

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

ASSESSMENT REPORT: Pan Pac Forest Products Limited

Date	28 September 2023	Classification	IN CONFIDENCE: Commercially sensitive
LINZ reference (Report reference)	202300156 (BRF 24-127)	Deadline	13 October 2023

Purpose

LINZ seeks your decision on an application for consent to acquire an interest in sensitive land under the Overseas Investment Act 2005 (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 4.

Assessment timeframe requirements

LINZ's assessment timeframe required a decision by 1 September 2023. This timeframe was not met due to the complexity of the application and the delayed receipt of response to our consultation request. We recommend a decision by 13 October 2023.

Toitū Te Whenua Land Information New Zealand Contacts

Name	Position	Contact	First contact
Anneke Turton	Manager Applications	04 830 2513	<input checked="" type="checkbox"/>
Ed Atienza	Senior Solicitor	04 474 1017	<input type="checkbox"/>

A. Summary

1. The Applicant is Pan Pac Forest Product Limited (**Pan Pac**), which is ultimately owned by a company publicly listed in Japan. Pan Pac is an integrated forest company that has been operating in Hawke's Bay since 1971.
2. Pan Pac seeks consent to acquire approximately 601.8447 hectares of land known as Rock Station located at 3137 & 3169 State Highway 5, Te Pohue, Napier, Hawke's Bay (**Land**) to convert the Land into a production forest (**Investment**).
3. Pan Pac plans to process all products from the Land in its own mills located about 33km from the Land.
4. The Land is currently operated as a sheep and beef farm over approximately 471 hectares. The Land is LUC 6 (99%) and LUC 7 (1%).
5. The Land includes an existing forest scattered across approximately 10 hectares of the Land (1.7%) (**Existing Forest**) and approximately 31 hectares of QEII covenanted area (**QEII Area**). There are farming infrastructures on the Land, including a shearers' quarters, two haybarns and woolshed.
6. Approximately 11.3 hectares, where a residential dwelling and two sheds are located, will be subdivided by the vendors prior the acquisition by Pan Pac.¹
7. LINZ considers the Investment will likely benefit New Zealand economically through increased revenue from the Land and increased domestic processing. LINZ also considers the Investment will likely provide some environmental, historic heritage and public access benefits, and may advance significant government policies.
8. Whether the benefits to New Zealand are sufficient to meet the benefit to New Zealand test is a matter for Ministers to determine. Ministers must take a proportionate approach to whether the benefit to New Zealand test is met.
9. For the reasons set out in this report, LINZ considers the investor test has been met.

Key information

Applicant	Pan Pac Forest Products Limited (Japan 75.94%, USA 10.87%, UK 8.34%, Various 4.85%)
Vendors	Murray George King, Delia May King and Sainsbury Greer Trustee Company Limited as Trustees of the Rock Station Trust (New Zealand 100%)
Land	A freehold interest in approximately 602.55 hectares of land located at Rock Station, 3137 and 3169 State Highway 5, RD 2, Te Pohue, Napier
Consideration	\$7,180,000
Sensitivity	Is more than 5 hectares of non-urban land
Relevant tests	Investor test: s18A Benefit to NZ test: s16(1)(c)(ii) & s16A(1A), forestry activities test (s16A(2)) Farm land offer test: s16(1)(f) National interest test: s16(1)(g)

¹ This area is not included in the Land. There is a resource consent for the subdivision. This area is included in the LUC map as it is not yet subdivided from the records of title.

Timing

10. The Overseas Investment Regulations 2005 specify the total assessment timeframe for this application is 70 working days. This application was extended by 30 working days to conduct consultation with the Ministry for Primary Industries (MPI) in accordance with clause 7, schedule 5 of the Overseas Investment Regulations 2005.
11. This application is currently on day 119, therefore the assessment timeframe will not be met. We recommend a decision is made by 13 October 2023.

Released under the Official Information Act 1982

B. Decision

Core tests

12. I determine that:

12.1 The 'relevant overseas person' (ROP) is (collectively):

Relevant overseas person	Role
Pan Pac Forest Products Limited (Pan Pac)	Applicant and acquiring entity
Oji Green Resources Co., Ltd (OGR)	100% owner of Pan Pac
Oji Holdings Corporation (Oji)	100% owner of OGR

12.2 The 'individuals with control of the relevant overseas person' (IWCs) are:

Individuals with control	Role
Anthony Cyril Clifford	Directors of Pan Pac
Kazuya Shimma	
Yuji Onuki	Directors of Pan Pac, OGR and Oji
Yoichi Tada	Directors of OGR
Masato Kawai	
Masatoshi Kaku	Directors of Oji
Hiroyuki Isono	
Fumio Shindo	
Kazuhiko Kamada	
Shigeki Aoki	
Akio Hasebe	
Takayuki Moridaira	
Michihiro Nara	
Sachiko Ai	
Seiko Nagai	
Hiromichi Ogawa	

12.3 None of the relevant overseas persons and individuals with control of the relevant overseas person have established any of the factors contained in section 18A(4) of the Act.

13. I am satisfied that the investor test in section 18A has been met.

Hon Damien O'Connor

Agree

Disagree

Hon Barbara Edmonds

Agree

Disagree

14. I am satisfied, in relation to the benefit to New Zealand test, that:

14.1 the criteria for consent in sections 16 and 16A have been met;

14.2 the farm land benefit test does not apply;

14.3 the overseas investment will, or is likely to, benefit New Zealand (or any part of it or group of New Zealanders);

14.4 the benefit is proportionate to the sensitivity of the land and the nature of the transaction;

Hon Damien O'Connor

Agree

Disagree

Hon Barbara Edmonds

Agree

Disagree

15. I am satisfied that the farm land or section 12 interest has been offered for acquisition on the open market to persons who are not overseas persons as required by the regulations.

Hon Damien O'Connor

Agree

Disagree

Hon Barbara Edmonds

Agree

Disagree

National interest assessment

16. I note that the overseas investment in sensitive land is not a transaction of national interest under section 20A of the Act and the Minister of Finance has not notified it is a transaction of national interest under section 20B of the Act.

Hon Damien O'Connor

Noted



Hon Barbara Edmonds

Noted



Decision about whether to grant or decline consent

17. My ultimate decision is to:

Hon Damien O'Connor

Grant consent subject to the conditions in the Proposed Decision in **Attachment 1**



Grant consent with amended conditions provided on:



Decline consent



Hon Barbara Edmonds

Grant consent subject to the conditions in the Proposed Decision in **Attachment 1**



Grant consent with amended conditions provided on:



Decline consent



Hon Damien O'Connor

Date: 2 / 10 / 23

DO

Hon Barbara Edmonds

Date: 12 / 10 / 23

B Edmonds

Released under the Official Information Act 1982

C. Background and proposed transaction

18. Pan Pac seeks consent to acquire the Land to develop a *Pinus radiata* plantation forest. Pan Pac intends to use the Land as follows:
- Harvest the Existing Forest in 2024/2025;
 - Plant 402.81 hectares (including the Existing Forest once harvested) in *Pinus radiata* at a rate of approximately 1,000 stems per hectare;
 - Retain 120.44 hectares of native bush area, including the QEII Area;
 - Leave 66.7 hectares unplanted to allow for buffer land, setbacks, gullies and riparian planting; and
 - Use 12.6 hectares of unplatable powerline corridor for grazing by the Vendor to avoid fire risks.
 - Process all wood products from the Land at its nearby mill.

Land

19. The Land is approximately 602.55 hectares, currently comprised in 14 records of title shown laid out in Attachment 2². Figure 1 below shows the Land.



Figure 1: Aerial Photo of the Land

² Following the subdivision mentioned above, the Land will be comprised of 13 titles.

20. The Land is leased and operated, in conjunction with other properties as a beef and sheep farm across 471 hectares³. Between 2020 and 2022, the Land stocked an average of 82 mainly finishing cattle, and 3,171 mainly breeding sheep.
21. The Land is approximately 33kms away from the Whirinaki mill owned by Pan Pac. It is under the Te Waka range.
22. The Land is 99% LUC 6 and 1% LUC 7.⁴ Attachment 5 provides a map showing the LUC areas of the Land.
23. The Land is zoned 'rural' under the Hastings District Plan. The District Plan also identifies two recommended areas of protection (RAPs)⁵ – the Te Pohue Bush⁶ and the Te Waka Bush I.⁷ About 60% of the Land is classed as either outstanding rural landscape character or outstanding natural landscape under the District Plan.
24. The District Plan identifies a Māori pit from pre-1769 on the Land recorded as an archaeological site⁸ (see Appendix B of Attachment 1 for the location). The Land is part of a general area having significant taonga to local iwi referring to a skyline ridge visible from Napier that is said to be the bow of the waka "Te Waka-o-Ngarangikataka".⁹
25. There are national grid and power lines on parts of the Land. Kings Stream is in the western area. This stream has an average width of less than 3 meters. There are various ephemeral streams on the Land.
26. The Land has been identified as having moderate erosion susceptibility.
27. Aerial photos and plans of the Land can be found in Attachment 8.

Vendor and Sale Agreement

28. The vendors are Delia May King, Murray George King and Sainsbury Greer Trustee Company Limited as trustees of Rock Station Trust (Vendors). s9(2)(a)
29. The Land was advertised for sale by tender. Following advertising, the Vendors received two offers, both from production forestry investors. The parties entered a sale and purchase agreement on 6 December 2022. The agreement is subject to receiving consent under the Act.

³ Leased since 1 April 2017 expiring on 30 March 2024.

⁴ The LUCs contain the area to be subdivided as the records of title are still part of the records of title of the Land.

⁵ RAPs were identified by the Department of Conservation under the Protected Natural Areas Programme that was carried out in the 1980s and 1990s.

⁶ The area is in the middle of the Land. It is described as having deep and narrow gullies and spurs and a lack of beech trees. The threats to the area are selective logging and large numbers of sheep and goats that inhibit regeneration.

⁷ The area intersects a small part of the Land to the south. It is described as a gentle side slope dissected by small stream with steep gullies and contains a number of unusual plants for the ecological area. The threats to the area are goats, fire, and selective logging.

⁸ Marked V20/193.

⁹ The name of the waka predates the coming of the Takitimu Waka from the Pacific. It reaches back to the emergence of the North Island from the sea. According to tradition, Ngarangikataka was an uncle of Maui, who fished up the North Island. The tradition of the hapu is that the waka became stranded on the fish after it was hauled to the surface. Maui warned his uncle and the others not to cut up the fish. They did not listen – proceeding instead to cut it up, so creating the peaks and valleys we see today. As a result, Maui became angry and turned his uncle and the waka to stone.

D. Application of the Act

30. The Land is sensitive because it is non-urban land over 5 hectares in size,¹⁰ so consent is required.¹¹ The following criteria for an investment in sensitive land apply to this application:¹²
- The investor test must be met.¹³
 - The benefit to New Zealand test must be met.¹⁴
 - Where the land is farm land it must have been offered for sale on the open market,¹⁵ unless exempt.¹⁶
 - You must also note whether the Investment is a transaction of national interest and, if so, whether the Minister of Finance has decided that the Investment is contrary to New Zealand's national interest.¹⁷
31. In order to satisfy the benefit to New Zealand test, the decision-maker must determine that the Investment will, or is likely to, benefit NZ.¹⁸
32. We assess the investor test in **Part E**, the benefit to New Zealand test in **Part F**, the farm land offer requirements in **Part G**, and discuss national interest matters in **Part H**.

E. Applicant and investor test

33. This section describes the Applicant and assesses whether the investor test is met.
34. The Applicant is an overseas person under the Act as it is a wholly-owned subsidiary of an overseas person.

Ownership

35. Pan Pac is part of Oji Group. It is wholly owned by Oji Green Resources Co., Ltd (**OGR**), a Japanese registered company. OGR is wholly owned by Oji Holdings Corporation (**Oji**).
36. Oji is a publicly listed company, listed on the Tokyo Stock Exchange and Osaka Securities Exchange. It is widely held¹⁹ with only two shareholders holding more than 5% of its shares:
- 15.3% held by The Master Trust Bank of Japan Limited, which manages assets for investment and pension trusts on behalf of clients and financial institutions.
 - 6.6% held by Custody Bank of Japan, Ltd, a securities processing business for trust assets such as pension and investment trusts.

Business Activities

37. Pan Pac operates in Hawke's Bay, where it has been growing radiata pine tree crops for close to 50 years. Its vertically integrated business includes growing, processing and marketing timber.

¹⁰ Table 1, Part 1, Schedule 1 of the Act.

¹¹ Under sections 10(1)(a) and 12(a)(i) of the Act.

¹² Set out in section 16(1) of the Act.

¹³ Section 18A / 16(1)(a) of the Act.

¹⁴ Sections 16(1)(c)(ii), 16A(1), 16A(1A) and 16A(2) of the Act.

¹⁵ Section 16(1)(f) of the Act.

¹⁶ Section 20(1)(a) or (b) of the Act.

¹⁷ Section 16(1)(g) of the Act.

¹⁸ Section 16A(1)(a) of the Act.

¹⁹ It has approximately 79,379 shareholders as of 30 September 2022

Relevant overseas person and individuals with control

50. For reasons set out above, LINZ recommends that the 'relevant overseas person' is (collectively):

Relevant overseas person	Role
Pan Pac Forest Products Limited (Pan Pac)	Applicant and acquiring entity
Oji Green Resources Co., Ltd (OGR)	100% owner of Pan Pac
Oji Holdings Corporation (Oji)	100% owner of OGR

51. We recommend that the 'Individuals with control of the relevant overseas person' (IWCs)²⁶ are:

Individuals with control	Role
Anthony Cyril Clifford	Directors of Pan Pac
Kazuya Shimma	
Yuji Onuki	Director of Pan Pac, OGR and Oji
Yoichi Tada	Directors of OGR
Masato Kawai	
Masatoshi Kaku	
Hiroyuki Isono	Directors of Oji
Fumio Shindo	
Kazuhiko Kamada	
Shigeki Aoki	
Akio Hasebe	
Takayuki Moridaira	
Michihiro Nara	
Sachiko Ai	
Seiko Nagai	
Hikomichi Ogawa	

Summary of investor test

52. The relevant overseas persons and IWCs established none of the factors contained in section 18A(4) of the Act.
53. For this reason, our conclusion is that **the investor test has been met.**

²⁶ Section 15 of the Act.

F. Investment plan and benefit to NZ test

54. This section describes the Investment and our assessment of whether it is likely to meet the benefit criteria in the Act.

Current state (counterfactual)

55. The Land is currently leased as a beef and sheep farm, with the lease finishing before the expected completion of the proposed transaction in 2024.
56. Between 2020 and 2022, the Land has stocked an average of 82 finishing cattle and 3,171 breeding sheep, with an average net surplus²⁷ of approximately \$275,500 per year.²⁸
57. Before the Land was leased to the current lessee, the Vendors employed two FTEs. Casual labour was used around peak demand times as well as shearing labour during the year which was equivalent to 0.36FTEs.²⁹
58. The Existing Forest is comprised of:
- 3 hectares of well-tendered 29-year old stand established in 1994, with commercial trees pruned to an average height of 6.4 metres and thinned to 401 stems per hectare, with expected yield of over 1,000 m³/hectare; and
 - 7 hectares made up of by a range of pines and fir planted for non-commercial reasons.

The Existing Forest is expected to be logged in the summer of 2024/2025.

59. On the Land is a Māori pit from pre-1769 recorded as an archaeological site.

Investment plan

60. Pan Pac's investment plan covers the approximately 403 hectares of plantable area and approximately 200 hectares of unplatable area of the Land.
61. The approximate current and proposed use of the Land is set out in **Attachment 3**.

Plantable Area

62. Pan Pac intends to use the plantable area of the Land as a plantation production forest.
63. This part of Pan Pac's long-term strategy of securing future supply of high value pruned tree crops for its sawmill and pulp processing plants, where it processes logs to produce sawn timber and wood pulp, most of which is exported, and wood chips for its pulp mill.

Land Preparation and Planting Plan

64. Within two years from acquiring the Land, Pan Pac will plant the plantable area³⁰ with approximately 448,000 *Pinus radiata* seedlings sourced from its own seed orchard at Whirinaki at a rate of approximately 1,000 stems per hectare.
65. A copy of the planting plan map is in **Attachment 4**.
66. Pan Pac expects to trial a mechanised planting machine on the Land.

²⁷ Revenue less expenses plus other income.

²⁸ Averaged from the latest three-year net surplus in 2020 of \$254,938, 2021 of \$278,782, and 2022 of \$292,703 (rounded to the nearest hundred).

²⁹ Neither Pan Pac nor the Vendors can provide details of FTEs of the lessee.

³⁰ This includes the Existing Forest.

Silvicultural regime

67. All trees expected to be established on the Land will be individually spot released³¹ (as opposed to broadcast spraying³²). Pan Pac submits that this approach will maximise establishment success, while minimising chemical use, and reducing weed invasion.

68. Pan Pac intends to undertake pruned and thinned silviculture regime.³³

- *Pruning*³⁴ – Pan Pac will target pruned logs with high pruned log index (**PLI**).³⁵ To achieve its target quality of logs, it will split the pruning operations into at least two operations, comprising:
 - i. First fixed lift prune to three metres at around 4.5 to 5 years of age, when the trees are expected to have reached approximately seven metres in height and a diameter of less than 180 millimetres.
 - ii. Second fixed lift prune at around 6.5 years of age, at which time the trees will be pruned to approximately 5.5 meters. This height ensures eventual processed lumber meets the premium long length clearboard markets.
 - iii. A potential third pruning lift to 10.5 metres, using a mechanised pruning machine.
- *Thinning*³⁶ - Thinning operations to be conducted on the Land will be a combination of both waste thinning³⁷ and production thinning³⁸.
 - i. Waste thinning will only be conducted where the terrain is too steep for ground-based production thinning machinery to operate. Pan Pac advises that this waste thinning will allow the remaining pruned crop of trees to achieve maximum growth by removing competition from the high initial stocking.
 - ii. Production thinning or mid rotation log recovery thinning, which Pan Pac submits, will allow it to better utilise the Land's potential growth by recovering additional volume suited to pulp products and small industrial grade sawlogs.

This thinning operation will reduce the total stocking to approximately 330-350 stems per hectare.

69. Pan Pac will use a mechanised pruner.

Harvesting and replanting

70. Clear-fell harvesting will commence approximately in 2051.

71. Pan Pac plans to replant the area in tree crops within two years of harvesting.

Processing

72. Pan Pac will process all suitable logs in its Whirinaki Mill.

³¹ Releasing is the term given to freeing ("releasing") young trees from weed competition.

³² Like using helicopter.

³³ This regime produces structural and appearance grade timber. It is mainly used for the domestic market with a small demand from Japan. < <https://www.canopy.govt.nz/market-forest/what-silviculture-regime/>>.

³⁴ Pruning is removing a tree's lower limbs to produce higher value wood free from knots. Pruning commonly involves thinning to a lower stocking rate than other regimes to encourage greater diameter logs. <<https://www.canopy.govt.nz/market-forest/what-silviculture-regime/>>

³⁵ PLI is a measure of the amount of premium clear lumber the logs will yield for the appearance grade market.

³⁶ Thinning is cutting down unwanted trees so that growth can be encouraged in those remaining (the final crop trees). It is a relatively low-cost operation, but the intensity and timing can have a major effect on forest growth and profit. < <https://www.canopy.govt.nz/manage-forest/practices/thinning-trees/>>

³⁷ Waste thinning (or silvicultural thinning) leaves the trees to waste where they fall.

³⁸ Production thinning involves extracting the thinnings and selling the produce.

73. Pan Pac plans to process the products from the Land as follows:
- Process quality logs into solid lumber products predominantly for the export market;
 - Convert residual wood chips from the lumber processing to export pulp products;
 - Process lower quality and smaller logs (production thinnings) directly through the pulpmill to export pulp; and
 - Utilise the residual fibre (sawdust and bark) in heat and electrical power generation on site at Whirinaki mill.

Unplantable Area

74. The unplantable area of the Land will be used as follows:
- Retain and implement pest control measures over 120.44 hectares of native bush area, including the QEII Area (see **Attachment 6** for the QEII Covenant map);
 - Leave 66.7 hectares unplanted to allow for buffer land, setbacks, gullies and riparian planting;
 - Use 12.6 hectares of unplantable powerline corridors for grazing by the Vendors in order to reduce fire risk associated with powerlines;
 - Provide for a 30-metre buffer zone along either side of the powerline corridors;
 - Remove the shearers quarters once the Land is completely established and those quarters are no longer needed for temporary contractor accommodation; and
 - Retain the hay barns and woolshed on the Land for temporary storage of tree stock and forest operations equipment when required, or the woolshed may be used by the Vendors occasionally while grazing the power corridor.
75. Pan Pac intends to develop an Environmental Management Plan within six months of acquiring the Land.

Summary of Benefits

76. In applying the benefit to New Zealand criteria, you are required to consider each of the benefit factors, decide which of them are relevant and determine the relative importance of those relevant factors.
77. The weight and relative importance to be given to each factor is a matter to be determined by you as the decision-maker. This report sets out LINZ's assessment to guide your consideration, however it is not determinative. LINZ deals with the proposed conditions and their rationale after discussing the benefit claims.
78. Factors that LINZ considered were either not relevant to the Investment, or the benefit to New Zealand was not sufficient to be relied on, are noted in **Attachment 7**. In this case, the factors were the New Zealand participation factor, the Consequential benefit factor, and Extraction of Water.

Farm land benefit test does not apply

79. This Investment involves the acquisition of farm land exceeding 5 hectares to which the modified farm land benefit test would normally apply. In this case, Pan Pac relies on section 16A(2) of the Act which states the modified farmland benefit test does not apply if the relevant Ministers are satisfied that:
- (a) the farm land will, or is likely to, be used exclusively, or nearly exclusively, for forestry activities; and

- (b) whenever a crop of trees is harvested on the farm land, a new crop will be, or is likely to be, established on the farm land to replace the crop that is harvested; and
- (c) the non-occupation outcome will, or is likely to, occur in relation to the farm land.³⁹

80. LINZ considers that all three of these requirements are met in this case.

Economic Benefits

Jobs

- 81. Pan Pac estimates that the Investment is likely to contribute 1.9 FTEs to the wider Pan Pac workforce over the length of the first rotation of trees on the Land (approximately 0.31 FTE per 100 hectares). This relatively conservative figure⁴⁰ reflects Pan Pac's intention to use mechanised planting and pruning machines, which will reduce reliance on manual labour.
- 82. Neither Pan Pac nor the Vendors can provide the current state as to the number of FTEs supported by the Land. Before the Land was leased, the Land used to support 2FTEs (approximately 0.31 FTE per 100 hectares). Casual labour was used around peak demand times as well as shearing labour during the year which was equivalent to 0.36FTEs.

Increased revenue

- 83. Pan Pac claims that the volume of wood produced in a harvest of the Land⁴¹ represents an expected future value of approximately \$119 million of lumber, pulp and log products for each rotation,⁴² or \$4.25 million per annum. The current revenue from the Land of over the same period is approximately \$7.7 million or approximately \$275,500 per annum. This represents an increase in gross revenue of approximately \$3.97 million per annum or \$111.3 million over a rotation.

Increased processing of domestic products

- 84. Pan Pac intends, and accepts a consent condition, to process all logs that meet the specifications and requirements of its manufacturing operations⁴³ at its sawmill and pulp mill in Whirinaki, Hawke's Bay.
- 85. The Land is only approximately 33kms away from the Whirinaki mill. While Cyclone Gabrielle caused damage to the Whirinaki mill, Pan Pac submits that the damage does not affect its intention. Pan Pac is working towards recommissioning the production facilities in October/November 2023.
- 86. LINZ accepts that there is likely to be economic benefit resulting from processing domestically the products from the Land. LINZ also acknowledges that being a vertically integrated forest products company, Pan Pac is in an advantageous position to ensure that domestic processing of products results from this Investment. This Investment is part of Pan Pac's long-term strategy of securing future supply of high value pruned tree crops for its sawmill and pulp processing plants.
- 87. Processing logs at its mill is also likely to support the continued employment of Pan Pac's employees by ensuring wood flow at its mills and processing plants.

³⁹ Where that outcome in clause 17(3) to (5) of Schedule 2 applies with necessary modifications as if the reference to residential land were a reference to the farm land.

⁴⁰ Compared to compared to recent studies on direct and indirect forestry employment – such as the PWC report produced for MPI in 2020 - [Economic Impacts of Forestry FINAL + Methodology + Disclaimer \(nzfoa.org.nz\)](#) and the 2021 NZIER labour force survey [48667-2021-Forestry-and-wood-processing-labour-force-survey \(mpi.govt.nz\)](#)

⁴¹ Approximately 333,978.79 tonnes.

⁴² Pan Pac has used 28 years to calculate the future value, equivalent to the expected rotation.

⁴³ Refers to logs that meet the specifications and customer requirements.

Increased Export Receipts

88. After processing, Pan Pac intends to export the products from the Land.⁴⁴ The Vendors did not directly export. Stock was sold either as store stock (remained in NZ) or sold to the meat companies (for slaughter). It is unknown what stock may have been exported by the meat companies.
89. It is therefore assessed that the Investment will generate export receipts of approximately \$119 million each rotation, or \$4.25 million per annum, resulting in economic benefits to New Zealand.

Increased productivity

90. Pan Pac intends to use mechanised planting and pruning machines, and to deploy drone-based pre-spot spraying operations on the Land. Consultation with MPI was undertaken to understand this claim.
91. LINZ assesses, following advice from MPI, that the use of these machines and operations is likely to result in increased productivity and more efficient management of the Land.
92. The higher-than-expected recovery volume (778 tonnes per hectare) is likely to be partly due to the advances in precision technology, including the use of mechanised planting machine.
93. Other benefits that may arise from the use of mechanised planting machine include:
- Reduce reliance on manual labour, relieving the industry issues with labour supply;
 - Improve efficiency in plan preparation and planting process;
 - Ensure that seedlings have an improved chance of survival; and
 - Improve health and safety conditions in the industry by reducing long term health risks with the repeated activity of planting, and with carrying large quantities of trees to difficult sites.⁴⁵
94. Pruned logs produce knot free clear-wood which then provides benefits to both strength and appearance.⁴⁶
95. LINZ's assessment⁴⁷ is that the deployment of drone-based pre-spot spraying operations is likely to result in a more efficient management of the forest because:
- The use of drone technologies is likely to allow each tree to be tracked during a rotation, resulting in having a record of treatments (sprays, trace elements) and silviculture (pruning).
 - Silviculture is likely to be able to be managed on time, and treatments to be applied to the correct trees and locations.
 - Precision monitoring, through data storage, is likely to result in more precise management, and over the longer term will be useful to track production results, for improvements in the next rotation.

⁴⁴ Except that the residual fibre (sawdust and bark) will be utilised for heat and electrical power generation on site at Whirinaki mill.

⁴⁵ MPI was consulted on 26 June 2023 as part of this assessment.

⁴⁶ Tim Petro, Forest Growers Research Ltd. *Manual and Mechanized Pruning Technologies: a review of the literature*, <<https://for.nz/documents/download/10030>>

⁴⁷ Based on MPI comments on this application, 28 July 2023.

Environment Benefits

96. Pan Pac claims the Investment will bring environmental benefits through the protection of indigenous vegetation and waterways, reintroduction of the nationally critical plant⁴⁸ *myosotis petiolata* (common name is forget-me-not), regeneration of an unplantable area into a native forest, improving water quality, erosion control, and a reduction of greenhouse gases.

Protection of indigenous vegetation and waterways

97. The Land contains a QEII area, RAPs⁴⁹ and various streams. Pan Pac intends to:
- secure the fencing, eliminate the undulates from the fenced off QEII area, and work with QEII on enhancing the existing covenant;
 - protect the RAPs by undertaking further planting of indigenous vegetation in the RAPs to make some areas of native vegetation more contiguous, undertaking regular pest control and controlling invasive plants such as gorse and broom;
 - expand its existing possum control bait station network across the Land within two years of acquisition; and
 - cease farming operations will prevent nitrogen leaching into the various streams on the Land.⁵⁰
98. LINZ accepts that there will be some environmental benefit in protecting the RAPs, undertaking pest control and gorse control programme, and further planting of native vegetation. This benefit is however limited in scale because part of the vegetation is already afforded significant protection through the obligations of the QEII covenant. LINZ recommends a condition of consent for Pan Pac to comply with Hastings District Plan in relation to RAPs, undertaking pest control programme and expanding the possum control bait station network across the Land.

Reintroduction of the native plant, Myosotis Petiolata

99. On the boundary of the Land and another neighbouring property are two known *myosotis petiolata*. By working with other agencies,⁵¹ Pan Pac intends to conduct an initial review of the Land to find any additional *myosotis petiolata* and to identify the best site on the Land to develop into an active restoration zone for the native plant.
100. LINZ assesses that, as noted by Pan Pac, the establishment of the native plant is challenging due to the lack of seeds. LINZ recommends a condition of consent for Pan Pac to work with other agencies to protect the existing, and to reintroduce, the native plant.

Regenerate into a native forest

101. Pan Pac intends to regenerate into native forest approximately 43.62 hectares unplantable area of the Land that falls within the Hastings District Council's Outstanding Natural Features Landscape (see **Attachment 8** for the location). This will be done through a combination of planting eco-sourced native seedlings to form a nurse crop, and by promoting natural regeneration from the existing native forest remnants through weed and pest control.
102. LINZ recommends a condition of consent for Pan Pac to comply with Hastings District Plan rules in relation to Outstanding National Features Landscape and Outstanding Rural Landscape Character.

⁴⁸ As categorised under the New Zealand Threat Classification System. < <https://nzlcs.org.nz/>>

⁴⁹ Recommended areas of protection.

⁵⁰ Except in the 12.6 hectares along the powerline corridors which will be grazed by the Vendors in order to reduce fire risk associated with powerlines.

⁵¹ Including Department of Conservation and Hawke's Bay Regional Council.

Erosion control

103. Pan Pac advises that the Land has moderate erosion susceptibility.⁵² Pan Pac claims that conversion to forestry will improve erosion control on the Land.
104. Pan Pac has committed to abiding by the National Environmental Standards for Plantation Forestry (**NES-PF**) and LINZ recommends this is a condition of consent.

Carbon reduction and sequestration

105. Pan Pac claims that ceasing farming activities on the Land will reduce biogenic methane emissions from ruminant animals and other emissions, such as nitrous oxide and carbon dioxide emissions, that are associated with livestock farming. Plantation production forest on the Land will also reduce net emissions by sequestering carbon as the forest grows.
106. LINZ considers conversion to forestry will lead to an increase in the amount of carbon stored and a likely reduction in farm emissions (though there is a possibility that stock may be moved elsewhere). LINZ notes that there is uncertainty whether the Investment will result in net reduction of CO₂ in NZ.

Public Access

107. There is no public access on the Land. Pan Pac plans to allow recreational access to the Land, similar to what it has done with its other forests. The access maybe for recreational purposes such as horse and bike riding, trail running, and orienteering through issuing permits. Any access will be subject to health, safety, operational restrictions.
108. LINZ accepts that the permit system provides more public access than is currently available on the Land, but only because there is currently no public access. The limited permit system described by Pan Pac is subject to restrictions and is unlikely to bring any significant benefit to New Zealand.

Historic Heritage factor

109. Pan Pac intends to undertake a historic heritage assessment of the Land, which includes consultation with local iwi. Pan Pac will protect any discovered archaeological site, including the Māori pit, by marking with permanent marking post, registering under the Heritage New Zealand Pouhere Taonga Act 2014, and establishing a buffer zone around the site. Pan Pac intends planting from the ridgeline in way that would leave the top shape clear and visible.
110. We assess that the conduct of historic heritage assessment and planting in a way that considers the area as having significant taonga to local iwi represent a benefit to New Zealand. LINZ recommends a condition of consent for Pan Pac to consult with local iwi and Heritage New Zealand Pouhere Taonga in relation to archaeological and historic matters.

Significant Government Policy Benefits

111. Pan Pac submits that the proposed conversion will give effect to or advance several significant Government policies which are set out in the Benefits Table below.

Summary assessment: benefit to NZ test

112. This table assesses the benefits to NZ likely to result from the Investment and the relative weight to be given to each.

⁵² Based on Ministry for the Environment's erosion susceptibility tool.

113. LINZ notes that in the case of carbon and climate benefits, this falls within all the economic, environmental, and government policy benefits. LINZ also notes that this will be common to all farm to forestry conversion applications. LINZ has therefore created a separate sub-table for carbon and climate change benefits.

ECONOMIC BENEFITS		
Strength	Moderate	
	<p>LINZ considers that this factor should be given a Moderate weighting given there will likely be increased productivity, a significant increase in revenue off the Land, increase in domestic processing and retention of employees at Pan Pac's mills and processing plants, with Māori comprising 32%. LINZ considers that this contributes to a Moderate weighting for the overall Economic Benefit.</p> <p>LINZ notes though that, in terms of economic returns, it is very difficult to compare potential timber with farming revenues given the long-term nature of the Investment and the volatility of primary commodity markets.⁵³</p>	
Retention of jobs		
Applicant's claims: what they intend to do	Current state	LINZ analysis
<p>Add 1.9FTEs to Pan Pac's workforce (approximately 0.31 FTE per 100ha).</p> <p>By providing log supplies, support the continued employment of Pan Pac's employees working at its mills and processing plants.</p>	<p>Before the Land was leased, the Land used to support 2FTEs (approximately 0.31 FTE per 100ha).</p> <p>Casual labour was used around peak demand times as well as shearing labour during the year which was equivalent to 0.36FTEs.</p>	<p>LINZ considers that the Investment is likely to support the retention of Pan Pac employees working specifically at its Whirinaki mill. This is because the logs products from the Investment are intended to be processed at Pan Pac's mills and processing plant.</p> <p>Without the Investment, it is likely that the Pan Pac's workforce will be reduced as there will be no supply of products to process at its mills.</p>
Increased revenue and export receipts		
Applicant's claims: what they intend to do	Current state	LINZ analysis
<p>Generate \$119m representing the expected future value of lumber, pulp, and log products from the Land.</p> <p>If averaged out over 28 years, this equates to approximately \$4.25m per year (\$706,000 per 100 hectares).</p> <p>The total export receipts will be the same as all products from the Land will be exported.</p>	<p>Current farm revenue from the Land over the same period is estimated at around \$7.7m – which equates to around \$275,000 per year (\$45,700 per 100 hectares).</p> <p>There is no known information about the export receipt of the lessee.</p>	<p>LINZ considers there is likely to be an increase in revenue and export receipts generated from the Land.</p> <p>In terms of net increase in total revenue per 100 hectares, this will be approximately \$660,300 per year.</p>

⁵³ However, LINZ notes that the PWC model suggests that the "Value-add (\$m)" for forestry from a 1,000 hectares block is estimated at 1.7, compared to 0.7 for sheep and beef (more than double).

Increased domestic processing		
Applicant's claims: what they intend to do	Current state	LINZ analysis
<p>Process all suitable logs at its sawmill.</p> <p>Process the recovered chip and lower quality logs into export pulp at its pulpmill.</p>	<p>Cattle and sheep are run on the Land which contributes to meat processing in New Zealand.</p>	<p>While it is difficult to compare timber domestic processing with livestock processing, LINZ assesses that this investment is likely to increase domestic processing in New Zealand given that Pan Pac commits to process all suitable forest products using its own sawmill and pulpmill.</p> <p>This investment is part of Pan Pac's long-term strategy of securing future supply for its sawmill and pulpmill therefore it is likely that domestic processing will occur.</p>
Increased Productivity		
Applicant's claims: what they intend to do	Current state	LINZ analysis
<p>Use mechanised planting machine, pruning machine, and deploy drone-based pre-spot spraying operations on the Land.</p>	<p>Not applicable as the Land is used as a farm.</p>	<p>The use of these machines and operations is likely to result in increased productivity and more efficient management of the Land.</p>
Special conditions	<p>Special Condition 1 - 5 will require forestry activities to be carried out on the Land, creating the economic benefits above.</p> <p>Special Condition 7 will prevent Pan Pac from registering any crop of new or replacement trees as "permanent forestry" in the ETS scheme.</p> <p>Special Condition 11 will require Pan Pac to process all logs harvested in its own mills.</p>	

CARBON AND CLIMATE CHANGE BENEFITS	
Strength	Moderate
	<p>The sequestration of carbon is likely to benefit New Zealand environmentally and economically. It is also likely to advance significant Government policies. While this benefit is likely to be moderate relative to the sensitivity of the Land being acquired, the amount of carbon sequestered is unlikely to significantly advance the Government policies.</p>

Environmental – reduction of emissions and carbon sequestration		
Applicant's claims: what they intend to do	Current state	LINZ analysis
The cessation of farming and the planting of additional trees results in climate change benefits through the reduction of harmful livestock emissions and the sequestration of carbon through additional trees.	The Land is mostly used for beef and sheep farming, which produce farm emissions, and the existing trees sequester little carbon currently.	LINZ considers conversion to forestry will lead to an increase in the amount of carbon stored and a likely reduction in farm emissions (though there is a possibility that stock may be moved elsewhere). We note that Pan Pac has no plans in registering under the ETS.
<p>Government Policies – climate change⁵⁴</p> <p>Different applicants have cited different government climate policies which are supported by afforestation. As these are the same for all applications, we have included the following policies (LINZ is mindful that there may be others which have not been identified by Pan Pac).</p> <p>There is uncertainty whether the Investment will result in net reduction of CO₂ in New Zealand. There is a possibility the livestock on the Land could be moved to another farm.</p>		
<p>Government Emissions Reduction Plan – 2022 (ERP)⁵⁵</p> <p>This Plan seeks to implement the Climate Change Response (Zero Carbon) Amendment Act 2019 which sets a target for New Zealand to reduce net emissions of all greenhouse gases (except biogenic methane) to zero by 2050.</p>		
Applicant's claims	Current state	LINZ analysis
<p>Cease farming activities on the Land to reduce biogenic methane emissions from ruminant animals and other emissions, such as nitrous oxide and carbon dioxide emissions, that are associated with livestock farming.</p> <p>Plantation production forest on the Land will reduce net emissions by sequestering carbon.</p> <p>Planting indigenous vegetation on the Land will advance ERP by having native forests contribute to climate change mitigation.</p> <p>The Investment will support Pan Pac to undertake afforestation on the Land, consistent with ERP.</p>	The Land is currently grazed by emission producing livestock and there are far fewer trees to store carbon.	LINZ considers that Ministers are best placed to determine the weight to be given to this policy. LINZ notes that the Plan states " <i>Careful planning of the right forests, in the right place, is required to ensure the benefits of forestry and the full supply chain are realised</i> ".
Special conditions	Special Conditions 1-5 will require Pan Pac to carry out forestry activities on the Land which will likely lead to the reduction of emissions and the sequestration of greater amounts of carbon.	

⁵⁴ LINZ notes that there are likely to be other policies which have not been claimed by the Applicant which are likely to be supported through afforestation and the removal of stock from the Land.

⁵⁵ The relevant chapter within the Plan relating to forestry is Chapter 14 - <https://environment.govt.nz/publications/aotearoa-new-zealands-first-emissions-reduction-plan/forestry/>

ENVIRONMENTAL BENEFITS		
<p>Note that carbon and climate environmental benefits are incorporated within the Government Policy benefit factor above.</p>		
Strength	Moderate	
	<p>LINZ considers that there will likely be environmental benefits through the protections and enhancement of vegetation and removal of stock effluent</p>	
Protection of vegetation and waterways		
Applicant's claims: what they intend to do	Current state	LINZ analysis
<p>Protect the RAPs.</p> <p>Secure fencing of the QEII area and work with QEII on enhancing the existing covenant.</p> <p>Implement pest control in the QEII area and the wider area of the Land.</p> <p>Cease farm operations that produce stock effluent and cause nitrogen leaching into waterways.</p>	<p>There is no known protection of RAPs.</p> <p>There is a QEII covenanted land which comes with obligations to protect vegetation.</p> <p>The Land is mostly used for sheep and beef farming which produces effluent and causes nitrogen leaching.</p>	<p>LINZ accepts that there will be some environmental benefit in protecting the RAPs, undertaking pest and gorse control programme, and further planting native vegetation.</p> <p>LINZ considers conversion to forestry will likely protect waterways.</p>
Reintroduce nationally critical plant <i>Myosotis Petiolata</i>		
Applicant's claims: what they intend to do	Current state	LINZ analysis
<p>Reintroduce the nationally critical plant <i>myosotis petiolata</i>. Pan Pac however acknowledges that propagating this will be challenging.</p>	<p>There are only two known <i>myosotis petiolata</i> on the boundary of the Land and a neighbouring property.</p>	<p>LINZ assesses that it will be challenging to reintroduce this plant.</p>
Regenerate into a native forest		
Applicant's claims: what they intend to do	Current state	LINZ analysis
<p>Regenerate into native forest approximately 43.62 hectares unplanted area of the Land.</p>	<p>43.62 hectares unplanted area of the Land falls within the Hastings District Council's Outstanding Natural Features Landscape</p>	<p>LINZ assesses that there will be environmental benefits in regenerating this area into a native forest.</p>

Special conditions	<p>Special Condition 10 will require Pan Pac to comply with the NES-PF in respect of the Land.</p> <p>Special Condition 13 will require Pan Pac to undertake a pest control programme.</p> <p>Special Condition 16 will require Pan Pac to work with other agencies to reintroduce <i>Myosotis Petiolata</i>.</p>
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HISTORICAL HERITAGE

Strength	Weak
<p>We consider that the conduct of historic heritage assessment and planting in a way that considers the area having significant taonga to local iwi represent a benefit to New Zealand, however since it only goes so far as consulting, we consider the applicable weighting is Weak.</p>	

Applicant's claims: what they intend to do	Current state	LINZ analysis
<p>Protect any archaeological or historic site discovered after a historic heritage assessment of the Land is conducted after acquisition.</p> <p>Planting from the ridgeline in way that would leave the top shape clear and visible.</p>	<p>There is a Māori pit on the Land.</p> <p>The Land is part of a general area having significant taonga to local iwi.</p>	<p>The conduct of historic heritage assessment and the protection of the Māori pit, and any other sites discovered, will bring some benefits to New Zealand.</p> <p>Engagement with local iwi is important given that the Land is part of the area having significant taonga.</p>
Special conditions	<p>Special Condition 15 will require Pan Pac to work with local iwi and Heritage New Zealand Pouhere Taonga in relation to protection of any archaeological or historic site and in consideration of the Land being part of the area having significant taonga to local iwi.</p>	

PUBLIC ACCESS

Strength	Weak
<p>We consider the establishment of a permit system to enable public access to the Land for recreational activities represents a benefit to New Zealand however we consider the applicable weighting is Weak.</p>	

Applicant's claims: what they intend to do	Current state	LINZ analysis
<p>Pan Pac will implement a public access permit system to allow recreational access for members of the public.</p>	<p>There is no public access over the Land.</p>	<p>The establishment of a permit system to access the Land for recreational purposes will open an area to the public which is not currently available.</p>
Special conditions	<p>Special Condition 14 will require Pan Pac to create a new standard public access permit system over the Land.</p>	

ADVANCING SIGNIFICANT GOVERNMENT POLICY		
Strength	Weak	
	While the Investment is likely to align with the "Fit for a Better World" Government policy and Employment Strategy, any advancement is likely to be minor.	
<p>Te Ara Whakahou – Ahumahi Ngahere - Forestry and Wood Processing Industry Transformation Plan – November 2022⁵⁶</p> <p>The Plan is focused on shifting the industry from producing commodity resources by increasing domestic processing, with the aim of generating high value jobs and low carbon products in New Zealand. The key aim of this Plan is for New Zealand to process more wood onshore and to use woody residues to grow the forest-based bioeconomy.</p>		
Applicant's claims	Current state	LINZ analysis
<p>Process products from the Land in its sawmill based in New Zealand.</p> <p>Process the recovered chip and lower quality logs into export pulp at its pulpmill based in New Zealand.</p>	<p>Cattle and sheep are run on the Land which contributes to meat processing in New Zealand.</p>	<p>LINZ considers that the Investment promotes the Plan. The Applicant is committed to processing all suitable logs in its mills located domestically. By owning mills, the Applicant is in a better position to promote the key aim of this, which is to process more wood onshore.</p>
<p>Fit for a Better World – Accelerating Our Economic Potential Roadmap – 2020⁵⁷</p> <p>This is the Government's roadmap (released by MPI) for accelerating the economic potential of the primary sector primarily through building exports, reducing biogenic methane and enhancing freshwater, and growing employment in the primary sector.</p>		
Applicant's claims	Current state	LINZ analysis
<p>The Investment advances the Roadmap by:</p> <ul style="list-style-type: none"> • increasing export earnings; • retaining employment; and • removing livestock emissions. 	<p>There is no information on the current export receipts and employment figures.</p> <p>The Land also produces livestock emissions and has fewer trees to store carbon.</p>	<p>LINZ considers that it is likely that the Investment will advance the Roadmap as it is likely to increase export receipts, retain employment and remove livestock emissions.</p>

⁵⁶ MPI <<https://www.mpi.govt.nz/forestry/forest-industry-and-workforce/forestry-and-wood-processing-industry-transformation-plan/>>

⁵⁷ MPI <<https://www.mpi.govt.nz/dmsdocument/41031-Fit-for-a-Better-World-Accelerating-our-economic-potential>> The importance of the forestry industry to realising the Government's aim in the Roadmap was confirmed by then Forestry Minister Stuart Nash in the new vision for forestry reflected in the Future of Forestry booklet. <<https://www.mpi.govt.nz/dmsdocument/44905-Future-of-Forestry>>

Employment Strategy		
<p>The Employment Strategy aims to ensure that all New Zealanders can fulfil their potential in developing skills, finding secure employment and engaging in rewarding careers. It seeks to promote new opportunities and partnerships that deliver innovative ways of supporting the economic and employment aspirations of groups, including Māori, that have persistently poor employment outcomes.</p>		
Applicant's claims	Current state	LINZ analysis
<p>The Investment will have an indirect impact by ensuring long-term sustainability of Pan Pac's workforce through secured wood supply.</p> <p>The Investment will enable Pan Pac to support several initiatives in the Employment Strategy including:</p> <ol style="list-style-type: none"> investing in upskilling and developing career pathways for workers through apprenticeship and graduate programmes, on-the-job and other trainings; offering a modern workplace through flexible and work-from-home arrangements; and supporting the broader community and industry through its Environmental Trust that support and sponsor non-profit organisations. 	<p>There is no known information about the lessee's workforce.</p> <p>But since cattle and sheep are run on the Land, it can be reasonably assumed that there is an existing contribution to employment in the meat processing sector.</p>	<p>It is possible that the Land already promotes this Strategy as the primary products from the Land ensure that the workforce involved in the processing of these products is sustained.</p> <p>LINZ assesses that the Investment promotes the Strategy by likely providing secured employment to Māori employees of Pan Pac, which is about 32% of its workforce. The Strategy's Māori Action Plan recognises that Māori continue to experience unequal education and employment outcomes, although positive trends are emerging.</p> <p>Hawke's Bay/Gisborne Region, where the mill intended to be used to process the products from the Land has a lower employment rate of 64%, compared to national average of 69.8%.⁵⁸</p>
National Policy Statement for Freshwater Management 2020		
<p>This National Policy provides local authorities with updated direction on how they should manage freshwater under the Resource Management Act 1991.</p>		
Applicant's claims	Current state	LINZ analysis
<p>Protect and improve the freshwater environments on the Land by:</p> <ol style="list-style-type: none"> Ceasing farming operations; Implementing a buffer for forestry activities from streams (consistent with the requirements for perennial rivers under the NES-PF); and Undertaking riparian planting. 	<p>Land is used for sheep and beef farming.</p> <p>Pan Pac understands that no measures are in place to prevent access to or use of the various streams on the Land.</p>	<p>LINZ's view is that this Investment supports the National Policy Statement for Freshwater Management 2020.</p>

⁵⁸ MBIE [Labour Market Statistics Snapshot](#) – June 2023.

Special conditions	<p>Special Conditions 1-5 will require Pan Pac to carry out forestry activities on the Land.</p> <p>Special Condition 11 will require Pan Pac to process all logs harvested in its own mills.</p>
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Consultation and submissions about the investment

114. No third-party submissions were sought or received in relation to this application.
115. In undertaking our recent assessments of similar investments under this test, LINZ consulted with other agencies including MPI, Herenga ā Nuku Aotearoa I the Outdoor Access Commission, Department of Conservation, Treasury, and Ministry for the Environment. Where applicable, this consultation has been referred to throughout.

Proposed conditions and rationale

116. Pan Pac's afforestation proposal is the primary action from which all the specific benefit claims flow.
117. In addition to using the Land for forestry activities (including planting, maintaining, harvesting and replanting a crop of trees), the draft conditions of consent also:
- require processing all harvested logs at its mills based in New Zealand;
 - prohibit registering the crop of trees as permanent forestry under the ETS (whilst allowing native forestry, such as riparian margins, to be registered as permanent forestry if they qualify);
 - require compliance with NES-PF, giving LINZ the ability to take action against Pan Pac for breaches of legislated minimum forest practice standards;
 - require consultation with the local authority with regard to the implementation of slash control on the Land and undertake any recommended measures;
 - prohibit Pan Pac and related persons from occupying the Land for residential purposes;
 - allow temporary grazing of the Land, and use of the shearers quarters until planting is completed, except for the unplatable powerline corridor of approximately 12.6 hectares where grazing is allowed in order to reduce fire risk associated with powerlines;
 - require complying with the relevant District Plan rules including on RAPs, outstanding natural features landscape, and outstanding rural landscape character;
 - require collaboration with the Department of Conservation and Hawke's Bay Regional Council with regard to protection and reintroduction of *myosotis petiolata*;
 - require undertaking pest control programme and expanding possum control bait station;
 - require conduct of historic heritage assessment, consultation with local iwi and with Heritage New Zealand Pouhere Taonga; and implementing measures to protect any discovered historic or heritage sites; and
 - require new access to the Land for members of the public through a new permit system.

Conclusion – benefit to NZ test

118. The benefit to New Zealand test is met if the overseas investment will, or is likely to, benefit New Zealand (or any part of it or group of New Zealanders) having regard for the factors in s 17.
119. The Act requires you to consider all the factors in s 17(1) to determine which factor or factors are relevant to the overseas investment and whether the benefit to New Zealand test is met having regard to those relevant factors. Finally, you must determine the relative importance to be given to each relevant factor or particular benefit arising under a factor. 'Importance' is essentially your assessment of the importance of that benefit factor while the weight you give the benefit is likely to depend on its scale, importance and certainty.
120. The Act requires a proportionate approach to whether the benefit test is met, by taking into account whether the benefit that is likely to occur is proportionate to:
- the sensitivity of the land (for example, the importance to New Zealand of the purpose for which the land is used, the size and value of the land, any sensitive features associated with the land, and the level of public interest that the public have in the land);
 - the nature of the overseas investment transaction (for example, the estate of interest being acquired, whether the estate or interest is temporary or permanent, and the degree of overseas ownership or control of the land or of the estate or interest in the land).
121. Matters relevant to the sensitivity of the Land are likely to include:
- the Land is entirely LUC 6 and 7 (well suited to forestry);
 - the Land is sensitive only because it is non-urban land larger than 5 hectares;
 - approximately 1.64% of the Land is already planted in trees;
 - approximately 31 hectares of the Land is, and will remain, protected by a QEII covenant;
 - the Land is farm land;
 - public interest in the use and conversion of farm land; and
 - the Land is part of a general area having significant taonga to local iwi;
 - the size of the Land is large.
122. Matters relevant to the nature of the overseas investment transaction include:
- Pan Pac is acquiring a freehold interest;
 - Pan Pac is entirely overseas owned; and
 - the Land will be converted to an alternative (non-farming) use.
123. LINZ considers that the Land is medium on the spectrum of "sensitivity" for farm land for the following reasons:
- as a farm, the Land has good economic viability due to its size however it is limited by its LUC class and erosion susceptibility; and
 - there are some special features of the Land such as RAPs and a QEII covenanted area.
124. Pan Pac submits that, given the limitations with the Land, forestry is a more productive land use that can produce benefits to New Zealand.

Conclusion

125. Ministerial judgement is required to determine the importance and weighting that should be given to the benefits likely to occur as a result of this Investment and whether they are proportionate to the Land being acquired.
126. A key point of difference with this application to other forestry conversion applications is that Pan Pac intends to process all products from the Land in its own mills.
127. LINZ notes that the Land is a relatively large area which is part of a general area having significant taonga to local iwi and has some distinguishing features including a Māori pit, RAPs and QEII covenanted area. However, LINZ acknowledges that it is likely that the conversion to forestry will result in greater economic returns from the Land. There are some environmental, historic heritage and limited access benefits as well.

G. Farm land advertising

128. Because the Land is farm land,⁵⁹ we note that it was advertised for sale on the open market with the required information for a period exceeding 30 working days⁶⁰ on the NZR.NZ, Realestate.co.nz, and Trademe websites⁶¹ and in print in newspapers Hawke's Bay Today, Farmer's Weekly and NZ Herald.⁶²
129. We are therefore satisfied the regulations requiring the farm land to be offered for acquisition on the open market have been complied with.⁶³
130. An excerpt from the advertisements is included at **Attachment 9**.

H. Not a transaction of national interest

131. The Investment does not involve a transaction of national interest under the mandatory criteria of the Act.⁶⁴ This is because the Investment does not involve a non-NZ government investor, or an investment in a strategically important business (as defined in the Act).
132. We have not referred this transaction to the Minister of Finance for him to call it in for a national interest assessment on a discretionary basis.⁶⁵ He has therefore not declined consent to the transaction.
133. We are directed⁶⁶ that the starting point is the assumption that overseas investment is in New Zealand's national interest and that we should only seek the Minister of Finance to exercise his discretion for a national interest assessment if the proposed investment:
 - 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 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

⁵⁹ Currently being used primarily for sheep and beef farming (see the definition of farm land in section 6 of the Act).

⁶⁰ For sale by tender by 2 December 2022.

⁶¹ From 9 October 2022 and 2 December 2022.

⁶² Printed between 20 October 2022 and 7 November 2022.

⁶³ Overseas Investment Regulations 2005, regulations 5 to 10.

⁶⁴ Under s 20A of the Act.

⁶⁵ Section 20B of the Act.

⁶⁶ Ministerial Directive Letter (24 November 2021).

- 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).

134. We do not consider that this investment engages any of these risk factors.

I. Conclusion

135. The nature of Pan Pac's claims requires the decision makers to exercise discretion and balance the importance of significant government policies against each other. Consequently, LINZ leaves the decision to grant or decline consent to the decision makers.

136. If you agree to grant consent, LINZ refers you to **Attachment 1** to review the Proposed Decision (including consent conditions), and from page 4 of this Assessment Report to record your decision.

s9(2)(a)

Anneke Turton
Manager, Applications
Overseas Investment -LINZ

Date: 28 /09/2023

J. List of Attachments

1. Proposed Decision
2. Records of Title
3. Current and proposed use table
4. Planting Plan Map
5. LUC Map
6. QEII Covenant Area
7. Other benefits
8. Photos and plans
9. Advertising Material

ATTACHMENT 1 - PROPOSED DECISION

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 the land and/or be subject to fines or other penalties.

Consent

Decision date: [date]

The following people have been given the following consent:

Case	202300156
Consent	The Consent Holder may acquire the Land subject to the Conditions set out below.
Consent Holder	Pan Pac Forest Products Limited (Company Number 501694) We will also refer to the Consent holder as you .
Land	A freehold interest in approximately 601.8447 hectares of land located at Rock Station, 3137 and 3169 State Highway 5, RD 2, Te Pohue, Napier comprised in Records of Title HBP2/1116, HBG1/986 Part-Cancelled, HBF4/1161, HBF4/1162, HBA4/867, HBF4/1160 Part-Cancelled, HBF4/1159 Part-Cancelled, HBF4/1163 Part-Cancelled, HBP4/505, HBF3/706 Part-Cancelled, HBF3/708, HBF3/709 Part-Cancelled, HBF3/710, and HBF3/711 Part- Cancelled (Hawkes Bay). ¹
Timeframe	You have until [date - one week from date of consent] to acquire the Land.

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 you may be subject to fines or other penalties, and you may also be required to dispose of the Land.

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.

Crop of trees means:

- the **new crop of trees** that will be established under special condition 1,
- any **existing crop of trees** already established on the Land;
- any **replanted crop of trees** replanted in accordance with special condition 5,

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.

Dwellings means the shearers quarters on the Land.

Existing Trees means the approximately 10.06 hectares of existing predominantly *Pinus radiata* forest made up of small, isolated stands across the Land as shown in **Appendix A**.

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

Forestry Land means the parts of the Land which you intend to use exclusively, or nearly exclusively, for Forestry Activities (which, for the avoidance of doubt, may include areas of native bush, and reasonable allowances for roads, setbacks, buffer areas, riparian planting and other land reasonably deemed "non-productive").

Māori Pit means the archaeological site marked V20/193 as shown in **Appendix B**.

NES-PF means the National Environmental Standards for Plantation Forestry.

New Trees means the *Pinus radiata* trees to be planted by the Consent Holder which are not the Existing Trees.

Other Land means Land that is not Forestry Land.

Plantable Area means the part of the Land which covers approximately 402.81 hectares marked as 'Standing Trees', 'Plantable' and 'Cutover' in **Appendix A**.

Powerline Corridor means the approximately 40 hectares area along the side of State Highway 5 as shown in **Appendix A**.

Regulations means the Overseas Investment Regulations 2005.

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
Special condition 1: Land must be planted with trees	
You must establish a new crop of trees on the Land covering at least 390 hectares. If you do not comply with this condition, Standard Condition 6 will apply and we may require you to dispose of the Land.	By 31 December 2025

Details	Required date
Special condition 2: Forestry Land must be used for forestry activities	
<p>The Forestry Land must be used exclusively, or nearly exclusively, for Forestry Activities except as otherwise permitted by these Conditions.</p> <p>For the avoidance of doubt:</p> <p>a. The Plantable Area may be used from time to time for minor grazing activities for the purposes of weed control and minimising fire risk; and</p> <p>b. The Power Corridor may be used for grazing.</p> <p>If you do not comply with this condition, Standard Condition 6 will apply and we may require you to dispose of the Land.</p>	At all times
Special condition 3: Minimum silvicultural practices	
<p>The crop of trees must be maintained in accordance with minimum silvicultural practices. In particular, the crop of trees must be planted at approximately 1,000 stems per hectare and thinned to approximately 340 stems per hectare.</p> <p>If you do not comply with this condition, Standard Condition 6 will apply, and we may require you to dispose of the Land.</p>	At all times
Special Condition 4: Crop of trees must be harvested	
<p>You must ensure that no more than 5% (by area) of the crop of trees on the Land is older than the species age limit.</p> <p>For <u>Pinus radiata</u>, species age limit is 35 years.</p> <p>For <u>all other species</u>, the species age limit is as determined by LINZ.</p>	At all times
Special condition 5: Trees must be replanted after harvest	
<p>You must replace each crop of trees (Existing Trees and New Trees) which you harvest 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> <p>(a) replant the Land with the same species of tree or use the same silvicultural regime; or</p> <p>(b) do anything in breach of any other Act, regulation, rule, bylaw, or that is otherwise contrary to law.</p> <p>This condition does not limit Special Condition 2 (Forestry Land must be used for forestry activities) or Special Condition 3 (Minimum silvicultural practices).</p> <p>If you do not comply with this condition, Standard Condition 6 will apply and we may require you to dispose of the Land.</p>	Within 3 years of harvest (or as otherwise permitted by this condition).
Special condition 6: Confirm area of Forestry Land and Other Land	

Details	Required date
<p>You must:</p> <p>a) confirm to us in writing the area of Forestry Land and the area of Other Land; and</p> <p>b) provide a map showing the extent of the Forestry Land and the Other Land.</p>	<p>By 31 December 2025</p>
Special condition 7: ETS registration	
<p>You must not register the crop of New Trees or any replacement 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>If you do not comply with this condition, Standard Condition 6 will apply and we may require you to dispose of the Land.</p>	<p>At all times</p>
Special condition 8: Non-occupation outcome	
<p>None of the following people may occupy the Land acquired under this consent for residential purposes or as otherwise permitted by Special Condition 9 (Permitted temporary activities)</p> <p>a. You;</p> <p>b. Any overseas person with a more than 25% ownership or control interest in any of the people in (a);</p> <p>c. Any overseas person who occupies the Land other than on arm's length terms⁶⁷;</p> <p>d. Any overseas person who has a beneficial interest in, or beneficial entitlement to, the relevant interest in the Land; and</p> <p>e. If (a) is a trust, any beneficiary (direct or indirect) who may benefit under the trust at the trustees' discretion.</p> <p>This condition does not apply to the extent that accommodation is being provided for the purpose only of supporting forestry activities (as defined in section 16A(9)) being carried out on the Land</p> <p>If you do not comply with this condition, Standard Condition 6 will apply and we may require you to dispose of the Land.</p>	<p>At all times</p>
Special condition 9: Permitted temporary activities	
<p>The Land may be grazed prior to being planted with a crop of trees in accordance with Special Condition 1 (Land must be planted with trees).</p> <p>If you do not comply with this condition, Standard Condition 6 will apply and we may require you to dispose of the Land.</p>	<p>Until 31 December 2026</p>
Special condition 10: Comply with NES-PF	

⁶⁷ 'At arms length terms' has the meaning in clause 17, Part 5, Schedule 2 of the Act. In summary it means terms, for example under a lease (or other contract), that are on a reasonable commercial basis.

Details	Required date
<p>You must comply with the NES-PF in respect of the Land.</p> <p>If you do not comply with this condition, Standard Condition 6 will apply and we may require you to dispose of the Land.</p>	At all times
Special condition 11: Domestic Processing	
<p>You must process all logs harvested on the Land in your sawmill and pulpmill located in New Zealand, subject to meeting the specifications and requirements of your manufacturing operations.</p> <p>If you do not comply with this condition, Standard Condition 6 will apply and we may require you to dispose of the Land.</p>	Upon harvest of each harvest of trees on the Land
Special condition 12: Slash Control Measures	
<p>You must:</p> <p>(a) consult with the Hawke's Bay Regional Council with regard to the implementation of slash control on the Land; and</p> <p>(b) implement any reasonable slash control measures recommended by the Hawke's Bay Regional Council.</p> <p>If you do not comply with this condition, Standard Condition 6 will apply and we may require you to dispose of the Land.</p>	<p>a) by 31 December 2025</p> <p>b) At all times.</p>
Special condition 13: Undertake a pest control programme on the Land	
<p>You must:</p> <p>(a) Undertake an on-going pest control programme on the Land in relation to the control of goat and deer; and</p> <p>(b) You must expand your possum control bait station network across the Land.</p> <p>If you do not comply with this condition, Standard Condition 6 will apply and we may require you to dispose of the Land.</p>	<p>a) At all times.</p> <p>b) By 31 December 2025</p>
Special condition 14: Permit system	
<p>1. You must establish and maintain a public permit system for access to the Land. For the avoidance of doubt access permits may be refused or be subject to reasonable limitations, for reasons including but not limited to:</p> <p>(a) prohibiting or limiting access for operational and health and safety reasons (like during planting and harvest or to manage the risk of fire),</p> <p>(b) defining the times and frequency of access, entry and exit points, routes, and activities undertaken on the Land,</p> <p>(c) rules to manage for health and safety and other risks (including communications, insurance requirements, and induction processes),</p>	1) by 31 December 2025 and once established, at all times.

Details	Required date
<p>(d) to ensure the access does not disturb or cause a nuisance to the vegetation and activities on the Land.</p> <p>2. You must advertise this permit system by installing signage on the Land.</p> <p>3. You must advise the local DOC office of this permit system so that DOC is able to direct any enquiries to the correct place.</p> <p>If you do not comply with this condition, Standard Condition 6 will apply and we may require you to dispose of the Land.</p>	<p>2) and 3) by 31 December 2025</p>
Special condition 15: Historic heritage condition	
<p>1. You must conduct a historic heritage assessment of the Land.</p> <p>2. You must consult with local iwi, including Maungaharuru Tangitū, a group of Ngāti Kahungunu hapū; and Heritage New Zealand Pouhere Taonga in relation to:</p> <ol style="list-style-type: none"> the conduct of historic heritage assessment; and the planting in way that considers the Land as being part of the area with significant taonga to local iwi. <p>3. You must implement reasonable measures to protect any archaeological or historic site discovered after a historic heritage assessment of the Land, including establishing a buffer zone, not planting over the site, and registering under <i>Heritage New Zealand Pouhere Taonga Act 2014</i>. You must advise local iwi of such measures.</p> <p>4. You must mark any Māori Pit identified with permanent marker posts, establish a buffer zone and not plant over the Māori Pit.</p> <p>If you do not comply with this condition, Standard Condition 6 will apply and we may require you to dispose of the Land.</p>	<p>1) and 2) by 31 December 2024</p> <p>3) and 4) By 31 December 2025 and at all times thereafter</p>
Special condition 16: Native planting	
<p>You must liaise with the Department of Conservation and Hawke's Bay Regional Council to identify and implement initiatives to protect and to reintroduce <i>myosotis petiolata</i> on the Land.</p> <p>If you do not comply with this condition, Standard Condition 6 will apply and we may require you to dispose of the Land.</p>	<p>By 31 December 2025</p>

Standard Conditions

Details	Required date
Standard condition 1: Acquire the land	

Details	Required date
<p>You must acquire the Land:</p> <ol style="list-style-type: none"> 1. by the date stated in the Consent. If you do not, your Consent will lapse or become invalid and you must not acquire the Land, and 2. using the acquisition, ownership, and control structure you described in your application. Note, only you - the named Consent Holder - may acquire the Land, not your subsidiary, trust, or other entity. 	As stated in the Consent
Standard condition 2: Tell us when you acquire the Land	
<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. 	As soon as you can, and no later than two months after Settlement
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. 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: 	At all times

Details	Required date
<p>a. directing your employees, agents, tenants, or other occupiers to permit an Inspector to conduct an Inspection,</p> <p>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.</p> <p>During an Inspection:</p> <p>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,</p> <p>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>	
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>The Individuals Who Control You are individuals who:</p> <p>a. are members of your governing body</p> <p>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</p> <p>c. are members of the governing body of the people referred to in paragraph (b) above.</p>	At all times
Standard condition 5: Tell us about changes that affect you, the people who control you, or people you control	
<p>You must tell us in writing if any of the following events happens to any of the Consent holders:</p> <p>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.</p> <p>2. You cease to be an overseas person or dispose of all or any part of the Asset.</p>	Within 20 working days after the change

Details	Required date
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.	
Standard condition 6: Dispose of the Land if you do not comply with key special conditions	
<p>If all or part of this Standard Condition 6 applies to a special condition, we have said so in that special condition.</p> <p>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>We will give you written notice if we require you to dispose of the Land. After we have given you notice, you must:</p>	
Value the Land: obtain and send us a copy of a market valuation of the Land from a New Zealand registered valuer.	Within six weeks of the date of our notice
Market the Land: instruct a licensed real estate agent to actively market the Land for sale on the open market.	Within six weeks of the date of our notice
Dispose of the Land: dispose of the Land to a third party who is not your associate.	Within six months of our notice
Offer without reserve: if you have not disposed of the Land within six months of our notice, offer the Land for sale by auction or tender without a reserve price or minimum bid and dispose of the Land.	Within nine months of our notice
Report to us about marketing: tell us in writing about marketing activities undertaken and offers received for the Land.	By the last day of every March, June, September, and December after our notice or at any other time we require
<p>Report disposal to us: send us, in writing, evidence of the following:</p> <ol style="list-style-type: none"> that you have disposed of the Land (including copies of sale and purchase agreements, settlement statements and titles showing the purchaser as registered proprietor), and that the purchaser is not your associate. 	Within one month after the Land has been disposed of

Reporting Conditions

We need information from you about how your investment plan is tracking so we can monitor your progress against the Conditions.

In addition to Settlement reporting (as set out in Standard Condition 2), you must provide LINZ with reports detailing the progress of the investment. The reports must:

1. be submitted via our [Webform](#) by these dates:
 - (a) 28 February 2025;
 - (b) 28 February 2026; and
 - (c) 28 February 2027.
2. contain information about:
 - a. your progress in implementing the special conditions (which can include photographs, maps or aerial imagery as evidence of compliance with relevant conditions),
 - b. your most current forecast or schedule for harvesting and replanting of various areas of the Land (including maps indicating the particular areas and likely schedules).
3. follow the format of the template annual report published on our website.
4. If requested in writing by 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:
 - a. the representations and plans made or submitted in support of the application and notified by the regulator as having been taken into account when the Consent was granted, or
 - b. 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 LINZ 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

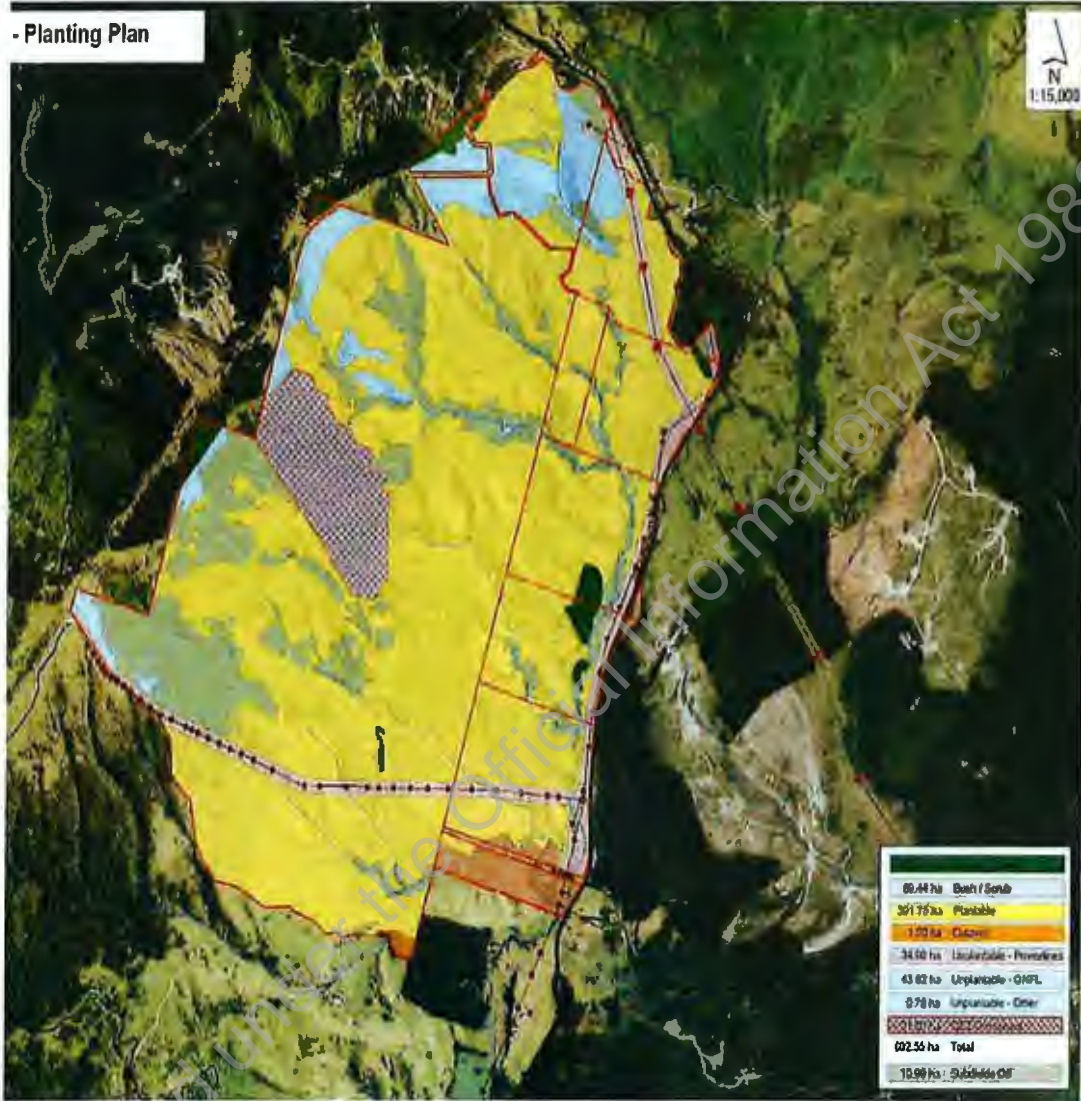
LINZ may temporarily or permanently waive the requirement to report on a particular matter.

Power not to require further reporting

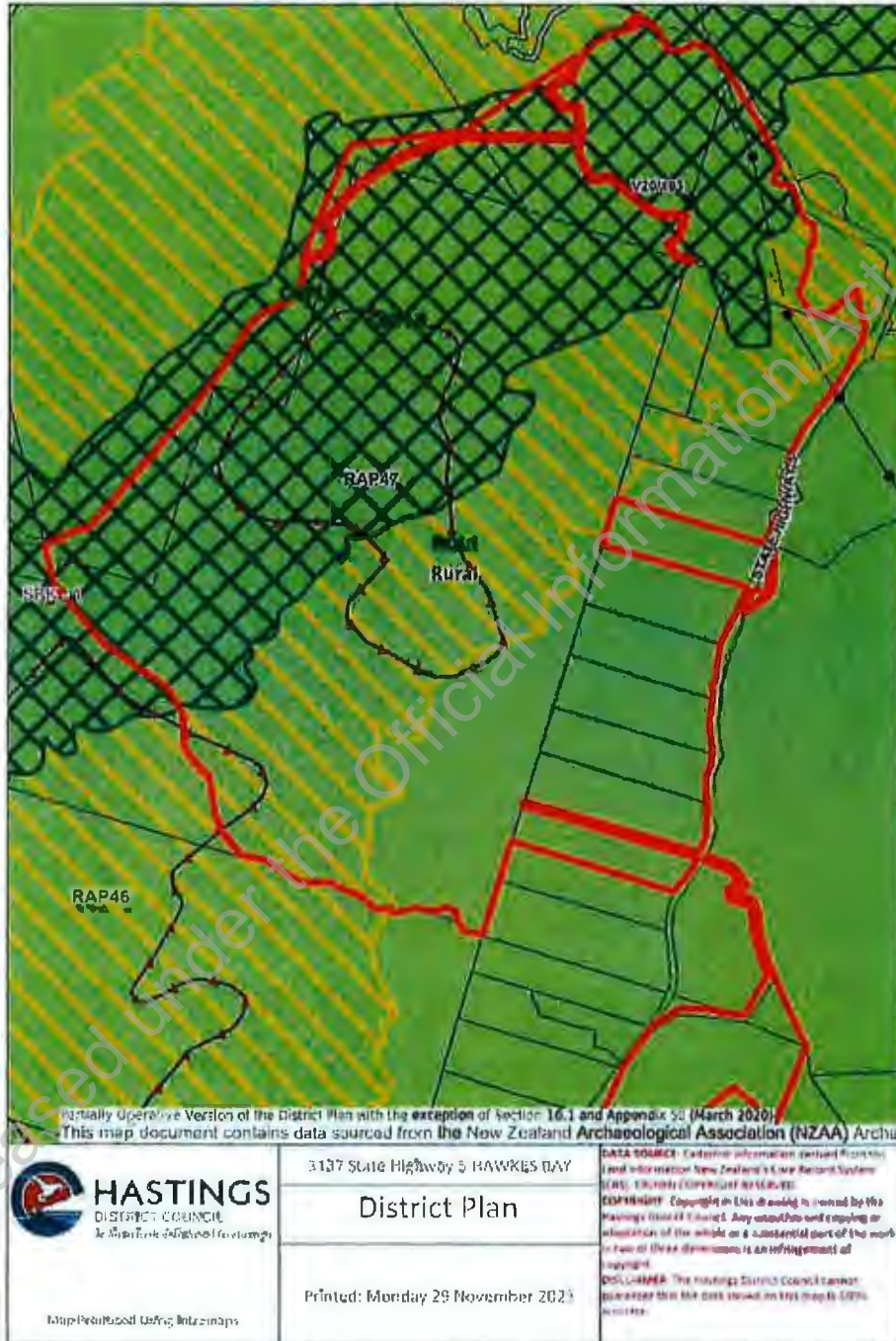
LINZ may waive the requirement to submit a report and may waive the requirement for future reporting.

Appendix A

- Planting Plan



Appendix B



ATTACHMENT 2 – RECORDS OF TITLE ⁶⁸

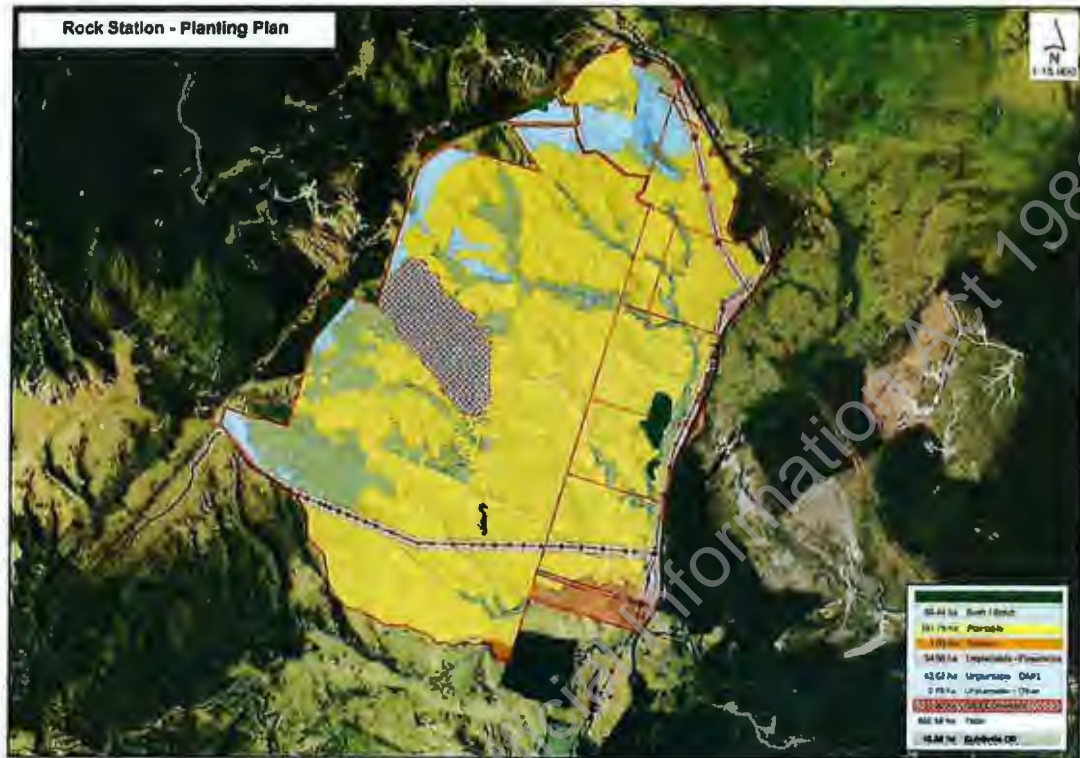
	Record of Title	Legal Description	Land Area
1	HBP2/1116	Section 5-6 SO Plan 8244 and Section 57-60 SO Plan 8210	441.2619
2	HBG1/986 Part-Cancelled	Section 19 and Part 20 Block IX Maungaharuru	2.0511
3	HBF4/1161	Part Block 31 Patoka Crown Grant District	25.4634
4	HBF4/1162	Part Block 30 Patoka Crown Grant District	25.3790
5	HBA4/867	Rural Section 16 Pohue Bush	10.2335
6	HBF4/1160 Part-Cancelled	Part Rural Section 13 Pohue Bush and Part Rural Section 14 Pohue Bush and Part Rural Section 15 Pohue Bush	33.5486
7	HBF4/1159 Part-Cancelled	Part Rural Section 11 Pohue Bush and Part Rural Section 12 Pohue Bush	25.7963
8	HBF4/1163 Part-Cancelled*	Part Rural Section 8 Pohue Bush, Part Rural Section 9 Pohue Bush and Part Rural Section 10 Pohue Bush	38.6603
9	HBP4/505*	Part Section 7 SO Plan 10403	10.1548
10	HBF3/706 Part-Cancelled*	Rural Section 140 Pohue Bush and Part Rural Section 141 Pohue Bush	0.1239
11	HBF3/708	Rural Section 142 Pohue Bush and Part Rural Section 143 Pohue Bush	0.0150
12	HBF3/709 Part-Cancelled	Part Rural Section 144 Pohue Bush	0.2175
13	HBF3/710	Block 150-152 Patoka Crown Grant District	0.0479
14	HBF3/711 Part-Cancelled	Part Section 14 Block IX Maungaharuru Survey District	0.5893

⁶⁸ Pan Pac is acquiring only approximately 602.55 hectares. While currently included in the records of title with asterisks, this area will be subdivided before settlement of the Land.

**ATTACHMENT 3 – CURRENT AND PROPOSED USE TABLE
(APPROXIMATE FIGURES ONLY)**

3137 and 3169 SH5, Te Pohue		
Land use	Current use (ha)	Proposed use (ha)
Forestry (total)	10.06 ha	402.81 ha
Unplanted (<i>other than farm land</i>) (total)	121.22 ha	187.14 ha
Farm land (total)	471.27 ha	12.6 ha
Land to be divested/subdivided and sold (total)	0 ha	0 ha
Total	602.55 ha	602.55 ha
Forestry (total ha)	10.06 ha	402.81 ha
Existing plantation	10.06 ha	10.06 ha
New planting / afforestation – <i>at X stems per ha</i>	0 ha	392.75ha 1111spha
Unplanted (total ha)	121.22 ha	187.14 ha
Native bush (including scrub)	120.44 ha	120.44 ha
Unplantable – ridges, gullies, steep land	0.78 ha	0.78 ha
Infrastructure – roads, tracks	0 ha	0 ha
Buffer land, set-backs, riparian planting	0 ha	65.92 ha
Farm land (total ha)	471.27 ha	12.6ha
Pasture	471.27 ha	12.6 ha
Land to be divested / subdivided and sold (total ha)		
Farm land	0 ha	0 ha
Forestry	0 ha	0 ha
Other	0 ha	0 ha

ATTACHMENT 4 – PLANTING PLAN MAP



Released under the Official Information Act 1982

ATTACHMENT 5 – LUC MAP

OIO Case Number: 202300156

§137 and §169 Taupo Road (State Highway 5), To Pohue

Titles: HBA4/867, HBF3/708, HBF3/709, HBF3/710, HBF3/711, HBF4/1159, HBF4/1160, HBF4/1161, HBF4/1162, HBF4/1163, HBF4/1164, HBG1/986, HBP2/1116 and HBP4/505

Total hectares: 513 ha (rounded)



Released under the Official Information Act 1982

ATTACHMENT 6 – QE II COVENANT MAP



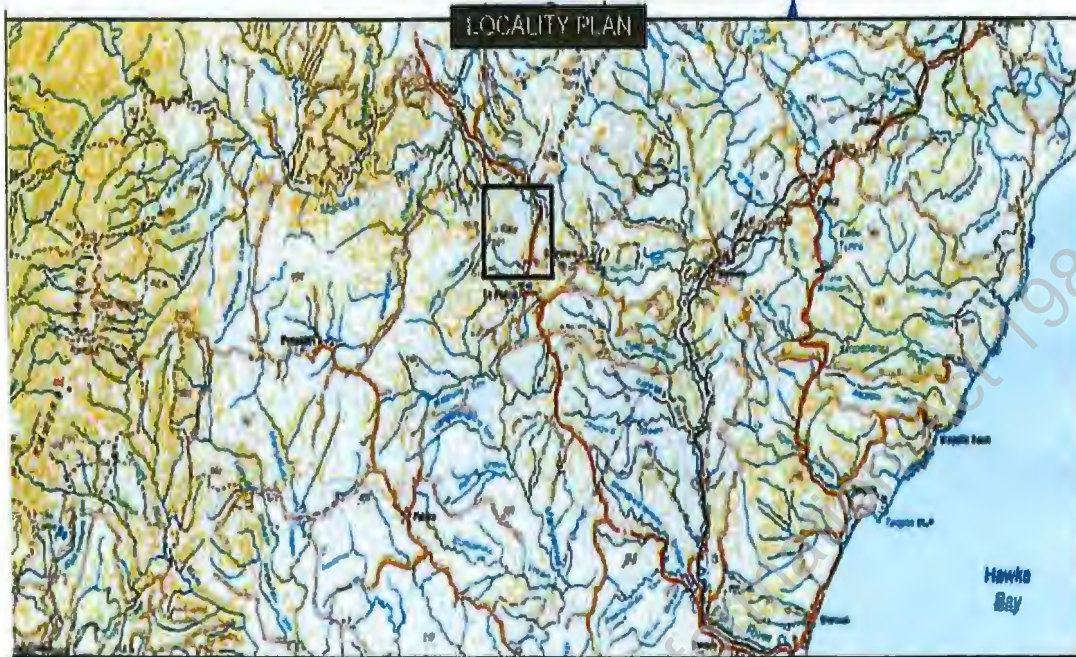
ATTACHMENT 7 – OTHER BENEFIT FACTORS

The table below lists other factors in the Act for assessing the benefit of overseas investments.

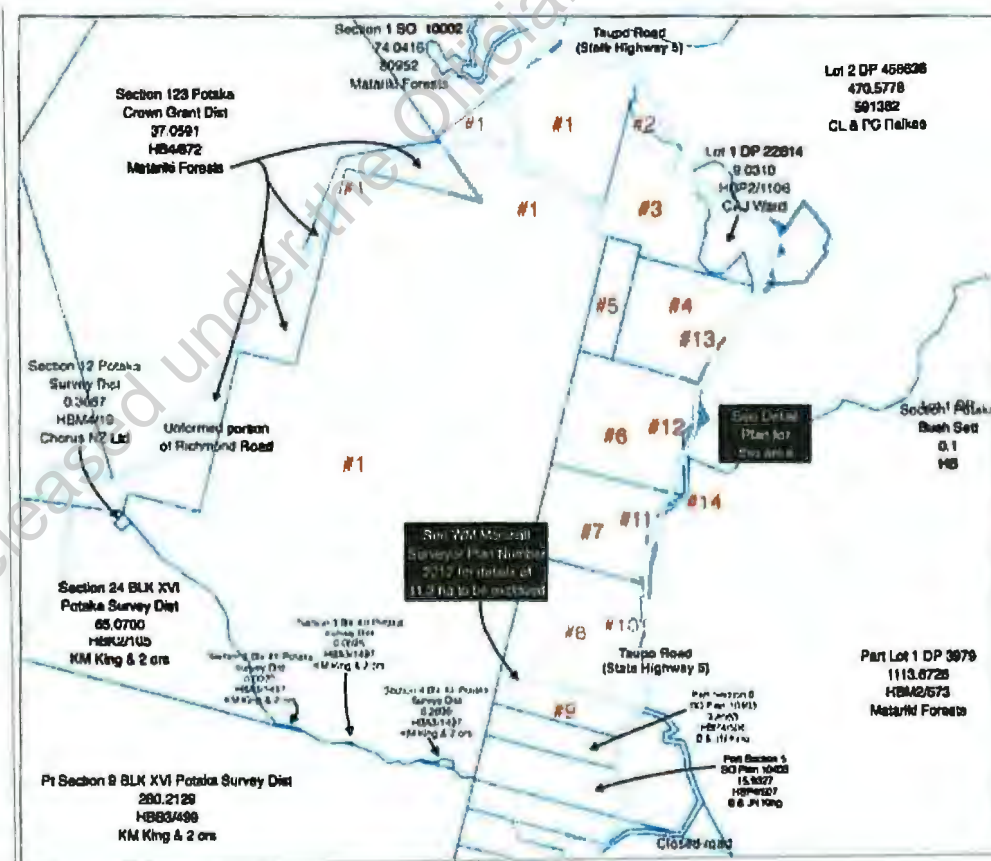
We considered that the factors below were either not relevant to the Investment, or the benefit to New Zealand was not likely or sufficient to be relied on for the purposes of our assessment.

Factor	Reason not relevant or insufficient
Oversight or participation by New Zealanders	Not relevant Ownership is reducing from 100% New Zealand to 100% overseas ownership.
Consequential benefits	Insufficient
Extraction of water for bottling/human consumption	Not relevant This Investment does not relate to the extraction of water.

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PLAN OF ROCK STATION PROPERTY AT 3137 TAUPŌ ROAD (STATE HIGHWAY 5) TE POHUE,



ATTACHMENT 9 - ADVERTISING MATERIAL



Rock Station - Scale With X-Factor Close To Napier.

3137 SH5, Te Pohue, Hawkes Bay

Rock Station is known for its X-Factor scenery and reliable summer safe conditions. Just a 90ile over 30 minutes from Napier on SH5 and nestled under the Te Waka range, the 613 hectare property enjoys an easterly facing aspect.

Incorporating free draining pumice soils, stands of native trees and multiple freshwater creeks, this unique environment combines a sustainable balance of productive farming and nature.

A well run sheep and beef enterprise which has historically

also run deer - approx. 250 ha is deer fenced. Contour is a mix of easy to medium and some steeper areas. On-farm access and workability are strengths with laneway systems, satellite yards and a network of 4wd tracks.

Infrastructure includes: a 5 stand woodshed, multiple yards, various farm shedding and two dwellings - cottage and modernised homestead. An option exists to purchase the farm with or without the homestead plus approx. 11.3 hectares (STS).

613 hectares

Tender 12pm, Fri 2 Dec '22,
NZR, 6 Oxlip st, Ahuriri, Napier

Web nzr.nz/3328733

View by appointment

Duncan McInnon 021 241 9073

Agents: The Real Estate Group Ltd

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