

To: Kirsty Hulena, Principal Customer Regulatory Specialist – Assessment, Overseas Investment

ASSESSMENT REPORT: **Rimu Forestland Limited**

Date	21 December 2023	Classification	IN CONFIDENCE: Commercially sensitive
LINZ reference (Report reference)	202300702	Deadline	31 January 2024

Purpose

We seek your decision on an application to acquire significant business assets and an interest in sensitive land, under the special test relating to forestry activities under the Overseas Investment Act 2005 (**Act**).

This decision has been delegated to Toitū Te Whenua Land Information New Zealand (**LINZ**).¹

Action sought

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

Key information

Applicant	Rimu Forestland Limited (Germany, 47.2%, Hong Kong 12.5%, United Kingdom 12.3%, France 11.8%, Italy 10.3%, Various 5.9%)
Vendor	The New Zealand Redwood Company (United States of America 100%)
Land	Acquisition of an 8,123.1127 hectare forestry estate, being: <ul style="list-style-type: none"> • Hundalee Forest: Approximately 5,531 hectares of land located at 1 and 66 Hundalee Road (State Highway One) Hurunui District.² • Okota Forest: Approximately 877 hectares of land located at 715 Murimotu Road, Hunterville, Rangitikei.³

¹ One-off consent decisions under the special forestry test are delegated to LINZ under Table A, row C, item 8 of the Designation and Delegation letter dated 24 November 2021. All significant business asset decisions are also delegated to LINZ under Table A, row A of the Designation and Delegation letter dated 24 November 2021.

² Records of title MB1D/1043; MB5A/937; MB4D/365; MB38/228; MB4D/1305.

³ Records of title WN49B/26; WN49B/25; WN328/145; WN267/204; WN236/168; WN6B/21; WN267/207.

	<ul style="list-style-type: none"> • Tuhua Forest: Approximately 1,148 hectares of land located at 1190 Ohura Road, Matiere, Ruapehu.⁴ • Paparoa Forest: Approximately 568.0714 hectares of land located at 649 Paparoa Road, Kirikau, Ruapehu.⁵
Consideration	[s 9(2)(b)(ii)]
Application type	Sensitive land – special forestry test (one-off) Significant business assets
Relevant tests	Investor test: s 16(1)(a), s 18A and s 18 Benefit to NZ test – special test relating to forestry activities: s 16A(4) National interest test: s 16(1)(g)

Timing

4. The Overseas Investment Regulations 2005 specify the total assessment timeframe for this application is 55 working days. This application is currently on day 41, therefore a decision is due to the applicant by **31 January 2023**.

A. Decision

Investor test

5. I determine that:

- 5.1 The '**relevant overseas person**' (**ROP**) is/are (collectively):

Relevant overseas person	Role
Rimu Forestland Limited	Applicant
NCF General Partner S.a.r.l.	General Partner to The Fund
Climate Asset Management – Natural Capital Fund A SCSp	The Fund
[s 9(2)(a)]	

- 5.2 the '**individuals with control of the relevant overseas person**' (**IWC**) are:

Individuals with control	Role
James Eric Bullen	Director of the Applicant
Vincent Michael Gin	
Thomas Ross Coton	Director of NCF General Partner S.a.r.l
Ralph Gunter Carl Brodel	

⁴ Records of title TNL3/55; TNL3/54; TNK1/517; TNF3/92; TNF3/91; TNE4/573; TNC3/915; TNC3/914, TNC3/879.

⁵ Records of title WND1/1036; WN52D/201; WN52D/200; WN52D/199; WN42A/578; WN42A/577; WN279/210; WN253/259; WN241/275; WN231/109.

⁶ 41%.

Diana Vinarski	
[s 9(2)(a)]	

6. 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.
7. I am satisfied that the investor test in section 18A has been met.

Special forestry test

8. I am satisfied that:
 - 8.1 the Land is likely to be used exclusively or nearly exclusively for forestry activities;
 - 8.2 the Land does not include residential land;
 - 8.3 the non-occupation outcome will, or is likely to, occur in relation to the relevant land;
 - 8.4 the requirements set out in clause 29(2) of the Overseas Investment Regulations 2005 are likely to be met (being requirements to continue existing arrangements, comply with existing conditions of consent, and comply with existing log supply obligations);
 - 8.5 whenever a crop of trees is harvested on the Land, a new crop is likely to be established to replace the crop that is harvested;

National interest

9. 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.

Decision

10. I am satisfied that the criteria for consent have been met (set out above). I grant consent to the Investment in the form of the Proposed Decision in **Attachment 1**.

[s 9(2)(a)]

Kirsty Hulena-Principal Customer Regulatory Specialist- Assessment (**Overseas Investment - LINZ**)

Date: 08/ 01 / 2024

B. Background and proposed transaction

11. Rimu Forestland Limited (**Applicant**) is a special purpose investment vehicle, owned by a [s 9(2)(b)(ii)] fund (Climate Asset Management – Natural Capital Fund A SCSp, or '**the Fund**'). The Applicant is seeking consent to acquire approximately 8,123 hectares of existing forestry land (**Land**), from The New Zealand Redwood Company (**Vendor**)(**Investment**). The Applicant is also seeking consent to acquire significant business assets, as the purchase price for the Land is over \$100 million.

Land

12. The Land is comprised of four geographically separate forestry blocks:
- **Hundalee Forest** – Approximately 5,531 hectares of land, located 37 kms South of Kaikōura.
 - **Okota Forest** – Approximately 877 hectares of land located 10 km north-east of Hunterville.
 - **Tuhua Forest** – Approximately 1,148 hectares of land located 22km north-west of Taumarunui.
 - **Paparoa Forest** – Approximately 568 hectares of land located 20km south-west of Taumarunui.



Figure 1 – Location of the Land

13. The Land is predominantly used for production forestry. The trees have been planted over the last 28 years, with age distribution varying between the four forests. The Land is classified as mostly⁷ 'Rural' under the respective district plans.

Current planting

14. Most of the Land is planted in Coast Redwood, Douglas Fir and Radiata Pine, in the following amounts for each forest:
- **Hundalee** (1,735 ha plantable) – Approximately 1,074 ha Coast Redwood, 620.4 ha Douglas Fir, 19.6 ha Radiata Pine, 21.3 ha of various other species.
 - **Okota** (717 ha plantable) – Approximately 666.4 ha Coast Redwood, 16.2 ha Radiata Pine and 34.6 ha of various other species.
 - **Tuhua** (250 ha plantable) – Approximately 249.6 ha Coast Redwood.
 - **Paparoa** (465 ha plantable) – Approximately 438.8 ha Coast Redwood, 25.9 ha of various other species.

Unplanted areas

15. During our investigations of the Land, we identified a number of areas on the Land which looked unplanted, particularly in the Tuhua forestry block. The Vendor has explained that the majority of Land we identified was recently planted in 2023 (570+ hectares). One title,⁸ comprising 44 hectares remained unplanted due to poor seedling quality. Other small titles have not been planted in compliance with the NES-PF, due to their proximity to public roads and housing.⁹ This Land will be planted in 2024, either by the Applicant or the Vendor, depending on the settlement date.

Fresh or Seawater areas

16. The Land includes **two** fresh or seawater areas affecting multiple titles, both being the bed of a river (ad medium filum aquae)¹⁰. These areas are further detailed in paragraph 88.
17. Additional maps and aerial images of the Land can be found in **Attachment 3**.

Transaction and Vendor

18. The asset sale agreement was entered into between the Applicant and the Vendor on 29 July 2023. The agreement is conditional on consent under the Act.
19. The Vendor is a New Zealand incorporated company, ultimately owned by an overseas interest, being the Soper Company¹¹, which is owned by private American interests.¹²
20. The Vendor has accumulated this Land over many years, with the first acquisition (of Okota Forest) in 2001. The remaining interests in the Land were acquired in 2005, 2009 and 2016. The Vendor has been continuously planting the Land since 2002.

⁷ Or Rural adjoining protected Area – Conservation Zone for Paparoa Forest).

⁸ TNF3/91.

⁹ TNE4/573, TNL3/55 and MB4D/365.

¹⁰ Land adjoins this waterbody, and presumption that ownership extends to the middle of the river.

¹¹ United States incorporated company.

¹² Various unknown American interests with less than 5% each (70.3%), as well as John Wendler, David and Anne Wescott, and trusts held for John Wendler, Charlotte Soper, and Barbara Soper.

21. If the transaction proceeds, the Vendors' cumulative forestry assets will be transferred from one overseas person to another.

C. Application of the Act

22. The Land is sensitive because it is non-urban land over 5 hectares in size, and the Asset is sensitive because the value of the Land is more than \$100 million,¹³ so consent is required.¹⁴
23. Because the Land is likely to be used almost exclusively for forestry activities, the following criteria for an investment in sensitive land (as well as the criteria for an investment in significant business assets) apply to this application:¹⁵
- 23.1 The investor test must be met.¹⁶
- 23.2 The benefit to New Zealand test must be met under the special test relating to forestry activities.¹⁷
- 23.3 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.¹⁸
24. In order to satisfy the special test relating to forestry activities, the decision-maker must be satisfied that:¹⁹
- 24.1 **Use of land:** The Land—
- is likely to be used (nearly) exclusively for forestry activities
 - is not exclusively residential land and
 - will not be occupied by any classes of person referred to in Schedule 2 clause 17 of the Act (the non-occupation outcome).
- 24.2 **Requirements:** The following requirements are likely to be met—²⁰
- existing arrangements are maintained
 - existing conditions of consent are complied with
 - logs continue to be supplied under existing supply obligations and
 - whenever a crop of trees is harvested on the Land, a new crop is likely to be established to replace the crop that is harvested.
25. As this transaction includes fresh or seawater interest(s), the automatic condition relating to fresh and seawater areas applies.²¹ The Crown must acquire, and the owner of the Land must allow the Crown to acquire, the fresh and seawater interest(s).²²

¹³ Section 13(1)(a)(ii) of the Act.

¹⁴ Under sections 10(1)(a) and 12(a)(i) of the Act.

¹⁵ Set out in section 16(1), and section 18 of the Act.

¹⁶ Section 16(1)(a) and 18A of the Act.

¹⁷ Section 16A(1)(c)(ii) and s16A(4) of the Act.

¹⁸ Section 16(1)(g) of the Act.

¹⁹ Section 16A(4)(a)-(f) of the Act.

²⁰ As set out in clause 29(2) of the Overseas Investment Regulations 2005, and s 16A(4)(e) of the Act.

²¹ Section 25D of the Act.

²² Clause 3, Part 2, Schedule 5 of the Act.

However, the Crown need not acquire the fresh or seawater interest(s) if the owner is notified of a decision not to acquire.²³

26. We assess the investor test in Part D, the special test relating to forestry activities in Part E, and discuss national interest matters in Part F.

D. Applicant and investor test

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

Business Activities

28. The Fund was established in 2020 in Luxembourg, for the purpose of making investments for its owners in nature-based assets, including sustainable forestry, regenerative agriculture, and nature-based carbon projects.
29. The Fund focuses on investments in New Zealand, Australia, the United States of America, Canada and Europe. It typically holds assets for 15-25 years. To date, the Fund has made three agricultural investments, being investments in orchards located in Spain, Portugal and Australia.

Ownership

30. The Applicant, Rimu Forestland Limited is newly incorporated in New Zealand, for the purpose of carrying out the Investment. The Applicant is a 100% subsidiary of NCF Holdco S.a.r.l (**Holdco**), which is in turn wholly owned by the Fund.
31. The Fund, Climate Asset Management – Natural Capital Fund A SCSp, is a limited partnership and investment fund. The investors are the limited partners, who own 99.9% of the Fund, with the founding partner²⁴, holding the remaining 0.1%.
32. The limited partners are passive institutional investors.²⁵ Only one of these investors holds a more than 25% interest in the Applicant – a [s 9(2)(a)]
[REDACTED] Despite the passive nature of its investment, [s 9(2)(a)]
[REDACTED] as been included as a Relevant Overseas Person (**ROP**), and its directors and investment committee members, as Individuals With Control (**IWC's**), due to its large ownership interest.
33. [s 9(2)(b)(iii)]
[REDACTED]
34. A diagram of the intended ownership structure is in **Attachment 2**.

Control

35. The Applicant is controlled by its **General Partner**, NCF General Partner S.a.r.l. Investment and divestment decisions are made by the General Partners Board (of

²³ This is accordance with Clause 4 or 5, Part 2, Schedule 5 of the Act.

²⁴ Climate Asset Management NCF Co-Invest SCSp.

²⁵ Gothaer Naturkapital (41.1%), HSBC Global Asset Management Limited (12.3%), Cassa Forense (10.3%), HSBC Life (International) Limited (8.9%), HSBC Assurances vie (France)(5.6%), Cardiff Assurance Vie (6.2%), The other Limited Partners of the Fund (Climate Asset Management – Natural Capital Fund A SCSp) (15.5%), The Founding Partner (0.1%).

directors). The General Partner and its board of directors have been included in the ROP/IWC selection.

36. An investment decision made by the General Partner's Board is recommended to the HoldCo and the Applicant, who in turn independently review and approve the investment decision. A release of capital by the General Partner's Board is reviewed and deployed by the Applicant, who has day-to-day control of the asset. The Applicant and its directors have been included in the ROP/IWC selection.
37. The General Partner has appointed an entity, Sanne LIS S.A. (**AIFM**), to be the regulated manager²⁶ of its investments, to check due process has been followed and the investments are made within the operating framework of the Fund. It does not have strategic control, so has not been included as an ROP.
38. AIFM in turn has appointed a Portfolio Manager, Climate Asset Management Limited, who promotes the Fund, secures capital from investors, and has general oversight of the Fund's investments. It does not make invest or divest decisions, so has not been included as an ROP.

Relevant overseas person and individuals with control

39. For these reasons, we recommend that the '**relevant overseas person**' is (collectively):

Relevant overseas person	Role
Rimu Forestland Limited	Applicant
NCF General Partner S.a.r.l.	General Partner to The Fund
Climate Asset Management – Natural Capital Fund A SCSp	The Fund
[s 9(2)(a)]	

40. We recommend that the '**individuals with control of the relevant overseas person**' (**IWC**)²⁸ are:

Individuals with control	Role
James Eric Bullen	Director of the Applicant
Vincent Michael Gin	
Thomas Ross Coton	Director of NCF General Partner S.a.r.l
Ralph Gunter Carl Brodel	
Diana Vinarski	
[s 9(2)(a)]	

²⁶ Required by law.

²⁷ 41%.

²⁸ Section 15.

[s 9(2)(a)]	

Summary of investor test

41. The relevant overseas persons and individuals with control established none of the factors contained in section 18A(4) of the Act.
42. For the reasons set out above, our conclusion is that **the investor test has been met.**

E. Investment plan and special forestry test

43. This section describes the proposed investment and our assessment of whether it is likely to meet the special forestry test criteria in the Act.

Investment

44. The Applicant intends to use the Land solely for the purposes of continuing forestry activities, being the planting and harvesting of approximately 3,524 hectares of productive forestry.
45. The Applicant intends to hold the Land for multiple rotations (each approximately 35-60 years). The length of the rotations depends on tree species and site productivity (the Okota, Tuhua, and Paparoa sites are more productive).
46. The Applicant will maintain the trees in accordance with good forest management practices and harvest the trees on maturity.

Planting

47. As mentioned at paragraph 15, a large proportion of the plantable area is currently unplanted, being mostly native vegetation. The Applicant plans to plant some of the Land currently unplanted²⁹ or recently harvested, in 2023/2024 (totalling approximately 357 ha).
48. The Applicant has stated they will replant within 1 year of harvest.

Harvesting

49. The Applicant expects harvesting to take place 35-60 years from planting (with Radiata Pine being earlier). The harvested trees will be sold to domestic customers or internationally.

Forest Management

50. The Applicant states they will be engaging a well-regarded and experienced New Zealand forestry manager. Because the Land is currently managed by the Vendor, there is no existing management agreement over the Land for the Applicant to continue.

Registration in the New Zealand Emissions Trading Scheme

51. The Applicant intends to register the Land in the New Zealand Emissions Trading Scheme (**ETS**) (and will be transferred the Vendor's participation in respect of the land

²⁹ See paragraph 15.

already registered). **Special condition 7**, prevents the Applicant from registering a crop of trees as 'permanent forestry' under the ETS. We have included exemptions from this condition for Coast Redwoods and native forestry.

52. As the rotation length for Coast Redwoods on the Land will be around 60 years, these are able to be registered as permanent forestry in the ETS. The Applicant has stated they can still meet the requirement for harvesting in **Special condition 3**.
53. The native areas of forestry on the Land will not be harvested and so are suitable to be registered as permanent forestry under the ETS.

Use of land

54. This section considers whether the Land—
 - 54.1 is likely to be used (nearly) exclusively for forestry activities
 - 54.2 is not exclusively residential land and
 - 54.3 the non-occupation outcome will or is likely to occur.

Used for forestry activities

55. The Land is currently used nearly exclusively for forestry activities, and this use is likely to continue.
56. The current and proposed use of the Land is set out in full at **Attachment 4**.

57. Approximately 3,524 hectares will be planted with trees, representing **43%** of the Land.
58. The balance of the Land (**57%**), will remain unplanted due to native bush (**37%**), unplatable steep ridges and gullies (**18%**), infrastructure (**1.7%**), buffer land, setbacks and riparian planting (**0.3%**).

Non-forestry activities - grazing

59. The Applicant intends to continue the current grazing on the Land:
 - Different parts of the Land, totalling approximately 688 hectares, are currently grazed under four different grazing licenses³⁰. The majority of this is within existing forestry, where trees are mature enough to withstand stock and are grazed for the purpose of grass control for fire safety, and pest management.
 - Approximately 17 hectares of this grazing is on currently unplanted land. The Applicant plans to plant this Land in 2024. It is currently being grazed in order to keep weed and grass level low. The grazing license to which this land is subject

³⁰ These grazing licenses are held by neighbouring farmers.

can be terminated with 60 days' notice. **Attachment 5** shows these 17 hectares in white.

60. The Applicant wishes additionally, to graze the areas under existing powerlines running through the Paparoa and Tuhua Forests. Legally, the Applicant is required to setback forestry by between 0.5 and 50m from the powerlines³¹. The Applicant would likely license this area of the Land for grazing to local farmers who already hold grazing licenses over other parts of the Land.
61. We consider the above current and proposed grazing is ancillary to the use of the Land as forestry, due to: 671 hectares being within existing forestry; 17 hectares being temporary grazing; and the proposed grazing being within an unplantable area.
62. **Special condition 1** permits this use of the Land.

Non-forestry activities - other

63. Other non-forestry activities on the Land, include the following:
 - **Telecommunications** – infrastructure is present on the Land, with leases granted to two telecommunications companies.³²
 - **Hunting and pest control** – Six access licenses for hunting and pest control have been granted as part of pest management on the Land. The Applicant intends to continue these arrangements.
 - **Beekeeping** – three beekeeping arrangements are present on the Land, with two different companies.³³ The stocking rate is well below standard commercial levels for bee keeping. The Applicant intends to continue these arrangements.
 - **Residential tenancies** – three residential dwellings are present on the Land with tenancies in place. The Applicant intends to continue these residential tenancies.
64. We are comfortable that the proposed uses of the land above are sufficiently minor to be consistent with the conclusion that the Land is used exclusively or nearly exclusively for forestry activities. **Special condition 1** permits this use of the Land.

Nearly exclusively for forestry

65. Although only 43% of the Land will be planted in trees, we are confident that the unplanted Land is not usable for forestry purposes, due to extensive areas of native bush and native forestry and unplantable areas due to the terrain of the Land and legal setbacks.
66. The Applicant is committed to maintaining the areas of native bush and native forestry on the Land.
67. Note that proposed **Special Condition 1** meets the requirement for a condition that the Land continue to be used for forestry activities.³⁴ (See the proposed decision in **Attachment 1**.)

³¹ As per the Electricity (Hazards from Trees) Regulations 2003.

³² Aotearoa Towers Group LP and Spark New Zealand Trading Limited.

³³ Comvita New Zealand Limited and Tweeddale's Honey (NZ) Limited.

³⁴ This condition is required by s 16C(4) of the Act.

68. **Special Condition 8** requires the Applicant to comply with the NES-PF, giving LINZ the ability to take action against the Applicant for breaches of legislated minimum forest practice standards.

Conditions for harvest and minimum silvicultural practices

69. The requirement to harvest in **Special Condition 3** will ensure forestry is harvested soon after it reaches maturity. For *Pinus radiata*, the Applicant must ensure that no more than 5% of the crop of trees³⁵ on the Land is older than the species age limit of 35 years.
70. For Coast Redwoods the Applicant must ensure that no more than 5% of the crop of trees³⁶ on the Land is older than the species age limited of 60 years, and for Douglas Fir, the Applicant must ensure that no more than 5% of the crop of trees³⁷ on the Land is older than the species age limited of 45 years.
71. This condition is supported by **Special Condition 4** which requires that any harvested crop of trees be allowed to naturally regenerate (in the case of Coast Redwoods) and/or is promptly replanted, including any land recently harvested.
72. The requirement to maintain minimum silvicultural practices in **Special Condition 2** will ensure the Applicant is actively preparing the forestry for harvesting.

Not exclusively residential land

73. The Land does not include residential land. None of the Land has a property category of residential or lifestyle in the relevant district valuation roll.
74. As mentioned above, the Land does include three residential dwellings, which are currently tenanted by third parties at arm's length from the Applicant (not for forestry workers). The Applicant intends to continue these residential tenancies.

Non-occupation outcome

Schedule 2, clause 17 states the non-occupation outcome is that, for so long as the relevant overseas person has a relevant interest in the relevant land, none of the following occupy the land:

- (a) the relevant overseas person (A)
- (b) any overseas person who has a more than 25% ownership or control interest in A (B)
- (c) any overseas person (C) who occupies the land on other than on arm's-length terms
- (d) any overseas person who has a beneficial interest in, or beneficial entitlement to, the relevant interest in the residential land
- (e) if A is a trust, a person who may (directly or indirectly) benefit under the trust at the discretion of the trustees.

75. We are satisfied that the non-occupation outcome is likely to occur.
76. The Applicant confirms that the Land will only be used for residential purposes in relation to the continuation of the tenancies in the dwellings, and the Applicant will not occupy the Land for its own residential use.
77. The proposed **Special Condition 5** meets the requirement for a condition that the Land not be occupied by the classes of persons mentioned in Schedule 2, clause 17 of the Act (as shown above).³⁸ (See the proposed decision in **Attachment 1**).

³⁵ As defined in the Proposed Decision at Attachment 1.

³⁶ See footnote 35 above.

³⁷ See footnote 35 above.

³⁸ This condition is required by s16C(4) of the Act.

Requirements

78. This section considers whether the following requirements will be met—

- 78.1 maintain existing arrangements
- 78.2 comply with existing consent conditions
- 78.3 supply logs and
- 78.4 replace harvested crops.

Maintain existing arrangements

79. The following checks have been undertaken to identify existing arrangements:

- 79.1 the Applicant has made enquires with the Vendor;
- 79.2 the Applicants' solicitors have reviewed the records of title and the land information memorandum for the Land;
- 79.3 the Applicants' solicitors have reviewed the relevant provisions of the District Plan, Draft District Plan, Regional Plan, Forestry NES, Freshwater NES, Contaminated Soils NES, subdivision, and decommissioning of farming infrastructure;
- 79.4 the Heritage New Zealand List has been checked.
- 79.5 we have reviewed the Vendor's historical compliance with existing consent conditions over the Land.

80. The table below describes the existing arrangements in relation to the Land. In each case, we are satisfied that the arrangement will be implemented and maintained.

81. Note that proposed **Special Condition 6** meets the requirement for a condition that the existing arrangements must be maintained.³⁹ (See the proposed decision in **Attachment 1**.)

Type / Specified purpose	Existing arrangement(s)
Protecting areas of indigenous vegetation or habitats of indigenous fauna	<p><i>Pest control licenses to private parties:</i></p> <ul style="list-style-type: none"> • [s 9(2)(a)] [REDACTED] ■ [REDACTED] ■ [REDACTED] ■ [REDACTED] ■ [REDACTED]

³⁹ This condition is required by s 16C(4) of the Act.

Comply with existing consent conditions

82. There is one relevant existing consent condition in relation to the Land. We are satisfied that this existing condition will be complied with.
83. The condition,⁴⁰ requires the Applicant to grant reasonable public access over the land in WN6B/21 and display the Applicants' (or their Asset Manager or Agents') contact details on the land. The Applicant has stated they will adhere to this condition, and we have conditioned this at **Special Condition 9**.
84. Other existing conditions identified are one-off requirements that have already been complied with by the Vendor.

Supply logs

85. The Vendor has confirmed that there are no existing log supply obligations in relation to the Land.

Replant harvested crops

86. We are satisfied that whenever a crop of trees is harvested on the Land, a new crop is likely to be established on the Land to replace the crop that is harvested. The Applicant is in the business of cultivating forests and has confirmed that the Land will be naturally regenerated and replanted after harvest.
87. Note that proposed **Special Condition 4** meets the requirement for a condition that each crop of trees be replaced.⁴¹ (See the proposed decision in **Attachment 1**.)

Fresh or seawater areas

88. The investment includes **two** fresh or seawater interest/fresh or seawater interests, being AMF⁴² rights associated with the bed of the **Ohura River** in the Tuhua Forest⁴³ and the bed of the **Sprey Stream** in the Hundalee Forest.⁴⁴
89. If the Applicant is granted consent for this investment, the Applicant will lodge a water areas acquisition notice⁴⁵ immediately on receiving the interest in the Land. A separate decision will be made by decision-making Ministers subsequently. We have included the automatic condition that the Applicant must comply with the provisions of Schedule 5 of the Act.

F. Not a transaction of national interest

90. The investment does not involve a transaction of national interest under the mandatory criteria of the Act.⁴⁶ This is because the investment does not involve a non-NZ

⁴⁰ from LINZ consent 200920071

⁴¹ This condition is required by s 16C(4) of the Act.

⁴² AMF stands for usque ad medium filum aquae, being a legal presumption that the owner of land with a movable boundary that bounds a non-tidal waterway is deemed to own out to the middle line of the waterway bed.

⁴³ Records of title TNL3/54, TNC3/915, TNC3/879, TNC3/914, TNF3/91, TNK1/517, TNL3/55.

⁴⁴ Record of title MB38/228.

⁴⁵ The water areas acquisition notice records the Crown's right to acquire the fresh or seawater area and the Crown may acquire the fresh or seawater area at any point within the subsequent 10 years.

⁴⁶ Under s 20A of the Act.

government investor, or an investment in a strategically important business (as defined in the Act).

91. 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.⁴⁷ He has therefore not declined consent to the transaction.
92. We are directed⁴⁸ 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 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).
93. We do not consider that this investment engages any of these risk factors.

G. Conclusion and recommendation

94. We recommend you grant consent to the Investment as we consider all of the relevant criteria have been met.
95. The conditions we recommend are set out in the Proposed Decision (**Attachment 1**). These conditions include all required mandatory conditions and additional discretionary conditions.

[s 9(2)(a)]

Bryda Chamberlain
Overseas Investment - LINZ

Date: 21 / 12 / 2023

⁴⁷ Section 20B of the Act

⁴⁸ Ministerial Directive Letter (24 November 2021).

H. List of Attachments

1. Proposed Decision and Conditions
2. Intended ownership structure
3. Photos
4. Land use tables
5. Plantation map showing area of grazing

Released under the Official Information Act 1982

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: 8 January 2024

The following people have been given the following consent:

Case	202300702
Consent	Rimu Forestland Limited may acquire the Land subject to the Conditions set out below.
Consent holder	Rimu Forestland Limited (NZCN 8887853) We will refer to the Consent holder as you .
Land	Acquisition of an 8,123.1127 hectare forestry estate, being: (a) a freehold interest in approximately 5,530.8462 hectares of land located at Hundalee Forest at 1 and 66 Hundalee Road (State Highway One) Hurunui District, contained in 5 Records of Title. ⁴⁹ (b) a freehold interest in approximately 876.5812 hectares of land located at 715 Murimotu Road, Hunterville, Rangitikei, contained in 7 Records of Title. ⁵⁰ (c) a freehold interest in approximately 1,147.6139 hectares of land located at 1190 Ohura Road, Matiere, Ruapehu District, contained in 9 Records of Title. ⁵¹ (d) a freehold interest in approximately 568.0714 hectares of land located at 649 Paparoa Road, Kirikau, Ruapehu, contained in 10 Records of Title. ⁵²

⁴⁹ MB1D/1043; MB5A/937; MB4D/365; MB38/228; MB4D/1305.

⁵⁰ WN49B/26; WN49B/25; WN328/145; WN267/204; WN236/168; WN6B/21; WN267/207.

⁵¹ TNL3/55; TNL3/54; TNK1/517; TNF3/92; TNF3/91; TNE4/573; TNC3/915; TNC3/914, TNC3/879.

⁵² WND1/1036; WN52D/201; WN52D/200; WN52D/199; WN42A/578; WN42A/577; WN279/210; WN253/259; WN241/275; WN231/109.

Timeframe	You have until 8 January 2025 to acquire the Land.
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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.

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:

Definitions

Act means Overseas Investment Act 2005

Ancillary Uses means the existing uses of the Land for beekeeping, telecommunications infrastructure, hunting, and pest control.

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").

WAAN means water areas acquisition notice.

Regulations means 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.

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.

Details	Required date
<p>You must lodge the WAAN on the title.</p>	<p>Immediately following the transfer and before registering any other interests on the title.</p>
Special condition 1: 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> <ul style="list-style-type: none"> (a) the Forestry Land may be used for minor grazing for activities for the purposes of weed control and minimizing fire risk; and (b) land under the powerlines running through the Tuhua and Paparoa Forests, may be used for grazing; and (c) the 17.3 hectares of unplanted land at Hundalee Forest, may be used temporarily for grazing until it is planted; and (d) The Land may be used for the Ancillary Uses. 	<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 Land.</p>	
Special condition 2: Minimum silvicultural practices	
<p>You must maintain the crop of trees:</p> <p>For Pinus Radiata, this will be pruning and thinning regimes undertaken approximately between years five to eleven for Pinus radiata.</p> <p>For all other species, this will be in accordance with minimum silviculture practices.</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 Land.</p>	
Special condition 3: Crop of trees must be harvested	

Details	Required date
<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>Coast Redwood</u>, the species age limited is 60 years.</p> <p>For <u>Douglas Fir</u>, the species age limit is 45 years.</p> <p>For <u>all other species</u>, the species age limit is as determined by us.</p>	At all times
<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>Special condition 4: Replant the crop of trees after harvest</p>	
<p>You must replace each crop of trees you harvest with a new crop of trees by natural regeneration or direct intervention through planting (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> <ul style="list-style-type: none"> (a) Replant the Land with the same species of tree; or (b) Do anything in breach of any other Act, regulation, rule, bylaw, or that is otherwise contrary to law. <p>This condition does not limit Special Condition 1 (Land must be used for forestry activities), or Special Condition 2 (Minimum silvicultural practices).</p>	Within 3 years of harvest (or as otherwise permitted by this condition)
<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>Special Condition 5: Non-occupation outcome</p>	
<p>None of the following people may occupy the Land acquired under this Consent:</p> <ul style="list-style-type: none"> (a) You. (b) Any overseas person with a more that 25% ownership or control interest in any of the people in (a). 	At all times

Details	Required date
<p>(c) Any overseas person who occupies the Land other than on arm's length terms.⁵³</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>Special condition 6: Existing arrangements</p>	
<p>You must implement and maintain:</p> <p>(a) any existing arrangements in respect of the Land that are for a specified purpose as set out in Regulation 29 of the Regulations (Arrangements).</p> <p>(b) All Arrangements you did not identify in your application for consent.</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 Land.</p>	
<p>Special Condition 7: ETS Registration</p>	
<p>You must not register the crop of trees as "permanent forestry" (or in any category similar to permanent forestry) in the Emissions Trading Scheme (ETS) established under the Climate Change Response Act 2002 (or any replacement for that scheme or enactment), except that you may register the following areas:</p> <p>(a) the part(s) of the Land from time to time that is planted with Coast Redwood and is being harvested under a continuous cover forestry regime; and</p> <p>(b) the part(s) of the Land from time to time that is native areas.</p>	<p>At all times</p>

⁵³ 'At arm's length terms' has the meaning in clause 17, Part 5, Schedule 2 of the Overseas Investment Act 2005. In summary, it means terms for example under a lease (or other contract) that are on a reasonable commercial basis.

Details	Required date
Special Condition 8: Comply with National Environmental Standards for Plantation Forestry	
You must comply with the Resource Management (National Environmental Standards for Commercial Forestry) Amendment Regulations 2023 (as amended), or any replacements to the regulations.	At all times
If you do not comply with this condition, Standard Condition 6 will apply, and we may require you to dispose of the Land.	
Special condition 9: Public access over part of Okota Forest	
<p>On the land contained in Record of Title WN6B/21, the Applicant must:</p> <ul style="list-style-type: none"> (a) grant any reasonable requests from the public for access over this land where the proposed access is by foot and no operational, safety or fire considerations arise; and (b) display the contact of the Applicant (or the Applicant's asset manager or agent) on this land in a manner that ensures, as far as reasonably practicable, that they attract the attention of persons who may request public walking access. 	At all times

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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
Standard condition 1: Acquire the Land	
<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. 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), 	At all times

Details	Required date
<p>b. remain there as long as is reasonably required to conduct the inspection,</p> <p>c. gather information,</p> <p>d. conduct surveys, inquiries, tests, and measurements,</p> <p>e. take photographs and video records, and</p> <p>f. do all other things reasonably necessary to carry out the Inspection.</p> <p>2. Take all reasonable steps to facilitate an Inspection including:</p> <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>	At all times

Details	Required date
c. are members of the governing body of the people referred to in paragraph (b) above.	
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> <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 Asset. 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>
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. 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. 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 Land: obtain and send us a copy of a market valuation of the 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 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 Land to a third party who is not your associate.</p>	<p>Within six months of our notice</p>
<p>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.</p>	<p>Within nine months of our notice</p>

Details	Required date
<p>Report to us about marketing: tell us in writing about marketing activities undertaken and offers received for the 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 of the following:</p> <ul style="list-style-type: none"> a. 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 b. that the purchaser is not your associate. 	<p>Within one month after the Land has been disposed of</p>

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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 the OIO with reports detailing the progress of the investment. The reports must:

1. be submitted via our [Webform](#) by these dates:
 - a. 8 January 2025.
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), and
3. follow the format of the template annual report published on our website

If requested in writing by the OIO, the Consent Holder(s) 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.

Attachment 2: Intended Ownership Structure

[s 9(2)(b)(ii)]

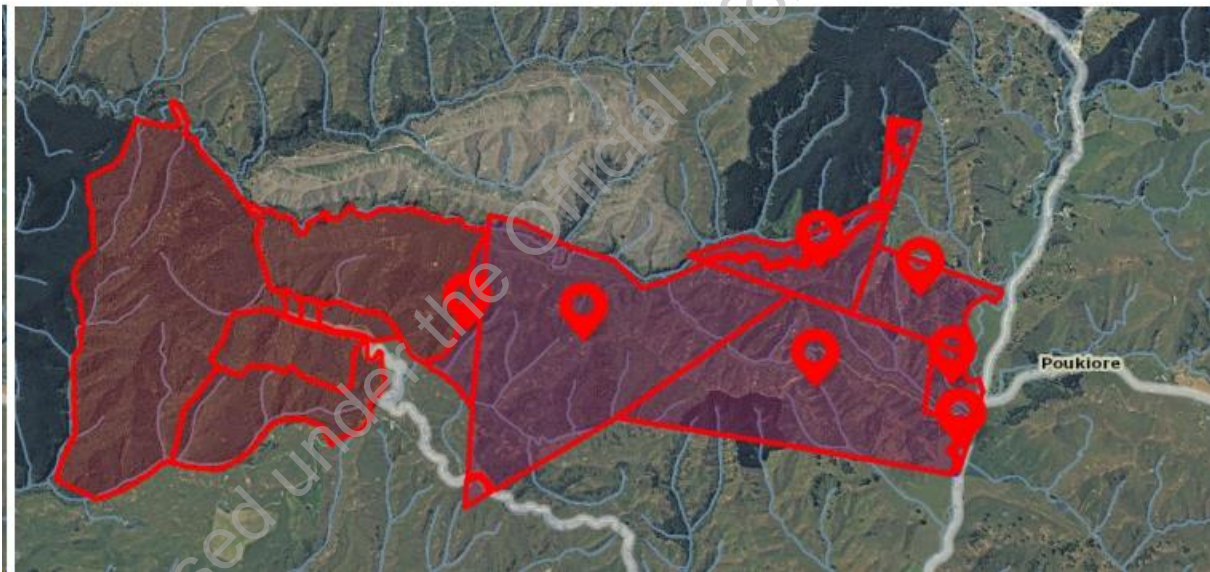
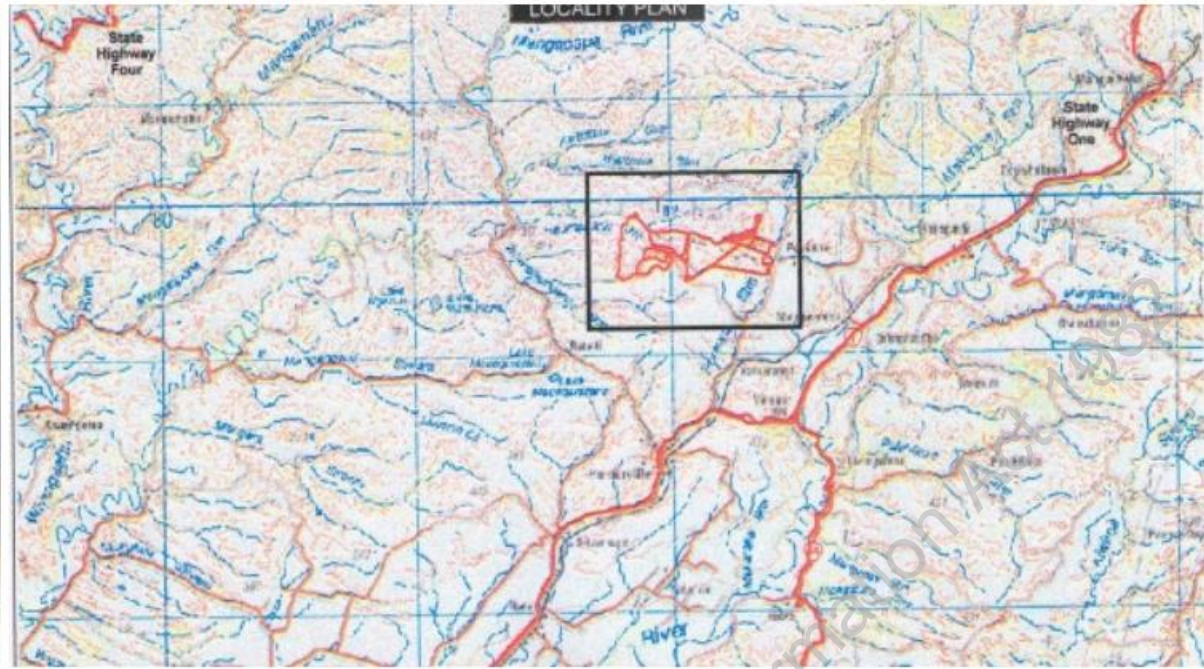
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Attachment 3: Photos

Hundalee Forest Locale

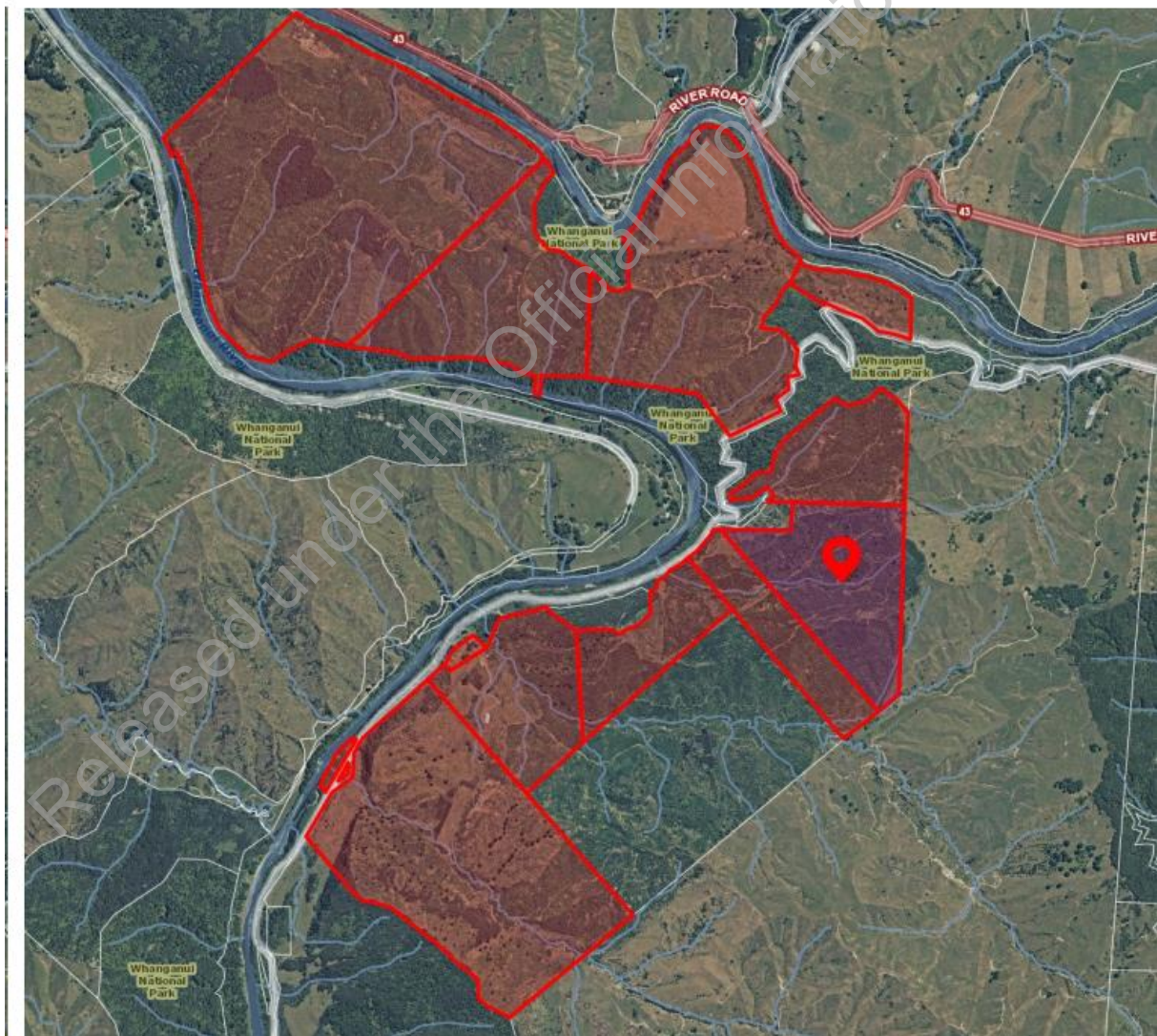
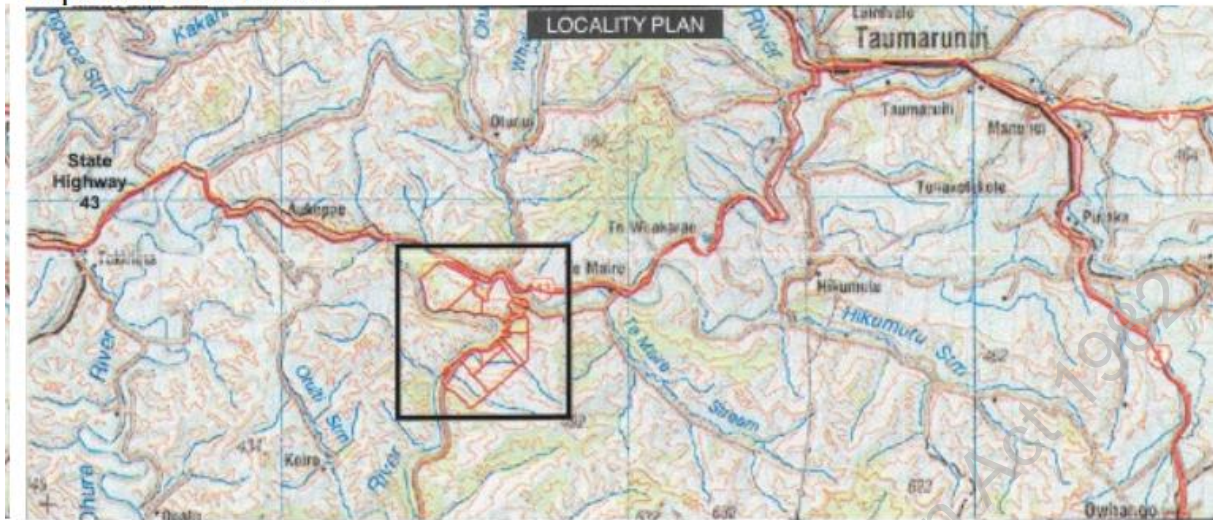


Okota Forest Locale



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Paparoa Forest Locale



Attachment 4: Land use tables

Hundalee Forest

1 Hundalee Road, Ferniehurst, Hundalee and 661 Hundalee Road, Hundalee, Hurunui (**Hundalee Forest**)

Land use	Current (ha)	Proposed (ha)
Forestry (total)	1,735 ha	1,753 ha
Unplanted (<i>other than farm land</i>) (total)	3,806 ha	3,787 ha
Farm land (total)	0 ha	0 ha
Land to be divested/subdivided and sold (total)	0 ha	0 ha
Total land use	5,541	5,541
Forestry (total ha)	1,735 ha	1,753 ha
Existing plantation	1,735 ha	1,735 ha
New planting / afforestation - <i>at X stems per ha</i>	N/A	17 ha
Unplanted (total ha)	3,806 ha	3,788 ha
Native bush (including scrub)	2,598 ha	2,598 ha
Unplantable – ridges, gullies, steep land	1,154 ha	1,154 ha
Infrastructure – roads, tracks	28 ha	28 ha
Buffer land, set-backs, riparian planting	8 ha	8 ha
Farm land (total ha)		
Pasture	0 ha	0 ha
Land to be divested / subdivided and sold (total ha)	N/A	N/A
Farm land	N/A	N/A
Forestry	N/A	N/A
Other	N/A	N/A

Okota Forest

Land use	Current (ha)	Proposed (ha)
Forestry (total)	717 ha	717 ha
Unplanted (<i>other than farm land</i>) (total)	159 ha	159 ha
Farm land (total)	0 ha	0 ha
Land to be divested/subdivided and sold (total)	0 ha	0 ha
Total land use	877 ha	877 ha
Forestry (total ha)	717 ha	717 ha
Existing plantation	717 ha	717 ha
New planting / afforestation - <i>at X stems per ha</i>	N/A	N/A
Unplanted (total ha)	159 ha	159 ha
Native bush (including scrub)	77 ha	77 ha
Unplantable – ridges, gullies, steep land	28 ha	28 ha
Infrastructure – roads, tracks	25 ha	25 ha
Buffer land, set-backs, riparian planting	30 ha	30 ha
Farm land (total ha)	0 ha	0 ha
Pasture	0 ha	0 ha
Land to be divested / subdivided and sold (total ha)	N/A	N/A
Farm land	N/A	N/A
Forestry	N/A	N/A
Other	N/A	N/A

Tuhua Forest

Land use	Current (ha)	Proposed (ha)
Forestry (total)	250 ha	576 ha
Unplanted (<i>other than farm land</i>) (total)	898 ha	571 ha
Farm land (total)	0 ha	0 ha
Land to be divested/subdivided and sold (total)	0 ha	0 ha
Total land use	1,148 ha	1,148 ha
Forestry (total ha)	250 ha	576 ha
Existing plantation	250 ha	250 ha
New planting / afforestation - <i>at X stems per ha</i>	N/A	327 ha
Unplanted (total ha)	898 ha	571 ha
Native bush (including scrub)	244 ha	244 ha
Unplantable – ridges, gullies, steep land	241 ha	241 ha
Infrastructure – roads, tracks	67 ha	67 ha
Buffer land, set-backs, riparian planting	19 ha	19 ha
Farm land (total ha)		
Pasture	0 ha	0 ha
Land to be divested / subdivided and sold (total ha)	N/A	N/A
Farm land	N/A	N/A

Paparoa Forest

Land use	Current (ha)	Proposed (ha)
Forestry (total)	465 ha	478 ha
Unplanted (<i>other than farm land</i>) (total)	110 ha	97 ha
Farm land (total)	0 ha	0 ha
Land to be divested/subdivided and sold (total)	N/A	N/A
Total land use	575 ha	575 ha
Forestry (total ha)	465 ha	478 ha
Existing plantation	465 ha	465 ha
New planting / afforestation - <i>at X stems per ha</i>	N/A	13 ha
Unplanted (total ha)	110 ha	97 ha
Native bush (including scrub)	43 ha	423 ha
Unplantable – ridges, gullies, steep land	26 ha	26 ha
Infrastructure – roads, tracks	22 ha	22 ha
Buffer land, set-backs, riparian planting	6 ha	6 ha
Farm land (total ha)	0 ha	0 ha
Pasture	0 ha	0 ha
Land to be divested / subdivided and sold (total ha)	N/A	N/A
Farm land	N/A	N/A
Forestry	N/A	N/A
Other	N/A	N/A

Attachment 5 - Grazing

