

**ASSESSMENT REPORT:**

Ingka Investments Forest Assets NZ Limited and Ingka Investments Management NZ Limited – Land at 1577 Owaka Valley Road, Owaka Valley, Clutha, Otago.

Special forestry test (one-off consent)

Date	17 August 2021	Classification	IN CONFIDENCE: Commercially sensitive
OIO reference	202100045	Priority	High

Action Sought

Decision-maker	Action	Suggested deadline
Michael Appleyard , Manager Applications, Overseas Investment Office	<ol style="list-style-type: none">1. Review the attached report and decide whether to grant consent to the application2. Forward the report and attachments to the Primary Assessor	As soon as possible.

Contact for the Application

Name	Position	Telephone number
Michael Appleyard	Manager Applications, Overseas Investment Office	04 830 3880

ASSESSMENT REPORT:

Ingka Investments Forest Assets NZ Limited and Ingka Investments Management NZ Limited – Land at 1577 Owaka Valley Road, Owaka, Clutha, Otago.

Special forestry test (one-off consent)

Overview

Purpose

1. We seek your decision on an application by Ingka Investments Forest Assets NZ Limited and Ingka Investments Management NZ Limited (together, the **Applicants**) under the Overseas Investment Act 2005 (the **Act**) to acquire approximately 5,499.2492 hectares of freehold land (the **Land**) and an associated forestry right. (The Land and the forestry right are together referred to as the **Investment**).

Key information

Applicant	Ingka Investments Forest Assets NZ Limited and Ingka Investments Management NZ Limited (Netherlands, 100%)
Vendor	Wisp Hill Limited (New Zealand, 100%)
Consideration	[s 9(2)(b)(ii)]
Application type	Consent (one-off) for an overseas investment in sensitive land
Relevant tests	<ol style="list-style-type: none">1. Investor test2. Benefit to New Zealand test (the special test relating to forestry activities)3. Farm land offer criterion

2. The Applicants have applied for consent to acquire approximately 5,499.2492 hectares of freehold land at 1577 Owaka Valley Road, Owaka, Clutha, Otago, currently operated as a sheep and beef farming operation known as “Wisp Hill Station”. The Applicants plan to convert the Land from its current farm use for an investment in commercial forestry by establishing a new plantation forest over five years.
3. Under the Designation and Delegation Letter dated 17 October 2018, the decision may be made under delegation.
4. Guidance for applying the Act is set out in **Attachment 1**.

Recommendation

5. We recommend you **grant consent**.
6. If you agree to grant consent, please make the determinations set out below.

Decision

Relevant overseas person and individuals with control

7. I determine that:

(a) the 'relevant overseas person' (**ROP**) is (collectively):

ROP	Role
Ingka Investments B.V. (Ingka Investments)	100% shareholder of both Ingka Forest Assets NZ and Ingka Management NZ
Ingka Investments Forest Assets NZ Limited (Ingka Forest Assets NZ)	Applicant, purchaser of the Land
Ingka Investments Management NZ Limited (Ingka Management NZ)	Applicant, proposed Forestry Right owner

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

IWC	Ingka Forest Assets NZ	Ingka Management NZ	Ingka Investments
Juencio Maeztu			Director
Jesper Brodin			Director (also President and Chief Executive Officer of Ingka Group)
Krister Mattsson			Director, Chairperson of Renewable Energy & Forestland Portfolio Council
Andriy Hrytsyuk	Director	Director	Portfolio Manager Forestland
Anna Gustafsson	Director	Director	
Iulia-Andreea Simion			Legal Counsel
Ray Raiesmaa			Portfolio Operations Manager

Investor test

8. I am satisfied that:

- (a) the individuals that are an ROP or IWC collectively have business experience and acumen relevant to the Investment;
- (b) the ROP has demonstrated financial commitment to the Investment;
- (c) each individual that is an ROP or IWC is of good character; and

- (d) each individual that is an ROP or IWC is not an individual of the kind referred to in sections 15 or 16 of the Immigration Act 2009 (which sections list certain persons not eligible for visas or entry permission under the Immigration Act).

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.

Special Forestry Test

10. I am satisfied that:

- (a) the Land is likely to be used exclusively or nearly exclusively for forestry activities;
- (b) the Land does not include residential land;
- (c) the Land is not likely to be used or held for future use for any residential purposes except forestry worker accommodation permitted under section 16A(4)(c) of the Act;
- (d) the requirements set out in clause 29(2) of the Overseas Investment Regulations 2005 (**Regulations**) are likely to be met (in summary, requirements to continue: existing arrangements, existing conditions of consent, and log supply obligations);
- (e) 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;
- (f) the Land includes special land (i.e. qualifying marine and coastal area, riverbed, or lakebed) and it has been offered to the Crown in accordance with Regulations.

Farm land offer criterion

11. I am satisfied that the farm land to which the Investment relates has been offered for acquisition on the open market to persons who are not overseas persons in accordance with the procedure set out in Regulations.

Decision

12. As I am satisfied that the criteria for consent (set out above) have been met, I grant consent to the Investment in the form of the Proposed Decision in **Attachment 3**.

Grant consent subject to the conditions
in the Proposed Decision:



Consent declined:



Michael Appleyard

Manager, Applications
Overseas Investment Office

Date: 27 / 08 / 2021

Released under the Official Information Act 1982

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Who is making the Investment

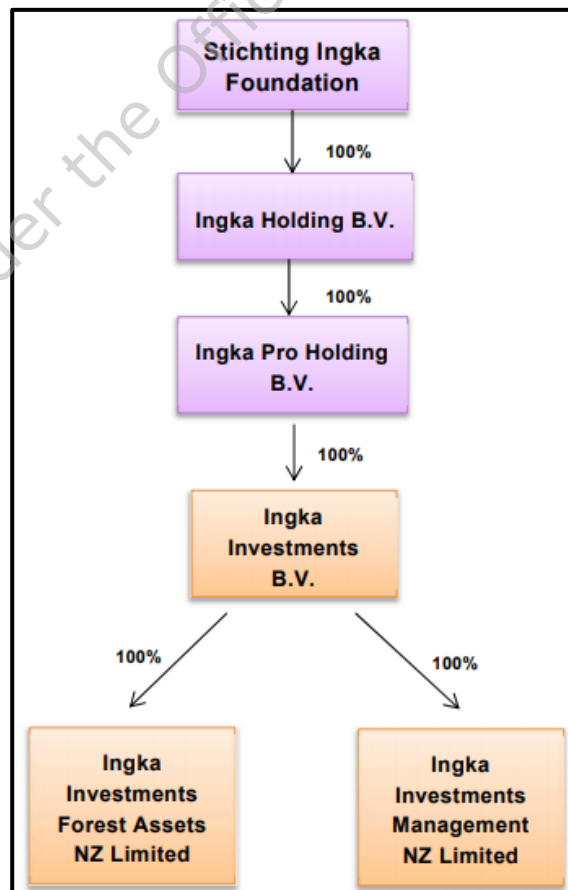
Applicant details

Description of the Applicant

13. Two limited liability companies, each incorporated in New Zealand in December 2020 for the purpose of making the Investment, are together the Applicants.
14. Ingka Investments Forest Assets NZ Limited (Company No. 8148262) intends to acquire the Land and immediately after settlement grant a forestry right to Ingka Investments Management NZ Limited (Company No. 8148260). The two New Zealand companies are referred to respectively as **Ingka Forest Assets NZ** and the **Ingka Management NZ** where the context requires.
15. The Applicants are subsidiaries of **Ingka Group** (meaning Ingka Holding B.V. and its controlled entities) as described further below.
16. The Applicants have not made any previous applications to the OIO. The proposed investment would be the first investment in New Zealand for the Applicants and Ingka Group.

Who owns the Applicant

17. Ingka Forest Assets NZ and the Ingka Management NZ both are 100% owned by Ingka Investments B.V. (**Ingka Investments**). Ingka Investments is the investment arm of Ingka Group. The Applicants' ownership diagram, simplified to show the Ingka Investments part of Ingka Group, is below.



18. Ingka Investments is a wholly owned subsidiary of Ingka Pro Holding B.V. (incorporated in the Netherlands in 1978), which itself is a wholly owned subsidiary of Ingka Holding B.V. (incorporated in the Netherlands in 1982).
19. Ingka Holding B.V. is the 'parent' holding company for all subsidiaries that jointly form the Ingka Group.

Stichting Ingka Foundation

20. The ultimate parent of Ingka Group is Stichting Ingka Foundation (**Ingka Foundation**), also registered in the Netherlands. Ingka Foundation, which has a charitable purpose, does not and cannot have any shareholders or other types of legal owners, but holds its assets only on its own behalf. It has a charitable purpose which is achieved by making funds available to Ingka Holding B.V.
21. The Applicants have provided a translation of the Articles of Ingka Foundation. The Articles define the Foundation's objects as (in summary), "*without any pursuance of profits, a better living for the many people, exclusively by making available financial support for the promotion and support of activities, as well as the realisation of projects, and only in connection with...*" certain defined aims. These aims include innovation in architecture and interior design, healthcare, the environment, education, support of people hit by natural catastrophe, scientific research, and the realisation of design achievements and innovation in these fields.
22. Ingka Foundation will realise its objects by making money available to the Stichting IKEA Foundation, other institutions with similar charitable objects, and Ingka Holding B.V. Stichting IKEA Foundation was founded in 1982 by Ingvar Kamprad (who is the founder also of the Ingka Foundation), but it is legally and operationally separate from Ingka Foundation. The Articles state the funds will be formed by the capital contributed by the founder, gifts, returns on investments, and all other benefits.
23. The Kamprad family can occupy up to two of the five seats on the Ingka Foundation board, but the family does not control Ingka Foundation. Funds can be spent only in pursuit of the charitable purposes and not for the benefit of the Kamprad family¹.

Ingka Group

24. Ingka Group is a large multinational corporation with 166,350 employees and had total revenue of EUR 37.4 billion in the 2020 financial year. It has 378 IKEA stores in 30 countries and 45 shopping centres in 15 countries.
25. Ingka Group is the largest franchisee of IKEA stores internationally. The IKEA concept is owned by Inter IKEA Systems B.V. (part of the Inter IKEA Group), also based in the Netherlands, which franchises the IKEA concept globally. The Inter IKEA Group and Ingka Group are two separate groups of companies with different management and different owners.
26. Ingka Group has three business areas, each with its own management and corporate structure, which sit under the Ingka Group corporate structure.
27. The three business areas of Ingka Group are:
 - (a) IKEA Retail Business.

¹ Link to Ingka Foundation website with information on the founder and Kamprad family: [Governance | INGKA Foundation](#).

Ingka Group's core business is IKEA Retail, which is the world's largest home furnishing retailer, operating 378 IKEA stores in 30 countries. These IKEA stores had 706 million customers in the 2020 financial year.

(b) Ingka Investments Business

Ingka Investments is the investment arm of Ingka Group. This is the relevant part of the Group for the proposed Investment and is described in more detail below.

(c) Ingka Centres Business

Ingka Centres develops shopping centres with each anchored by an IKEA retail store. Currently there are 45 shopping centres across Europe, Russia, and China.

28. Each of these entities within Ingka Group has a management board responsible for making any decisions relating to that entity.

Ingka Investments

29. Ingka Investments was incorporated in the Netherlands in 2014. The Applicants submit that it makes responsible investments to secure long-term growth for Ingka Group and shares the knowledge it gains from its investment collaborations with IKEA Retail to support its business development. Ingka Investments has a diverse portfolio, mainly invested in securities with low-risk profiles.
30. Ingka Investments is divided into these six sub-businesses:
- (a) Financial Market Investments
 - (b) Business Development Investments
 - (c) Renewable Energy
 - (d) Forestland
 - (e) Circular Economy
 - (f) Real Estate
31. Ingka Investments itself has a large global reach. The Renewable Energy sub-business has 534 wind turbines in 14 countries, and two solar farms in the USA.
32. It also owns about 250,000 hectares of responsibly managed forests in the United States, Romania, Estonia, Latvia and Lithuania.
33. Ingka Investments' strategy is to invest in forestry in countries relevant for the IKEA supply chain. The Applicants have stated that planning is underway for the Ingka Group to bring IKEA stores to New Zealand in the near future, with a full-size store in the greater Auckland area, a planning studio in Wellington, and a second smaller format store in Christchurch. During the course of the current application however the Applicants updated the OIO that Ingka Group's plans to bring IKEA Retail to New Zealand are currently under review.

Who controls the Applicant

34. Ingka Forest Assets NZ and the Ingka Management NZ are controlled by their directors. Both companies share the same two directors, Andriy Hrytsyuk and Anna Gustafsson.
35. In New Zealand the Applicants will be responsible for making decisions with respect to the investments being made, and the day-to-day management of them. Ingka Investments, as the parent of the Applicants, approves certain investment decisions. The

directors of Ingka Investments are Juvencio Maeztu, Jesper Brodin, and Krister Mattsson.

36. Ingka Investments, as one of the three businesses of Ingka Group, has its own management board, including its three directors, which is responsible for monitoring of performance and execution of the strategy and the annual asset allocation plan for Ingka Investments. The Renewable Energy & Forestland Portfolio Council is one of a number of Investment Portfolio Councils established to support the work of the Ingka Investments Board.
37. Ingka Investments has a New Zealand forestry project team that is responsible for advising the board of the Applicants on identification of, and recommendation to make, the investment, the ongoing day-to-day oversight of the investment, and any recommendation to dispose of the investment. The New Zealand forestry project team is made up of Iulia-Andreea Simion (Legal Counsel, Ingka Investments) and Ray Raiesmaa (Portfolio Operations Manager, Ingka Investments).
38. The financial commitment for the total investment amount (including during the project lifetime) comes from Ingka Investments, the parent and sole shareholder in both Applicants.
39. Formal decision-making delegations are in place for the governance of the Applicants. The 'Rule on Forestland Investments' is approved by the Ingka Investments Board and sets out decision-making structure for forestland transactions, and delegation thresholds.
40. Decisions on purchases of forestland are delegated to, and made by, the Boards of the local investing company, which for the proposed investment will be the Boards of the Applicants. As the proposed investment falls under the €25 million threshold, the body approving the decision under delegation is the Renewable Energy & Forestland Portfolio Council. (No other body can direct the local investing company to implement a particular course of action). Krister Mattsson is the Chairperson of the Council and Andriy Hrytsyuk is a member in his role as the Portfolio Manager for Forestland.
41. Accordingly, the transaction was approved by the directors of the Applicants and the directors of Ingka Investments, who could also approve a divestment.

Relevant Overseas Person and Individuals with Control

The ROP and IWC are concepts used in the Act to focus the required assessment, including the investor test, on the entities and individuals behind an investment. Section 15 of the Act provides the decision-maker with a broad discretion to select the ROP and IWC and allows the decision-maker to focus on the substance rather than form of the applicant's ownership and control structure. The selection is specific to the relevant transaction (selection for a particular investor may differ depending on the nature of the investment).

42. Having regard to the above and the nature of the transaction, we consider the ROP to be (collectively):

ROP	Role
Ingka Investments B.V. (Ingka Investments)	100% shareholder of both Ingka Forest Assets NZ and Ingka Management NZ
Ingka Investments Forest Assets NZ Limited (Ingka Forest Assets NZ)	Applicant and purchaser of the Land
Ingka Investments Management NZ Limited (Ingka Management NZ)	Applicant and holder of the Forestry Right

Control and experience

43. In our assessment the individuals with control are both directors of the Applicants, all three directors of Ingka Investments, and also the Legal Counsel and Portfolio Operations Manager respectively of Ingka Investments. These individuals, collectively, control the Applicants, approved the investment decision, and provide day-to-day management and oversight.
44. Having regard to the above and the nature of the transaction, we consider the IWC to be:

IWC	Ingka Forest Assets NZ	Ingka Management NZ	Ingka Investments
Juvencio Maeztu			Director
Jesper Brodin			Director (also President and Chief Executive Officer of Ingka Group)
Krister Mattsson			Managing Director, Chairperson of Renewable Energy & Forestland Portfolio Council
Andriy Hrytsyuk	Director	Director	Portfolio Manager Forestland
Anna Gustafsson	Director	Director	
Iulia-Andreea Simion			Legal Counsel
Ray Raiesmaa			Portfolio Operations Manager

Does the Applicant meet the Investor Test criteria?

Business Experience and Acumen

The individuals that are ROPs or IWC must collectively have business experience and acumen relevant to the overseas investment. There is considerable flexibility in determining what is relevant and more or less specific expertise may be required depending on the nature of the investment. Business experience and acumen that contributes to an investment's success may be treated as relevant even though the investor may have to supplement its experience and acumen by utilising the experience and acumen of others to ensure the investment succeeds.

45. In this case, the overseas investment can be described as the acquisition of farmland for conversion to a new plantation forest.
46. We have reviewed the biographical information provided by the Applicants for the IWC and note the following:

- (a) The IWC collectively have experience in managing and decision-making in the context of acquisition and management of a large forestry portfolio, corporate finance, and investment management, with corresponding university qualifications.
 - (b) Andriy Hrytsyuk has an MBA in Finance, is the Portfolio Forestry Manager for the Inga Group, and in that role leads investment and management of the forestry portfolio of 250,000 hectares in five countries.
 - (c) Ray Raiesmaa joined Inka Investments in 2016, was previously the Forestry Operations Manager in Estonia, and was appointed to Inka Investments' Forestry Portfolio Operations Manager in 2020. He has a Bachelor of Industry and Masters of Forest Management.
 - (d) The experience mentioned above will be supplemented by that of New Zealand companies. NZ Forest Sales Ltd will oversee the first year of planting and develop a plan for ongoing forest management (including engaging a local forest manager). Southern Forests NZ Limited will prepare the Land for the first planting season.
47. Having regard to the above, we are satisfied the individuals that are ROPs or IWC collectively have business experience and acumen relevant to the Investment.

Financial Commitment

The financial commitment criterion requires the ROP to have taken actions that demonstrate financial commitment to the overseas investment. The 'financial commitment' criterion requires the ROP to have taken actions that demonstrate financial commitment to the Investment (intentions are not sufficient).

48. The Applicants have demonstrated financial commitment to the Investment by:
- (a) entering a sale and purchase agreement for the Investment;
 - (b) incurring costs in investigating the Investment including undertaking due diligence and involving a number of technical and operational staff;
 - (c) engaging professional advisors to assist with undertaking the Investment including external legal advisors; and
 - (d) committing to purchase trees for planting in 2021.
49. Having regard to the above, we are satisfied the ROP has demonstrated financial commitment to the Investment.

Good Character

The Applicant must satisfy the decision-maker that individuals that are a ROP or IWC are of good character. Section 19 of the Act specifies that the decision-maker must take the following factors into account (without limitation) when assessing character:

- (a) offences or contraventions of the law by A, or by any person in which A has, or had at the time of the offence or contravention, a more than 25% ownership or control interest (whether convicted or not);
- (b) any other matter that reflects adversely on the person's fitness to have the particular overseas investment.

50. The Applicant has provided a statutory declaration stating that each individual that is an ROP or IWC is of good character, has not committed an offence or contravened the law, and know of no other matter that reflects adversely on their fitness to have the Investment. We are satisfied that the statutory declaration can be relied on as it complies with the requirements of the Oaths and Declarations Act 1957.
51. We have also conducted open source background checks and requested further information from the Applicants regarding several litigation matters. The Applicants responded to our requests providing further information. In particular, the Applicants

have confirmed that several matters identified (including an ongoing tax hearing) relates to Inter IKEA Systems B.V. which is the franchisor operating the IKEA franchising business and is not part of the Ingka Group.

52. We reviewed the information provided by the Applicants and are satisfied that these matters do not preclude a finding of good character on the part of the IWC.

Immigration Act

The Applicant must satisfy the decision-maker that each individual that is an ROP or IWC is not an individual of the kind referred to in sections 15 or 16 of the Immigration Act 2009.

Section 15 of the Immigration Act specifies that certain convicted or deported persons are not eligible for a visa or permission to enter or be in New Zealand. Section 16 provides a power to deny a visa or permission to enter New Zealand for other specified reasons, such as if the individual is likely to be a threat or risk to security or public order.

53. The Applicant has provided a statutory declaration stating that none of the individuals who are an ROP or IWC are individuals of the kind referred to in section 15 or 16 of the Immigration Act 2009. We are satisfied that the statutory declaration can be relied on as it complies with the requirements of the Oaths and Declarations Act 1957.
54. We have also conducted open-source background checks on those individuals and found nothing relevant to this criterion.
55. Therefore, we are satisfied the individuals who are an ROP or IWC are not individuals of the kind referred to in section 15 or 16 of the Immigration Act 2009.

Summary of the proposed investment and investment plan

Investment

56. The Applicants are seeking consent to acquire approximately 5,499.2492 hectares of land at 1577 Owaka Valley Road, Owaka Valley, Clutha, Otago (the **Land**).
57. The following image from the LINZ Maps database shows the Land (outlined pink) and its location about 116km to the east of Invercargill.



58. The Land is comprised in 10 records of title, as set out in **Attachment 2**.
59. The Land, known as "Wisp Hill Station", has been operated as a sheep and beef farming operation. Currently there is approximately 3,400 hectares in paddocks, with 19,250

sheep and 600 cattle. An area of approximately 53 hectares is planted with radiata pine, which will be sold with the Land.

60. Ingka Forest Assets NZ is party to a conditional sale and purchase agreement dated 24 December 2020 (**Agreement**) to acquire the Land as soon as OIO consent has been granted. The consideration under the Agreement is [s 9(2)(b)(ii)] plus GST.
61. On settlement of the purchase of the Land the Ingka Forest Assets NZ intends to grant the Forestry Right over the Land to Ingka Management NZ for one rotation. The Forestry Right will cover the small area of existing trees, the trees to be planted, as well as areas of existing and regenerating native forest.

Vendor

62. The Vendor is Wisp Hill Limited, a New Zealand company incorporated in 1993. The directors of the Vendor are Colin Ward, Graham Ward, and Leonard Ward, all New Zealand citizens. The shares in the Vendor are owned by different generations of the ward family. The Vendor is not an overseas person under the Act.
63. Wisp Hill Station has been owned by the family for 28 years. The Vendor states that three generations have diverged and are pursuing their own interests and business activities and as a result seek to realise their inheritance through the sale of the farm.
64. The Vendor and Applicants have agreed to a leaseback arrangement so that the Vendor will continue its farming operations, with the area available for grazing reduced each year, while the Land is converted to forestry.

Investment Plan

65. The Applicants wish to acquire the Land to convert it from its current farm use for an investment in commercial forestry.
66. The image below from the LINZ maps database shows the Land (shaded green)² in the context of adjoining land.



² (The purple line through the centre of the Land is part of the boundary for RT OT18C/1015)

67. In terms of the surrounding area, the Land is predominantly surrounded by privately owned land including farmland, Council owned land, and Department of Conservation owned land adjoining the Land on its southern and eastern boundaries (Catlins Forest Park).
68. The following Land Use Capability (LUC) class information³ provides general context as to the productive capacity and physical limitations of the land:
- (a) LUC 3 (417.6 ha);
 - (b) LUC 4 (1,054.3 ha);
 - (c) LUC 5 (2,510.9 ha);
 - (d) LUC 6 (1,538.5 ha; and
 - (e) LUC 7 (16.5 ha).
69. Of the total area of 5,499 hectares, just over half the Land will be planted as a plantation forest by Ingka Management NZ as the owner of the Forestry Right.
70. The Applicants plan to convert the Land to forestry by establishing and maintaining plantation forest (radiata pine) over 2,982 hectares, being the parts of the Land that it has assessed are best suited to forestry.
71. Given the scale of the Land, and the need to secure suitable seedlings, planting of the Land is staged over 5 years, during the autumn/winter planting season from 2021 to 2025. The Applicants plan to plant a small amount (expected to be a maximum of 100 hectares) during the winter of 2021.
72. Should OIO consent be received, the Applicants' plans are not contingent on any other events. In particular, the Applicants confirm they currently will not require resource consent to convert the Land to forestry. It is however a condition of the Agreement that the Applicants be satisfied that any proposed regulatory change relating to the conversion of farm land to forest will not impede their plans.
73. Ingka Forest Assets NZ intends to own the Land indefinitely, consistent with Ingka Investments' strategy for investment in forestry. The Ingka Group owns around 250,000 hectares of forestry around the world, investing in countries relevant for the IKEA supply chain. The Ingka Group acquires forestry assets as a 'hedge' against the global market for wood given that Ingka Group is such a large consumer of wood products for its furniture, and to offset the Ingka Group's environmental footprint globally.
74. The entire forestry portfolio of Ingka Investments is FSC certified. The FSC certification of acquired forestry assets directly after take-over is a main priority for the Applicants. Also, the Applicants confirm they will register the Land in the New Zealand Emissions Trading Scheme.
75. Approximately one third of the Land is at an altitude not suitable for plantation forestry. These areas will be actively managed to regenerate into native forest as a permanent carbon sink and will not be used for any other purpose.

³ The LUC classification system is a system in which land is categorised into eight classes based on a broad assessment of the land's capability and versatility for different types of agricultural production. Generally speaking, lower numbered classes (classes 1-5) are more productive and lend themselves to a broader range of activities (e.g. quality and versatile soils for farming), whereas classes 6-8 have greater limitations about what they can support and may be more appropriate for forestry. An LUC map is contained in **Attachment 2**.

Potential subdivision

76. An area of approximately 90 to 110 hectares of the most fertile block of farming land will not be planted in trees and will be subdivided and sold (the **Option Land**).
77. The Option Land consists of three blocks totalling 117 hectares, within the boundaries shown in the plan below provided by the Applicants.



78. This area, on the eastern boundary of the Land, includes three houses and major infrastructure for the farming operation. The Applicants expect this area will likely be sold to neighbouring farmers, either in one lot or in parts.
79. The precise area and boundary for the Option Land will be determined in the Applicants' planting plan, however the area will be within the boundaries set out in the above plan.

Grazing lease

80. Ingka Forest Assets NZ has entered into a leaseback arrangement to allow the Vendor to continue farming operations (and use of three houses) until land is converted to forestry. The proposed lease will be granted for 3 years, plus two rights of renewal of one year each. Heavy grazing is considered to be optimal for preparing the Land for planting.
81. Under the arrangement the Vendor will commit to more heavily graze certain parts of the Land to prepare it for surrender to Ingka Management NZ for planting, as well as removing fencing and carrying out other preparation work.
82. The leaseback arrangement is structured in accordance with planting schedule, and so that land to be grazed will reduce each year as forest is planted.
83. **Attachment 2** provides further details relating to the sensitive land.

Consultation and submissions about the Investment

Consultation

84. Due to the large scale of the proposed Investment, we have consulted with several stakeholders regarding whether they are aware of any existing arrangements for one or more specified purposes (as defined by regulation 29). We have consulted with the New Zealand Walking Access Commission (**WAC**), the Department of Conservation (**DOC**), and Heritage New Zealand (**HNZ**).
85. The result of consultation with these stakeholders is discussed further below from paragraph 115. The consultation responses are included at **Attachment 4**.

Submissions

86. No third-party submissions were sought or received.

Does the Investment meet the Special Forestry Test?

The Special Forestry Test under section 16A(4) of the Act is one pathway to meet the benefit to New Zealand test. The Special Forestry Test is met if the decision-maker is satisfied that the investment meets the requirements discussed below.

Use of land for forestry activities

Under section 16A(4)(a) of the Act the decision-maker must be satisfied that the relevant land will be, or is likely to be, used exclusively, or nearly exclusively, for forestry activities. Forestry activities are defined in section 16A(9) to mean maintaining, harvesting, or establishing a crop of trees.

View

87. We are satisfied that the Land is likely to be used nearly exclusively for forestry activities.

Analysis

88. The Applicants plan to plant the Land to convert it for use as a plantation forest. The Land is currently a sheep and beef farm, with a small area (53 hectares) planted in radiata pine. The Applicants plan to establish a crop of radiata pine over five years, commencing in the 2021 planting season.
89. The Application includes a 'Five Year Forest Establishment Operations Plan & Budget, covering through to December 2025. This plan indicates that a maximum area of approximately 3,066 hectares will be planted with radiata pine, commencing with 330 hectares in 2021 and finishing with 1,054 hectares in 2025. The Applicants have updated us that a maximum of 100 hectares will be planted in 2021, with the remainder of the planned planting for 2021 being made up in future seasons.
90. As noted above, the Applicants have confirmed that they currently do not require resource consent to convert the Land to forestry.
91. The current and proposed use of the Land is set out in the table below:

Land use	Current (ha)	Proposed (ha)
Forestry (total)	53	2,982
Unplanted (<i>other than farm land</i>) (total)	2,073	2,394
Farm land (total)	3,360	
Land to be divested/subdivided and sold (total)	N/A	110
Total land use	5,486	5,486
Forestry (total ha)	53	2,982
Existing plantation	53	53
New planting / afforestation – <i>at 1000 stems per ha</i>	N/A	2,929

92. The Land comprises a total area of approximately 5,499 hectares.
93. Approximately one third of the land is at an altitude that will not be suitable for plantation forestry. These areas will be actively managed to regenerate into native forest as a permanent carbon sink and will not be used for any other purpose.
94. As noted above, the Applicants have identified an area of approximately 90 – 110 hectares that will not be planted in trees and will be subdivided and sold.
95. Overall, after subdivision (assuming 110 hectares is divested), the Applicants plan to establish a total of 2,982 hectares of plantation forestry over the remaining area of [5,389 hectares. This represents an afforested area of approximately 55% of the Land.
96. While this is a relatively low proportion of planted area, this is not inconsistent with what the OIO has seen in previous consents granted under the special forestry test, and in this case is explained by the comparatively high proportion of high-altitude land not suitable for forestry.
97. After the Applicants have established forestry over most of the Land there will be an unplanted area of approximately 2,394 hectares. This will include native bush (1,021 hectares), potential regeneration land (892 hectares), buffer land, setbacks, riparian areas and wetlands (323 hectares), high altitude land (130 hectares), and roads and tracks (28 hectares).

Transitional arrangement for grazing

98. The Applicants have agreed to allow the Vendor to continue farming operations (and use of three houses) until the Land is converted to forestry. Under this arrangement the Vendor will be granted a lease for 3 years, plus two rights of renewal of one year each. The Applicants submit the heavy grazing prior to planting is considered to be optimal for the preparation of the Land for planting. The OIO accepts that grazing before planting is genuinely connected to forestry activities.
99. The leaseback arrangement is structured in accordance with planting schedule, and so that land to be grazed will reduce each year as forest is planted.
100. Aside from temporary grazing during the transitional period, there are no non-forestry uses. Retaining native forest (or allowing land to revert to native forest) is not a commercial use of the Land. Ingka explains this is consistent with its commitment to responsible forest management practices, and in accordance with FSC certification.

Condition(s)

101. The Act requires that condition(s) be imposed on any consent granted that require the Land to be used exclusively, or nearly exclusively, for forestry activities (section 16C(4) of the Act). Proposed **Special Condition 2** meets this requirement.
102. In addition, proposed **Special Condition 1** requires the Applicants to complete planting a crop of trees on the Land by 1 October 2026. This condition requires that the crop of trees cover an area of at least 2,782 hectares.

Residential land restriction

Under section 16A(4)(b) of the Act the relevant land must not be only residential land. If it includes any residential land, the residential land must adjoin other land that is part of the relevant land but is not residential land.

103. The Land does not include residential land and accordingly we are satisfied that this criterion is met.
104. The sensitive land certificate provided by Port Glen Limited confirms that the Land does not include residential land.

Restriction on use of the Land for residential purposes

Under section 16A(4)(c) of the Act the decision-maker must be satisfied that the relevant land will not be, or is not likely to be, used or held for future use for any residential purposes except certain forestry worker accommodation.

In particular, accommodation may be provided for the purpose only of supporting forestry activities being carried out on the relevant land if all buildings being used for that accommodation are located on land on which some or all of those forestry activities are being carried out (or on land that adjoins land on which some or all of those forestry activities are being carried out).

View

105. We are satisfied that the Land will not be used or held for future use for residential purposes.

Analysis

106. As noted above, the Option Land to be subdivided and sold includes three dwellings associated with the current the farming operation.
107. The location of the dwellings is shown on the map at paragraph 77 above, with two dwellings at 1577 Owaka Valley Road, and one at 1653 Owaka Valley Road.
108. In considering whether the Land is likely to be used for residential purposes the OIO does not believe this criterion requires that any residential use must cease immediately on settlement of the transaction. We accept that when land is converted from a farm to forestry use it is reasonable to allow for a transition period, and for residential use to occur during this transition period. For the avoidance of doubt, we do not consider that accommodation of the grazing lessee's employees qualifies as forestry worker accommodation.

Condition(s)

109. The Act requires that condition(s) be imposed on any consent granted that ensure that the Land is not used or held for future use for any residential purposes, except for worker accommodation in accordance with section 16(A)(4)(c) of the Act (section 16C(4) of the Act). Proposed **Special Condition 7** meets this requirement.
110. In addition, we recommend you impose a condition of consent requiring the land containing the dwellings to be divested by 1 October 2024 – see **Special Condition 8**.

We recommend that, in imposing the divestment condition, there be a short-term transitional provision allowing the dwelling to be rented prior to divestment – see **Special Condition 9**.

Requirement to implement and maintain existing arrangements

Under regulation 29(2)(a) the decision-maker must be satisfied that any existing arrangements in respect of the relevant land (or any part of the relevant land) that are for one or more specified purposes (e.g. protection of indigenous vegetation, indigenous fauna or wildlife habitats, wāhi tapu, historic places or areas, or public access) will be implemented and maintained (or will continue to be implemented and maintained).

If the ROP will not have sufficient ownership or control of the relevant land to ensure that the requirement will be met, the decision-maker may modify or not apply this requirement.

An 'arrangement' includes any agreement, understanding, or other arrangement. It does not need to be a formal arrangement or legally binding, but there needs to be some evidence in writing (i.e. it cannot be exclusively oral). In the majority of cases an 'existing' arrangement is a qualifying arrangement in place immediately before the sale and purchase agreement is entered into.

Overview

111. The following table provides an overview of what existing arrangements (if any) have identified in relation to the Land.

Type / Specified purpose	Existing arrangement(s)
Protecting areas of indigenous vegetation or habitats of indigenous fauna	None identified
Protecting areas of habitats of trout, salmon and other specified wildlife or game	None identified
Protecting historic places or historic areas entered on the New Zealand Heritage List	None identified
Protecting certain wāhi tapu or wāhi tapu areas	None identified
Protecting land that is set apart as Māori reservation and is wāhi tapu under s 338 of the Te Ture Whenua Maori Act 1993	None identified
Providing access to land for members of the public	None identified (Note however the Applicants will engage with DOC regarding access to Catlins Forest Park, will engage with organisers of the Catlins Wisp Hill Trail Ride, and will ensure public access to unformed legal roads on the Land is not obstructed).

112. We are satisfied that this criterion is met on the basis that there do not appear to be any existing arrangements relating to all or part of the Land.

Nature of checks undertaken by the Applicants

113. The Applicants have confirmed that their due diligence investigations of the Land included the following:

- (a) the Applicants have obtained a sensitive land certificate;

- (b) the Applicants have made enquiries of the Vendor;
 - (c) the Applicants have searched the websites of Walking Access Commission, the Department of Conservation, Fish and Game, Heritage NZ; and
 - (d) the Applicants have searched the New Zealand Gazette.
114. We consider that sufficient due diligence has been undertaken to identify existing arrangements on the Land. Further discussion of our assessment of potential existing arrangements is set out below.

Analysis, and results of consultation

115. Consultation with DOC, WAC, and HNZ has provided certain information about the Land that we have considered, and where necessary requested further information from the Applicants.
116. The sensitive land certificate noted that part of the Land (in SO Plan 311 583) on the left bank of the Catlins River and the Wairepo Creek has surveyed 20 metre wide esplanade strips, however no corresponding legal instruments are registered on the title. WAC in their consultation response also noted this and requested that the Applicants should work with the Council to register esplanade strips on the title (although acknowledged that creating new access would be outside the scope of the special forestry test).
117. The Vendor has advised the Applicant that, at the time of the freeholding of the land adjoining the Catlins River and the Wairepo Creek, there was no obligation on the part of the then owner of the Land to agree to the creation of the esplanade strip adjoining those rivers. The Applicants therefore do not propose to put one in place.
118. Following the Applicants' response, we obtained a survey report attached to SO 311583 regarding the esplanade strip shown on the plan. In this instance the provision of an esplanade strip would have been on a voluntary basis but was not proceeded with at the time. There was therefore no commitment, and this is not an 'existing arrangement'.

Access to Thisbe Valley Track

119. WAC advised us that access to the Thisbe Valley Track currently passes over part of the Land (Section 6 SO 311583). The Applicant has stated that Thisbe Valley track is landlocked, and the Vendor has allowed trampers to walk across the Land to access the track and has provided DOC staff with a key to the gate that gives them access to the landlocked track. The Applicant has been advised by the Vendor that there is no arrangement in writing with DOC to provide access to the Thisbe Valley Track for either trampers or DOC staff.
120. As there is no information to suggest that the arrangement is recorded in writing, this does not qualify as an 'existing arrangement'. The Applicants have confirmed they are willing to allow continued access over the relevant land (subject to health and safety requirements related to forestry operations).

Catlins Wisp Hill Trail Ride

121. WAC advised us that the Catlins Wisp Hill Trail Ride, a community fundraiser trail ride, seems to occur semi-annually over Wisp Hill Station, and last occurred 2020. Information available online includes publicity for the event occurring in March 2020⁴.

⁴ [Catlins Wisp Hill Climb Trail Ride | Clutha Development \(cluthanz.com\)](https://www.clutha.co.nz/clutha-development/cluthanz.com)

122. In response to the OIO's request for further information, the Applicants made an enquiry of the Vendor. The Vendor advised that this fundraiser has only been held twice (organised by a family member who farms on an unrelated property next to Wisp Hill Station) and there is no written agreement with the Vendor to hold this event. In our assessment, as no written arrangement has been identified giving a commitment to hold this event on an ongoing basis, there is no evidence that an 'existing arrangement' exists.

123. The Applicants have confirmed they are willing to engage with the organiser to discuss future options for holding this event subject to health and safety requirements and forestry operations.

Unformed legal roads

124. The Applicants have identified unformed legal roads on the Land and provided a roading map. In their consultation response, WAC advised that they receive many inquiries regarding locked gates or obstructions to unformed legal roads, and stated it is important the Applicants be aware public access to unformed legal roads cannot be obstructed.

125. As unformed legal roads in our assessment constitute an arrangement that will have to be implemented and maintained in any event, these do not qualify as an 'existing arrangement'. We however requested further comment from the Applicants regarding how unformed legal roads would be managed. The Applicants advised that they may restrict access when it is unsafe for members of the public to access the roads due to forestry operations on the land and also where necessary to protect any sensitive habitats or species they may become aware of.

Hunting

126. In their response DOC advised us that this is an area used by hunters. The Applicants have been advised by the Vendor that no written arrangements are in place for hunters to access the Land. The Vendor advised that any hunting is only permitted for the Vendor and its employees along with their friends and close associates. The Vendor arranges deer culls and professional pest control activities periodically.

127. The Applicants have stated that due to health and safety requirements it is unlikely they will allow unrestricted access to hunters in the future. In our assessment, as no written arrangement has been identified, there is no evidence that an 'existing arrangement' exists for access for hunters.

Threatened plant species

128. DOC also advised us that their records show a listing for a threatened plant species known as "Carex tenuiculmis" (Red leaved swamp sedge) at one end of Cairn Road and requested that we confirm with the Applicants whether this listing is within the relevant land. We passed on this information to the Applicants, who confirmed this area is not with the relevant land.

129. For completeness, we note part of the Land within Record of Title OT411/65 is subject to an open space covenant pursuant to section 22 of the Queen Elizabeth The Second National Trust Act 1977 to protect enhance and maintain an area of 16.7 hectares of native forest known as the Cullen Covenants as part of the Queens Commonwealth Canopy Initiative. As this is protected by other means this will not qualify as an existing arrangement.

130. In support of protecting several matters referred to above we have also included a condition (**Special Condition 11**) requiring the Applicants prepare forestry management plans (by 1 October 2022) to include processes to provide for:

- (a) engaging with DOC to allow trampers to walk across the Land to access Thisbe Valley Track;
- (b) engaging with organisers of the Catlins Wisp Hill Trail Ride to discuss options for allowing the event to continue; and
- (c) ensuring that public access to unformed legal roads on the land is not obstructed; and

131. In addition, the reporting condition will require the Applicants to provide information about its forest management plans and their compliance with Special Condition 11.

Condition(s)

132. The Act requires that condition(s) be imposed on any consent granted that ensure that existing arrangements will be implemented and maintained (section 16C(4) of the Act).

133. We recommend the decision-maker also impose a condition of consent that, whether or not identified in the application, the Applicant must implement and maintain any existing arrangement in respect of the relevant land that is for a specified purpose set out in regulation 29 – see **Special Condition 10**.

134. This ensures that if, for any reason, there were existing arrangements that were not identified, these are required to be maintained and implemented.

Continuing obligations under any existing consent conditions

Where there is an existing consent (e.g. the vendor previously obtained OIO consent), the decision-maker must be satisfied that requirements and prohibitions in any existing consent conditions for specified purposes (e.g. protection of indigenous vegetation, indigenous fauna or wildlife habitats, wāhi tapu, historic places or areas, or public access) will continue after the Investment is given effect (refer regulation 29(2)(b)).

If the ROP will not have sufficient ownership or control of the relevant land to ensure that the requirement will be met, the decision-maker may modify or not apply this requirement.

135. There are no existing consent conditions affecting the Land, so this criterion is **not applicable**.

Continuing any existing log supply obligations

Under regulation 29(2)(c) the decision-maker must be satisfied that logs will continue to be supplied as required by any existing log supply obligation (for so long as the obligation remains in place). A supply obligation is a contractual obligation under which logs from trees harvested on the relevant land must be supplied to a person who intends to have the logs processed in New Zealand.

If the ROP will not have sufficient ownership or control of the relevant land to ensure that the requirement will be met, the decision-maker may modify or not apply this requirement.

136. The Vendor has confirmed that there are no existing log supply obligations in place in relation to the Land (the Land is currently predominantly farm land with only 53 hectares of existing forest).

Replanting requirement

Under section 16A(4)(d) of the Act the decision-maker must be satisfied that whenever a crop of trees is harvested on the relevant land, a new crop will be, or is likely to be, established on the relevant land to replace the crop that is harvested. If the ROP will not have sufficient ownership or control of the relevant land to ensure that the requirement will be met, the decision-maker may modify or not apply this requirement.

View

137. We are satisfied that whenever a crop of trees is harvested on the Land, a new crop is likely to be established on the relevant land to replace the crop that is harvested

Analysis

138. The Applicants have confirmed that they are committed to replanting trees on the Land following harvesting, including the small area currently planted in radiata pine. The Applicants acknowledge that any consent granted will include a replanting condition, and that the Land will need to be sold if it is not replanted.

Condition(s)

139. The Act requires that condition(s) be imposed on any consent granted that ensure that the harvested trees are replanted (section 16C(4) of the Act). Proposed **Special Condition 3** meets this requirement by requiring trees to be replanted within 2 years of harvest (subject to some exceptions).

Special land offer requirement

Section 16A(4)(f) of the Act requires any special land (i.e. qualifying marine and coastal area, riverbed or lakebed) be offered to the Crown in accordance with the Regulations. The requirement only applies if the investment involves the direct acquisition of a freehold interest in sensitive land (that is, it does not apply if the investment is the acquisition of rights or interests in securities or less than freehold interests such as forestry rights or leases) (refer regulation 29(9)).

Broadly speaking, the process of offering special land to the Crown involves a two-steps:

- (a) first, the vendor offers the land to the Crown; and
- (b) then the Crown then decides whether or not it wishes to acquire the special land (and if it does, makes the acquisition).

Only the first step needs to be completed before an application for consent is decided (section 16A(4)(f) of the Act relates to the offer of the special land rather than its acquisition by the Crown).

View

140. The Applicants confirm the Land includes special land in the form of AMF⁵ rights associated with the bed of Catlins River, AMF rights associated with the bed of Wairepo Creek, and the bed of the Owaka River.
141. The special land has been offered to the Crown in accordance with the requirements of the Regulations.

Analysis

142. The Vendor has provided notice of its intention to offer the Crown the right to acquire the special land in accordance with regulation 13. The Vendor and Applicants have subsequently signed an agreement for sale and purchase relating to the special land (**Special Land Agreement**). The special land has been offered for consideration of \$1.
143. The Special Land Agreement is conditional on consent being granted and will not be signed by the Crown and executed unless the Crown decides to acquire the special land. This decision will be made by the relevant Ministers at a later date.

⁵ 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.

144. Having regard to the above, and noting that section 16A(4)(f) of the Act relates to the *offer* of the special land rather than its *acquisition* by the Crown, we are satisfied this criterion is met.

Condition(s)

145. We recommend that consent conditions be imposed that require the Applicants to assume the Vendor's obligations relating to the special land and facilitate its transfer to the Crown (should the Crown choose to accept the special land offer) – see **Special Condition 12**.

Provision for other requirements in the Regulations

Section 16A(4)(g) includes an obligation to satisfy the decision-maker "that any other requirements set out in regulations been met".

146. This criterion is not applicable. Currently, there are no other relevant requirements set out in the Regulations.

Farm land offer criterion

Section 16(1)(f) of the Act requires farm land / farm land securities be offered for acquisition on the open market to persons who are not overseas persons in accordance with the requirements of the Regulations. These requirements include that the farm land / farm land securities be advertised for at least 20 working days (or longer if the advertisement states or implies that offers will be accepted for that longer period).

The purpose of such advertising is to ensure New Zealand persons have reasonable notice that the farm land / farm land securities are available for acquisition. However, there is no requirement that the vendor must accept an alternative offer.

Under section 20(a) of the Act, the decision-maker may exempt an investment from the farm land offer criterion requirement.

147. The Land was advertised for sale on multiple websites (TradeMe, realestate.co.nz, southernwide.co.nz) and in print media (including Farmers Weekly, Christchurch Press, and the Otago Daily Times).

148. We calculate that the Land was available for acquisition for more than 20 working days before the agreement was entered into. The advertising commenced on 23 November 2020. The agreement for sale and purchase was entered into on 24 December 2020, after the minimum advertising period.

149. After reviewing the form, content, duration, and publication date of the advertising we are satisfied it meets the requirements of the Regulations.

Is this a transaction of national interest?

150. The investment does not involve a transaction of national interest under the mandatory criteria of the Act. 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).

151. 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. He has therefore not declined consent to the transaction.

152. We are directed 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:

(a) could pose risks to New Zealand's national security or public order;

- (b) would grant an investor significant market power within an industry or result in vertical integration of a supply chain;
- (c) has foreign government or associated involvement that grants that government (and/or its associates) disproportionate levels of access to or control of sensitive New Zealand assets; or
- (d) would have outcomes that were significantly inconsistent with or would hinder the delivery of other Government objectives.

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

Conclusion and recommendation

154. We recommend you grant consent to the Investment as we consider all of the relevant criteria have been met.

155. The conditions we recommend are set out in the Proposed Decision (**Attachment 3**). These conditions include all required mandatory conditions and additional discretionary conditions.

List of Attachments

Attachment 1	Guidance for applying the Act
Attachment 2	Sensitive land details and maps
Attachment 3	Proposed Decision
Attachment 4	Consultation responses

Attachment 1: Guidance for applying the Act

Decision

1. The application you⁶ are considering is a one-off application under the Special Forestry Test pathway.
2. Under section 14 of the Act, in considering whether or not to grant consent, you:
 - (a) must have regard to only the criteria and factors that apply to this type of overseas investment; and
 - (b) may consult with any other person or persons as you think appropriate; and
 - (c) must grant consent if satisfied that all of the relevant criteria are met; and
 - (d) must decline to grant consent if not satisfied that all of the relevant criteria are met.
3. The attached Report identifies each of the relevant criteria under the Act that you are required to consider in this case. In summary, this criteria is that:
 - (a) the investor test is met (section 16(2) of the Act);⁷ and
 - (b) the benefit to New Zealand test, by way of the special test relating to forestry activities, is met (as set out in s16A(4) and Regulation 29); and
 - (c) if the land is or includes farm land, the farm land offer criterion is met (as set out in s16(1)(f) and Regulations 5-10) and
 - (d) if the transaction is a transaction of national interest, the Minister has not declined consent to the transaction under section 20C of the Act (section 16(1)(g) of the Act).
4. Your decision should be based on information available to you that you consider is sufficiently reliable for that purpose. The information we have taken into account in making our recommendation, and any consultation we have undertaken, is summarised in the attached Report.

Conditions

5. The Act requires certain mandatory conditions to be imposed on consents granted the Special Forestry Test. The Act also provides for additional conditions to be imposed (discretionary conditions).
6. **Attachment 3** sets out the mandatory and discretionary conditions recommended in this case.

Investor test - good character criterion

7. You must be satisfied that the relevant overseas person or (if that person is not an individual) all the individuals with control of the relevant overseas persons are of good character.
8. The term “good character” is not defined in the Act. The majority of the Select Committee reporting back on the Bill in 2005 confirmed that the “good character” test was needed

⁶ In this guidance, ‘you’ refers to the decision-maker(s), being either the relevant Ministers (for a Ministerial application) or the delegated decision-maker (for a delegated application).

⁷ Also refer to s18 (which sets out identical investor test criteria) if the sensitive assets include significant business assets.

as it is important to ensure that all persons investing in New Zealand are people unlikely to act inappropriately and bring New Zealand into disrepute.

9. When undertaking the good character assessment, you must be satisfied that the character of each of the individuals with control of the relevant overseas person is sufficient so that they should be granted the privilege of owning or controlling sensitive New Zealand assets.
10. The good character test is applicable to individuals, not entities such as body corporates. However, where the investment is to be carried out by a body corporate, the character of the relevant individuals who control the body corporate will need to be considered. Where an offence or contravention is committed by a body corporate to which an individual had a more than 25% ownership or control interest, this is a mandatory consideration. Where the individual's interest in the body corporate is less than this, there generally must be other grounds to reasonably infer participation by the individual in the alleged wrongdoing.
11. Section 19(1) of the Act states that the following factors must be taken into account (without limitation) in assessing whether or not a person is of good character:
 - (a) offences or contraventions of the law by the person, or by any person in which the individual has, or had at the time of the offence or contravention, a more than 25% ownership or control interest (whether convicted or not);
 - (b) any other matter that reflects adversely on the person's fitness to have the particular overseas investment.
12. All relevant matters must be weighed up before you make a decision that an individual is of good character. If you wish to rely on a matter to which the applicant has not had an opportunity to respond, then such an opportunity to respond needs to be given in order to meet the requirements of natural justice.
13. How much weight should be given to a particular matter depends on a number of factors, including how closely linked the particular matter is with the investment being made. While submissions on weighting given by the relevant overseas person or individual with control may be considered, the ultimate decision as to the weighting to be given to relevant matters is for you.
14. Matters which might be relevant include:
 - (a) credible allegations of offending or contraventions of the law (assessing whether the allegation is sufficiently linked to an individual with control or relevant overseas person);
 - (b) investigations, prosecutions or other enforcement action by regulatory or professional bodies;
 - (c) track record in New Zealand.
15. Matters which are unlikely to be relevant include:
 - (a) adverse information that does not relate to an individual with control (for example, offences or contraventions by a relevant overseas person which occurred before the particular individual became involved with the relevant overseas person);
 - (b) where the decision-maker is satisfied that allegations about a relevant overseas person or individual with control have been fully investigated by the relevant regulatory or other authority and the person or individual has been cleared of any wrongdoing;

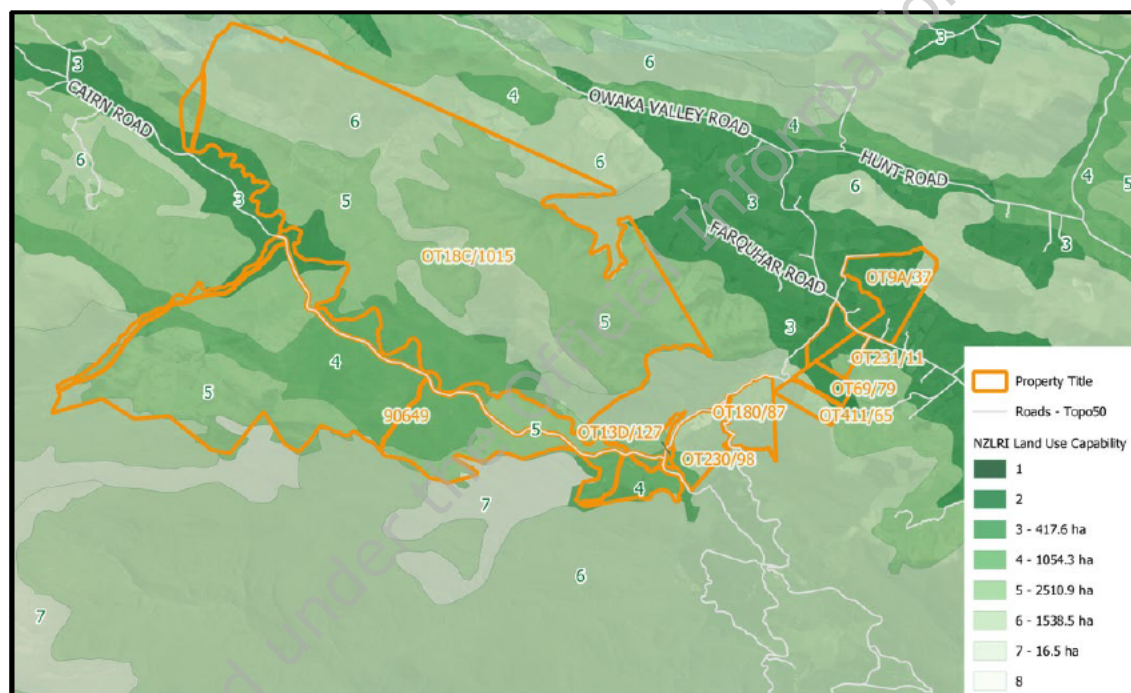
- (c) adverse information that does not impact on the character of a relevant overseas person or individual with control.
16. Briefly, some of the things we consider when weighing up “good character” include:
- (a) the seriousness of the matter, which may include considerations of:
 - (i) what the matter was and the level of actual or potential harm;
 - (ii) whether the matter was established by a relevant regulator or the Court and attributed to an individual with control (IWC) or relevant overseas person (ROP);
 - (iii) what the penalty or other sanction was (if any);
 - (iv) whether the matter was a one-off event or repeated breaches, including a pattern of non-compliance across a range of regulatory regimes;
 - (v) whether what occurred was inadvertent, negligent, reckless or deliberate;
 - (vi) whether what occurred was legal in New Zealand but illegal in the jurisdiction in which it occurred, in which case we consider the culture and context of that country;
 - (b) if a matter is an allegation, the credibility of the allegation including the reliability of the source and credibility of the information raised. Generally, if an allegation is reported in a number of sources and is not simply ‘copy and pasted’ it is likely to be regarded as having credibility;
 - (c) connection to the IWCs or ROP: we assess the level of control between any of the IWCs of the ROP and the particular matter. For example, a breach of safety rules by an employee of subsidiary company where the company was fined would likely have a low (or no) connection with an IWC who was an executive director of the parent company, whereas an executive decision by a company to illegally collude with a competitor would likely have a high connection with that IWC;
 - (d) relevance to this investment: we assess how relevant the particular matter is to the nature of this particular investment. For example, a dangerous driving conviction by an IWC would have low relevance in connection with the acquisition of a dairy farm, whereas a conviction for discharging farm effluent into a waterway would have a high relevance to the acquisition of a dairy farm;
 - (e) what actions, if any, were taken to remedy the situation and reduce the chances of it reoccurring.
17. The onus is on the applicants to satisfy the decision-maker that all the individuals that are ROPs and/or IWCs are of good character.
18. If you have doubts about the character of an individual that is an ROP/IWC which results in you not being satisfied that the test for good character has been met, then the application for consent must be declined.

Attachment 2: Sensitive land details and maps

- 1577 Owaka Road, Owaka Valley, Clutha, more commonly known as "Wisp Hill Station".

Land interest	Freehold Interest (approximately 5499.2492 hectares)
Record(s) of Title	OT69/79, OT180/87, OT230/98, OT231/11, OT310/197, OT411/65, OT9A/37, OT13D/127, OT18C/1015, 90649 (Otago)
Sensitivity	Is more than 5 hectares of non-urban land Includes the bed of a river Adjoins land that is held for conservation purposes under the Conservation Act 1987

Map showing the Land Use Capability (LUC) classes on the Land



LUC Class code	Description
1	Land with virtually no limitations for arable use and suitable for cultivated crops, pasture or forestry
2	Land with slight limitations for arable use and suitable for cultivated crops, pasture or forestry
3	Land with moderate limitations for arable use, but suitable for cultivated crops, pasture or forestry
4	Land with moderate limitations for arable use, but suitable for occasional cropping, pasture or forestry
5	High producing land unsuitable for arable use, but only slight limitations for pastoral or forestry use
6	Non-arable land with moderate limitations for use under perennial vegetation such as pasture or forest
7	Non-arable land with severe limitations to use under perennial vegetation such as pasture or forest
8	Land with very severe to extreme limitations or hazards that make it unsuitable for cropping, pasture or forestry

Attachment 3: 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: **[xx]** August 2021

The following people have been given the following **consent**:

Case	202100045
Consent type	One-off Consent (forestry activities) for an overseas investment in sensitive land.
Consent Holder/s	Ingka Investments Forest Assets NZ Limited (company number 8148262) and Ingka Investments Management NZ Limited (company number 8148260) (collectively You or the Consent Holder)
Consent	The Consent Holder may acquire the Land and the Forestry Right subject to the Conditions set out below.
Land	Approximately 5,499.2492 hectares of freehold land at Chloris Pass, Cairn Road, Farquhar Road, and Owaka Valley Road, Catlins, Otago, being the land contained in records of title OT69/79, OT180/87, OT230/98, OT231/11, OT310/197, OT411/65, OT9A/37, OT13D/127, OT18C/1015, and 90649.
Use-by Date	31 August 2022

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 the Overseas Investment Office as **OIO**, **us** or **we**.

Definitions

Act means the Overseas Investment Act 2005.

Dwellings means the house at 1653 Owaka Valley Road and currently located on Lot 1 record of title OT310/197 and the houses at 1577 Owaka Valley Road and currently located on Lot 1 record of title OT231/11 numbered correspondingly on the plan attached at Schedule 1, and each individually termed **Dwelling**.

Forestry Right means the forestry right to be granted between Ingka Investments Forest Assets NZ Limited (Grantor) and Ingka Forest Investments Management NZ Limited ((Grantee) to be registered over the Land.

Main Land means the Land excluding the Option Land.

Option Land means the area of approximately 117 hectares, containing the Dwellings, comprised in record of title numbers OT310/197, OT231/11, and OT69/79 shown for indicative purposes only as the area outlined orange on the plan attached at Schedule 1.

Planting Plan means a plan that describes how the Land will be planted and identifies and explains: the area of land suitable for planting, the area you will plant with trees, the type of trees you will plant, and a map showing the same.

Regulations means the Overseas Investment Regulations 2005.

Special Land means (1) AMF rights associated with the bed of Catlins River, (2) AMF rights associated with the bed of Wairepo Creek and (3) the bed of Owaka River, as defined further in the Special Land Offer.

Special Land Offer means the offer of Special Land to the Crown by Wisp Hill Limited, Ingka Investments Forest Assets NZ Limited, and Ingka Investments Management NZ Limited.

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 complete planting a crop of trees on the Land in accordance with you planting plan. The crop of trees must cover an area of at least 2,782 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 1 October 2026.

Special Condition 2: land must be used for forestry activities	
<p>The Land must be used exclusively, or nearly exclusively, for forestry activities except as otherwise permitted by these Conditions.</p> <p>Forestry activities means maintaining, harvesting, and/or establishing a crop of trees for the purpose of plantation forestry but excluding permanent forestry.</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: trees must be replanted after harvest	
<p>You must replace each crop of trees 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> <ol style="list-style-type: none"> 1. Replant the Land with the same species of tree or use the same silvicultural regime; or 2. 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 2.</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 two years of harvest (or as otherwise permitted by this condition).
Special Condition 4: Confirmation of plans for Option Land	
<p>You must confirm to the OIO whether you will retain the Option Land (in whole or in part) or divest it.</p> <p>If you decide to retain all or part of the Option Land, your confirmation must include a Planting Plan for the land being retained. Your Planting Plan must ensure that the Option Land being retained will be used exclusively or nearly exclusively for forestry activities.</p>	By 1 April 2023
Special Condition 5: Option Land to be planted if retained	
<p>If you decide to retain all or part of the Option Land, you must complete planting a crop of trees on the Option Land being retained in accordance with the Planting Plan.</p>	By 1 October 2026.

Special Condition 6: Option Land to be subdivided and sold (if not retained)

If you decide to divest all or part of the Option Land, you must complete a subdivision (if required) so the relevant Option Land can be sold.

You must then sell that part of the Option Land.

If the relevant Ministers accept the offer of Special Land then you must fulfil your obligations (as outlined in the Special Land Agreements) in respect of the Special Land prior to or contemporaneously with the subdivision.

If you do not comply with this condition, Standard Condition 6 will apply and we may require you to dispose of the Land.

By 1 October 2023.

By 1 October 2024.

Special Condition 7: residential use restrictions

The Land must not be used, or held for future use, for any residential purposes except for:

1. forestry worker accommodation in accordance with section 16A(4)(c) of the Act; or
2. as otherwise permitted by these Conditions.

If you do not comply with this condition, Standard Condition 6 will apply and we may require you to dispose of the Land.

At all times.

Special Condition 8: divestment of dwellings (if Option Land retained)

If you confirm that you will retain all or part of the Option Land in accordance with Special Condition 4, you must:

1. confirm to the OIO in writing whether you intend to retain any of the Dwellings and the proposed use of those Dwellings, being a use that must comply with section 16A(4)(c) of the Act; and

in respect of any Dwelling that you do not intend to use in accordance with section 16A(4)(c) of the Act, you must:

2. relocate the Dwelling from the Land; or
3. sell that part of the Land that contains the Dwelling to a third party who is not your associate; or
4. complete a subdivision of the Option Land so the Dwelling is on a separate title(s) (the **Subdivided Land**) and can be sold; or
5. any other arrangement for divesting some or all of the Dwellings as agreed to in writing by the OIO.

By 1 October 2024.

If you have completed a subdivision of the Land, you must sell the Subdivided Land to a third party who is not your associate.	By 1 October 2024.
Special Condition 9: permitted temporary transitional activities	
<p>The Land may be used for the following temporary activities for transitional purposes:</p> <ol style="list-style-type: none"> 1. The Land may be grazed prior to being planted with a crop of trees in accordance with Special Condition 1 (and Special Condition 5 if applicable); and 2. The Dwellings may be rented for transitional purposes (e.g. until they are sold or removed in accordance with Special Condition 6 or Special Condition 8, or otherwise converted to forestry worker accommodation that is provided for under section 16A(4)(c) of the Act). 	<p>Temporarily.</p> <p>Transitional grazing permitted until 1 October 2026.</p> <p>Transitional accommodation arrangements permitted until 1 October 2024.</p>
Special Condition 10: existing arrangements	
<p>You must implement and maintain 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>You must implement and maintain all Arrangements, including any Arrangements you did not identify in your application for consent.</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: forestry management plans	
<p>Your forestry management plans must include processes to provide for the following:</p> <p><i>Providing access</i></p> <ul style="list-style-type: none"> • engaging with the Department of Conservation to allow trampers to walk across the Land to access Thisbe Valley Track within the Catlins Forest Park; • engaging with the organisers of the Catlins Wisp Hill Trail Ride community fundraiser to discuss options for allowing the event to continue if compatible with obligations under the Health and Safety at Work Act 2015 and forestry operations; 	<p>Prepare forestry management plans by 1 October 2022,</p> <p>and</p> <p>provide for these matters in your forestry management plans at all times.</p>

<ul style="list-style-type: none"> ensuring that public access to unformed legal roads on the Land is not obstructed, or that if any obstruction, encroachment or restriction is required over an unformed legal road the local authority is contacted prior and the requirements of any relevant legislation are met; <p><i>Maintaining existing Arrangements</i></p> <ul style="list-style-type: none"> maintain any existing arrangements (as described in Regulation 29 of the Regulations). 	
Special Condition 12: special land	
<p>Should the Crown decide to accept the offer of Special Land, you must, upon becoming the registered proprietor of the Land, adopt and be bound by any offer or agreement that the Vendor has made or entered into with the Crown in relation to the Special Land that forms part of the Land.</p> <ol style="list-style-type: none"> If the relevant Ministers make a decision to waive the offer of Special Land in accordance with regulation 15(1), this special condition will be deemed to have been complied with. If the Crown decides to accept the offer of Special Land within the timeframe as set out in clause 3.1 of each agreement for sale and purchase (Special Land Agreement) you must: <ol style="list-style-type: none"> deal with the Crown in accordance with the requirements of the Act as if you were the party making the initial offer of the Special Land to the Crown; transfer the Special Land for the benefit of the Crown and on terms acceptable to the Crown as outlined in the Special Land Agreement; and except in the case of Special Land which is marine and coastal area, agree to an encumbrance or covenant in gross being registered to protect the Crown's interest upon the Crown's request. The Crown reserves the right to caveat the Land until an encumbrance or covenant has been registered or, in the case of Special Land which is marine and coastal area, until the transfer of the Special Land has been completed. You will be responsible for all of your own costs incurred as a result of the transfer of the Special Land. <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>Within 10 working days of being requested to do so by the Crown.</p>

Standard Conditions

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

Details	Required date
Standard Condition 1: acquire the Land	
<p>You must acquire the Land:</p> <ol style="list-style-type: none"> by the date stated in the Consent. <p>If you do not, your Consent will lapse or become invalid and you must not acquire the Land, and</p> <ol style="list-style-type: none"> using the acquisition, ownership and control structure you described in your application. <p>Note, only you – the named Consent Holder - may acquire the Land, not your subsidiary, trust or other entity.</p>	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"> the date you acquired the Land (Settlement), consideration paid (plus GST if any), the structure by which the acquisition was made and who acquired the Land, and 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.</p> <p>We will give you at least two weeks' written notice if we want to do this.</p> <p>You must then:</p> <ol style="list-style-type: none"> Allow a person we appoint (Inspector) to: <ol style="list-style-type: none"> 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.

<ul style="list-style-type: none"> (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. <p>2. Take all reasonable steps to facilitate an Inspection including:</p> <ul style="list-style-type: none"> (a) directing your employees, agents, tenants or other occupiers to permit an Inspector to conduct an Inspection, (b) being available, or requiring your employees, agents, tenants or other occupiers to be available, at all reasonable times during an Inspection to facilitate access onto and across the Land. This includes providing transport across the Land if reasonably required. <p>During an Inspection:</p> <ul style="list-style-type: none"> (a) we will not compel you and your employees, agents, tenants or other occupiers to answer our questions or to let us look at, copy or take away documents, (b) our Inspector will comply with any reasonable instruction and co-operate with any reasonable health and safety policy or procedure you notify to us before the Inspection. 	
Standard Condition 4: remain of good character	
<p>You and the Individuals Who Control You:</p> <ul style="list-style-type: none"> 1. must continue to be of good character, and 2. must not become an individual of the kind referred to in section 15 or section 16 of the Immigration Act 2009. <p>In summary, these sections describe convicted or deported people who are not eligible for visa or entry permission to enter or be in New Zealand and people who are considered likely to commit an offence or to be a threat or risk to security, public order or the public interest.</p> <p>The Individuals Who Control You are individuals who:</p> <ul style="list-style-type: none"> (a) are members of your governing body, 	<p>At all times.</p>

<ul style="list-style-type: none"> (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 (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, any Individual Who Controls You, or any person in which you or any Individual Who Controls You hold (or at the time of the offence held) a more than 25% ownership or control interest commits an offence or contravenes the law anywhere in the world. This applies whether or not you or they were convicted of the offence. In particular, please tell us about any offences or contraventions that you are charged with or sued over and any investigation by enforcement or regulatory agencies or professional standard bodies. 2. An Individual Who Controls You: <ol style="list-style-type: none"> (a) ceases to be of good character, (b) commits an offence or contravenes the law (whether they were convicted or not), (c) becomes aware of any other matter that reflects adversely on their fitness to have the Land, or (d) becomes an individual of the kind referred to in section 15 or 16 of the Immigration Act 2009 (see Standard Condition 4). 3. You cease to be an overseas person or dispose of all or any part of the Land. 4. You, any Individual Who Controls You, or any person in which you or any Individual Who Controls You hold (or at the time of the event held) a more than 25% ownership or control interest: <ol style="list-style-type: none"> (a) becomes bankrupt or insolvent, (b) has an administrator, receiver, liquidator, statutory manager, mortgagee's or chargee's agent appointed, or (c) becomes subject to any form of external administration. 5. 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

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:

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.

Report disposal to us: send us, in writing, evidence of the following:

- (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.

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

1. be submitted via our [Webform](#) or sent to oiomonitoring@linz.govt.nz by these dates:
 - (a) 30 November 2021
 - (b) 30 November 2022
 - (c) 30 November 2023
 - (d) 30 November 2024
 - (e) 30 November 2025
 - (f) 30 November 2026
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),
 - (c) your forest management plans and their compliance with Special Condition 11, 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.
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Schedule 1 – Plan showing Option Land and Dwellings

The plan below shows the boundary of the Option Land outlined and the location of the Dwellings.



Attachment 4: Response from New Zealand Walking Access Commission, Heritage New Zealand, and Department of Conservation

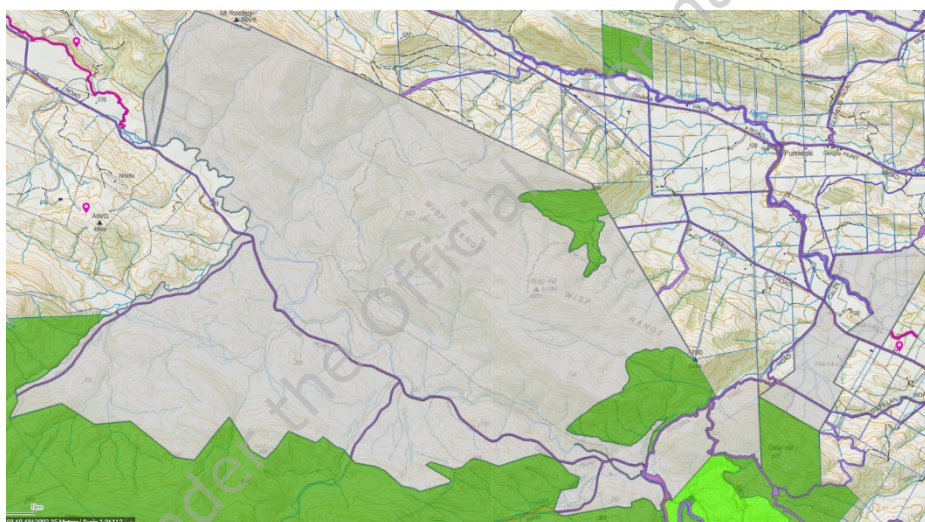
Response from WAC

Informal Access:

- Formed access to the Thisbe Valley Track currently passes over Section 6 SO 311583, consultation would be needed to find out the nature of the agreement.
- Catlins Wisp Hill Trail Ride, this is a community fundraiser trail ride that seems to occur semi-annually over Wisp Hill Station (last occurring 2020). Consultation with the station would be required to see if there is any written documentation which gives permission for additional trail rides.

Formal Access:

- parcels, these are independent of the adjoining freehold land. NZWAC receives many inquiries around locked gates or obstructions of ULR within forests, it is important for the applicant to be aware that public access to ULR cannot be obstructed in any way.



Additionally we note the sensitive land certificate provided comments that esplanade strips were voluntarily surveyed for on SO 311583 over sections 1 and 4 SO 311583. These run alongside the Caitlins River and the Wairepo Creek, but were never registered on the title. The sensitive land certificate notes there is no apparent reason why the esplanade strips were not registered on the title. It also points out these areas are noted on the Clutha District Plan (Map G46D), as being waterways where public access is required to increase connectivity. The Walking Access Commission notes that while recommending new access is outside of a Special Forestry Test application, we would encourage the applicant to work with the council to register these esplanade strips on the title, the NZWAC is happy to be of assistance in facilitating this.

Response from HNZ

There are no places (historic places/areas, Wahi tapu places/areas or Wahi tupuna) Listed on the NZ Heritage List/ Rārangī Korero within any of those land parcels and there are no Listings pending.

There are no archaeological sites currently recorded on the New Zealand Archaeological Association's (NZAA's) database of sites within those land parcels. This does not rule out as yet unrecorded archaeological sites.

It appears that there are no heritage places scheduled in the Clutha District Plan for these land parcels; we would recommend contacting the Council to confirm this.

As you will be aware there are sometimes wahi tapu/wahi tupuna sites which are not scheduled in the relevant plan. For that reason we suggest that you make contact with Te Ao Marama via email at [email address] regarding whether there are wahi tapu or wahi tupuna sites present on any of the land parcels of which Heritage New Zealand Pouhere Taonga or the local council are unaware.

Response from DOC

OIO application – Wisp Hill Station;

1. “whether there are any “existing arrangements” on the land for “specified purposes”.

We do not appear to have any existing arrangements in relation to the areas involved.

2. We would like to draw your attention to the following;

- this is an area used by hunters, we usually advise hunters to contact the owners for access to the hunting area.

- at one end of Cairn Road (see attached map) we have a listing for a Threatened Plant Species (identified with blue dots) – *Carex tenuiculmis* (Red leaved swamp sedge).

We could not clearly establish if this was within or outside the Wisp Hill Station area. If it is within the area concerned (or if more are found) can these plants be protected in some way? These plants are noted as At Risk – Declining, by the New Zealand Plant Conservation Network.

- Title OT13D/127, Section 1 SO 10034

This title has an encumbrance/interest notated – subject to Part IV A Conservation Act.

This means that if there is a qualifying waterway adjoining or through this parcel that marginal strip(s) are applicable.

Marginal Strips are areas usually 20m (on one or both sides of a waterway), that are protected under the Conservation Act 1987 (section 24), and would mean that consent from the Minister of Conservation (or her delegate) is required for any activities within the 20m area. These strips are to facilitate the preservation of the waterway and allow for public access, any “activity” has to be compatible with the purpose for which the land is protected.

You may wish to have survey confirm/verify if the waterway is qualifying, please confirm if it is not applicable so we can note this in our record.
