



To: Marcus McMillan, Manager Applications

ASSESSMENT REPORT: Enterprise Investments WRI Limited – Ngapuke Farm, 222 Rendall Road

Date	17 June 2022	Classification	IN CONFIDENCE: Commercially sensitive
OIO reference	202200120	Deadline	As soon as possible (requested date now 22 June 2022)

Purpose

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

This decision has been delegated to the OIO.¹

Action sought

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

Key information

Applicant	Enterprise Investments WRI Limited (United Kingdom – 100%)
Vendor(s)	Landsus Limited (NZ – 100%)
Land	Approximately 285ha of land located at 222 Rendall Road, Manawahe Rotoma (Ngapuke Farm)
Consideration	\$5,500,000
Application type	Sensitive land – special forestry test (one-off)
Relevant tests	Investor test: s 16(1)(a) and s 18A Benefit to NZ test – special test relating to forestry activities: s 16A(4) Farm land offer test: s 16(1)(f) National interest test: s 16(1)(g)

Timing

4. The Overseas Investment Regulations 2005 specify the total assessment timeframe for this application is 55 working days. This application is currently on day 8.

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

A. Decision

Investor test

5. I determine that:

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

Relevant overseas person	Role
Enterprise Investments WRI Limited	Applicant and acquiring entity
[s 9(2)(a)]	Sole shareholder of the Applicant

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

Individuals with control	Role
[s 9(2)(a)]	Sole shareholder of the Applicant
Mark Robin Preston	Directors of the Applicant
Helen Frances Jaquiss	
Sarah Helen Dean	

5.3 None of the ROP or IWC have established any of the factors contained in section 18A(4) of the Act.

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

Special forestry test

7. I am satisfied that:

- 7.1 the Land is likely to be used exclusively or nearly exclusively for forestry activities;
- 7.2 the Land does not include residential land;
- 7.3 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;
- 7.4 the requirements set out in clause 29(2) of the Overseas Investment Regulations 2005 are likely to be met (being requirements to continue existing arrangements, comply with existing conditions of consent, and comply with existing log supply obligations);
- 7.5 whenever a crop of trees is harvested on the Land, a new crop is likely to be established to replace the crop that is harvested;

Farm land

8. I am satisfied, in relation to farm land advertising, that the criteria have been met.

National interest

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

Decision

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

[s 9(2)(a)]

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Marcus McMillan

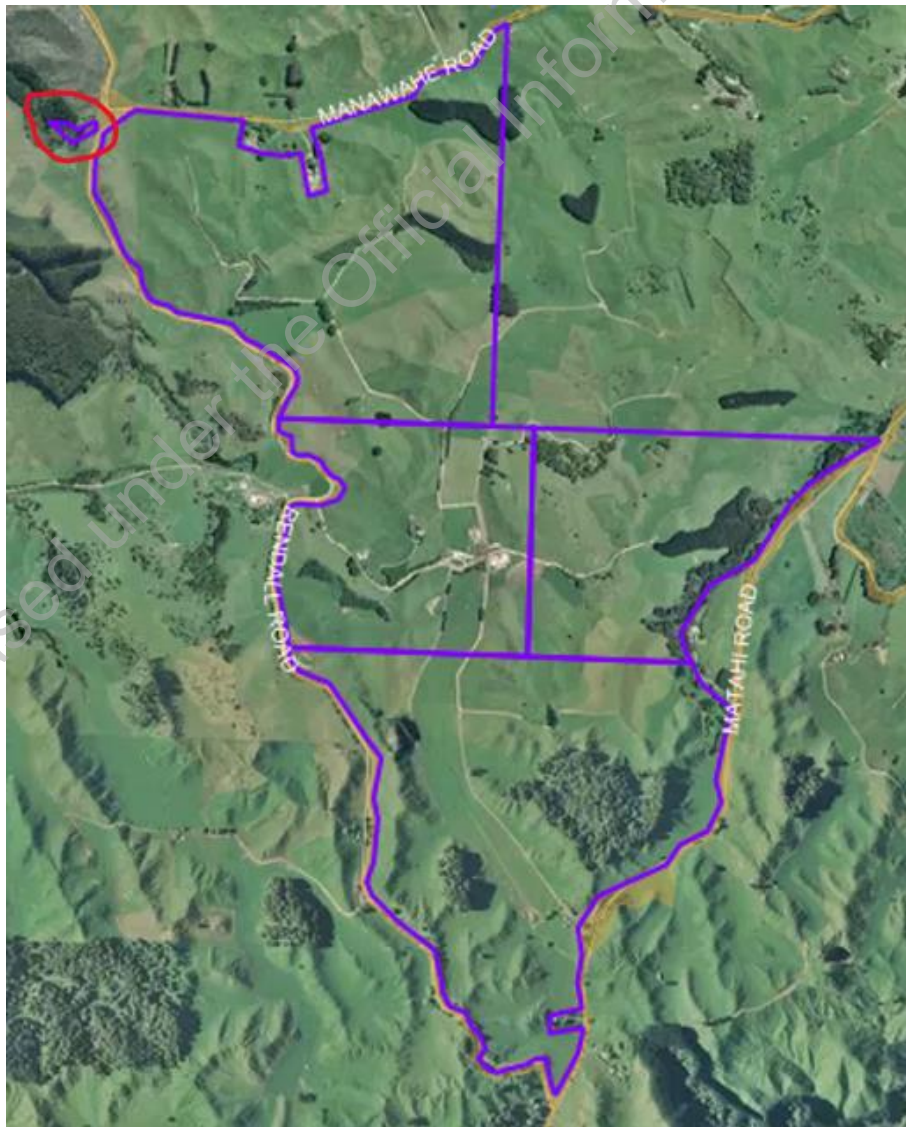
Manager (Overseas Investment Office)

Date: 22/06/2022

Released under the Official Information Act 1982

B. Background and proposed transaction

11. The Applicant is **Enterprise Investments WRI Limited (Applicant)** a British company incorporated in October 2021 for the purposes of this transaction. This will be the first asset acquired by the Applicant. The company has been registered as an overseas company in NZ.
12. The Applicant is a new investor in NZ and is seeking to acquire multiple properties in the North Island for conversion into productive forestry. [s 9(2)(b)(ii)]
13. The Applicant is seeking consent to acquire a maximum of approximately 285ha of farm land located at 222 Rendall Road near Whakatane (outlined in purple on the aerial photo below) for conversion into commercial forestry (**the Land**).
14. The majority of the land comprises one adjoining mass, but there is a small piece (0.3ha) at the top left (**Separated Land** - circled red) held in a half share title which is the location of a water spring which provides water to the Land. The Applicant does not intend to plant the Separated Land but wishes to retain it as a source of water for residential dwellings intended to be sold off, fire-control purposes and for stock grazing beneath a powerline corridor running through the Land (discussed further below).



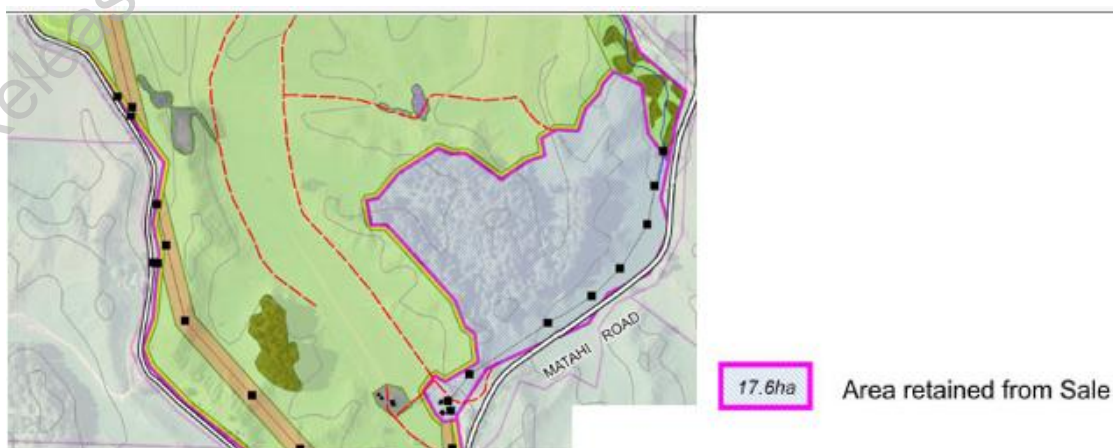
15. The Separated Land is subject to a section 27B State-Owned Enterprises Act memorial (which allows the Waitangi Tribunal to recommend that the land be returned to Maori ownership). Before the Applicant submitted the Application, it asked the Vendor whether it was aware of any iwi claims, wahi tapu or other areas of significance to iwi on that title or the Land. The Vendor confirmed it was not aware of any such claims.
16. The Applicant then took the additional step of seeking a report from the Waitangi Tribunal which confirmed that the title did not fall within a current Tribunal inquiry. As a result, the Applicant considers (and we agree) that the memorial will make no difference to the Applicant's proposed use of the Land.

Vendor and Transaction details

17. The Vendor is **Landsus Limited**, a NZ owned entity.
18. The Land is currently used for dairy farming (a herd of approximately 450 cows).
19. [s 9(2)(a)]
[REDACTED]
20. The Vendors advertised the Land for sale by tender on the open market from November 2021. The Parties then entered an Agreement for Sale and Purchase (**ASP**) in December 2021. Further details of the advertising appear later in this report.
21. The ASP remains conditional upon OIO consent.
22. The consideration for the purchase is \$5.5 million.

Vendor Retained Land Subdivision

23. As part of the transaction, it has been agreed that the Vendor will retain approximately 17ha (**Retained Land**) which will be subdivided from one of the records of title. The Applicant understands the Vendor wishes to continue living (and potentially operating a new business) from this land.
24. In the event that the Vendor is unable to subdivide the Retained Land, the Applicant will most likely incorporate it within the remainder of the Land (and apply the same commercial crop planting plan to it). A dwelling on the Retained Land will not be used for residential purposes by the Applicant (it will either be subdivided off and sold, demolished or planted around).
25. If this subdivision is not completed by settlement, it is intended that the Applicant will hold this land on trust for the Vendor until completion. The approximate Retained Land is shown in grey on the diagram below:



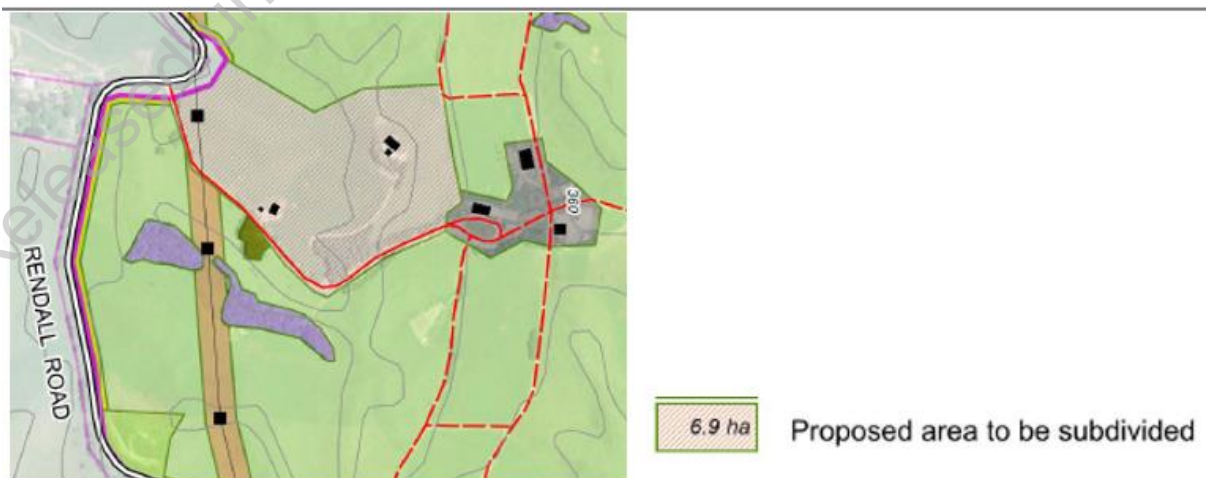
26. In addition, a further area of the Land upon which additional dwellings sit will be subdivided and sold. This Proposed Dwellings Subdivision is discussed separately below.

Land

27. The Land is currently an operational dairy farm, with various residential dwellings, a milking shed, and other farm buildings.
28. The Applicant submits that the existing dairy farm is inferior to what is typical for a dairy farm of comparable scale. The Applicant understands that the Vendor runs about 1.5 cows per hectare. For a dairy farm of this size, this is almost half the national average. The Applicant obtained a valuation for the Land which recorded it to be a poorly-maintained dairy farm with low soil fertility and an inefficient lay-out.
29. Some of the surrounding land is used for farming, but there are also large areas of exotic production forest and indigenous forest adjoining the Land.
30. The Land is comprised in five records of title. The Land does **not** include residential land nor any fresh or seawater areas. The Land includes approximately 10ha of native bush, which will remain outside of the areas to be planted, along with a small 12ha area of forestry trees. The Land is also bisected by powerlines.

Proposed Dwellings Subdivision

31. The Land includes a five bedroom main dwelling and a staff dwelling.
32. The Applicant intends to subdivide these two dwellings off (approximately 6.9ha in either one or two lots) and sell them on the open market (**Dwellings Subdivision**). If the Applicant does not obtain resource consent for the subdivision, the Applicant will either:
- leave the dwellings in site but vacant (it is aware and accepts that they cannot be used for permanent residential purposes other than in relation to the forestry activities to be carried out on the Land); or
 - more likely, remove or demolish the dwellings and plant the area.
33. The approximate location of the Dwellings Subdivision is shown on the following diagram:



34. The Applicant intends to start this process as soon as possible after settling on the Land, as it would like to have the subdivision process and the sale of the residential Lot(s) completed within the first two years of settlement.

35. **Special Condition 5** will require the Applicant to either subdivide and dispose of the Dwellings Subdivision or alternatively plant out the area in a commercial crop of Trees by the end of 2025.

C. Application of the Act

36. The Land is sensitive because it is non-urban land over 5 ha in size,² so consent is required.³ Because the Land is likely to be used almost exclusively for forestry activities, the following criteria for an investment in sensitive land apply to this application:⁴
- 36.1 The investor test must be met.⁵
 - 36.2 The benefit to NZ test must be met under the special test relating to forestry activities.⁶
 - 36.3 The farm land must have been offered for sale on the open market.⁷
 - 36.4 You must also note whether the investment is a transaction of national interest and, if so, whether the Minister of Finance has decided that the investment is contrary to NZ's national interest.⁸
37. In order to satisfy the special test relating to forestry activities, the decision-maker must be satisfied that:⁹
- 37.1 **Use of land:** The Land—
 - a) is likely to be used (nearly) exclusively for forestry activities;
 - b) is not exclusively residential land; and
 - c) is not likely to be used for any residential purposes, other than forestry worker accommodation.
 - 37.2 **Requirements:** The following requirements are likely to be met—¹⁰
 - a) existing arrangements are maintained;
 - b) existing conditions of consent are complied with;
 - c) logs continue to be supplied under existing supply obligations; and
 - d) 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; and
38. We assess the investor test in Part D, the special test relating to forestry activities in Part E, the farm land offer test in Part F, and discuss national interest matters in Part G.

D. Applicant and investor test

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

² Table 1, Part 1, Schedule 1 of the Act.

³ Under sections 10(1)(a) and 12(a)(i) of the Act.

⁴ Set out in section 16(1) of the Act.

⁵ Section 16(1)(a) and 18A of the Act.

⁶ Section 16(1)(c)(ii) and s16A(4) of the Act.

⁷ Section 16(1)(f) of the Act.

⁸ Section 16(1)(g) of the Act.

⁹ Section 16A(4)(a)-(f) of the Act.

¹⁰ As set out in clause 29(2) of the Overseas Investment Regulations 2005, and s 16A(4)(e) of the Act.

40. The Applicant is an overseas person as it is ultimately owned by overseas persons.

Business Activities

41. The Applicant is a newly-incorporated company established to acquire assets for silviculture and other forestry activities. The proposed acquisition of the Land will, if consented, be the Applicant's first acquisition of an asset.

Ownership

42. Enterprise Investments WRI Limited is solely owned by [s 9(2)(a)] [s 9(2)(a)] as a very high net worth individual.

Control

43. [s 9(2)(a)] has the power to appoint and remove directors. He must approve any significant capital and operating expenditure.

44. The Applicant has three directors, as set out in the table below.

45. The strategy for the Applicant has been approved by [s 9(2)(a)] and is implemented by the Directors. The Directors consulted third parties and advisors in relation to due diligence of the investment and based their decision on the advice they received.

46. The Applicant will engage a forestry manager (currently expected to be New Zealand Forest Managers Limited (**NZFM Ltd**)) to maintain the new forest. This arrangement will be governed by a forestry management contract on industry-standard terms. This will ensure that the forest is maintained in accordance with industry best practice, within the financial parameters and in accordance with the business plan set by the Applicant. The forestry manager is not mandated to make any fundamental decisions about the trees or the land without prior written approval from the Applicant.

Relevant overseas person and individuals with control

47. For these reasons, we recommend that the ROP is (collectively):

ROP	Role
Enterprise Investments WRI Limited	Applicant and acquiring entity
[s 9(2)(a)]	Sole shareholder of the Applicant

48. We recommend that the IWC¹¹ are:

IWC	Role
[s 9(2)(a)]	Sole shareholder of the Applicant
Mark Robin Preston	Directors of the Applicant
Helen Frances Jaquiss	
Sarah Helen Dean	

Summary of investor test

49. The ROP and IWC established none of the factors contained in section 18A(4) of the Act.

¹¹ Section 15.

50. For the reasons set out above, our conclusion is that **the investor test has been met.**

E. Investment plan and special forestry test

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

Investment

52. The Applicant is seeking consent to acquire a maximum of approximately 285ha (including the Retained Land) of farm land for conversion to commercial forestry.

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

54. The following Land Use Capability (LUC) class information¹² provides general context as to the productive capacity and physical limitations of the land:

54.1 LUC 3 (61ha);

54.2 LUC 6 (209ha);

54.3 LUC 7 (6ha);

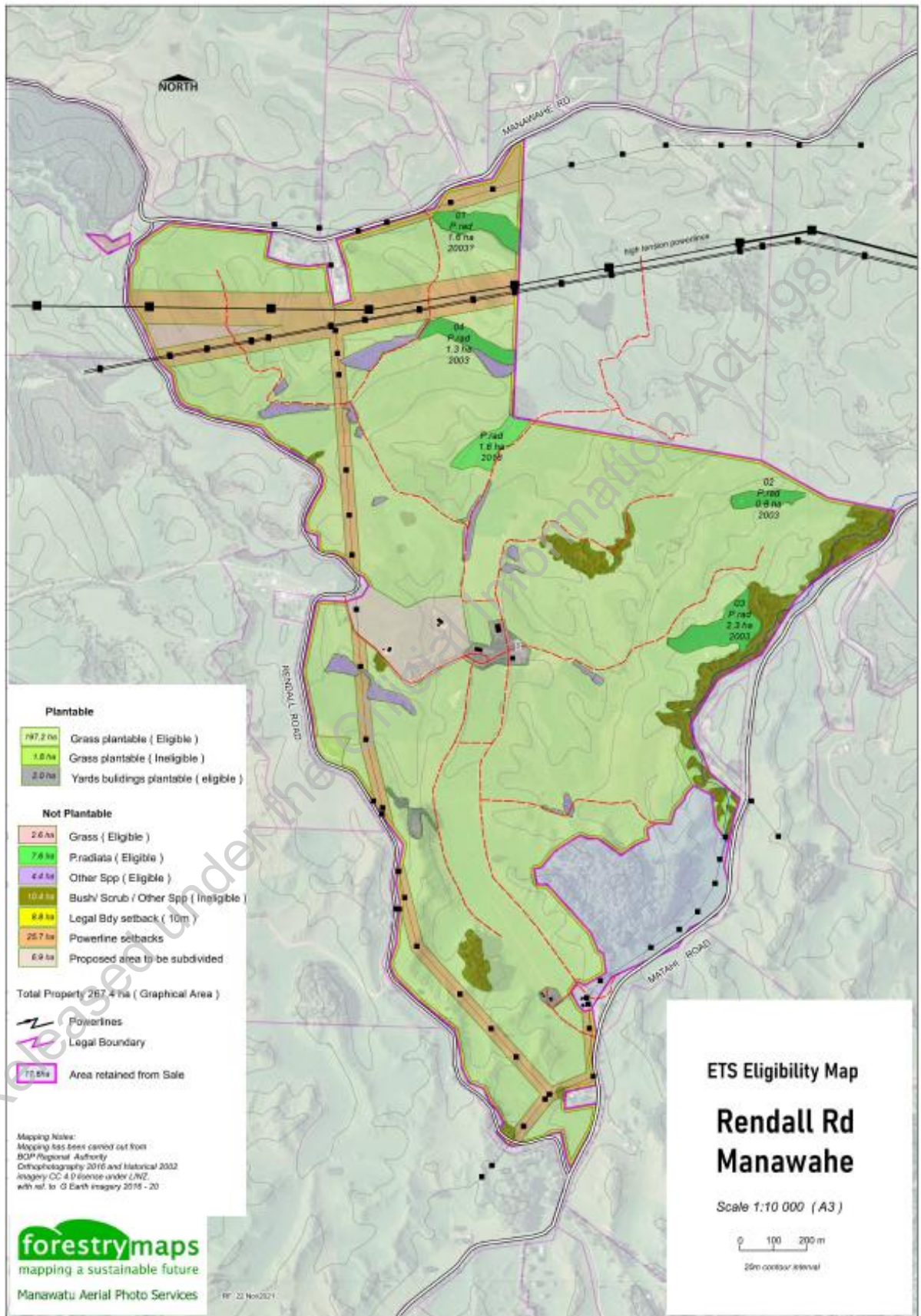
54.4 LUC 8 (9ha).

55. **Attachment 3** provides further details relating to the Land's land use capability.

Powerline Corridor

56. A strip of approximately 34ha will be left bare beneath a high tension powerline corridor. The national grid line runs across the Land (owned by Transpower) and there are other powerlines owned by Horizon Networks Distribution. The approximate route of the powerline corridor is shown on the following plan marked as brown strips:

¹² 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 on what they can support and may be more appropriate for forestry.



57. The Applicant has confirmed that the land under this corridor will not be planted as there are setback requirements under the Electricity (Hazards from Trees) Regulations

2003. These Regulations require setbacks between 0.5 and 50m from powerlines. There is also a consent notice that is registered on the titles for the Land requiring all vegetation with a mature height of two metres or more to be setback at least 12 metres from the centreline of the transmission lines.

58. The Applicant has no plans to use the land under the powerlines for any purpose other than leaving it in pasture for at least the first three years, as the seedlings need to grow to be sufficiently protected from any stock.
59. Following this, the Applicant may leave the area in pasture and mow the grass, but the Applicant also wishes to keep open the option to licence the land to a local farmer for stock-grazing purposes. This would allow the Applicant to maintain the land under the powerlines, minimising the increased fire risk and ease of access issues posed by overgrown grass.
60. We consider this to be a reasonable request and **Special Condition 1** will permit the Powerline Corridor to be grazed by independent third parties.

Submissions

61. No third-party submissions were sought or received in relation to this application.

Use of land

62. This section considers whether the Land—
 - 62.1 is likely to be used (nearly) exclusively for forestry activities;
 - 62.2 is not exclusively residential land; and
 - 62.3 is not likely to be used for any residential purposes, other than forestry worker accommodation.

Used for forestry activities

63. The current and proposed use of the Land is set out in the following table:

222 Rendall Road, Manawahe, Rotoma		
Land use	Current (ha)	Proposed (ha) ²
Forestry (total)	12.0	210.275
Unplanted (<i>other than farm land</i>) (total)	13.5	50.2
Farm land (total)	241.875 (includes existing residential buildings related to the farm)	0.0
Land to be divested/subdivided and sold (total)	0.0	6.9
Total land use³	267.375	267.375
Forestry (total ha)	12.0	210.275
Existing plantation	12.0	12.0
New planting / afforestation – at 833 stems per ha	N/a	198.275
Unplanted (total ha)	13.5	50.2
Native bush (including scrub)	10.4	10.4
Unplantable – ridges, gullies, steep land	Same area as above	Same area as above
Infrastructure – roads, tracks	3.1	3.1
	(includes the half share land)	(includes the half share land)
Buffer land, set-backs, riparian planting	0.0	36.7

² Please note that we have rounded these to one figure in the text summary below.

³ This does not take into account the approximately 18 hectares that will be subdivided from the Land due to the Vendor Subdivision.

64. The Land is likely to be used nearly exclusively for forestry activities. The Applicant is confident that it will be able to plant at least 200ha in commercial trees but has requested flexibility for any unforeseen planting issues. Consequently, **Special Condition 1** will require an area of at least 180ha be planted if the Retained Land is not acquired (which will equate to approximately 67% of the acquired 267ha) or 185ha

if the total land is acquired (which will equate to approximately 65% of the acquired 285ha).

- 65. Of the area of the Land that will not be planted, the majority of this is due to the required legal boundary setbacks and the required setback from the power lines that run through the Land. There are also some steep and unstable areas that cannot be planted and some native bush areas.
- 66. **Special Conditions 1, 2 and 3** meet the requirement for a condition that the Land be used for forestry activities¹³ (See the proposed decision in **Attachment 1**).

Establishment of the new forest

- 67. The Applicant has confirmed that resource consent is not required for afforestation as afforestation is a permitted activity under the relevant local authority requirements - which can be undertaken as of right without resource consent provided permitted activity conditions are complied with (and the Applicant intends to comply with these). In the event that the Land was not able to be afforested, then the Applicant will be required to divest itself of the Land.
- 68. The Applicant will engage a well-regarded and experienced NZ forest manager (currently expected to be NZFM Ltd) to establish and manage the new forest.
- 69. The Applicant intends to begin planting *radiata* pine (approximately 833 stems/ha) in time for the 2023/24 season, though the timing of planting will be largely dependent on the availability of quality *radiata* pine seedlings which are currently in high demand and therefore difficult to secure. The Applicant would like to have completed planting during the first two years of ownership of the Land.
- 70. The Applicant expects that harvesting of the new trees would take place within 25 to 30 years of its acquisition, and the Applicant's expectation is that the harvested trees would be sold to domestic customers or through international markets.
- 71. [s 9(2)(a)], [s 9(2)(b)(ii)]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Not exclusively residential land

- 72. The Land does not include residential land.

Unlikely to be used for residential purposes

- 73. The Land will be used for residential purposes, but only for a temporary period while the Dwellings and Retained Land Subdivisions are completed. If any dwellings are unable to be sold off, then they will be either demolished or planted around (and will no longer be used for residential purposes).
- 74. **Special condition 7** will permit the dwellings to be tenanted until planting commences (no later than 31 December 2025) (See the proposed decision in **Attachment 1**).
- 75. **Special Condition 6** meets the requirement for a condition that the Land otherwise may not be used for residential purposes¹⁴ (See the proposed decision in **Attachment 1**).

¹³ These conditions are required by s 16C(4) of the Act.

¹⁴ This condition is required by s 16C(4) of the Act.

Requirements

76. This section considers whether the following requirements will be met—
- 76.1 maintain existing arrangements –no existing arrangements have been identified;
 - 76.2 comply with existing consent conditions – there are no existing consent conditions;
 - 76.3 supply logs – there are no log supply agreements; and
 - 76.4 replace harvested crops – the intention is to replace upon harvesting of the new forest.

Maintain existing arrangements

77. The following checks have been undertaken to identify existing arrangements:
- 77.1 the Applicant has made enquires with the Vendor;
 - 77.2 the Applicant's solicitors have reviewed the records of title and the land information memorandum (**LIM**) for the Land;
 - 77.3 the Heritage NZ List has been checked. There are no listed (i.e. protected) heritage items identified in the District Plan maps and based on reviews of the Culture and Heritage Maps in the LIM and the archaeological site recording scheme maps available online from the NZ Archaeological Association (accessed 21/11/21), the Applicant understands that the nearest archaeological site is outside the boundaries of the Land, located generally to the south-east of the Land.
 - 77.4 The Applicant also took the additional step of seeking a report from the Waitangi Tribunal in respect of record of title SA52D/2 which confirmed that the title on which the spring is located did not fall within a current Tribunal inquiry.

High value bush

78. Approximately 10ha of the Land is existing native bush and riparian areas, some of which are designated a very high risk (red) area under the National Environmental Standards for Plantation Forestry.
79. The Applicant has no intention to plant in these areas. The Applicant intends to maintain existing fencing around the red-zoned areas surrounding the creek on the Land. The Applicant has voluntarily agreed to a consent condition to maintain the existing fencing off of these areas. **Special condition 8** will require that this area remains unplanted and the existing fencing maintained. (See the proposed decision in **Attachment 1**).
80. There are no known existing arrangements protecting habitats of trout, salmon, protected wildlife, or game. There are also no existing public access arrangements, no historic or wāhi tapu areas and no Māori reservations on the Land.
81. Furthermore, **Special Condition 8** will require that any unidentified existing arrangements for specified purposes will continue to be implemented and maintained. (See the proposed decision in **Attachment 1**).

Comply with existing consent conditions

82. There are no existing consent conditions to comply with (the Vendor is a NZ incorporated and owned entity).

Supply logs

83. The Vendor has confirmed that there are no existing log supply obligations in relation to the Land. The Land is currently used for dairy farming and whilst there are small areas of existing trees, these are not mature enough for harvesting.

Replant harvested crops

84. The Applicant intends to retain the Land for several rotations of harvesting and re-planting.
85. We are satisfied that whenever a crop of trees is harvested on the Land, a new crop is likely to be established on the Land to replace the crop that is harvested.
86. The Applicant's preferred strategy is one of long-term investment, and the Applicant intends to hold the Land and replant trees after harvesting for multiple harvesting rotations (each 24 to 28 years long). Some parts of the Land are, and will remain, unplantable, but the Applicant is acquiring the Land as productive rotation forestry and will replant the plantable land after each harvest.
87. **Special Condition 3** meets the requirement for a condition that each crop of trees be replaced within three years.¹⁵ (See the proposed decision in **Attachment 1**).

F. Farm land offer test

88. Because the Land is farm land,¹⁶ we note that it was advertised for sale on the open market as required by the Regulations.
89. The ASP was entered into on 22 December 2021.
90. Prior to this, the Land was extensively advertised by PGG Wrightson Real Estate. It was first advertised for sale by tender on 5 November 2021.
91. There was some discrepancy between earlier and later adverts in terms of the addresses and areas being sold which the Applicant has since clarified.¹⁷
92. Advertising included being published four times in the "*Whakatane Beacon*¹⁸", the "*Bay of Plenty Property Guide*¹⁹" and the "*New Zealand Herald*²⁰". It was also advertised on six different websites²¹.
93. In total, the Land was advertised for a period of 33 working days prior to the entering of the ASP.
94. The Land was therefore advertised in the required format, using the required advertising medium, for the required minimum 30 working days (within 12 months of the date of the application being made).

¹⁵ This condition is required by s 16C(4) of the Act.

¹⁶ Currently being used primarily for the farming of ewes, hoggets, stud cows and grazing dairy cows.(see the definition of farm land in s 6 of the Act).

¹⁷ The address differences arose due to different parcels adjoining different parts of the road and the initial advertised area was estimated and later updated once a survey scheme plan became available and allowed for a more accurate estimation of the land to be retained by the Vendor.

¹⁸ 5, 12, 19, 26 November 2021

¹⁹ 12, 19, 26 November and 3 December 2021

²⁰ 14, 21, 28 November and 5 December 2021

²¹ These included PGG Wrightson website, Realestate.co.nz (Rural Premium Feature), TradeMe (Gold package) and a number of smaller websites from 5 November 2021.

95. **We are therefore satisfied** the regulations requiring the farm land to be offered for acquisition on the open market have been complied with.²²

G. Not a transaction of national interest

96. The investment does not involve a transaction of national interest under the mandatory criteria of the Act.²³ 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).
97. 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.²⁴ He has therefore not declined consent to the transaction.
98. We are directed²⁵ that the starting point is the assumption that overseas investment is in NZ's national interest and that we should only seek the Minister of Finance to exercise his discretion for a national interest assessment if the proposed investment:
- could pose risks to NZ's national security or public order
 - would grant an investor significant market power within an industry or result in vertical integration of a supply chain
 - has foreign government or associated involvement that was below the 25 per cent threshold for automatic application of the national interest test, but granted that government (and/or its associates) disproportionate levels of access to or control of sensitive NZ assets or
 - would have outcomes that were significantly inconsistent with or would hinder the delivery of other Government objectives.
99. We do not consider that this investment engages any of these risk factors.

H. Conclusion and recommendation

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

s 9(2)(a)]



Phillip Anderson
Senior Advisor
Overseas Investment Office

Date: 17/06/2022

²² Overseas Investment Regulations 2005, regulations 5 to 10.

²³ Under s 20A of the Act.

²⁴ Section 20B of the Act

²⁵ Supplementary Ministerial Directive Letter (8 June 2020).

I. List of Attachments

1. Proposed Decision and Conditions
2. Intended ownership structure
3. Land use capability
4. Maps

Released under the Official Information Act 1982

Attachment 1: Proposed Decision

Consent for Overseas Person to Acquire Sensitive New Zealand Land

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

Consent

Decision date: 22 June 2022

The following people have been given the following consent:

Case	202200120
Consent	The Consent holder may acquire the Land subject to the Conditions set out below.
Consent holder	Enterprise Investments WRI Limited (UK Company Number 13667562) We will also refer to the Consent holder as you .
Land	A Freehold Interest in approximately 285 hectares of land located at 222 Rendall Road, Rotoma, contained in Records of Title 456838, SA25B/1483, SA25B/1484, SA71B/344, SA52D/2 (South Auckland) which includes the Retained Land if legal and beneficial title is acquired by the Consent holder.
Timeframe	You have until 30 June 2023 to acquire the Land.

Conditions

Your Consent is subject to the Special conditions, Standard conditions and Reporting conditions (Conditions) set out below. You must comply with them all. Be aware that if you do not comply with the Conditions you may be subject to fines or other penalties, and you may also be required to dispose of the Land.

In the Consent and the conditions, we refer to the Overseas Investment Office as OIO, us or we.

Special conditions

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

Definitions

Act means the Overseas Investment Act 2005.

Crop of commercial Trees means *Pinus Radiata* planted at approximately 833 stems per hectare.

Dwellings means the five bedroom house and workers dwellings located on the Land.

Forestry Activities means maintaining, harvesting, and/or establishing a crop of trees for the purpose of plantation forestry but excluding permanent forestry.

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

High Value Areas means the approximately 10ha of land designated very high risk under the National Environmental Standards for Plantation Forestry.

Other Land means Land that is not Forestry Land including the Powerline Corridor and High Value Areas.

Powerline Corridor means a strip of approximately 25.7ha of the Land underneath the powerlines crossing the Land and 8.8ha of legal setback area, and, if legal and beneficial title to the Retained Land is acquired by the Consent holder, the area underneath the powerlines crossing the Retained Land and the legal setback area, the size of which the Consent holder will confirm within three months of acquiring the Retained Land.

Proposed Dwellings Subdivision means the subdivision of approximately 6.9ha of the Land which includes the Dwellings, the approximate area of which is shown outlined in grey on the map attached as **Appendix 1**.

Regulations means the Overseas Investment Regulations 2005. Any term or expression that is defined in the Act or Regulations and used, but not defined, in this consent has the same meaning as in the Act or Regulations.

Retained Dwelling means the dwelling currently on the Retained Land.

Retained Land means the area of approximately 17.6ha intended to be retained by the Vendor, the approximate area of which is outlined in grey on the map attached as **Appendix 2**.

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

Details	Required date
Special condition 1: Land must be planted with trees	
You must complete planting a Crop of Commercial Trees on the Forestry Land. The Crop of Commercial Trees must cover an area of at least 180 hectares (if the Retained Land is not acquired) or 185 hectares (if the Retained Land is acquired).	By 31 December 2025.
The Powerline Corridor and High Value Areas may be left unplanted on the Land and the Powerline Corridor may be grazed by independent third parties.	At all times
If you do not comply with this condition, Standard Condition 6 will apply and we may require you to dispose of the Land.	
Special condition 2: Forestry Land must be used for forestry activities	
The Forestry Land must be used exclusively, or nearly exclusively, for forestry activities except as otherwise permitted by these Conditions.	At all times
If you do not comply with this condition, Standard Condition 6 will apply and we may require you to dispose of the Land.	
Special condition 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>	Within three years of harvest (or as otherwise permitted by this condition)

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

Special condition 4: Confirm area of Forestry Land and Other Land

<p>You must:</p> <ul style="list-style-type: none"> confirm to us in writing the area of the Forestry Land and the area of the Other Land; provide a map showing the extent of the Forestry Land and the Other Land; and provide a Planting Plan for the Forestry Land. 	By 31 December 2025
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Special condition 5: Proposed Dwellings Subdivision

You must lodge a subdivision consent for the Proposed Dwellings Subdivision.	by 31 December 2023
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<p>You must either:</p> <ul style="list-style-type: none"> complete a subdivision so the Proposed Dwellings Subdivision can be disposed of and then dispose of the Proposed Dwellings Subdivision; or plant the area of the Proposed Dwellings Subdivision in a Commercial Crop of Trees. 	By 31 December 2025
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If you do not comply with this condition, Standard Condition 6 will apply and we may require you to dispose of the Land.

Special condition 6: residential use restrictions

<p>The Land must not be used, or held for future use, for any residential purposes except for:</p> <ol style="list-style-type: none"> forestry worker accommodation in accordance with section 16A(4)(c) of the Act; or as otherwise permitted by these Conditions. 	At all times
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If you do not comply with this condition, Standard Condition 6 will apply and we may require you to dispose of the Land.

Special condition 7: permitted temporary transitional activities

The Forestry Land may be grazed prior to being planted with a Crop of Commercial Trees in accordance with Special Condition 1.	Until 31 December 2025
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The Dwellings may be used for transitional residential purposes.	Permitted until the Proposed Subdivision is
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	completed and the Dwellings are sold
The Retained Dwelling may be used for transitional residential purposes.	Permitted until planting is completed (no later than 31 December 2025)
Special condition 8: 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 Arrangements you did not identify in your application for consent.</p>	At all times.
You must continue to fence off the High Value Areas.	
If you do not comply with this condition, Standard Condition 6 will apply and we may require you to dispose of the Land.	

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. If you do not, your Consent will lapse or become invalid and you must not acquire the Land, and 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

You must tell us in writing when you have acquired the Land.

Include details of:

1. the date you acquired the Land (**Settlement**),
2. consideration paid (plus GST if any),
3. the structure by which the acquisition was made and who acquired the Land, and
4. copies of any transfer documents and Settlement statements.

As soon as you can, and no later than two months after Settlement

Standard condition 3: allow us to inspect the Land

Sometimes it will be helpful for us to visit the Land so we can monitor your compliance with the Conditions.

We will give you at least two weeks' written notice if we want to do this.

You must then:

1. Allow a person we appoint (**Inspector**) to:
 - (a) enter onto the Land, including any building on it, other than a dwelling, for the purpose of monitoring your compliance with the Conditions (**Inspection**),
 - (b) remain there as long as is reasonably required to conduct the inspection,
 - (c) gather information,
 - (d) conduct surveys, inquiries, tests, and measurements,
 - (e) take photographs and video records, and
 - (f) do all other things reasonably necessary to carry out the Inspection.
2. Take all reasonable steps to facilitate an Inspection including:
 - (a) directing your employees, agents, tenants, or other occupiers to permit an Inspector to conduct an Inspection,
 - (b) being available, or requiring your employees, agents, tenants, or other occupiers to be available, at all reasonable times during an Inspection to facilitate access onto and across the Land. This includes providing transport across the Land if reasonably required.
3. During an Inspection:

At all times

<p>(a) we will not compel you and your employees, agents, tenants, or other occupiers to answer our questions or to let us look at, copy, or take away documents,</p> <p>(b) our Inspector will comply with any reasonable instruction and co-operate with any reasonable health and safety policy or procedure you notify to us before the Inspection.</p>	
<p>Standard condition 4: remain not unsuitable</p>	
<p>You, and to the extent that you are not an individual, the Individuals Who Control You must remain not unsuitable to own or control the Assets in accordance with section 18A(1) of the Act.</p> <p>The Individuals Who Control You are individuals who:</p> <p>(a) are members of your governing body,</p> <p>(b) directly or indirectly, own or control more than 25% of you or of a person who itself owns or controls more than 25% of you, and</p> <p>(c) are members of the governing body of the people referred to in paragraph (b) above.</p>	<p>At all times</p>
<p>Standard condition 5: tell us about changes that affect you, the people who control you, or people you control</p>	
<p>You must tell us in writing if any of the following events happens to any of the Consent holders:</p> <ol style="list-style-type: none"> 1. You become aware that you and/or any Individual Who Controls you establishes any of the investor test factors listed in section 18A(4) of the Act. 2. You cease to be an overseas person or dispose of all or any part of the Land. 3. Your New Zealand Service Address changes. This is the address you provided us in your application as the address which we will send any legal document we need to serve on you. 	<p>Within 20 working days after the change</p>
<p>Standard condition 6: dispose of the Land if you do not comply with key special conditions</p>	
<p>Some of the special conditions were key to the decision to give consent. If we consider you have failed to comply with one of those Special conditions in a material way we may require you to dispose of the Land.</p>	

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

Reporting conditions

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

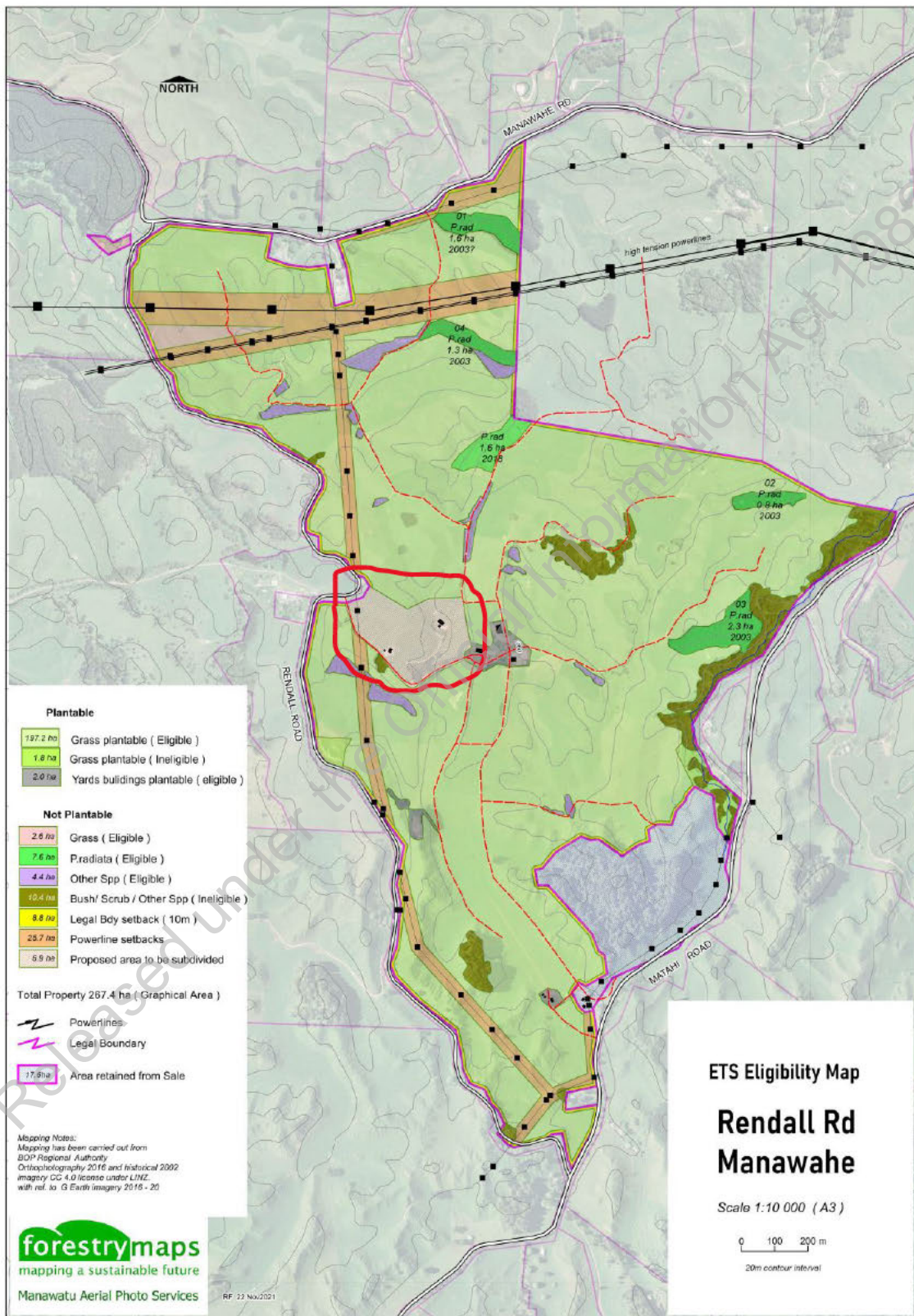
In addition to Settlement reporting (as set out in Standard Condition 2), you must provide the OIO with reports detailing the progress of the investment. The reports must:

1. be submitted via our [Webform](#) or sent to oiomonitoring@linz.govt.nz by these dates:
 - (a) year one – 28 February 2023
 - (b) year two – 28 February 2024
 - (c) year three – 28 February 2025
 - (d) year four – 28 February 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), and
 - (c) photos of the fencing in place to protect the High Value Areas.
3. follow the format of the template annual report published on our website

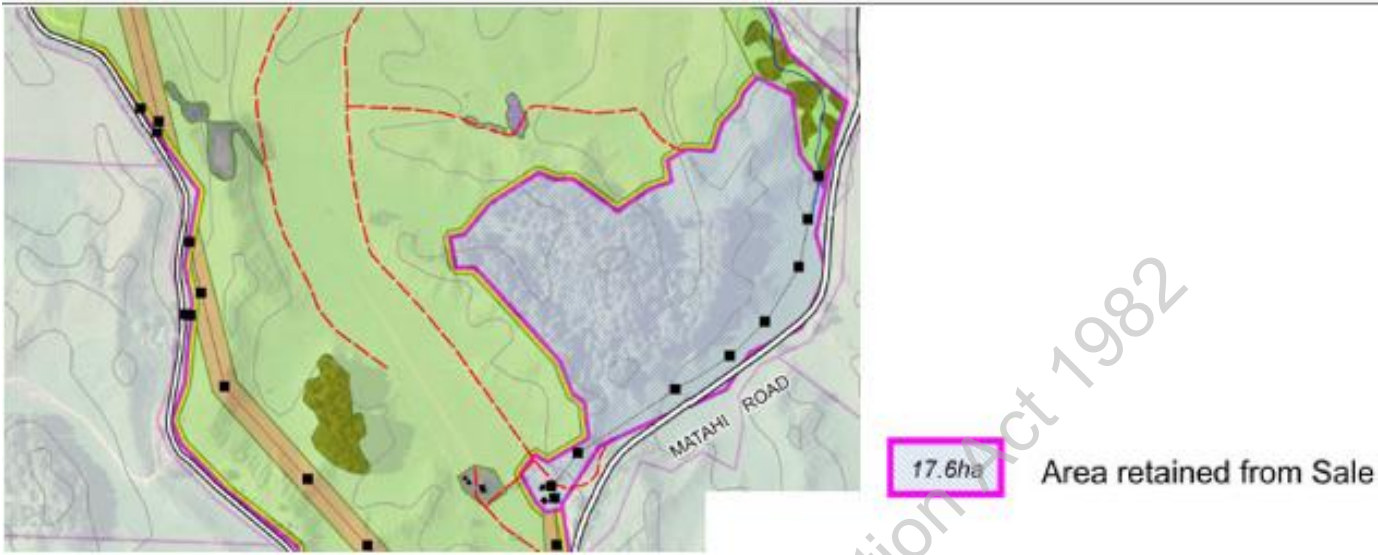
If requested in writing by the OIO, the Consent Holder(s) must provide a written report within 20 working days (or such other timeframe as specified) on any matter relating to its compliance with:

- (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.

Appendix 1 – Map showing approximate area of Proposed Subdivision (circled in red)



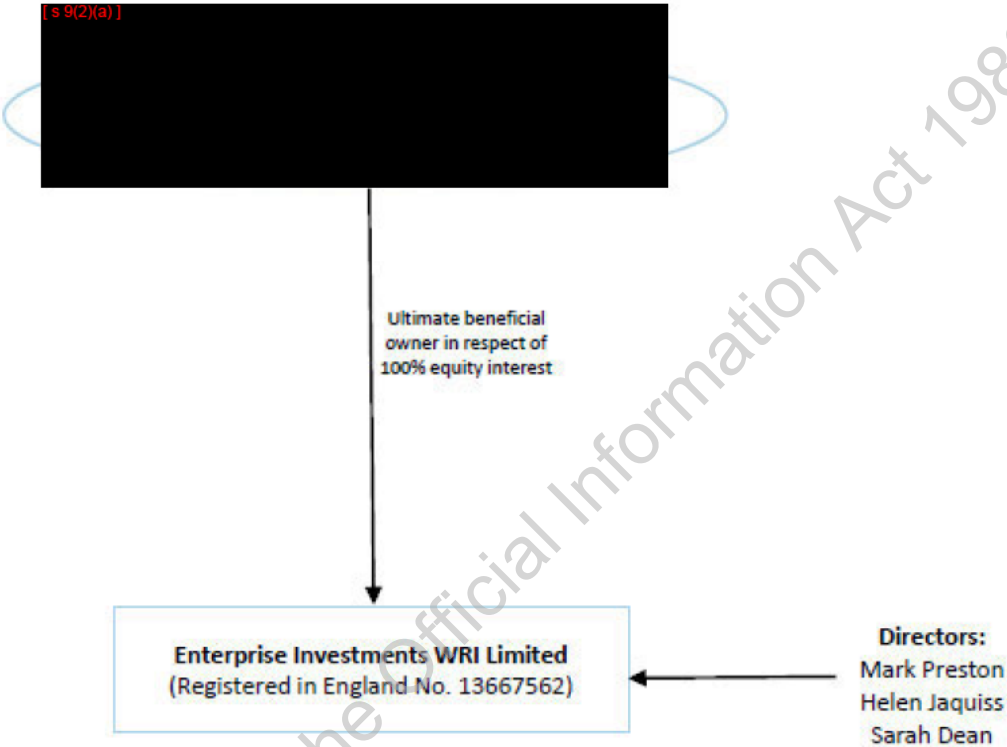
Appendix 2 – Map showing approximate area of Retained Land



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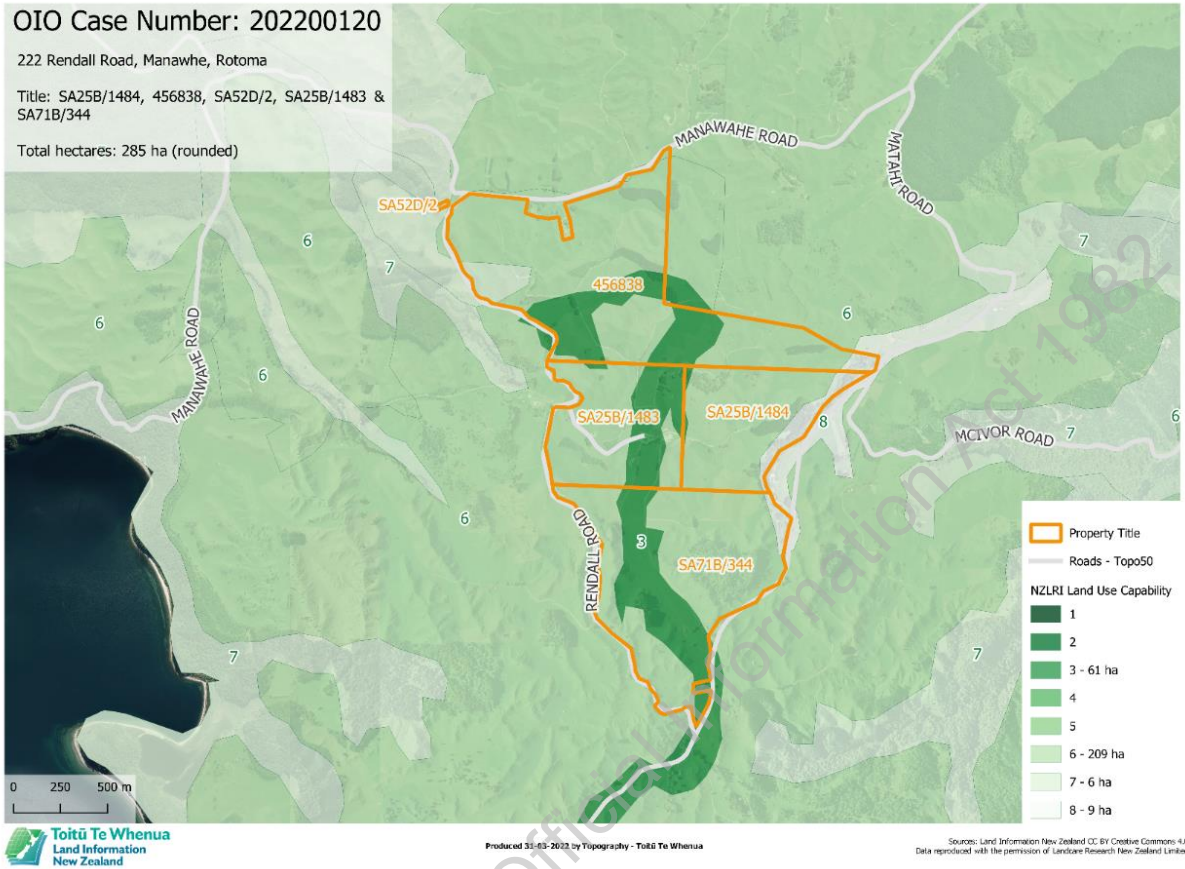
Attachment 2: Intended Ownership Structure

Enterprise Investments WRI Limited Structure Chart



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Attachment 3: Land use capability



<i>LUC Class code</i>	<i>Description</i>
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 4: Maps

The land is located near Whakatane:

