on the land is older than the species age limit.</p> <p>For <u>Pinus Radiata</u>, the species age limit is 35 years.</p> <p>For <u>all other species</u>, the species age limit is as determined by the regulator.</p>	At all times.

Details	Required date
<p>You must replace each crop of trees you harvest on the Land with a new crop of trees (Replant). You may Replant on a like-for-like basis or on any similar basis.</p> <p>This condition does not require you to:</p> <ol style="list-style-type: none"> 1. replant with the same species of tree or use the same silvicultural regime, or 2. replant land held under a forestry right that expires upon the completion of harvesting or within two years of harvesting. 	<p>Within 2 years of harvest, unless an alternative period or arrangement is agreed in writing with LINZ.</p>
<p>You must comply with the Resource Management (National Environmental Standards for Plantation Forestry) Regulations 2017 (as amended), or any replacement to the regulations.</p>	<p>At all times.</p>
<p>You must not register more than 5% (by area) of the crop of trees on the Land as "permanent forestry" (or in any category similar to permanent forestry) in the Emissions Trading Scheme established under the Climate Change Response Act 2002 (or any replacement for that scheme or enactment).</p>	<p>At all times</p>
<p>For the avoidance of doubt, this condition does not require you to do anything in breach of any other Act, regulation, rule, bylaw, or that is otherwise contrary to law.</p>	
<p>If you do not comply with this condition, Standard Condition 6 will apply and we may require you to dispose of the relevant investment. If we require you to dispose of the relevant investment, this Standing Consent will cease to apply and you will not be able to enter into or complete further transactions.</p>	
<p>Special Condition 5: residential use restrictions</p>	
<p>The Land must not be used, or held for future use, for any residential purposes except for Worker Accommodation.</p>	<p>At all times.</p>
<p>If you do not comply with this condition, Standard Condition 6 will apply and we may require you to dispose of the relevant investment. If we require you to dispose of the relevant investment, this Standing Consent will cease to apply and you will not be able to enter into or complete further transactions.</p>	
<p>Special Condition 6: existing arrangements, consent conditions, and log supply obligations</p>	
<p>You must ensure all requirements set out in regulation 29(2) are met, including:</p> <ol style="list-style-type: none"> 1. specific obligations identified in a Notification and included in a schedule to this Consent; and 2. obligations that are not identified in a Notification. <p>In summary, the above requirements are to:</p>	<p>At all times</p>

Details	Required date
<ol style="list-style-type: none"> 1. maintain and implement any existing arrangements for specified purposes; 2. to do, or not do, things as required by any existing conditions of consent that are for a specified purpose; and 3. supply logs as required by any existing log supply obligations. <p>(together, the Obligations).</p>	
<p>If you do not comply with this condition, Standard Condition 6 will apply and we may require you to dispose of the relevant investment. If we require you to dispose of the relevant investment, this Standing Consent will cease to apply and you will not be able to enter into or complete further transactions.</p>	

Standard Conditions

You must also comply with the **Standard Conditions** set out below. These apply to all overseas people who are given consent to acquire sensitive New Zealand land, including you:

Details	Required date
<p>Standard Condition 1: acquire the interest in Land</p>	
<p>If you acquire an interest in land under this Consent, you must do so by the Completion Date stated in the Consent, using the acquisition, ownership and control structure you described in your application.</p> <p>Note, only you – the named Consent Holder - may acquire the interest in Land, not your subsidiary, trust or other entity.</p>	<p>As stated in the Consent.</p>
<p>Standard Condition 2: Tell us when you acquire the Land</p>	
<p>You must tell us in writing when you have acquired the land. Include details of:</p> <ol style="list-style-type: none"> 1. the date you acquired the land (Settlement), 2. consideration paid (plus GST if any), 3. the structure by which the acquisition was made and who acquired the land, and 4. copies of any transfer documents and Settlement statements. 	<p>As soon as you can, and no later than two months after Settlement</p>

Details	Required date
Standard Condition 3: allow us to inspect the Land	
<p>Sometimes it will be helpful for us to visit the Land so we can monitor your compliance with the Conditions.</p> <p>We will give you at least two weeks' written notice if we want to do this.</p> <p>You must then:</p> <ol style="list-style-type: none"> 1. Allow a person we appoint (Inspector) to: <ol style="list-style-type: none"> (a) enter onto the Land, including any building on it, other than a dwelling, for the purpose of monitoring your compliance with the Conditions (Inspection), (b) remain there as long as is reasonably required to conduct the inspection, (c) gather information, (d) conduct surveys, inquiries, tests and measurements, (e) take photographs and video records, and (f) do all other things reasonably necessary to carry out the Inspection. 2. Take all reasonable steps to facilitate an Inspection including: <ol style="list-style-type: none"> (a) directing your employees, agents, tenants or other occupiers to permit an Inspector to conduct an Inspection, (b) being available, or requiring your employees, agents, tenants or other occupiers to be available, at all reasonable times during an Inspection to facilitate access onto and across the Land. This includes providing transport across the Land if reasonably required. 3. During an Inspection: <ol style="list-style-type: none"> (a) we will not compel you and your employees, agents, tenants or other occupiers to answer our questions or to let us look at, copy or take away documents, (b) our Inspector will comply with any reasonable instruction and co-operate with any reasonable health and safety policy or procedure you notify to us before the Inspection. 	<p>At all times.</p>
Standard Condition 4: remain not unsuitable to Invest in New Zealand	
<p>You, and to the extent that you are not an individual, the Individuals Who Control You must remain not unsuitable to own or control the Assets in accordance with section 18A(1) of the Act.</p>	<p>At all times.</p>

Details	Required date
<p>The Individuals Who Control You are individuals who:</p> <ul style="list-style-type: none"> (a) are members of your governing body, (b) directly or indirectly, own or control more than 25% of you or of a person who itself owns or controls more than 25% of you, and/or (c) are members of the governing body of the people referred to in paragraph (b) above. 	
<p>Standard Condition 5: tell us about changes that affect you, the people who control you, or people you control</p>	
<p>You must tell us in writing if any of the following events happens to any of the Consent Holders:</p> <ol style="list-style-type: none"> 1. You become aware that you and/or any Individual Who Controls you establishes any of the investor test factors listed in section 18A(4) of the Act. 2. You cease to be an overseas person or dispose of all or any part of the interest in Land. 3. Your New Zealand Service Address changes. This is the address you provided us in your application as the address which we will send any legal document we need to serve on you. 	<p>Within 20 working days after the change.</p>
<p>Standard Condition 6: dispose of the interest(s) in Land if you do not comply with Special Conditions</p>	
<p>Some of the Special Conditions were key to the decision to give consent. If we consider you have failed to comply with one of those Special Conditions in a material way we may require you to dispose of the Land.</p> <p>If all or part of this Standard Condition 6 applies to a Special Condition, we have said so in that condition.</p> <p>We will give you written notice if we require you to dispose of the Land. After we have given you notice, you must:</p>	
<p>Value the interest in Land: obtain and send us a copy of a market valuation of the relevant interest in Land from a New Zealand registered valuer.</p>	<p>Within six weeks of the date of our notice.</p>
<p>Market the Land: instruct a licensed real estate agent to actively market the relevant interest in Land for sale on the open market.</p>	<p>Within six weeks of the date of our notice.</p>
<p>Dispose of the Land: dispose of the relevant interest in Land to a third party who is not your associate.</p>	<p>Within six months of our notice.</p>

Details	Required date
<p>Offer without reserve: if you have not disposed of the relevant interest in Land within six months of our notice, offer the interest in Land for sale by auction or tender without a reserve price or minimum bid and dispose of the interest in Land.</p>	<p>Within nine months of our notice.</p>
<p>Report to us about marketing: tell us in writing about marketing activities undertaken and offers received for the relevant interest in Land.</p>	<p>By the last day of every March, June, September and December after our notice or at any other time we require.</p>
<p>Report disposal to us: send us, in writing, evidence:</p> <ul style="list-style-type: none"> (a) that you have disposed of the relevant interest in Land, (b) of disposal (including copies of sale and purchase agreements, settlement statements and titles showing the purchaser as registered proprietor), (c) the purchaser is not your associate. 	<p>Within one month after the Land has been disposed of.</p>

Reporting Conditions

We need information from you so we can monitor your progress against the Conditions.

You must notify us of **each transaction** settled under this Standing Consent as set out in Special Condition 3.

In addition, you must lodge an **annual report** by **31 July each year** until LINZ confirms in writing that annual reporting is no longer required.

Each annual report must:

1. be sent to oiomonitoring@linz.govt.nz (or otherwise submitted using LINZ's webform);
2. contain information about your progress in implementing the Special Conditions, including those set out in a schedule to this Standing Consent; and
3. follow the format of, and provide any additional information required by, the relevant annual report template published on our website.

If requested in writing by the LINZ, the Consent Holder must provide a written report within 20 working days (or such other timeframe as specified) on any matter relating to its compliance with:

1. the representations and plans made or submitted in support of the application (or related transactions) and notified by the regulator as having been taken into account when the Consent was granted; or
2. the Conditions of this Consent.

Power to vary reporting date

The dates on which reports are due to be provided may be changed by agreement between the regulator and the consent holder, provided that this power may not be used to give a time extension for an individual report.

Power to narrow scope of reports

The regulator may temporarily or permanently waive the requirement to report on a particular matter.

Power not to require further reporting

The regulator may waive the requirement to submit a report and may waive the requirement for future reporting.

Released under the Official Information Act 1982

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S9(2)(b)(ii)

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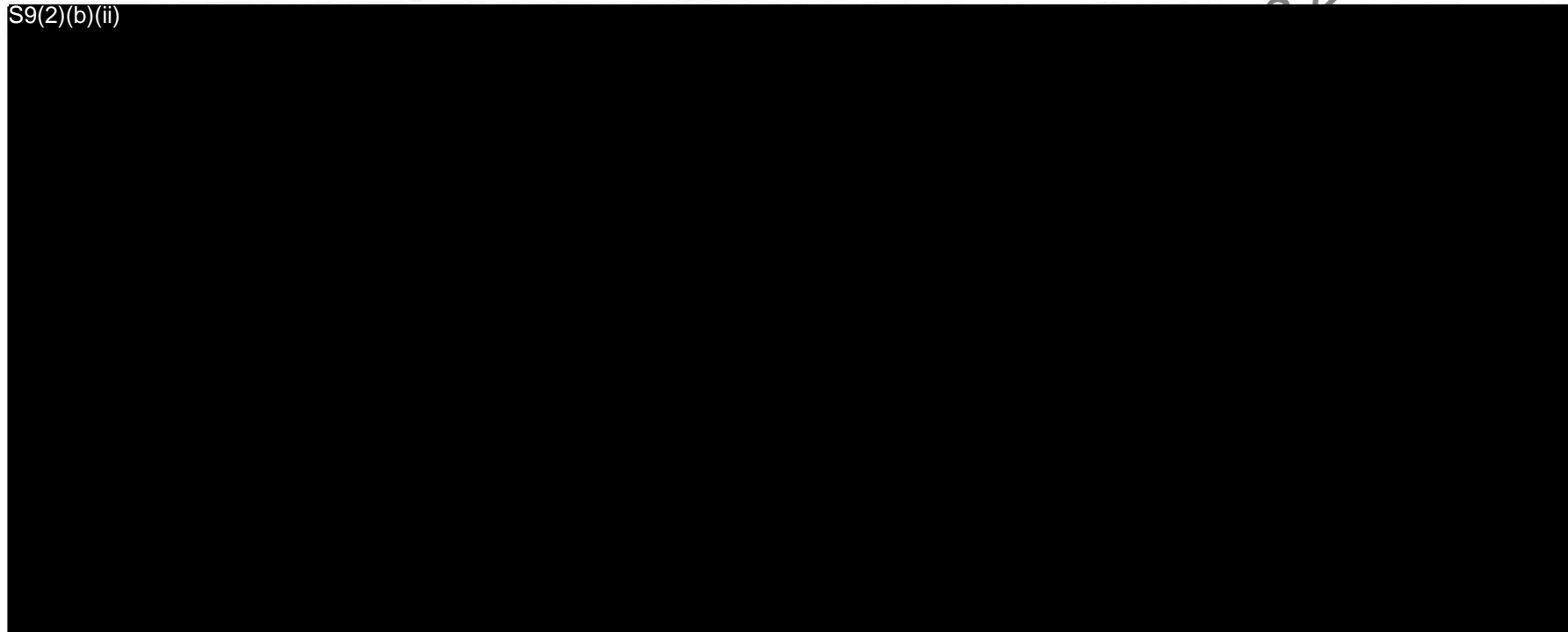
ne	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
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90. TPL provided the following S9(2)(b)(ii) log production forecast:

S9(2)(b)(ii)



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Attachment 3: Compliance with conditions of consent

Requirement	LINZ Analysis
<p>Forestry activities</p> <p>The land will be, or will likely be, used exclusively, or nearly exclusively, for forestry activities (section 16A(4)(a))</p>	<p>LINZ is satisfied that this condition is likely to be met.</p> <p>TPL's business is solely focused on forestry and any change of land use would require approval of the board of directors and alteration to TPL's management arrangements.</p> <p>MFM (NZ)'s Environmental Manager be responsible for ensuring that there are no changes to land use with respect to all standing consent forests.</p> <p>Special Condition 4 expressly requires any land to be used exclusively, or nearly exclusively, for forestry activities, and supports this by:</p> <ul style="list-style-type: none"> • requiring the crop of trees to be harvested and replanted (as would be expected of production forestry) • placing a limit on species age to ensure that harvesting occurs in line with the intention to operate a rotational forest • limiting registration in the ETS to 'standard forestry' (making permanent forestry less attractive), and • requiring compliance with the National Environmental Standards for Production Forestry.
<p>Replanting</p> <p>Crops of trees will be, or will likely be, replaced with a new crop of trees after harvest (section 16A(4)(e))</p>	<p>LINZ is satisfied that this condition is likely to be met having regards to TPL's track record of compliance.</p> <p>TPL is committed to long term investment in the New Zealand forestry industry.</p> <p>Where TPL is the registered owner of freehold land it will replant the land within 2 years of harvest. Where TPL is a grantee or lessee, then replanting will be subject to negotiation and agreement of commercial terms with the owners.</p> <p>Special Condition 4 requires trees to be replanted after harvest.</p> <p>As permitted by section 3(5) of Schedule 4 of the Act, the conditions that provide that the requirement in section 16A(4)(e) does not have to be met in relation to a crop of trees that is harvested under the forestry right if the forestry right expires on completion of the harvesting or after a short period following the completion of the harvesting.</p>
<p>Residential land</p> <p>Any residential land adjoins non-residential land that also forms part of the relevant land (section 16A(4)(b))</p>	<p>LINZ is satisfied that this condition is likely to be met.</p> <p>TPL has not asked that the standing extend to residential land, and so LINZ recommends that the standing consent exclude such land.</p> <p>TPL will obtain a Land Certificate as part of its pre-acquisition legal review confirming whether the land contains residential land and will not proceed with a transaction if the certificate indicates the land contains residential land.</p> <p>Special Condition 2 requires TPL to undertake various due diligence steps which will identify any residential land.</p>

Requirement	LINZ Analysis
<p>Residential purposes</p> <p>Relevant land will not be used, or held for future use, for any residential purposes other than for a permitted purpose (i.e. worker accommodation supporting forestry activities on the relevant land) (section 16A(4)(c))</p>	<p>LINZ is satisfied that this condition is likely to be met.</p> <p>TPL's business does not include the use of any its land for residential purposes that are not permitted purposes.</p> <p>MFM (NZ)'s Environmental Manager will be responsible for ensuring that no part of the standing consent land is used for such purposes, including by undertaking annual audits to ensure there has been no change in land use.</p> <p>Special Condition 5 provides that the land must not be used for residential purposes except for forestry worker accommodation.</p>
<p>Regulations</p> <p>Requirements set out in Regulations will be, or are likely to be, met (section 16A(4)(d)). In summary - continuing existing arrangements, existing consent conditions, and log supply obligations.</p>	<p>LINZ is satisfied that this condition is likely to be met having regard to:</p> <ul style="list-style-type: none"> • TPL's track record of compliance, • the pre-acquisition Legal Review and • TPL's due diligence process. <p>Special Condition 2 requires TPL to undertake various due diligence steps which will identify existing arrangements, existing consent conditions, and log supply obligations.</p> <p>Special Condition 6 requires existing arrangements, consent conditions, and log supply obligations to continue.</p>
<p>Fresh and Seawater Area(s)</p> <p>Any fresh or seawater area(s) to be notified to LINZ in accordance with the Regulations prior to a transaction being entered into or before a transaction is settled and section 25D to be complied with.</p>	<p>LINZ is satisfied that this condition is likely to be met having regard to:</p> <ul style="list-style-type: none"> • the Land Certificate confirming whether the land contains fresh or seawater area(s); • the due diligence processes set up by TPL; • by requiring TPL to comply with the provisions of Schedule 5 of the Act and lodge a water areas acquisition notice immediately on receiving the title to the land acquired. A separate decision whether to acquire the fresh or seawater area(s) will be made subsequently by decision-making Ministers. <p>Special Condition 2 requires TPL to undertake various due diligence steps which will identify any Fresh and Seawater areas.</p> <p>An automatic condition of consent requires TPL to comply with the provisions of Schedule 5 of the Act.</p>
<p>Farm land advertising</p> <p>Farm land to be offered for acquisition on the open market to non-overseas persons in accordance with the Regulations (clause 3(3)(b) of Schedule 4, and section 16(1)(f)).</p>	<p>This condition is not applicable as the scope of the standing consent will not cover the acquisition of farm land.</p>

Requirement	LINZ Analysis
<p>Notification conditions</p> <p>The regulator will be, or will likely be, notified of each transaction entered into under the standing consent in accordance with the requirements of the consent (clause 3(3)(c) of Schedule 4)</p>	<p>LINZ is satisfied that this condition is likely to be met.</p> <p>TPL will instruct its solicitors, Anderson Lloyd, to notify LINZ of any transaction entered into under the standing consent and how the transaction meets the requirements of the standing consent.</p> <p>Special Condition 3 requires TPL to notify LINZ of each transaction settled under the standing consent using the notification template published on our website.</p>
<p>Other conditions</p> <p>Additional conditions, including conditions limiting the scope of the standing consent, will be, or are likely to be, complied with (clause 3(4) of Schedule 4).</p>	<p>The proposed standing consent is subject to several limits and other conditions. LINZ is satisfied that these conditions are likely to be met</p> <p>MFM (NZ)'s Environmental Manager will be responsible for managing the standing consent programme. This will include ensuring that all acquisitions under the standing consent comply with any conditions imposed.</p> <p>TPL will also instruct its solicitors, Anderson Lloyd, to review and advise on the relevant conditions with respect to each acquisition under the standing consent prior to it entering into any agreements in relation to the standing consent.</p>

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Attachment 4: Forestry standing consents

	Pan Pac Forest Products	NZ Redwood Company	Nelson Forests	OJI Fibre Solutions	Matariki Forests	Kauri Forestry LP
Granted	September 2019	October 2019	September 2020	September 2020	March 2021	March 2021
Maximum total land area granted (compared with max area requested by Applicant)	20,000 ha granted <i>(requested 30,000 ha)</i>	4,000 ha granted <i>(requested 4,000 ha)</i>	15,000 ha granted <i>(requested 67,303 ha)</i>	15,000 ha granted <i>(requested 30,000 ha)</i>	10,000 ha granted <i>(requested 20,000 ha)</i>	6,000 ha granted <i>(same as requested)</i>
Maximum number of transactions	25	10	25	25	12	20
Maximum land area per transaction (compared with area requested by Applicant)	10,000 ha granted <i>(requested 25,000 ha)</i>	2,000 ha granted <i>(requested 2,000 ha)</i>	- 2,500 ha for land already used for forestry; and - 500 ha for non-forest land (e.g. farm conversions).			
	<i>(requested 25,000 ha)</i>	<i>(requested 2,000 ha)</i>	<i>(requested 20,000 ha)</i>	<i>(requested 15,000 ha)</i>	<i>(requested 10,000 ha)</i>	<i>(requested 4,500 ha)</i>
Duration of standing consent granted (compared with duration requested by Applicant)	3 years granted <i>(same as requested)</i>	4 years granted <i>(9 years requested)</i>	3 years granted <i>(3 or 5 years requested)</i>	3 years granted <i>(same as requested)</i>		
Any regional limitations imposed	Nationwide	Manawatu-Wanganui	Nationwide	Central North Island area - shown in map	North Auckland, South Auckland, Hawkes Bay, Gisborne, Wellington, Canterbury, Westland, Otago and Southland Land Registration Districts.	Nationwide

SCHEDULE OF LIMITS: Taumata Plantations Ltd

The standing consent granted to Taumata Plantations Limited is granted subject to the following limits under schedule 5, clause 3(4) of the Act:

Interest types	Freehold, leasehold and forestry rights
Land types	Land already used exclusively or nearly exclusively for forestry activities
Location	North Island, excluding Gisborne Region and Wairoa District
Number of transactions	No more than 15 transactions
Total area	No more than 10,000 ha
Area per transaction	No more than 2,500 ha per transaction
Entry Date	Three years from the Consent date
Completion Date	12 months from the Entry date



Hon Damien O'Connor

Date: 2/10/27



Hon Barbara Edmonds

Date: 9/10/27

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