



## Investment Plan

### Benefit to New Zealand Test

Application for consent to acquire Sensitive land, or Sensitive land & Significant business assets

Use this template for all applications for consent under the benefit to New Zealand test, involving sensitive land and significant business assets.

It is important that you provide us with accurate and complete information. It is an offence to make a false or misleading statement or material omission in any information or document provided to the Overseas Investment Office (OIO).

The OIO may use relevant legislation to share details of this application with other agencies to the extent permitted by law and as required to complete the application process.

Instructions:

- Please do not remove the instruction text from this template.
- Use the latest version of this template. Download this template from our website before each use.
- Follow the guidance in each section. Provide all required information.
- Be concise and use plain English. Use headings and tables (if relevant) and explain industry terminology.
- This is a living document and must be updated during the assessment process if further information is provided. Updated versions of this document must be recorded in the table below and with [tracked changes](#) so the OIO can easily identify those updates.
- **You must upload the completed investment plan to your online application for consent before you submit the application.**

## Electronic Filing Requirements

Your investment plan and supporting information must be submitted electronically using our [Application Submission Webform](#). The webform is a secure upload site and provides details of our electronic filing requirements.

Please do not provide hard copy versions of your documents.

Checklist	
1.	Electronic copy of your signed application (without appendices) <input checked="" type="checkbox"/>
2.	Electronic copy of each appendix to your application (number and describe each appendix as follows: 'Appendix 01 – X') <input type="checkbox"/>
3.	All PDF documents are: <input type="checkbox"/> <ul style="list-style-type: none"><li>• 'Printed to PDF', or scanned and OCR'd (i.e., all text in the document can be copied)</li><li>• Free from security restrictions</li><li>• In colour (if the document contains colour)</li><li>• If scanned, at 300 dpi (where possible)</li></ul>

### Version control

Record the details of each version of the investment plan below.

Applicant Name		Click or tap here to enter text.
Version	Date	Description
1.0		First version submitted to OIO
[Add]	[Add]	Click or tap here to enter text.
[Add]	[Add]	Click or tap here to enter text.

### Applicant signature – Version 1.0

Only version 1.0 and the final version of the investment plan must be signed.

Sign version 1.0 of the application below.

Version 1.0		
Click or tap here to enter text.	Click or tap here to enter text.	Click or tap here to enter text.

Application signature – Final version

Do not sign the final version of the investment plan below until the OIO requests you to.

Do not sign the final version of the investment plan below until the OIO requests you to.

[Sign here]

Date [e.g., 01/01/20]

[Name]

[Position]

[Date]

Released under the Official Information Act 1982

## Section 1: Land

Use this section to address criteria relating to farm land, farm land advertising, the farm land benefit test and residential land.

### Farm land

Is the relevant land farm land (refer section 6 and OIO [guidance](#))?

Required content:

Provide reason(s) why the relevant land is or is not farm land.

#### 1 Response

The land involved in the Proposed Transaction which is subject to this application is not farm land. The Peter Port Certificate located at Appendix 4 has identified the land where the Quarry is located is non-urban land greater than five hectares. While some of the land is currently growing crops, this land is not farm land for the purposes of section 6 of the Act as the principal use of the land is the operation of a quarry – not the grazing of livestock/for pastoral purposes (nor for any other use of the type described in the definition of "farm land" in the Act). Any land that does not form part of the Licence (but that otherwise forms part of RoT 311680) is not proposed to be acquired under the Proposed Transaction and therefore does not form part of this application (and thus is not 'relevant land').

### Farm land advertising

If yes, has the farm land or interests in farm land been offered for acquisition on the open market to persons who are not overseas persons in accordance with the procedure set out in regulations (refer section 16(1)(f), regs 4-11 and OIO [guidance](#))?

Required content:

Provide the following:

Provide the following:

- Describe the advertising undertaken, clearly identifying the date the farm land was first advertised and when the advertising period ended, dates of any subsequent advertisements and the mediums published in.
- Explain how the advertising meets the requirements in the Regulations.
- Provide evidence of the advertising undertaken.
- Explain how the advertising occurred before any transaction was entered into (e.g. entering into the agreement for sale and purchase).

- If you have applied for a farm land advertising exemption under section 20(1)(a), please confirm this below and provide the required details in the relevant section of the online Consent form.

Note - the advertising period of 30 working days (as set out in regulation 9) is calculated with the date of the advertisement equalling day '0'.

#### Required attachments to be uploaded:

A copy of, and links to, the advertisements as published, including newspaper or real estate listing. All mediums of advertising must show the listing date and include any price reductions over the course of the advertising.

#### 2 Response

The land is not farm land, so the farm land advertising rules in the Regulations do not apply.

### Farm land benefit test

Does the farm land benefit test apply to this investment (refer section 16A(1C))?

#### Required content:

Submissions on why the farm land benefit test does, or does not, apply to this investment.

Please note if the land includes farm land that exceeds five hectares the farm land benefit test will be applied unless the investment clearly meets the criteria in section 16A(1D). If you consider your investment meets one of the criteria in section 16A(1D)(a)-(c), please clearly detail which applies and why.

If applicable, submissions on how the farm land benefit test is met should be included in [Section 4: Farm Land Benefit Test](#).

#### 3 Response

The farm land benefit test does not apply to the Proposed Transaction, as the land being acquired as part of the Proposed Transaction is not farm land for the purposes of the Act.

## Residential land

If the land is, or includes, residential land then the decision-maker must determine which residential land outcome(s) in clause 19 of Schedule 2 of the Act apply to the residential land and be satisfied that the mandatory conditions associated with the relevant outcome(s) will or are likely to be met.

Is the relevant land, or does it include, residential land?

Required content:

Confirm whether the land is or includes residential land and, if so, identify the location of the residential land and describe it.

Required attachments to be uploaded:

A cadastral map and aerial photo clearly identifying residential land (or refer to the same if already provided elsewhere).

### 4 Response

The land being acquired through the Proposed Transaction is not, and does not include, residential land as it is described in section 6 of the Act. The Peter Port Certificate confirms this.

If yes, what residential land outcome(s) do you propose for the residential land?

Required Content:

Provide the following:

- Confirm the residential land outcomes you propose for the residential land. If you propose more than one, clearly identify the land each proposed outcome relates to.
- Explain how you will meet the relevant outcome(s), including information about your plans and timeframes.
- Comments (if any) about the conditions we must impose in relation to the relevant residential land outcomes.

### 5 Response

No residential land outcomes are required to be proposed, as none of the land to be acquired as part of the Proposed Transaction is residential land.

## Section 2: Investment plan

### Current state

Describe what the current owner has been, and is currently, doing with the relevant assets – this is your understanding of the situation. This information should be set out first as it provides the necessary background and context for your investment story and helps us assess the current state (counterfactual) of the investment as set out in section 16A(1A)(a).

Information in this section should generally include details of the current owner's business operations including the current condition of the relevant assets, productivity information, measures in place to protect the natural environment, historic heritage or public access and relevant background information. Be clear where this information has come from (e.g., discussions with the vendor / lessor, due diligence).

Note: We will request further specific information about the current state for each benefit claim you set out later.

Avoid duplicating information.

#### 6 Response

##### Industry overview

Natural sand of high quality is a critical resource required in the manufacture of a number of industrial applications, including ready-mix concrete specialist turf and packaged bag markets. The Applicant estimates that the Auckland and Waikato regions use approximately 2.2 million tonnes of high quality sand per annum.

In particular, the concrete industry relies heavily on the production and extraction of high quality sand – sand makes up around a quarter of the content of ready-mix concrete. With a growing population, and the need for increased housing development, demand for building materials – and the cost for these materials – are at high levels. These pressures were further exacerbated by the disrupted supply chains caused by the COVID-19 pandemic.

Auckland is home to about 30% of New Zealand's population yet has lower per capita levels of quarry production than other regions in New Zealand. The national average for quarry production (of which sand represents ~4%) is 6.7t per capita; in the Auckland region this figure is only 4.8t per capita.<sup>1</sup> The Waikato region plays an important role in supplementing this, with the highest regional production of 15.5t per capita.<sup>2</sup> Given the high level of demand in the Auckland region for fine aggregate as part of ready-mix concrete production (among other things), the Waikato fulfils a crucial role in providing raw materials for concrete which is important to the Auckland economy as a whole.

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<sup>1</sup> <https://aqa.org.nz/fact-files/>

<sup>2</sup> <https://aqa.org.nz/fact-files/>

The Applicant is one of the leading cement suppliers in New Zealand. The Applicant currently operates a quarry in the Hawkes Bay and it does not own or operate a quarry in the Waikato / Auckland region.

s.9(2)(b)(ii)

### The Vendor's business

The Vendor is Mercer Sand Limited (company number 5875824), which is wholly owned by Gary and Karen Tetzlaff s.9(2)(a) Gary is the sole director of the Vendor. He has owned and operated the business for the last six years. The Quarry is located 50kms from central Auckland and 50kms north of Hamilton. The Vendor

s.9(2)(b)(ii)

Currently, the Quarry sells approximately of sand per annum, s.9(2)(b)(ii) s.9(2)(b)(ii) Due to financial constraints and the fact the Vendor is approaching retirement, the Vendor is not currently in a position to maximise the potential of the site, nor undertake expansionary works (as referred to later in this investment plan).

The Proposed Transaction will see the Applicant acquire the Business Assets

s.9(2)(b)(ii)

The

Proposed Transaction includes an

s.9(2)(b)(ii)

The sand is of high quality and is suitable for ready-mix concrete specialist turf and packaged bag markets.

In addition to the sole director of the

s.9(2)(b)(ii)

### Vendor's motivation for the transaction

s.9(2)(b)(ii)



## Outlook for the business

s.9(2)(b)(ii)

In addition, the Applicant has identified an opportunity to expand

s.9(2)(b)(ii)

This expansion could add further reserves of an estimated

s.9(2)(b)(ii)

## Investment

Describe what you plan to do with the investment – this is the story of your investment. It should be clear to us what you plan to do with the assets (including key commitments and how long you intend to hold the investment) and why.

Your specific benefit claims are set out later but are expected to flow from this narrative. This will reduce the amount of background information required within each benefit claim.

Avoid duplicating information.

### 7 Response

#### The Applicant

Holcim New Zealand Limited has operated in New Zealand since 1888, and during this time has had a significant positive impact on the development of the infrastructure of the country. Its current product offerings include cement, aggregates, technical and testing services along with non-controlling interest in, ready-mix concrete through AML Concrete and Atlas Resources. Currently, the Applicant has one quarry in the Hawkes Bay, cement depots at Dunedin, Lyttleton, Nelson, Wellington, New Plymouth, and import terminals in Timaru, Auckland, with its head office located in Christchurch.

The Applicant has a long established and proud record as a responsible, successful corporate citizen within New Zealand and it has a strong drive to continue to uphold that reputation.

The Applicant owns and leases land within New Zealand that it uses for its various operations, and has been a land owner and lessee since it was first established. It has been, and continues

to be, a responsible land owner and occupier and is highly aware of its environmental responsibilities.

Holcim has a significant focus on environmental management and performance. In 2006 it achieved company-wide ISO 14001 certification. Holcim has also had a strong focus on reducing its greenhouse gas emissions and has showed this commitment under a voluntary agreement under which it has reduced in excess of s.9(2)(b)(ii) CO2 emissions per tonne of cement produced. In New Zealand, the Applicant has spent approximately s.9(2)(b)(ii) on constructing a low-carbon cement facility. The plant will produce low-carbon cement blends that substantially reduce net greenhouse gas emissions. This facility opened in late April 2023 (see here: <https://www.holcim.co.nz/news/low-carbon-launch>). This is in addition to prior initiatives such as bringing to market the ENVIROCore low-carbon products, which reduced carbon emissions by s.9(2)(b)(ii) in 2022, equivalent to taking s.9(2)(b)(ii) cars off New Zealand roads, when compared with traditional cement.

In addition to this, the Applicant runs an 18 month graduate programme, enabling recent graduates to learn from and work with experts within the Applicant's NZ business. At the conclusion of the programme, graduates are offered jobs in positions within the Applicant's business.

The Applicant's parent company, Holcim, is a listed company based in Switzerland.

#### The investment

The Applicant intends to carry out the Proposed Transaction to

s.9(2)(b)(ii)

Through the Holcim Group's network, the Applicant

s.9(2)(b)(ii)

Proposed Transaction, the Applicant plans to expand output

s.9(2)(b)(ii) Through the

During its due diligence, the Applicant has identified that the

identified an opportunity to

s.9(2)(b)(ii)

The Applicant has also which will

s.9(2)(b)(ii)

The Applicant is

The land

s.9(2)(b)(ii)

the Proposed Transaction.

### Proposed Benefits

The Applicant intends to spend between s.9(2)(b)(ii) on capital projects to upgrade the Quarry to increase its capacity and to make extraction more efficient, thereby boosting productivity. The Applicant expects that this capital expenditure will result in the further benefits of increased output and productivity and job creation.

The Applicant will assume the Vendor's ecological rehabilitation activities at the Quarry, including converting parts of the Quarry to a lake and carrying out shore planting of native species to provide habitats for native fauna.

In addition, the Applicant notes that there will be consequential benefits resulting from the Proposed Transaction, including downstream economic benefits (eg new jobs in the transport sector), The Applicant has a strong track record in New Zealand, and is the type of investor that should be supported.

Under the specific sections, for each benefit category, the Applicant has included in a table the benefits that it proposes would form part of the consent conditions for this application.

As is noted in the application, the Applicant has a long history in New Zealand. Founded in 1888, the Applicant is an established operator in New Zealand. The Applicant's operations in New Zealand are overseen by a New Zealand based management team and a board of directors, a majority of whom are based in New Zealand. The Holcim Group has obtained and complied with approximately 16 consents obtained under the Act, as part of its significant operations in New Zealand. This track record is noted as evidence of the likelihood of the claimed benefits eventuating as a result from the Proposed Transaction. The Applicant has noted in this section to avoid repeating it in respect of all benefit claims, but emphasises that it should be borne in mind when considering all benefits claimed in this investment plan.

### Property details

**Property address – Mercer Ferry Road, Mercer, Waikato**

Land use	Current (ha)	Proposed (ha)
Quarry	25.7 ha	25.7 ha

<b>Infrastructure – roads, tracks</b>	2 ha farm residences 12.6 ha crops and grazing	
<b>Vacant undeveloped land</b>	0	
<b>Native Bush (includes scrub)</b>	12 ha	
<b>Total</b>	53.3 ha	53.3 ha

Released under the Official Information Act 1982

## Section 3: Benefit claims

Address the benefits that are likely to flow from the investment. Identify and focus on the key benefits of the investment – not all benefit factors will be relevant or need to be satisfied however if the investment includes farm land, you will need to show a substantial benefit under the economic factor and/or the New Zealand participation.

Only make a claim where:

- A factor is relevant to the investment (if the factor isn't, then state 'not relevant');
- You can satisfy the key elements of the factor;
- The applicant is prepared to deliver that benefit (benefit claims will be subject to conditions and post consent monitoring); and
- The benefit is additional to any benefit present under the current state.

### Making a claim

When making a claim:

- Clearly explain the initiative, include details such as the size and scale and how it will result in benefit to New Zealand.
- Be specific and where possible quantify the benefit – provide relevant figures and timeframes. Provide evidence and well researched claims (use a range if a specific figure cannot be provided and explain why).
- Address each key element of the relevant factor.
- Be concise and write in plain English (use headings and tables where appropriate and explain industry specific terminology).
- Identify whether the plan/benefit is contingent on another event and the timing of that event (e.g., obtaining resource consent).
- Be clear about what you are willing to commit to doing and have as conditions of consent.
- Avoid duplicating information.

Where necessary, provide more detailed analysis and supporting evidence in a separate report (e.g., a report from an environmental consultant). Any references to the report in your claim should be to the specific section of the report that evidences your claim. A report supports a benefit claim, it is not a substitute for a claim.

Address the extent to which the claimed benefit is additional to any benefit present under the current state and why. Where necessary, use relevant data/reports to demonstrate that a claimed benefit would likely exceed the current state.

When claiming a benefit, you must also describe any directly comparable negative impacts likely to result from your investment (e.g., if you are claiming an increase in jobs as a benefit, also state if any jobs will be lost in other areas).

## Economic Factor

Will the overseas investment result in, or is it likely to result in, economic benefits to New Zealand (refer section 17(1)(a))?

Examples may include:

- The creation or retention of jobs
- The introduction of technology or business skill
- An increase in productivity or export receipts
- A reduced risk of illiquid assets

Clearly outline the exact economic benefit arising from your claims and clearly set out the claims with defined headings if you wish to address multiple economic benefits.

If the investment includes farm land, this factor is deemed to be of high relative importance (refer section 16A(1C)(a)).

### 8 Response

#### Summary of economic benefits:

Benefit claim 1: Capital expenditure, enhanced productivity and increased output

Benefit claim 2: Job creation

Economic benefit claim 1: Capital expenditure, enhanced productivity and increased output

*Description:* The Applicant intends to invest approximately **s.9(2)(b)(ii)** upgrades at the Quarry (including the Expansion Area) during the **s.9(2)(b)(ii)** months following completion of the Proposed Transaction (the "Investment"). The Investment is required to

**s.9(2)(b)(ii)** enable an expansion of the Quarry's extraction and processing capacity, **s.9(2)(b)(ii)**

**s.9(2)(b)(ii)**

*Current state:* **s.(2)(b)(ii)**

**s.(2)(b)(ii)**

*Benefit to New Zealand:* The Investment represents a significant benefit to New Zealand, particularly when assessed proportionately against the value of the Proposed Transaction. As noted in the application, the consideration for this transaction is \$3,500,000 (subject to minor

adjustments). The Investment represents a contribution to the New Zealand economy of a further <sup>s.9(2)(b)(i)</sup> of the purchase price, <sup>s.9(2)(b)(i)</sup>

**s.9(2)(b)(ii)**

The Applicant estimates that the Auckland and Waikato regions use approximately <sup>s.9(2)(b)(ii)</sup> tonnes of high quality sand per annum. There will, therefore, be significant long-term benefits to New Zealand of the Investment. Natural sand of high quality is a critical resource required in the manufacture of a number of industrial applications, including ready-mix concrete for the residential and construction infrastructure development. Following Auckland's Council's refusal to extend the offshore Mangawhai and Pakiri sea dredged sand mining extraction consent of McCallum Bros (the largest supplier of sea sand in the Auckland market) in May 2022, concerns have been raised of a potential sand shortage that would adversely affect residential and commercial infrastructure development in the Auckland area (as reported by Stuff<sup>3</sup> and the Aggregate & Quarry Association of New Zealand<sup>4</sup>). As outlined in that reporting, it is critical that there are reliable suppliers of significant volumes of high quality natural sand in the Auckland region, particularly given the level of housing and commercial infrastructure development currently being undertaken.

The Quarry currently produces <sup>s.9(2)(b)(ii)</sup> tonnes of high quality natural sand per annum. The Applicant's investment is expected to result in an increase in output to an estimated <sup>s.9(2)(b)(ii)</sup> tonnes per annum within <sup>s.9(2)(b)(ii)</sup> of the completion of the Proposed Transaction. Output will then be increased to <sup>s.9(2)(b)(ii)</sup> tonnes per annum once the Applicants investment in new process plant and equipment has been installed and fully operational.

The expected useful life of the Quarry is <sup>s.9(2)(b)(ii)</sup> based on current estimated reserves, of approximately <sup>s.9(2)(b)(ii)</sup> of high quality natural sand). At current prices, this would have an estimated market value of around <sup>s.9(2)(b)(ii)</sup> <sup>s.9(2)(b)(ii)</sup> If this sand is all utilised for manufacturing ready-mix concrete, that sand could (in combination with other raw materials) generate around <sup>s.9(2)(b)(ii)</sup> of concrete at a current estimated market value of over <sup>s.9(2)(b)(ii)</sup>

This increase in the Quarry's output will mitigate some of the risk of the sand shortage facing Auckland's construction sector.

In addition, the Investment will result in <sup>s.9(2)(b)(ii)</sup>

**s.9(2)(b)(ii)**

<sup>3</sup> <https://www.stuff.co.nz/environment/128595020/sand-mining-consent-crushed-ingredient-for-half-of-aucklands-concrete-gone>

<sup>4</sup> <https://aqa.org.nz/auckland-heading-into-a-crisis-with-sand-decision/>

## s.9(2)(b)(ii)

The productivity gains from the Investment resulting from the increased efficiency also represent a benefit to New Zealand. It will mean more of the extracted material is ultimately incorporated into product that is used in construction materials downstream, which helps maintain/secure the supply of these materials.

Given the importance of the Auckland and Waikato regions to New Zealand's economy – as they represent approximately s.9(2)(b)(ii) of New Zealand's economic activity – the expected benefits to these regions from increased high quality natural sand supply clearly represent a benefit to New Zealand.

*Method:* The Applicant has

s.9(2)(b)(ii)

The Applicant also notes its strong track record in New Zealand as evidence of its commitment to delivering beneficial investment for New Zealand, including most recently the construction of the low-carbon cement facility.

*Timeframe:* The Applicant expects the Investment to be made over the s.9(2)(b)(ii) period following Completion. The projects that are intended to be implemented the soonest include

s.9(2)(b)(ii)

In respect of the more major investments in plant and equipment, some of the items required

s.9(2)(b)(ii)

*Uncertainties:* The Applicant

s.9(2)(b)(ii)

the

Applicant is a highly experienced and well-regarded industry participant, so it does not anticipate

s.9(2)(b)(ii)

and the Applicant



The Applicant's estimates on future capacity

s.9(2)(b)(ii)

Given the Applicant's experience and expertise in this sector,

s.9(2)(b)(ii)

Economic benefit claim 2: Job creation

Description: The Applicant will at the Quarry (noting the

s.9(2)(b)(ii)

Further, as a result of the expanded operations at the Quarry, the Applicant anticipates that a further will be required to manage the Quarry's increased output.

s.9(2)(b)(ii)

Benefit to New Zealand: Given Gary Tetzlaff is the business owner/director,

s.9(2)(b)(ii)

s.9(2)(b)(ii)

the increase of following the completion of the Proposed

s.9(2)(b)(ii)

Transaction is an increase as compared to the counterfactual. This represents a benefit to New Zealand as the new created will be regionally located and so will contribute to regional economic development.

The Applicant also notes that its intended investments will result in improved employee safety to meet the minimum requirements of Health & Safety Act and the Health and Safety at Work (Mining Operations and Quarrying Operations) Regulations 2016, in addition to the Applicant's internal safety standards. The Applicant is part of a global network of experienced operators with sophisticated systems which will be deployed locally to improve staff safety. The Proposed Transaction will therefore result in the creation of safe, sustainable employment opportunities which represents a benefit to New Zealand.

Method: The Applicant expects that the additional roles will be created once the

s.9(2)(b)(ii)

Timeframe:

s.9(2)(b)(ii)

Uncertainty:

s.9(2)(b)(ii)

The Applicant does not consider that there are any material uncertainties in this regard.

## Environmental Factor

Will the overseas investment result in, or is it likely to result in, benefits to the natural environment (refer section 17(1)(b))?

Examples may include:

- Protection of indigenous flora and fauna
- Erosion control

For the environmental factor it will normally be insufficient to state 'not relevant' without further explanation. Potentially relevant areas must be identified even if no action is proposed.

Where possible please provide aerial photography/satellite imagery of the relevant land and/or expert reports. You can prevent further information requests by identifying areas of interest. E.g., if the land contains indigenous vegetation or fauna then identify these areas and explain how they are managed, protected, or identified under the current state.

If you have consulted any government agencies, environmental groups or sought any expert advice, include evidence of that consultation and any recommendations/findings made by the relevant entity.

9 Response

Summary of environmental benefits:

Benefit claim: Ecological protections

*Description:* The Applicant will deliver an ecological rehabilitation program at the Quarry as required under the Waikato Regional and District Council new resource consents. This will include conversion of part of the existing property to a community lake, substantial shore planting of indigenous vegetation, and the creation of habitats suitable for indigenous fauna ("Ecological Protections").

The Applicant will also undertake work as part of the sites ongoing rehabilitation, with part of this work seeing the Applicant working with the local iwi, under the Waikato Regional Council Consent, Condition 53 – in agreement with Ngati Naho Trust, to "eco-source native species and provide a nursery for the restoration and rehabilitation of the site."

*Benefit to New Zealand:* The Ecological Protections will promote the growth of indigenous vegetation on property that, until these rehabilitative activities occur, is currently used intensively for quarrying activities. This will restore the amenity of the area, as well as providing habitats for indigenous fauna.

*Current state:* While the Ecological Protections are required under the relevant resource consent, they have not currently been undertaken and so do not exist at the Quarry. The Ecological Protections would therefore be a benefit under the counterfactual.

*Method:* As required under the relevant resource consent, the Applicant will engage with the local iwi to procure a variety of native species to plant at the Quarry. The Applicant expects that approximately 75,000 trees will be planted. The requirement to comply with the Ecological Protections aligns with the Holcim Group's ethos on sustainability and creating a circular economy.

*Timeframe:* As the Ecological Protections would be carried out on property that is currently part of the Quarry, they would only be implemented once the relevant area is no longer required for the Quarry activities.

*Uncertainties:* The Applicant does not consider that there are any material uncertainties that could affect the ability of the Applicant to create these benefits. As noted, the Ecological Protections are partially required under the relevant resource consent which the Applicant will become subject to, and the Applicant takes a proactive approach to compliance with requirements of this nature.

## Public Access

Will the overseas investment result in, or is it likely to result in, continued or enhanced access by the public, or any section of the public, within or over the sensitive land or features giving rise to the sensitivity (refer section 17(1)(c))?

Examples may include:

- Access for recreational purposes
- Access for undertaking stewardship of, or exercising kaitiakitanga of the natural environment or historic heritage

Please detail any proposed new or existing arrangements in relation to public access on the land and, where possible, provide aerial photos, location maps or expert reports in relation to any proposed benefit.

Please be specific about the access to be provided including the purpose for which it is being provided such as walking, cycling, hunting, vehicle access.

### 10 Response

Under the Health and Safety at Work (Mining Operations and Quarrying Operations) Regulations 2016, public access during quarry activities would not be appropriate given the nature of the Applicant's business and the health and safety concerns related to this. That said, the Applicant's quarry activities will in time create a large recreational lake to be rehabilitated and then made available to the community. The Applicant also has a strong history of enabling access and interaction of communities at the sites it has operated on through a long history in NZ (eg at its former Westport site). At these locations, opportunities have arisen through time to connect with the public and communities, and these have been positively developed by the Applicant and valued by the local communities.

## Historic Heritage

Will the overseas investment result in, or is it likely to result in, continued or enhanced protection of historic heritage in or on the relevant land (refer section 17(1)(d))?

Examples may include:

- Agreement to execute a heritage covenant (or comply with existing covenants)
- Agreement to support entry to wāhi tūpuna, wāhi tapu
- Agreement to support entry to wāhi tapu areas on the New Zealand Heritage List Rārangī Kōrero
- Taking other actions under the Heritage New Zealand Pouhere Taonga Act 2014 to recognise or protect heritage values
- Agreement to land being set apart as a Māori reservation

Please detail any areas of historic heritage on the land regardless of whether a benefit is claimed and describe all existing arrangements in place.

### 11 Response

There are no sites of historic significance identified through consultation with local iwi during the application for expansion of the resource consent relating to the Land.

## Government Policy

Will the overseas investment, or is it likely to, give effect to or advance a significant Government policy (refer section 17(1)(e))?

Please clearly identify the Government policy being relied on, where possible provide links to the relevant publicly available key documents you are relying on. Claims should give clear examples of how the relevant policy will be given effect to or advanced.

12 Response

As is well known, the availability of quality, affordable housing has been and is a significant issue in New Zealand. This is exemplified by the recent cross-party consensus on the need for relaxing urban development rules, under which the National party supported the Labour Government in passing legislation to permit densification in cities across the country.<sup>5</sup> In addition, the Government introduced a \$3.8 billion Housing Acceleration Fund, designed to fund critical new housing development infrastructure, and encourage further development and investment.<sup>6</sup> The political support and scale of investment in addressing this issue highlights the significance of this issue for New Zealand.

s.9(2)(b)(ii)

This extra resource will support the construction of both housing and the supporting infrastructure. This is particularly important for the Auckland market, where five large scale projects are being delivered with the help of Kāinga Ora, intended to deliver intensification in strategic areas.

<sup>5</sup> <https://www.nzherald.co.nz/nz/politics/labour-and-national-join-forces-for-housing-crisis-fix-ending-decades-of-standoff/Z27M7UF7QFO4RMLNR7UQBQERZI/>

<sup>6</sup> <https://www.hud.govt.nz/our-work/housing-acceleration-fund/>

## Oversight and Participation by New Zealanders

Will the overseas investment result in, or is it likely to, involve oversight of, or participation in, the overseas investment or any relevant overseas person by persons who are not overseas persons (refer section 17(1)(f))?

This factor is relevant to all investments and is deemed to be of high relative importance for investments involving farm land (refer s16A(1C)(a)). If New Zealanders are unlikely to have any oversight of or participation in the investment or relevant overseas person, then your conclusion should state this.

### 13 Response

Given the Vendor is a New Zealander, the Applicant does not consider that there is a specific benefit arising in this regard given its overseas ownership. However, the Applicant notes that it has strong ties to New Zealand, having operated here for over a century.

## Consequential benefits

Will the overseas investment result in, or is it likely to result in, other consequential benefits to New Zealand (refer section 17(1)(g))?

Any benefits claimed under this factor should not duplicate any information set out above.

14 Response

### *Encouraging beneficial investment*

The Applicant, and the Holcim Group more broadly, are a global group that invests heavily in improving the environmental footprint of its products, including through its recently introduced ECOPlanet and ENVIROCore products. The ECOPlanet product can reduce embodied carbon by more than 30% compared to General Purpose (NZ) Cement.<sup>7</sup>

Granting consent to the Proposed Transaction will promote the commercial sustainability of the Applicant in New Zealand, which will ensure it can continue to make available these quality building products in the New Zealand market. Given New Zealand's commitment to have net zero emissions by 2050, the ongoing presence of a well-capitalised global company that continuously invests in product innovation and technology – in particular with a focus on environmental sustainability – can be expected to benefit New Zealand.

### *Supply chain resilience*

The Proposed Transaction will also contribute to the resilience of the supply chain for critical building materials.

The Applicant is particularly well placed to secure the supply of a critical resource for the benefit of New Zealand's construction industry.

s.9(2)(b)(ii)

As a member of a global organisation with significant expertise and capital, the Applicant is very well placed to optimise the productive potential of the Quarry and, in time, consider expanding it (likely to the Potential Expansion Area).

s.9(2)(b)(ii)

This is particularly important against a backdrop of increasing construction required to, among other things, increase housing supply. This benefit is enhanced by the fact the Applicant has a demonstrated record of supporting sustainable development (including through its investment in lower-carbon products, as noted above), meaning materials it produces will have a lesser carbon footprint than competitor products. The Applicant is supporting economic growth and increased construction in a more environmentally sustainable way than current industry norms. This benefits New Zealand through contributing to purposes of growth and sustainability.

<sup>7</sup> <https://www.holcim.co.nz/news/low-carbon-launch>



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## Extraction of water for bottling/human consumption

If the overseas investment involves the extraction of water for bottling or other extraction of water in bulk for human consumption; will the overseas investment, or is likely to, result in a negative impact on water quality or sustainability (refer section 17(3)(a))?

This factor will always be relevant if your investment involves the extraction of water for bottling, or other extraction of water in bulk for human consumption.

Where possible, provide expert reports evaluating the likely impacts of the investment on water quality or sustainability.

15 Response

The Applicant will not be extracting water for bottling or human consumption.

## Section 4: Benefit to NZ

Will the overseas investment, or is it likely to, benefit New Zealand (or any part of it or group of New Zealanders) (refer section 16A(1)(a))?

Discuss the overall benefit to New Zealand and how it is proportionate to:

- a) the sensitivity of the land (for example, the importance to New Zealand of the purpose for which the land is used, the size and value of the land, any sensitive features associated with the land, and the level of interest that the public have in the land); and
- b) the nature of the overseas investment transaction (for example, the estate or interest being acquired, whether the estate or interest is temporary or permanent, and the degree of overseas ownership or control of the land or of the estate or interest in land).

16 Response

### *Sensitivity of the land*

The Land on which the Quarry is based is sensitive on the basis that it is non-urban land exceeding five hectares (as determined in the Peter Port Certificate). The combined area of the Land titles is 53.3312 hectares. For clarity, the Land only includes part of RoT 311680, as shown at page 21 of the Licence.

**s.9(2)(b)(ii)**

There is no particular public interest in this Land, nor is there any walking access. The Land is predominantly used for the extraction of sand. Due to the Health and Safety at Work (Mining Operations and Quarrying Operations) Regulations 2016, public access during Quarry activities would not be appropriate given the nature of the Applicant's business and the health and safety concerns related to this. That said, the Applicants Quarry activities will in time create a large recreational lake to be rehabilitated and then made available to the community.

The majority of the value of the Land is attributable to the sand resource available. The applicable land interest is not permanent and is for the purpose of access to the Quarry and extraction in accordance with the resource consent. This interest would not be of interest to the general public given the land is part of the Waikato River flood plan and annually is under water.

While the Quarry is economically important and a valuable part of the supply chain for various construction activities, it is not of a nature or scale that gives rise to any particular public interest as distinct from any other type of sand quarry. The Applicant also notes that as a land-

based quarry, iwi, residents and councils are less opposed to its practices in comparison to businesses who mine for sand off-shore (see, for example, the concerns raised with the McCallum Brothers consent).

In addition, much of the Land is under water for periods of the year (depending on regional rainfall and the resulting level of the Waikato river). For this reason, most of the property cannot be used for any particularly productive farming purpose, such as stock grazing –

s.9(2)(b)(ii)

For clarity, the Applicant notes that while a subpart of the Land is used for cropping, the principal use of the Land is for the Quarry, meaning the Land is not farm land for the purposes of the Act (as noted in section 1 of this investment plan).

*Nature of the overseas investment transaction*

s.9(2)(b)(ii)

*Overall benefit to New Zealand*

As noted, the Applicant will:

- invest approximately s.9(2)(b)(i) in a range of major upgrades to the processing capacity and facilities at the Quarry;
- create s.9(2)(b)(ii);
- implement a range of environmental protections creating significant benefit to the local environment and ultimately creating an area for public use and enjoyment;

s.9(2)(b)(ii)

- create consequential benefits through:
  - ensuring the commercial sustainability of the Applicant's, and the Holcim Group's, presence in New Zealand which will ensure consumers in New Zealand continue to have access to the most innovative and environmentally beneficial construction materials globally; and

o

**s.9(2)(b)(ii)**

In light of the relatively low sensitivity of the Land and the nature of the interest in the land to be acquired, the Applicant considers that it is clear that the Proposed Transaction will result in benefits to New Zealand.

**s.9(b)(ii)**

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## Section 5: Farm Land Benefit Test

If applicable, explain how the investment will meet the farm land benefit test (refer section 16A(1C)). In particular, explain how the investment has demonstrated a benefit, in relation to one or more of the factors of high relative importance, that are of a size or nature that represent a substantial benefit to New Zealand.

Required content:

Submissions on how the investment meets the farm land benefit test.

17 Response

The Proposed Transaction is not required to meet the farm land benefit test as the Land which is part of the Proposed Transaction is not and does not contain any farm land. As noted in section 1 of this investment plan, the principal use of the Land is for the Quarry activities. In any event, the benefits outlined in this investment plan represent substantial benefits to New Zealand.