

OI Assessment Report 202400862 – Ingka Investments Forest Assets NZ Limited and Ingka Investments Management NZ Limited

Ki / To: Emma Kelly, Principal Customer Regulatory Specialist
Rā / Date: 19 February 2025
Mai / From: [s 9(2)(g)(ii)], Senior Customer Regulatory Specialist
Rā Mutunga/ Deadline: 11 March 2025

Pūtake/Purpose

We seek your decision on an application for consent to acquire an interest in sensitive land under the Overseas Investment Act 2005 (**Act**).

Summary

Applicants	Ingka Investments Forest Assets NZ Limited Netherlands 100% and Ingka Investments Management NZ Limited Netherlands 100%
Vendor	Sellars Farming Limited New Zealand 100%
Land	A freehold interest in approximately 812.4648 hectares of land (known as Skyeburn) located at 139 Morris Saddle Road, Owaka Valley, Clutha District ¹ .
Consideration	[s 9(2)(b)(ii)]
Sensitivity	Is more than 5 hectares of non-urban land The Land is greater than 0.4 hectares and adjoins land held for conservation purposes under the Conservation Act 1987
Pathway	Benefit to New Zealand – Farm to forestry conversion

¹ Comprised in Records of Title 60751, OT10B/219, OT13D/199, OT159/186, OT15B/837, OT15B/839, OT165/173, OT203/42, OT234/33, OT324/97, OT342/182 (Catlins).

Relevant tests	Investor test ² Benefit to NZ test ³ Farm land offer criterion ⁴ National interest criterion ⁵
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The Applicants are ultimately owned by Dutch company Ingka Investments B.V. which owns IKEA.

The Applicants are acquiring land in the Clutha District, currently largely used for sheep and beef farming, to convert the majority of the farm land to commercial rotation forestry.

Timing

A decision is required by **11 March 2025** to comply with the expectation in the Ministerial Directive Letter⁶ that the majority of consent decisions are made within half the prescribed assessment timeframe.⁷

Decision

- I have determined that, for the reasons set out in this report:
 - the relevant overseas person(s) and individuals with control are as set out in the report;
 - the investor test has been met;
 - the benefit test is met;
 - the farm land offer test has been met.
- I note that the transaction is not considered to be a transaction of national interest.
- I therefore **grant consent** subject to the conditions in **Attachment 1**.

[s 9(2)(a)]

Emma Kelly

Principal Customer Regulatory Specialist

Overseas Investment - LINZ

Date: 21 February 2025

² Sections 16(1)(a) and 18A of the Act.

³ Section 16(1)(c)(ii), 16A(1A) and 16A(2) of the Act.

⁴ Section 16(1)(f) of the Act.

⁵ Section 16(1)(g) of the Act.

⁶ Dated 6 June 2024.

⁷ The assessment timeframe for this application is 70 working days.

A. Background and proposed transaction

4. Ingka Investments Forest Assets NZ Limited and Ingka Investments Management NZ Limited (together, the **Applicants**) are forestry investment companies ultimately owned by Dutch company, Ingka Investments B.V. (**Ingka Investments**). The Applicants are buying approximately 812 hectares of farm land to convert to a predominantly *Pinus radiata* commercial forest (**Investment**).
5. The Applicants operate a structure whereby one entity (Ingka Investments Forest Assets NZ Limited) acquires land and then grants a forestry right over the acquired land to another entity (Ingka Investments Management NZ Limited).

Land

6. The acquisition involves a freehold interest in approximately 812.4648 hectares of land known as Skyeburn, located at 139 Morris Saddle Road, Owaka Valley, Clutha District (**Land**). The Land is shown in **Figure 1** below:

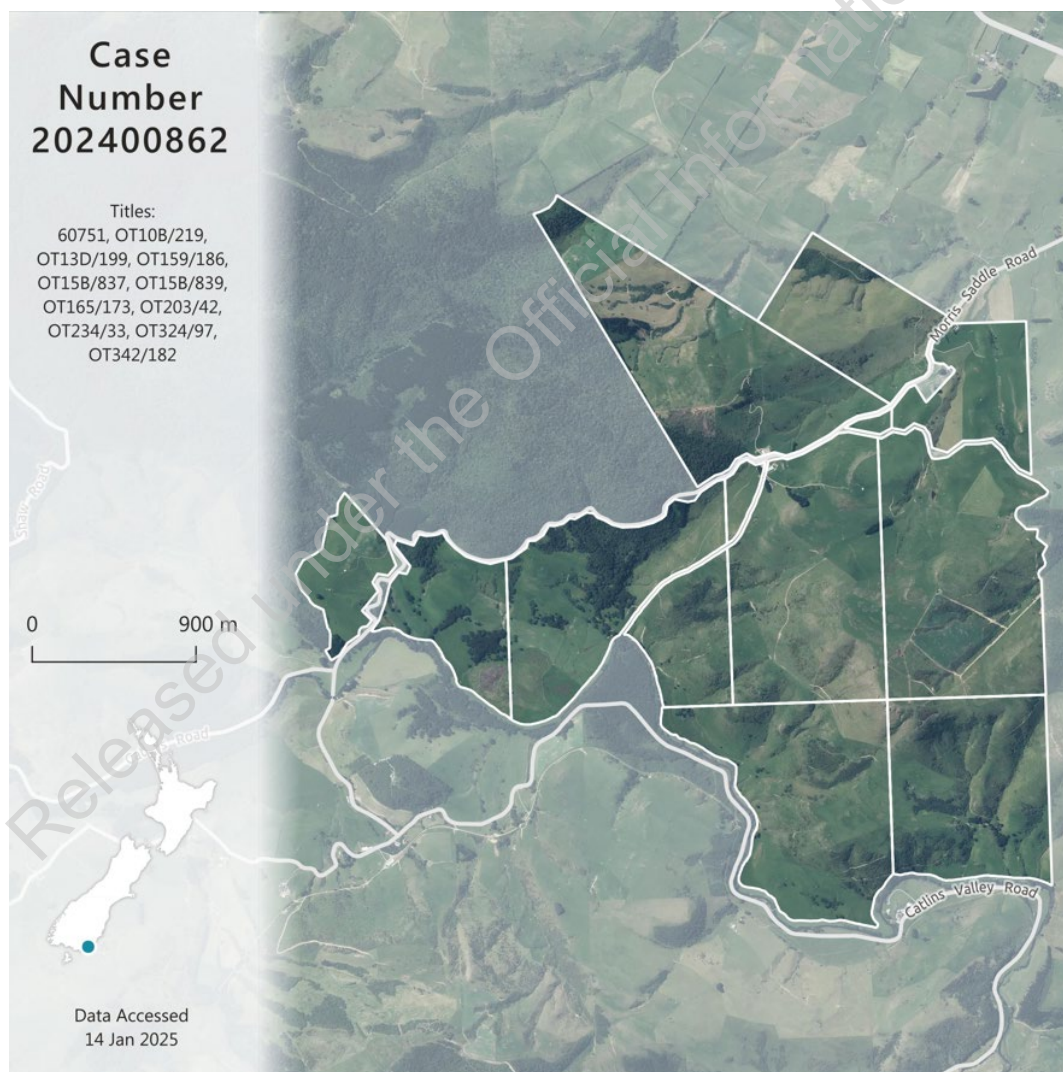


Figure 1: Map showing Records of Title

7. The Land is predominantly Land Use Capability (**LUC**) 6 (518 ha, 64%), with areas of LUC 3 (58 ha, 7%) and LUC 5 (235 ha, 29%)⁸. A LUC map is provided in **Attachment 3**.
8. The Land contains a residential dwelling but does not include any residential land. The Applicants will, subject to consent being granted, be subdividing and selling the approximately 4.01 hectares that contains a dwelling.
9. There are no historic heritage, wahi tapu, Māori reservation land or archaeological sites on the Land.⁹
10. The Land contains several streams and a wetland but that these do not constitute Fresh and Seawater Areas (FSA).

Vendor

11. The Land is currently owned by Sellars Farming Limited (**Vendor**) which operates a sheep and beef breeding farm on the Land.
12. The farm generated low revenues the last two years and the Vendor is selling the Land so that the proceeds of the sale can be given to the Vendor's retiring shareholders.

B. Application of the Act

13. The Land is sensitive because it is non-urban land over 5 hectares in size¹⁰ and adjoins land held for conservation purposes under the Conservation Act 1987¹¹ so consent is required.¹² The following criteria for an investment in sensitive land apply to this application:¹³
 - The investor test must be met.¹⁴
 - The benefit to New Zealand test must be met.¹⁵
 - The farm land must have been offered for sale on the open market,¹⁶ unless exempt.¹⁷
 - You must also note whether the Investment is a transaction of national interest and, if so, whether the Minister of Finance has decided that the Investment is contrary to New Zealand's national interest.¹⁸
14. In order to satisfy the benefit to New Zealand test, the decision-maker must:

⁸ LUC 5 and LUC 6 are very similar. Neither are suitable for growing crops; LUC 5 is slightly better than LUC 6 for pastoral use. LUC 6 has some erosion as a limitation.

⁹ Section 6(1) of the Act.

¹⁰ Table 1, Part 1, Schedule 1 of the Act.

¹¹ Table 2, Part 1, Schedule 1 of the Act.

¹² Sections 10(1)(a) and 12(1)(a) of the Act.

¹³ Set out in section 16(1) of the Act.

¹⁴ Sections 18A and 16(1)(a) of the Act.

¹⁵ Section 16(1) of the Act.

¹⁶ Section 16(1)(f) of the Act.

¹⁷ Section 20(1)(a) or (b) of the Act.

¹⁸ Section 16(1)(g) of the Act.

- Determine that the overseas investment will, or is likely to, benefit NZ (or any part of it or group of New Zealanders);¹⁹ and
 - Determine that benefit will be, or is likely to be, substantial in relation to one of more of the factors of high relative importance for farm land²⁰ (unless the farm land benefit test is disapplied²¹).
15. We assess the investor test in **Part C**, the benefit to New Zealand test in **Part D**, the farm land offer test in **Part E**, and discuss national interest matters in **Part F**.

C. Applicant and investor test

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

Business Activities

17. The Applicants are both wholly owned subsidiaries of Ingka Investments, which is based in the Netherlands and is part of the **Ingka Group**, which is the largest franchisee of IKEA stores internationally.
18. Ingka Group has three business areas: IKEA Retail, Ingka Centres and Ingka Investments. Each of these three businesses have their own management and corporate structure which "sits" under the Ingka Group corporate holding structure.
19. The Applicants' parent company, Ingka Investments, is a repeat investor in forestry having had 27 previous consents granted under either the special forestry or the Benefit to New Zealand tests.²²
20. Ingka Investments owns approximately 320,000 hectares of forestry land around the world²³ and submits that its commitment is to be a responsible forest manager. Ingka Investments' strategy is to invest in forestry in countries relevant for the IKEA supply chain. All the Applicants' New Zealand forests are FSC²⁴ certified. The Applicants do not use their forests for carbon offsetting. Their forestry portfolio's business model is based on timber sales.

Ownership and control

21. The Applicants are ultimately owned by Stichting Ingka Foundation (**Ingka Foundation**), also registered in the Netherlands (see Figure 2 below). Ingka Foundation cannot have any shareholders or other types of legal owners but holds its assets only on its own behalf. It has a charitable purpose which is achieved by making funds available to Ingka Holding B.V.

¹⁹ Section 16A(1)(a) of the Act.

²⁰ Section 16A(1C)(a)&(b) of the Act. This criterion applies because the Land is farm land over 5 hectares in size.

²¹ Section 16A(1D) of the Act.

²² This is in addition to the three applications currently under review as at 2 February 2024.

²³ In seven countries including the Baltic States, Romania, United States, New Zealand and Finland.

²⁴ Forest Stewardship Council.

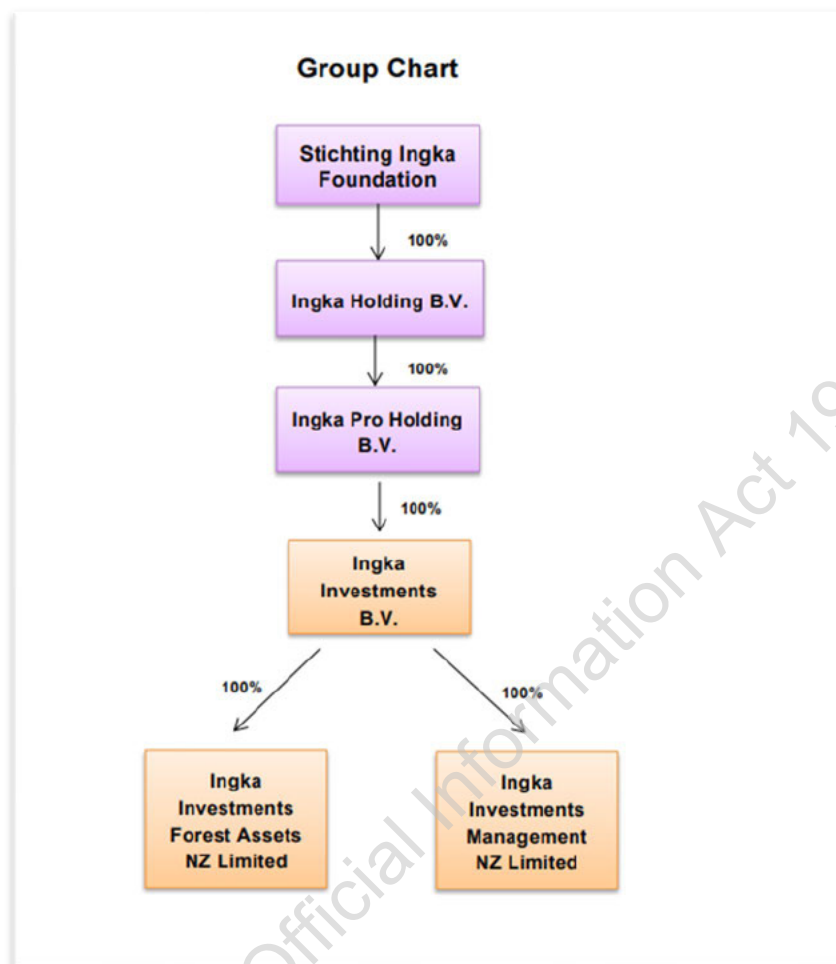


Figure 2: Ownership structure of Applicant

22. Decisions on purchases of forestry land in New Zealand are made by the Applicants, with Ingka Investments approving more substantial investment decisions.
23. Ingka Investments has a New Zealand forestry project team that is responsible for advising the board of the Applicants on the Investment, ongoing day-to-day oversight, and any recommendations to dispose of the Investment.

Relevant overseas person and individuals with control

24. We recommend that the '**relevant overseas person**' is (collectively):

Relevant overseas person	Reason
Ingka Investments B.V.	100% owner of the Applicants
Ingka Investments Forest Assets NZ Limited	Co-applicant and proposed purchaser of the Land

Ingka Investments Management NZ Limited	Co-applicant and proposed Forestry Right owner
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25. We recommend that the '**individuals with control of the relevant overseas person**'²⁵ are:

Individuals with control ^{*26}	Reason
Jesper Mattias Brodin	Directors of Ingka Investments B.V.
Juvencio Pablo Maeztu Herrera	
Peter Alexander Van Der Poel	
Andriy Oleksandrovych Hrytsyuk	Director of the Applicants
Kelvin Hunter Meredith*	Director of the Applicants and New Zealand Forestland Country Manager, Ingka Investments B.V.
Simon Ashley Honour*	New Zealand Forestland Acquisition Manager, Ingka Investments B.V.

Summary of investor test

26. The relevant overseas persons and individuals with control established none of the factors contained in section 18A(4) of the Act, therefore we consider the **investor test has been met**.

D. Investment plan and benefit to NZ test

27. This section describes the Investment and our assessment of whether it is likely to meet the benefit to NZ test in the Act.

Current state (counterfactual)

28. The Land is currently operated as mixed stocked property for sheep and beef breeding and finishing. In 2024 the Vendor had approximately 4,300 sheep and 350 cattle.
29. The Land is approximately 812 hectares consisting of approximately 643 hectares of farm land, 6 hectares of exotic forest (16 years old), 98 hectares of native vegetation and 64 hectares of unplantable land²⁷.
30. The Vendor advises the current farming activities support:

²⁵ Section 15 of the Act.

²⁶ Individuals marked with an asterisk are not overseas persons, either because they are New Zealand citizens or are ordinarily resident in New Zealand, therefore they do not need to meet the investor test.

²⁷ Due to ridges, gullies and steep land.

- **Jobs:** 2.5 to 2.6 FTEs²⁸ per annum (a mix of owner operators and contractors).
- **Annual Revenue:** Average revenue over the last two years was approximately \$650,000²⁹. However, the farm returned a net profit of \$2,200 profit in 2023 and no profit in 2024³⁰.
- **Capital expenditure:** Average capital expenditure over the last 2 years was approximately \$23,000³¹.
- **Export receipts:** All the stock is sold to New Zealand companies³².

Investment plan

31. The Applicants intend to establish a commercial production forest by planting approximately 657 hectares (81%) of predominantly *Pinus radiata* on the Land (**New Trees**). This is in addition to the approximately 6 hectares (<0.01% by area) of 16-year-old exotics already on the Land (**Existing Trees**). The remainder of the Land consists of the approximately 4 hectares (<0.01% by area) to be subdivided, and the approximately 144 hectares considered unplantable (19%)³³.
32. The Applicants already own 6 other properties in the area (totalling approximately 8,000 hectares). There are 5 sawmills within 130 kilometres, and 2 ports within 150 kilometres.
33. The Applicants have engaged IFS Growth Limited³⁴ to manage the forestry operations on the Land.

Planting and silviculture regime

34. The Applicants intend to commence preparation of the land and planting in 2025.
35. The Applicants will conduct new planting and silvicultural regimes in accordance with best industry practice. The final crop stocking of the New Trees is likely to be between 330 and 350 stems per hectare with pruning taking place in 2030 – 2034.

Harvesting and exports

²⁸ This equates to approximately 0.32 FTEs per 100 hectares.

²⁹ This equates to approximately \$80,000 per 100 hectares.

³⁰ In 2024 the Land generated an income of approximately \$600,000. However, the Land incurred expenses (including wages, administration and motor vehicles) of approximately the same amount and no net profits were made.

³¹ The only capital expenditure items were on new water troughs for stock and weed/pest control. This equates to approximately \$2,800 per 100 hectares.

³² The Vendor was unable to provide the percentage of stock subsequently on sold for export. However, using sheep and beef revenues provided in the Investment Plan, and the standard export percentages used by Beef + Lamb (90% for beef and 95% for sheep meat), it was calculated that \$524,400 of export receipts were generated in 2024. This equates to approximately \$65,000 per 100 hectares.

³³ This includes areas of native vegetation, riparian plantings and buffer land and set-backs required for forestry.

³⁴ Link to web page: <https://www.ifsgrowth.co.nz/>

36. The expected time frame for harvesting of the New Trees will likely be between 2052-2059 (a rotation length of 27-34 years). The Applicant expects to generate a total revenue of [s9(2)(b)(ii)] from harvesting the trees³⁵. Of this, the Applicant expects to generate approximately [s9(2)(b)(ii)] worth of export receipts³⁶.
37. The Applicants intend for a proportion of the timber to be processed by local sawmills. However, this will depend on future market conditions.

Capital expenditure

38. The Applicant expects to invest approximately [s9(2)(b)(ii)] in afforestation expenditure³⁷ and harvesting the trees will cost approximately [s9(2)(b)(ii)]^{38 39}.

Employment

39. The Applicants expect to create 109 Full Time Equivalent (FTE) positions over a 30-year period (being the first rotation). On an annualised basis this equates to 3.6 FTE⁴⁰ per year with higher levels of employment when the trees are being pruned (2030-2034) and harvested (2052-2057).

Carbon sequestration

40. The Vendor's activities currently emit 4,741 tonnes of CO₂-equivalent per year due to the stock living on the Land and the use of fertilisers⁴¹.
41. The planting of approximately 657 hectares of New Trees will result in the absorption of approximately 23,595 tonnes of CO₂-e being absorbed per year⁴².
42. The Investment will result in an overall net decrease in New Zealand's CO₂-e emissions of approximately 19,225 tonnes per year. Although the Applicants intend to register the Land in the New Zealand Emissions Trading Scheme, they do not intend to trade the carbon credits.

Assessment of benefits

43. The benefits to New Zealand that are likely to result from the Investment and our assessment of the relative weight to be given to each are set out in the table below.

³⁵ This equates to approximately [s9(2)(b)(ii)] per annum, or approximately [s9(2)(b)(ii)] per 100 hectares. This is a [s9(2)(b)(ii)] increase in productivity per 100 hectares.

³⁶ This equates to approximately [s9(2)(b)(ii)] per annum, or [s9(2)(b)(ii)] per 100 hectares. This is approximately [s9(2)(b)(ii)] more per 100 hectares than the current state.

³⁷ This includes land preparation, planting, blanking, and silvicultural expenses.

³⁸ Harvesting the trees requires the construction of roads and skid sites and is overall labour and heavy machinery intensive.

³⁹ This equates to approximately [s9(2)(b)(ii)] per annum per 100 hectares. This is [s9(2)(b)(ii)] more per 100 hectares than the current state.

⁴⁰ This is 1 FTE more than the current state.

⁴¹ The amount for the current state is 4,369.6 CO₂. This lesser amount is due to the presence of 6 hectares of Existing Trees that are offsetting the emissions from the stock and fertilisers.

⁴² This has been calculated using the Ministry for the Environment online carbon emissions calculator and based on planting 663 hectares.

Farmland benefit test does not apply

44. The Investment involves the acquisition of farm land over 5 hectares which would ordinarily need to meet the modified farm land benefit test. In this case, the test has not been applied because the land will be used for forestry activities.⁴³

Benefit claims

45. We have analysed the benefits that are likely to occur as a result of the Investment, compared to the current state of the Land, in the table below. This may include benefits that the Applicant did not specifically claim, but that we have identified may occur.
46. LINZ is directed⁴⁴ that where an investment demonstrates strong benefits under one or two key benefit factors, other factors may require less consideration if the threshold for meeting the benefit test is clearly met without reference to them. Therefore, benefits that were not considered to be key have not been considered as part of our assessment.
47. Factors that we considered were either not relevant to the Investment, or the benefit to New Zealand was not sufficient to be relied on, are noted in **Attachment 3**.

Benefit		Analysis
Economic Moderate	Capital expenditure	Additional spending of approximately [s9(2)(b)(ii)] per annum on average over 34 years to establish and maintain the investment.
	Increased export receipts	Over the next 34 years the Applicant will generate approximately [s9(2)(b)(ii)] more per annum in export receipts.
	Increased productivity of the Land	Over the next 34 years the Applicant's investment will generate an additional annual revenue of approximately [s9(2)(b)(ii)].
	Increased employment	The creation of the equivalent of approximately 1 additional FTE per annum fluctuating over the life of the forest.

⁴³ Section 16A(2) of the Act states the modified farm land benefit test does not apply if the decision maker is satisfied that:

- the farm land will, or is likely to, be used exclusively, or nearly exclusively, for forestry activities; and
- whenever a crop of trees is harvested on the farm land, a new crop will be, or is likely to be, established on the farm land to replace the crop that is harvested; and
- the non-occupation outcome will, or is likely to, occur in relation to the farm land.²²

We consider that all three of these requirements are met in this case.

⁴⁴ Ministerial directive letter 6 June 2024.

Benefit		Analysis
<u>Carbon & Climate Change</u>⁴⁵ Moderate	Reduction in net carbon emissions	The conversion to forestry and removal of the stock is likely to result in a net decrease in CO ₂ emissions by approximately 20,000 tonnes per annum. Over the first rotation this equates to approximately 680,000 tonnes.

Consultation and submissions about the investment

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

Proposed conditions and rationale

49. The Applicant's afforestation proposal is the primary action from which all the specific benefit claims flow. The proposed conditions require the Applicant to use the Land for forestry activities (including planting, maintaining, harvesting, and replanting a crop of trees).

Conclusion – benefit to NZ test

Key benefits

50. After considering the application, we are satisfied that the Investment is likely to result in the benefits considered above. In particular, it is likely to result in economic benefits such as additional capital expenditure, increased employment and increased export receipts.

Proportionality

51. We have undertaken our assessment having regard to the sensitivity of the Land and the nature of the overseas investment transaction, reflecting the proportional nature of the benefit to NZ test.

52. Matters which were considered to raise the proportionality include:

- The size of the Land is medium at approximately 812 hectares;
- More than half of the Land (approximately 643 hectares) is currently used for pastoral farming;
- The Land includes 58 hectares of LUC 3 (7%) and 235 hectares of LUC 5 (29%);
- The Land will be converted to an alternative (non-farming) use;
- The Applicants are acquiring a freehold interest; and
- The Applicant is entirely overseas owned.

53. Mitigation factors include:

⁴⁵ Carbon and climate related claims are assessed under their own heading to prevent double counting as they relate to more than one benefit factor,

- The Land is predominantly LUC 6 (64%);
- Some of the LUC 3 Land is already covered in native plantings;
- The Land was advertised for sale to New Zealanders for an extended period of time (257 working days).

54. Overall, we consider that the Land is **high** on the spectrum of sensitivity for farm land. This is because it is a productive farm producing sheep and beef meat.

Conclusion

55. After considering the application, we are satisfied that the Investment is likely to result in moderate economic benefits and moderate climate change benefits.
56. While finely balanced, the benefit test has been met. Our assessment has been informed by recent decisions on farm-to-forestry conversion applications under the benefit test.

E. Farm land offer test

57. Because the Land is farm land, we note that it was advertised for sale on the open market with the required information for a period exceeding 30 working days on the following websites: PGG Wrightson Real Estate, Realestate.co.nz, Homes.co.nz and Trade Me⁴⁶. The advertisements were also placed in print media including the Otago Daily Times and Property Press.
58. We are therefore satisfied the regulations requiring the farm land to be offered for acquisition on the open market have been complied with.

F. Not a transaction of national interest

59. The Investment does not involve a transaction of national interest under the mandatory criteria of the Act.⁴⁷ 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).
60. The Minister of Finance has not called the Investment in for a national interest assessment.⁴⁸

G. Conclusion

61. For the reasons set out in this report, we consider that the criteria for consent have been met and our recommendation is to **grant** consent.
62. We refer you to **Attachment 1** to review the Proposed Decision (including consent conditions), and from page **2** of this Assessment Report to record your decision.

⁴⁶ Advertisements were placed starting 18 October 2023 and remained live for 257 working days until the Sale Agreement was signed on 26 October 2024.

⁴⁷ Under s 20A of the Act.

⁴⁸ Section 20B of the Act

H. Attachments

1. Proposed Decision
2. Other benefit factors
3. LUC Map

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: 21 February 2025

The following people have been given the following consent:

Case	202400862
Consent holders	<p>Ingka Investments Forest Assets NZ Limited and Ingka Investments Management NZ Limited (Company numbers: 8148262 and 8148260).</p> <p>We will also refer to each Consent holder and the Consent holders together as you.</p>
Consent	Ingka Investments Forest Assets NZ Limited may acquire the Land, and Ingka Investments Management NZ Limited may acquire the Forestry Right subject to the Conditions set out below.
Land	A freehold interest in approximately 812.4648 hectares of land (known as Skyeburn) located at 139 Morris Saddle Road, Owaka Valley, Clutha District, comprised in Records of Title 60751, OT10B/219, OT13D/199, OT159/186, OT15B/837, OT15B/839, OT165/173, OT203/42, OT234/33, OT324/97, OT342/182 (Catlins).
Forestry Right	The forestry right to be granted between Ingka Investments Forest Assets NZ Limited (Grantor) and Ingka Investments Management NZ Limited (Grantee) to be registered over the Land.
Timeframe	You have until 28 February 2026 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 Land Information New Zealand as **LINZ, us or we**.

Definitions

Act means Overseas Investment Act 2005

Crop of trees means:

- any **new crop of trees** that will be established on the Land;
- any **existing crop of trees** already established on the Land; and
- any **replanted crop of trees** replanted in accordance with Special Condition 1.

but for the avoidance of doubt excludes trees that were not planted with the intention of being harvested to provide wood, such as native species planted in riparian margins.

Existing Trees means the commercial trees planted on the Land at the time of acquisition by the Consent Holder.

Forestry Activities has the same meaning as in the Act and, for the avoidance of doubt, excludes permanent forestry.

New Trees means the *Pinus radiata* or other commercial species of trees to be planted by the Applicants which are not the Existing Trees.

Regulations means Overseas Investment Regulations 2005.

Worker Accommodation means forestry worker accommodation that complies with section 16A(4)(c) of the Act.

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

Special Conditions

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

Details	Required date
Special condition 1: Land must be planted with trees	
You must establish a new crop of trees on the Land covering at least 560 hectares.	By 31 December 2026
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: Land must be used for forestry activities	
The 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: Crop of trees must be harvested	
You must harvest the crop of trees consistent with the accepted industry standard rotation length for the relevant species (unless otherwise agreed in writing with LINZ). You may allow up to 5% (by area) of the crop of trees on the land to exceed this accepted industry standard rotation length.	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 4: Trees must be replanted after harvest	
You must replace each crop of trees (Existing Trees and New Trees) which you harvest with a new crop of trees (Replant). You may Replant on a like-for-like basis or on any similar basis.	Within 3 years of harvest (or as otherwise permitted by this condition).

Details	Required date
<p>This condition does not require you to:</p> <ul style="list-style-type: none"> (a) replant the Land with the same species of tree or use the same silvicultural regime; or (b) do anything in breach of any other Act, regulation, rule, bylaw, or that is otherwise contrary to law. <p>This condition does not limit Special Condition 2 (Land must be used for forestry activities) or Special Condition 3 (Crop of trees must be harvested).</p>	
<p>If you do not comply with this condition, Standard Condition 6 will apply, and we may require you to dispose of the Land.</p>	
<p>Special condition 5: ETS registration</p>	
<p>You must not register the crop of New Trees or any replacement trees on the Land as "permanent forestry" (or in any category similar to permanent forestry) in the Emissions Trading Scheme established under the Climate Change Response Act 2002 (or any replacement for that scheme or enactment).</p>	<p>At all times</p>
<p>If you do not comply with this condition, Standard Condition 6 will apply, and we may require you to dispose of the Land.</p>	
<p>Special condition 6: Non-occupation outcome</p>	
<p>None of the following people may occupy the Land acquired under this consent for residential purposes:</p> <ul style="list-style-type: none"> (a) You; (b) Any overseas person with a more than 25% ownership or control interest in any of the people in (a); 	<p>At all times</p>

Details	Required date
<p>(c) Any overseas person who occupies the Land other than on arm's length terms⁴⁹ ;</p> <p>(d) Any overseas person who has a beneficial interest in, or beneficial entitlement to, the relevant interest in the Land;</p> <p>(e) If (a) is a trust, any beneficiary (direct or indirect) who may benefit under the trust at the trustees' discretion.</p> <p>This condition does not apply to the extent that accommodation is being provided for the purpose only of supporting forestry activities (as defined in section 16A(9)) being carried out on the Land.</p>	
<p>If you do not comply with this condition, Standard Condition 6 will apply, and we may require you to dispose of the Land.</p>	

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 and Forestry Right	
<p>You must acquire the Land:</p> <ul style="list-style-type: none"> i. 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 ii. Using the acquisitions, ownership and control structure you described in your application. Note, only you-the named Consent Holder may acquire the Land and Forestry Right, not your subsidiary, trust or other entity. 	As stated in the Consent

⁴⁹ 'At arms length terms' has the meaning in clause 17, Part 5, Schedule 2 of the Act. In summary it means terms, for example under a lease (or other contract), that are on a reasonable commercial basis.

Standard condition 2: Tell us when you acquire the Land and Forestry Right	
<p>You must tell us in writing when you have acquired the Land and Forestry Right.</p> <p>Include details of:</p> <ul style="list-style-type: none"> i. The date you acquired the Land (Settlement) ii. Consideration paid (plus GST if any) iii. The structure by which the acquisition was made and who acquired the Land, and iv. Copies of any transfer documents and Settlement statements. 	<p>As soon as you can, and no later than 2 months after Settlement</p>
Standard condition 3: Allow us to inspect the Land	
<p>Sometimes it will be helpful for us to visit the Land so we can monitor your compliance with the Conditions.</p> <p>We will give you at least 2 weeks written notice if we want to do this.</p> <p>A. You must then:</p> <ul style="list-style-type: none"> i. Allow a person we appoint (Inspector) to: <ul style="list-style-type: none"> a. enter onto the Land, including any building on it, other than a dwelling, for the purpose of monitoring your compliance with the Conditions (Inspection) 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 recordings and f. do all other things reasonably necessary to carry out the Inspection ii. Take all reasonable steps to facilitate an Inspection including: <ul style="list-style-type: none"> a. directing your employees, agents, tenants, or other occupiers to permit an Inspector to conduct an Inspection b. being available, or requiring your employees, agents, tenants, or other occupiers to be available, at all reasonable times during an Inspection to 	<p>At all times</p>

<p>facilitate access onto and across the land. This includes providing transport across the Land if reasonably required.</p> <p>B. During an Inspection:</p> <ul style="list-style-type: none"> i. 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 ii. Our Inspector will comply with any reasonable instruction and cooperate with any reasonable health and safety policy or procedure you notify to us before the Inspection. 	
Standard condition 4: Remain not unsuitable to invest in New Zealand	
<p>You, and to the extent that you are not an individual, the Individuals Who Control You must remain not unsuitable to own or control the Land in accordance with section 18A(1) of the Act</p> <p>The Individuals Who Control You are individuals who:</p> <ul style="list-style-type: none"> i. Are members of your governing body ii. Directly or indirectly, own or control more than 25% of you or a person who itself owns or controls more than 25% of you, and iii. Are members of the governing body of the people referred to in ii above. 	<p>At all times</p>
Standard condition 5: Tell us about the changes that affect you, the people who control you, or people you control	
<p>You must tell us in writing if any of the following events happen to any of the Consent Holders:</p> <ul style="list-style-type: none"> i. 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. ii. You cease to be an overseas person or dispose of all or any part of the Land iii. Your New Zealand service address changes. This is the address you provided us in your application as the address which we will send any legal document we need to serve on you. 	<p>Within 20 working days after the change</p>

Standard condition 6: Dispose of the Land and Forestry Right if you do not comply with key special conditions

If all or part of this Standard Condition 6 applies to a special condition, we have said so in that special condition. If we consider you have failed to comply with one of those special conditions in a material way we may require you to dispose of the Land and Forestry Right.

We will give you written notice if we require you to dispose of the Land. After we have given you notice, you must:

- | | |
|--|--|
| i. Value the Land and Forestry Right: obtain and send us a copy of a market valuation of the Land from a New Zealand registered valuer. | Within 6 weeks of the date of our notice |
| ii. Market the Land and Forestry Right: instruct a licensed real estate agent to actively market the Land and Forestry Right for sale on the open market. | Within 6 weeks of the date of our notice. |
| iii. Dispose of the Land and Forestry Right: dispose of the Land and Forestry Right to a third party who is not your associate. | Within 6 months of our notice |
| iv. Offer without reserve: if you have not disposed of the Land and Forestry Right within 6 month of our notice, offer the Land for sale by auction or tender without a reserve price or minimum bid and dispose of the Land. | Within 9 months of our notice |
| v. Report to us about marketing: tell us in writing about marketing activities undertaken and offers received for the Land and Forestry Right. | By the last day of every March, June, September, and December after our notice or at any other time we require |
| vi. Report disposal to us: send us, in writing, evidence of the following: <ul style="list-style-type: none"> a. That you have disposed of the land and Forestry Right (including copies of sale and purchase agreements, settlement statements and titles showing the purchaser as registered proprietor) and b. That the purchaser is not your associate. | Within 1 month after the Land and Forestry Right have been disposed of |

Reporting conditions

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

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

- i. be submitted via our [Webform](#) by **29 January 2027**
- ii. 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
- iii. Follow the format of the template annual report published on our website

If requested in writing by LINZ, 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:

- i. 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
- ii. the conditions of this consent.

Power to vary reporting date

The dates on which reports are due to be provided may be changed by agreement between LINZ and the Consent Holder(s), provided that this power may not be used to give a time extension for an individual report.

Power to narrow scope of reports

LINZ may temporarily or permanently waive the requirement to report on a particular matter.

Power not to require further reporting

LINZ may waive the requirement to submit a report and may waive the requirement for future reporting.

ATTACHMENT 2 OTHER BENEFIT FACTORS

The table **below** lists other factors in the Act for assessing the benefit of overseas investments.

We considered that the factors below were either not relevant to the Investment, or the benefit to New Zealand was not likely or sufficient to be relied on for the purposes of our assessment.

Factor	Reason not relevant or insufficient
Environmental benefits	Not relevant – the Applicant intends to obtain FSC certification which will result in a high standard of environmental management for the Land.
Public access	Not relevant – no public access currently. The Applicants will engage with the regional field adviser for Herenga a Nuku Aotearoa (Outdoor Access Commission) (OAC) to determine interest in public access across the Land.
Historic heritage	Not relevant – no historical sites on the Land. Applicants open to engaging with local iwi.
Significant government policy	Not relevant
Oversight or participation by New Zealanders	Not relevant
Consequential benefits	Not relevant
Extraction of water for human consumption / bottling	Not relevant

ATTACHMENT 3 LUC MAP

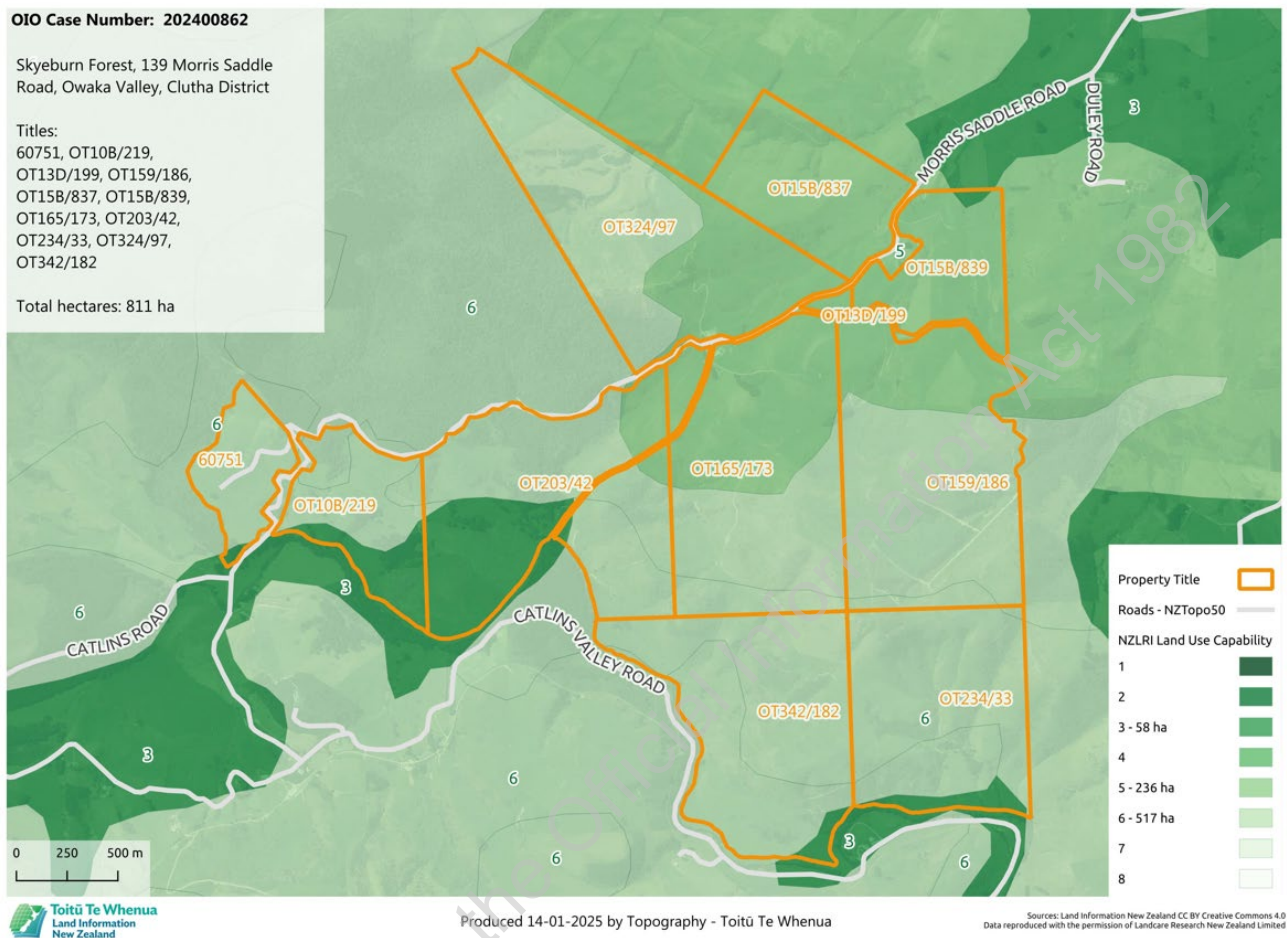


Figure 3: LUC Map of the Land