OVERSEAS INVESTMENT OFFICE

Land Information New Zealand
Toitū te whenua

Decision required under the Overseas Investment Act 2005: New Zealand Forest Industries Limited

Date	19 September 2019
Security Level	Commercial: In Confidence
Priority	High
Case Number	201900257
Decision Required By	As soon as possible

Contact for Telephone Discussion

Name	Position	Telephone	First Contact
Michael Appleyard	Manager (Residential & Forestry)	04 830 3880	✓
[s 9(2)(g)(ii)]	Senior Solicitor	04 830 3958	

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Executive Summary:

Series of consents

1. This application is part of a set of three applications made by Issoria Offshore Limited (**Issoria**), relating to NZFI Holdings (Singapore) Pte. Ltd. (**NZFI Sing**), the Underwood, Hakahaka, and the Whataroa Forests, case numbers 201900014, 201720128, and 201900257.

2. This report relates to the transaction for Whataroa Forest.

3. Issoria's intended investment sequence was:

   (a) acquire NZFI Sing and an indirect interest in Underwood Forest; and
   (b) settle transactions by NZFI Sing's wholly-owned subsidiary for:
      (i) an indirect interest in Hakahaka Forest; and
      (ii) a direct interest in Whataroa Forest.

4. Consent has been granted for the NZFI Sing transaction and the Hakahaka Forest transaction. Each of these transactions have now settled.

Applicant

5. Issoria Offshore Limited as trustee of the Issoria Trust (**Applicant**) seeks consent on behalf of NZFI.

6. If the Applicant's acquisition of NZFI Holdings (Singapore) Pte. Ltd is successful, the Applicant will be ultimately wholly-owned and controlled by Peter de Putron. As at the date of writing, we have not received notification that this transaction has settled.

7. Mr de Putron is a high net-worth individual, based in Jersey, who is a fund manager for Bell Rock Capital Management LLP. Mr de Putron invests in a range of asset classes around the world in his personal and professional capacities.

Investment

8. The Applicant, through NZFI, is acquiring approximately 170 hectares of land, located at 1867 Tumbledown Bay Road, Port Underwood (**Whataroa Forest**).

9. The Applicant intends to continue the existing use of the Land. The stocked area of Whataroa Forest is approximately 140 hectares. The Applicant confirms it will replant afforested areas within three years of harvesting or as soon as practicable, noting there is an existing forestry right over a portion of the Land.

10. This forested area will be reduced to 135 hectares after harvesting. Forestry consultants advise approximately 5 hectares are required to increase replanting setbacks and public road edges. Non-productive area consists of 26.7 hectares, coast 1.2 hectares, road 1 hectares, and skid 1.8 hectares.

11. Whataroa Forest includes residential land, being categorised as "lifestyle" in the Marlborough District Valuation Roll. It also contains special land in the form of foreshore and seabed, which has been offered back to the Crown in line with the Overseas Investment Regulations 2005 (**Regulations**).

Special forestry test

12. We have assessed the application against the requirements of the special forestry test and note:

    (a) The Land is likely to be used nearly exclusively for forestry activities;

    (b) The Land is not residential land only the residential land that is included adjoins other land included in the relevant land that is not residential land;

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(c) The Land is not likely to be used for residential purposes other than forestry worker accommodation which is permitted. The Land does contain a disused cottage which the Applicant intends to refurbish the cottage for use as forestry worker accommodation (only);

(d) Trees will be replanted within two years following harvest, including in respect of the Aubade forestry right (detailed below);

(e) There are no existing conditions of consent, existing arrangements relating to a specified purpose, or log supply contracts; and

(f) The Land contains special land that has been offered back to the Crown in accordance with the Regulations.

13. We are satisfied that the requirements of the special forestry test are met.

Further minor matter

14. Issoria notified us on 16 September 2019 that NZFI Sing's subsidiary, New Zealand Forest Industries Limited (**NZFI**), settled the Hakahaka transaction before Issoria's purchase of NZFI Sing. This matter is assessed below at paragraph 33.

15. We do not consider it affects our assessment for this consent application.

Recommendation

16. We recommend consent is **granted**.

Instructions

17. Please see **Appendix 2** for instructions on how to make a decision and guidance on the criteria for consent.

Decision:

18. I have determined that:

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

Person	Relationship
Issoria Offshore Limited (**Issoria**)	Entity with ultimate control / ownership
Peter Nicholas de Putron	Individual with ultimate control / ownership
New Zealand Forest Industries Limited (**NZFI**)	Entity making the acquisition

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

Director	Issoria	NZFI
Peter Nicholas de Putron	✓	
Raymond Trevor Hine		✓
Randolph Edward Casmir Van der Burgh		✓

19. I am satisfied that the criteria for consent in sections 16 and 16A have been met:

(a) the individuals with control of the relevant overseas person collectively have business experience and acumen relevant to the overseas investment; and

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(b) the relevant overseas person has demonstrated financial commitment to the overseas investment; and

(c) all the individuals with control of the relevant overseas person are of good character; and

(d) each individual with control of the relevant overseas person is not an individual of the kind referred to in section 15 or 16 of the Immigration Act 2009; and

(e) the benefit to New Zealand test is met (by way of meeting the criteria in the special test relating to forestry activities).

20. Consent is granted to the overseas investment in the form of the Proposed Decision in **Appendix 1**.

[s 9(2)(a)]

Michael Appleyard –
Manager (Residential and Forestry)

Date 26/9/2019.

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Report of the Overseas Investment Office on the application for consent by New Zealand Forest Industries Limited Case: 201900257

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What is the Investment?

Applicant	**New Zealand Forest Industries Limited** (United Kingdom, 100%)
Vendor	**New Zealand Forestland Limited** (New Zealand, 100%)
Consideration	$870,000
Application Type	Special forestry test
Recommendation	Grant consent

Description of the Investment

1. The Applicant seeks consent to acquire a direct interest in approximately 170 hectares of sensitive land at 1867 Tumbledown Bay Road, Port Underwood, Marlborough (**Land**).

2. This forest sits directly across the bay from Underwood and Hakahaka forests.

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Vendors

3. The Vendor is New Zealand Forestland Limited (company number 3508292), who purchased the Land in 2014 as part of several other titles on that side of Port Underwood.

4. The Vendor subdivided those other titles, intending to sell them, but has not completed subdivision for the Land. The Vendor now wishes to sell this section of land due to the time it has taken to subdivide the adjacent titles.

5. The Applicant does not intend to proceed with subdividing the Land but plans to use it as a forestry investment.

Sensitive assets

6. The Land is sensitive as:
   (a) non-urban land exceeding 5 hectares;
   (b) it includes residential land, having a property category of 'lifestyle';
   (c) containing and adjoining foreshore and seabed; and
   (d) adjoining land that is listed by the regulator under section 37.

7. See **Appendix 3** for details.

Who is making the Investment

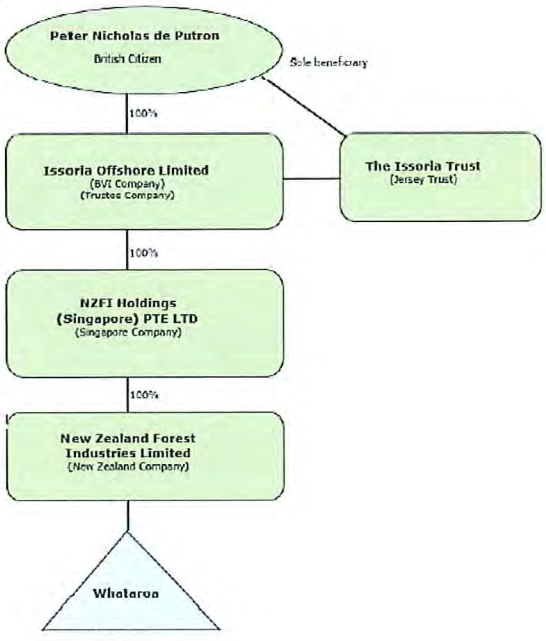
Applicant

Who the Applicant is

8. The Applicant is Issoria Offshore Limited on behalf of NZFI, a trustee company incorporated in the British Virgin Islands and wholly owned by Peter de Putron. The Applicant's sole director is Hiren Arvindbhai Patel, who is Peter de Putron's solicitor.

9. The Applicant is the sole trustee of the Issoria Trust, settled in Jersey. That trust was set up for this forestry acquisition. The sole beneficiary of the Issoria Trust is Peter de Putron.

10. NZFI will make this acquisition. The full corporate structure is shown below.



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Who owns and controls the Applicant

11. The Applicant and Issoria Trust are ultimately owned by Peter de Putron. Hiren Patel, as Peter de Putron's solicitor, is subject to instruction. Peter de Putron therefore has sole ownership and effective control over all entities depicted.

12. Peter de Putron provided the funds for this transaction, can approve significant capital and expentiure, and is responsible for approving the acquisition and divestment of the Land.

13. Mr de Putron is a high net-worth individual, based in Jersey, who is a fund manager for Bell Rock Capital Management LLP. Mr de Putron invests in a range of asset classes around the world in his personal and professional capacities.

Investment entities for Whataroa

14. Following Issoria's acquisition of NZFI Sing, NZFI Sing and NZFI's existing directors will remain to keep the existing management structure and to retain continuity of experience and competency with the relevant assets and industry sector.

15. NZFI currently operates and owns a forestry estate located at Underwood. It intends to acquire Hakahaka and Whataroa to integrate the land into their existing forestry estate at Underwood. Whataroa will be managed under this corporate structure using Merill & Ring, NZFI's current forestry manager for Underwood forest.

16. We have taken a targeted relevant overseas person and individuals with control selection to focus on the ultimate owner / controller and the directors of the acquiring entity.

Relevant Overseas Person

17. In this investment context, we have determined that the 'relevant overseas person' is (collectively):

Person	**Relationship**
Issoria Offshore Limited (**Issoria**)	Entity with ultimate control / ownership
Peter Nicholas de Putron	Individual with ultimate control / ownership
New Zealand Forestry Industries Limited (**NZFI**)	Entity making the acquisition

Individuals with Control

18. We have determined that the 'individuals with control of the relevant overseas person' are:

Director	**Issoria**	**NZFI**
Peter de Putron	✓	
Raymond Trevor Hine		✓
Randolph Edward Casmir Van der Burgh		✓

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Does the Applicant meet the Investor Test criteria?

Business Experience s16(2)(a)

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

19. In this case, the Investment can be described as the acquisition of a small forestry block, adjacent to an existing commercial forestry operation. The investment will be operated under the day-to-day management of a commercial forestry manager.

20. We have reviewed the biographical information for each of the individuals with control and note the following:

Peter de Putron

21. Mr de Putron:

    (a) is a fund manager and investor, and has over 20 years experience; and

    (b) holds a BA (Engineering Science) from Oxford University and an MBA in Finance and Entrepreneurial Management from Wharton Business School at the University of Pennsylvania.

Raymond Hine

22. Mr Hine, a New Zealand citizen, holds degrees in pure and applied mathematics, and civil engineering.

23. He has more than 35 years' experience in the oil and gas sector, project management, and general management for start-up, joint venture, and mature companies in sectors including oil and gas, logistics and infrastructure, and forestry.

24. In terms of forestry experience, he has been a director of NZFI for many years and been a general manager for a subsidiary of Carter Holt Harvey.

Randolph Van der Burgh

25. Mr Van de Burgh:

    (a) has a degree in commerce and is a member of Chartered Accountants Australia and New Zealand; and

    (b) has extensive experience in corporate finance, mergers & acquisitions, restructures, and international tax planning and management through positions as partner of Ernst & Young New Zealand and Australia and an employee with the firm for 20 years.

Our assessment and view

26. With reference to the experience and credentials outlined above, **we are satisfied** the individuals with control collectively have business experience and acumen relevant to this investment, being acquiring a small adjoining forestry block to run together with Underwood Forest under a forest manager's day-to-day management.

Financial Commitment s16(2)(b)

The financial commitment criterion requires the relevant overseas person to have taken actions that demonstrate financial commitment to the overseas investment.

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

28. In this case we are satisfied that the relevant overseas person has demonstrated financial commitment by:

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(a) engaging advisers (lawyers, accountants, and forest management consultants); and

(b) entering into a sale and purchase agreement for Whataroa.

Good Character s16(2)(c)

The decision maker must be satisfied that the individuals with control are of good character. Section 19 of the Act specifies that the decision maker must take the following factors into account (without limitation):
(a) offences or contraventions of the law by A, or by any person in which A has, or had at the time of the offence or contravention, a 25% or more ownership or control interest (whether convicted or not):
(b) any other matter that reflects adversely on the person's fitness to have the particular overseas investment.

View

29. **We are satisfied** that the individuals with control are of good character.

30. The individuals with control have a provided statutory declaration stating that they are of good character, have not committed an offence or contravened the law as described above and know of no other matter that reflects adversely on their fitness to have the Investment. We are satisfied that the statutory declarations can be relied on as they comply with the requirements of the Oaths and Declarations Act 1957.

Open source

31. We have also conducted open source background checks on the individuals with control and found one relevant matter. That matter is outlined in the report for case 201900014. It related to a political donation made by UK based company in which Mr de Putron has an interest.

32. Decision-makers have reviewed and formed the view that this matter does not affect Mr de Putron's fitness to have this investment. We do not recommend this matter is re-considered in this decision. No other matters were found or disclosed relating to the individuals with control for this investment.

Settlement sequence for transactions

33. Issoria notified us in early September 2019 that NZFI inadvertently settled the Hakahaka transactions prior to Issoria's acquisition of NZFI Sing (NZFI's parent company), in particular:

    (a) The NZFI / Hakahaka transaction settled on 30 August 2019 whilst under Mr Pat Egan's ownership.

    (b) Issoria paid full consideration for the NZFI transaction on 6 September 2019.

34. We have been notified that Issoria's share transaction completed on 17 September 2019, meaning the breach occurred temporarily for approximately 6 working days.

35. Following review by our Enforcement Team, we considered that no enforcement action or further steps are necessary at the time.

36. In context, the matter relates to NZFI under Mr Pat Egan's ownership, not the applicant's. The settlement sequence resulting in the issue appears to be administrative in nature, unintentional, and likely to be of short duration whilst the Accounting and Corporate Regulatory Authority in Singapore processes the share transfer.

37. Therefore, we do not consider this is a matter that is relevant to, or relates to, the relevant overseas person for this transaction.

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Immigration Act s16(1)(d)

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

38. The individuals with control have provided a statutory declaration stating that they are not individuals of the kind referred to in section 15 or 16 of the Immigration Act 2009. We are satisfied that the statutory declaration can be relied on as they comply with the requirements of the Oaths and Declarations Act 1957. We have also conducted open source background checks on those individuals and found nothing relevant to this criterion.

39. Therefore, **we are satisfied** that none of the individuals with control of the relevant overseas person are individuals of the kind referred to in section 15 or 16 of the Immigration Act 2009.

Investment Plan

40. Mr de Putron's overarching investment intention is to build a forestry-based investment portfolio of at least two rotations (50 years plus).

41. This plan includes acquiring multiple forests for diversified revenue streams, investment in research and development for hybrid pine tree species and to invest in downstream manufacturing to develop higher value timber products, principally for structural use.

42. NZFI intends to continue to use Whataroa as a commercial forest and to logistically integrate it with Underwood and Hakahaka, as relevant, for maintenance and harvesting and logging purposes. Underwood and Hakahaka are located across Port Underwood bay area.

43. Currently, the Land contains 140 hectares of pine:

    (a) existing crop: approximately 10 hectares.

    (b) awaiting replanting: approximately 66 hectares

    (c) awaiting harvesting: approximately 64 hectares.

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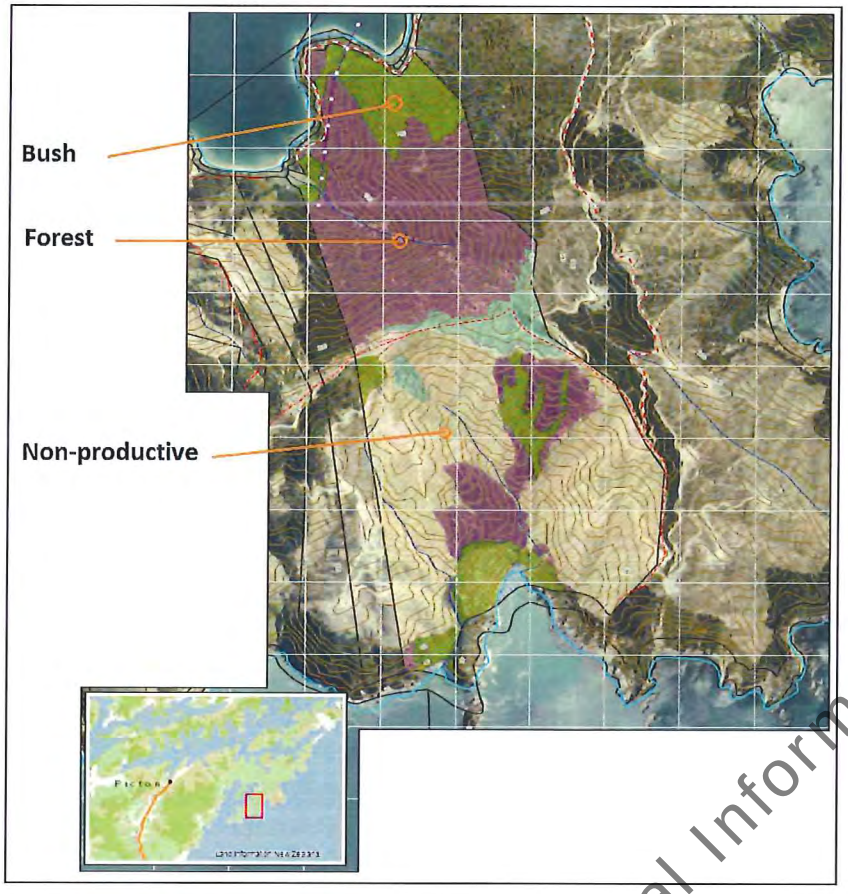
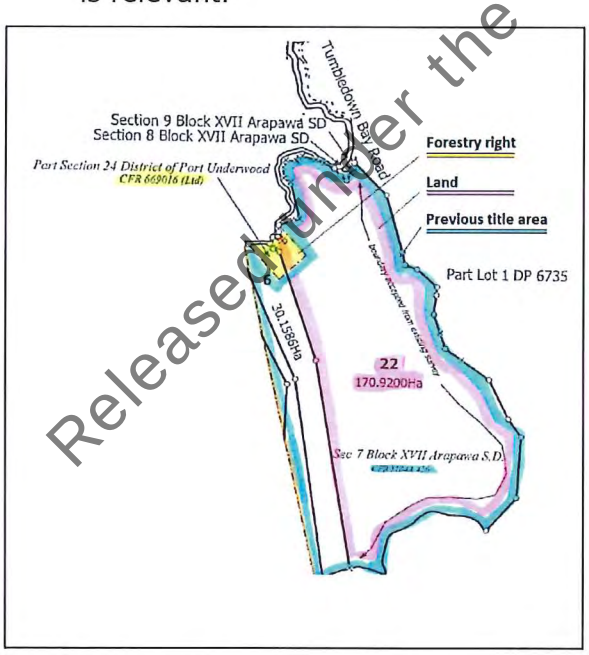


44. Aubade NZ Limited holds a forestry right to harvest trees over a small portion of land within the Whataroa forest. The forestry right extends over several titles.

45. For the Land, only the portion shown in yellow and overlapping the pink area (below) is relevant.



46. That right will expire after those trees have been harvested or 1 April 2020, whichever is sooner.

47. There are also about 31 hectares of unproductive land (bush, coast, road, and skid), which will increase to 36 hectares following completion of harvesting to increase the required planting setbacks and public road edges around some native planting areas.

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48. There is an existing small old cottage located on the Land, however, it is currently in a bad condition. The Applicant intends to upgrade the cottage to provide forestry worker accommodation and an office to support the forestry activities. It does not otherwise intend to use the cottage for residential purposes.

Does the Investment meet the special forestry test?

Special test relating to forestry activities – section 16A(4)

The benefit to New Zealand test is met if relevant Ministers are satisfied that the relevant land is likely to be used for forestry activities, the land does not include residential land and is not likely to be used for any residential purposes, that any requirements in regulations are likely to be met, that harvested crops of trees are replanted, and if special has been offered back to the Crown in accordance with regulations. These criteria are set out in detail below.

Forestry activities – section 16A(4)(a)

Will the relevant land be, or be likely to be, used exclusively, or nearly exclusively, for forestry activities? Forestry activities is defined in section 16A(9) to mean maintaining, harvesting, or establishing a crop of trees.

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

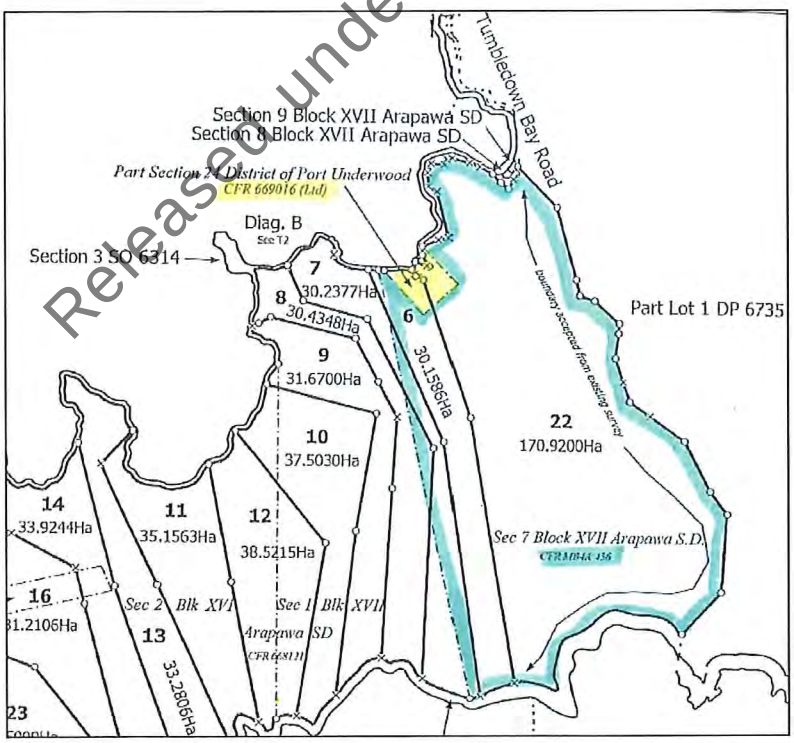
50. The Land is currently used for forestry activities, being mostly afforested. The Land has 140 hectares of productive area, approximately half has been harvested and the balance of the Land is ready or nearly ready for harvesting.

51. Approximately 30 hectares of non-productive area (including bush, coast, road, and skid).

52. In consultation with the Land's forestry adviser, Merill & Ring, the Applicant advises that the 130 hectares of forest will be reduced by 5 hectares when increasing replanting setbacks and public road edges around some native planting.

Forestry right

53. As referred to above, there is a small section of the land under an existing forestry right. This is identified on the map below. The Applicant intends to replant this area as soon as possible after the forestry right holder harvests the trees.



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Cottage

54. As referred to above at paragraph 48, there is a small old cottage on the Land. We analyse it's proposed use below. We do not consider it affects our assessment of the near exclusive use of the land for forestry activities.

Conditions

55. We have proposed general consent conditions (Special Condition 1 and 2) requiring the Applicant to continue to use the Land exclusively or nearly exclusively for forestry activities. The condition is also to include details on timing for replanting.

Residential land – section 16A(4)(b)

Is the relevant residential only land or does the relevant land include residential land? If so, does the residential land adjoin other non-residential land within the relevant land?

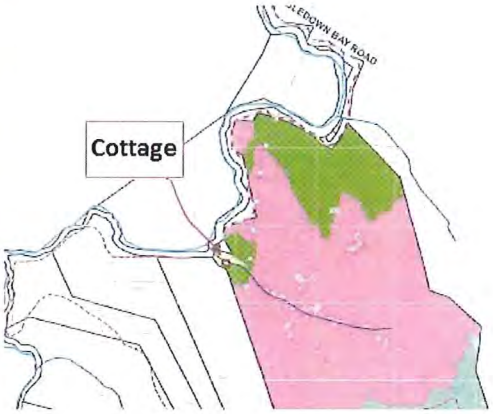
56. The Applicant has confirmed, by way of a sensitive land certificate, that the Land is part categorised as 'lifestyle' and therefore includes residential land. The residential land adjoins other relevant land that is not residential land. We are therefore satisfied that the Land is not residential land only.

Residential purposes – section 16A(4)(c)

Will the relevant land be, or be likely to be, used for residential purposes or will it be held for future use for any residential purposes? Permitted "Residential purposes" includes where: (a) accommodation is being provided for the purpose only of supporting forestry activities being carried out on the relevant land; and (b) all buildings being used for that accommodation are located on land on which some or all of those forestry activities are being carried out or on land that adjoins land on which some or all of those forestry activities are being carried out.

57. **We are satisfied** that that the relevant land is not likely to be used for residential purposes other than as permitted under section 16A(4)(c) and therefore that this criterion is **met**.

58. Depicted above, the Land has a disused cottage. NZFI intends to upgrade the cottage to provide forestry worker accommodation and an office to support the forestry activities. The cottage is located on the north-west boundary of the Land.



Source: Applicant images

59. The Applicant plans to upgrade the Cottage use exclusively for forestry worker accommodation for forestry activities being carried out on the Land. The Applicant confirms that it will not otherwise be used for residential purposes.

60. Section 16A(4)(c) permits the Applicant to use the Cottage for residential purposes if it is only for supporting forestry activities being carried out on the relevant land.

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61. The Applicant has confirmed that it understands this limitation on use of land for residential purposes. We have proposed a general consent condition requiring the Applicant to continue to not use the Land for residential purposes other than as permitted under section 16A(4)(c).

62. For completeness, we note the conditions do not require upgrades to be carried out – simply that the cottage (in whichever state) be used only for accommodation in support of forestry activities.

Existing arrangements – regulation 29(2)(a)

Will any existing arrangement in respect of the relevant land, or any part of the relevant land, that is for 1 or more specified purposes will be implemented and maintained, or will continue to be implemented and maintained?
What do conditions of an existing consent (if any) require to be done, or prohibit from being done, in respect of the relevant land, or any part of the relevant land, for 1 or more specified purposes? Will these continue to be done or not to be done?

View

63. **We are satisfied** that the Applicant will implement and maintain existing arrangements in respect of the Land.

Analysis

64. After undertaking due diligence and consulting with the vendor, the Applicant has identified the following matters:

Matter	Existing arrangements	Comments below
Indigenous vegetation / fauna	No	Yes
Trout, salmon, wildlife, and game	No	-
Public access	No	Yes
Historic heritage	No	Yes
Wāhi tapu	No	-
Māori reservation land	No	-

Indigenous vegetation / fauna

65. The Vendor has advised that there are areas of native vegetation on the hillside above Tumbledown Bay and on the coastal cliffs facing Cook Strait. Vegetation includes kanuka, mahoe and tauhinu. Wild animals at present include bird species, possums, goats, pigs and feral cats.

66. However, NZFI and the Vendor are not aware of any existing arrangements in place to protect areas of indigenous vegetation or habitats of indigenous fauna.

Public access

67. The Vendor has advised that there is no public access over the land at Whataroa. For completeness, we note there is a water easement (transfer 94951.3), a forestry right, and a land covenant for shared driving access. These are not existing arrangements, being registered on the record of title.

Historic heritage

68. There are two kumara pits recorded at Whataroa recorded by the New Zealand Archaeological Association at P27/438. The resource consent to log the property has a protocol for the discovery of historical, cultural, or archaeological material.

69. Being imposed under the Resource Management Act 1992, this is not an existing arrangement for the purpose of our Act. The kumara pit sites are not registered on the New Zealand Heritage List. The Vendor is not aware of any plans or understandings to register them.

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70. The Vendor states there is also a crashed Douglas C-47B, which was serving as a freight plane for the New Zealand Air Force when it crashed on the property. A report produced by the Aviation Safety Network records that there were 2 occupants and 2 fatalities.

71. There is no information to suggest the site is of historic heritage and the Applicant and Vendor confirm this.

Conditions

72. Our review process also did not identify any existing arrangements on the Land. On this basis, we are satisfied that this criterion is **met**.

73. It is noted that the proposed consent conditions require the applicant to implement and maintain any existing arrangements on the Land *whether or not* they have been identified in the application.

Existing consent conditions – regulation 29(2)(b)

What do existing conditions of a consent require to be done, or prohibit from being done, in respect of the relevant land, or any part of the relevant land, for 1 or more specified purposes? Will these continue to be done or not to be done?

74. The Vendors are New Zealanders and the Land is not subject to an existing consent.

Log supply obligations – regulation 29(2)(c)

Will logs be supplied or continue to be supplied as required by any existing supply obligation (so long as the obligation remains in place?

75. The Vendor advises there are no log supply contracts that relate to the Land.

Replanting crops – section 16A(4)(e)

Whenever a crop of trees is harvested on the relevant land, will or is it likely that a new crop will be established on the relevant land to replace the crop that is harvested?

76. The Applicant advises the trees located at Whataroa will be replanted after harvesting.

77. In terms of timing, some of the trees are part-way through being harvested by the existing forest owner.

78. For the small area of land under forestry right, the Applicant will commence negotiations with the forestry right owner to allow NZFI to start planting already harvested areas as soon as possible and before the forestry right expires.

79. The Applicant suggests a consent condition that requires the replanting to occur within three years of harvesting. The Applicant also notes that the existing forestry managers for the Underwood Forest, Merrill & Ring, will manage the Whataroa Forest.

80. **We are satisfied** that the Applicant will replant the Land after harvest and that this criterion is **met**.

81. We consider that the replanting will occur and be included as part of Special Condition 2's general requirement to replant harvested crops of trees on the Land within three years of harvest. This timeframe is also consistent with NZFI's and Issoria's consents for the Underwood Forest and Hakahaka Forest.

Special land – section 16A(4)(f)

If the land contains special land, has that special land been offered to the Crown in accordance with regulations? Special land means foreshore or seabed or a bed of a river or lake.

82. The Applicant has confirmed, by way of a sensitive land certificate, that the Land does contain special land.

83. The Land contains foreshore and seabed within the record of title's surveyed area, as shown below in yellow:

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Source: LINZ Maps

84. In accordance with the Overseas Investment Regulations 2005 (**Regulations**), this Special Land has been offered to the Crown for nil consideration.

85. The special land process generally involves two steps at this stage. Firstly, the Vendor offers the Special Land to the Crown. Secondly, the Crown determines whether or not it wishes to acquire the Special Land and, if it does, arranges to progress the acquisition. We note that only the first step needs to be completed before an application for consent is determined (section 16(A)(4)(f) of the Act relates to the *offer* of the Special Land rather than its acquisition by the Crown).

86. The Vendor and Applicant have executed an agreement for sale and purchase relating to the Special Land described above (the **Special Land Agreement**). The Special Land Agreement is conditional on the OIO granting consent, and will not be executed by the Crown unless a determination is made by the Crown to acquire the Special Land. We will forward a separate report in due course regarding whether the Crown should acquire the Special Land.

87. In the interim, we recommend that a consent condition be imposed requiring the Applicant to deal with the Crown in accordance with the Regulations, including requiring the Applicant to be bound by any arrangement that the Vendor entered into with the Crown in relation to the Special Land (preserving the Crown's position). The proposed consent conditions are set out in **Appendix 1**.

88. We are **satisfied** that this requirement is met.

Third Party Submissions

89. No third party submissions were received.

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Appendices

APPENDIX 1 - PROPOSED DECISION 18
APPENDIX 2 - GUIDANCE FOR APPLYING THE ACT 19
APPENDIX 3 - SENSITIVE LAND 20

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Appendix 1 - Proposed Decision

1. Supplied separately – see Objective ID file A3677242.

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Appendix 2 - Guidance for applying the Act

2. The regulator must grant consent to this overseas investment if it is satisfied that all of the relevant criteria in sections 16 and 16A(4) of the Overseas Investment Act 2005 ("the Act") are met.

3. It must decline to grant consent if it is not satisfied that all of the relevant criteria in sections 16 and 16A(4) are met. The regulator must not take into account any criteria or factors other than those identified in sections 16 and 16A(4), and regulation 29 of the Overseas Investment Regulations 2005 ("the Regulations").

4. In the attached Report the Overseas Investment Office identifies each of the relevant criteria under sections 16 and 16A(4), and regulation 29 that the regulator is required to consider in this case.

Conditions

5. Under section 16C(4), certain mandatory conditions must be imposed on any consent granted under section 16A(4).

6. Additional conditions may be imposed on any consent that is granted, under section 25A.

7. The attached Report sets out the mandatory conditions and recommends some additional conditions that you may wish to consider imposing in this case.

Decision

8. The decision that you are required to make should be based on information available to you that you consider is sufficiently reliable for that purpose. The information that the Overseas Investment Office has taken into account in making its recommendation is summarised in the attached Report.

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Appendix 3 - Sensitive Land

1. Whataroa Forest

Land Interest	**Freehold Interest** (approximately 170.9200 hectares)
RTs	710731 (Marlborough)
Sensitivity	Is more than 5 hectares of non-urban land
	Adjoins the foreshore
	Adjoins land that is over 0.4 hectares and is listed, or in a class listed, as a reserve, a public park, or other sensitive area by the regulator under s37
	Includes the foreshore or seabed
	Includes residential land

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