

ASSESSMENT REPORT: Pine Plantations Private Limited – Gully Road, Southland

Special forestry test (one-off consent)

Date	13 April 2021	Classification	IN CONFIDENCE: Commercially sensitive
OIO reference	202000760	Priority	Medium

Action Sought

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

Contact for the Application

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

ASSESSMENT REPORT: Pine Plantations Private Limited – Gully Road, Southland

Special forestry test (one-off consent)

Overview

Purpose

1. We seek your decision on an application by **Pine Plantations Private Limited (PP)** under the Overseas Investment Act 2005 (the **Act**) to acquire a freehold interest in approximately 457ha of land situated at 111 Gully Road, Southland. (the **Land**).
2. PP is a NZ incorporated company which is a new investor in NZ. The underlying owners of PP are Malaysian individuals.
3. PP intends to acquire sensitive farm land, which will mostly be converted to a forestry plantation. The Land includes an area of high value native vegetation which will be protected under the proposed investment plan.
4. PP intends to employ PF Olsen Limited (**PF Olsen**) to establish and manage the new forest.
5. We consulted with the Department of Conservation (**DOC**) with regard to this Land, and PP consulted with Environment Southland (**ES**).

Key information

Applicant	Pine Plantations Private Limited (Malaysia 100%)
Vendor	AG and KM Gill Limited (NZ 100%)
Consideration	\$4,000,000
Application type	Consent (one-off) for an overseas investment in sensitive land
Relevant tests	<ol style="list-style-type: none">1. Investor test2. Benefit to New Zealand test (the special test relating to forestry activities)3. Farm land offer criterion

6. Under the Designation and Delegation Letter dated 17 October 2018, the decision may be made under delegation.

Recommendation

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

Decision

Relevant overseas person, individuals with control

9. I determine that:

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

ROP	Role
Pine Plantations Private Limited (PP)	Applicant and acquiring entity
Eng Guan Chan Sdn. Berhad (EB)	100% parent of PP

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

IWC	Role
Dr Soon Leong Neoh	Managing Director of PP and EB
Peter Allan Keach	NZ Resident Director of PP
Joo Lee Khoo	PP Director and Board Member. Director of EB
Jiun Yih Neoh	PP Director and Board Member. Director of EB
Dr Soon Bin Neoh	PP Director. Director of EB

Investor test

10. I am satisfied that:

- the IWC collectively have business experience and acumen relevant to the investment;
- the ROP has demonstrated financial commitment to the investment;
- each IWC is of good character; and
- each IWC is not an individual of the kind referred to in sections 15 or 16 of the Immigration Act 2009 (which sections list certain persons not eligible for visas or entry permission under the Immigration Act).

Special Forestry Test

11. I am satisfied that:

- the Land is likely to be used exclusively or nearly exclusively for forestry activities;
- the Land does **not** include residential land;
- the Land is **not** likely to be used or held for future use for any residential purposes except worker accommodation permitted under section 16A(4)(c) of the Act;
- the requirements set out in clause 29(2) of the Overseas Investment Regulations 2005 (**Regulations**) are likely to be met (in summary, requirements to continue existing arrangements, existing conditions of consent, and log supply obligations);



- (e) whenever a crop of trees is harvested on the Land, a new crop is likely to be established to replace the crop that is harvested;
- (f) the Land does **not** include special land (i.e. qualifying foreshore, seabed, riverbed, or lakebed).

Farm land offer criterion

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

Decision

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

Grant consent subject to the conditions
in the Proposed Decision:



Consent declined:



M Appleyard.

Michael Appleyard

Manager Applications, Overseas Investment Office

Date: 13 / 04 / 2021

Who is making the Investment

Applicant details

Description of the Applicant

14. The Applicant is **Pine Plantations Private Limited (PP - CN 6257507)**.
15. This is PP's first application under the Act.
16. PP is a NZ company incorporated in March 2017. It is an overseas person under the Act as it is ultimately owned and controlled by Malaysian individuals.
17. PP intends to invest in forestry and publicly listed companies in NZ and Australia.
18. To date, the only investments PP has in NZ are shares in publicly listed companies, which it has acquired with the assistance of wealth management company JBWere.

Who owns the Applicant

19. The underlying owners of PP are Malaysian individuals. No foreign government entity has any interest in PP.
20. PP is a 100% subsidiary of a Malaysian Domiciled Company - Eng Guan Chan Sdn. Berhad (**EB**). The only investment that EB holds in NZ is its shares in PP.
21. EB is owned by various Malaysian individuals (associated with the Neoh family), none holding more than 25% (the largest holds just over 21%).
22. An ownership structure diagram is included as **Attachment 3**.
23. EB was founded in 1956. Since the 1990s, it has evolved into a company specialising in investing in publicly listed companies situated in the USA, Western Europe, Japan, Singapore and Malaysia. Currently, it only invests in shares in well-known publicly listed companies, share (equity) funds, bonds, private equities and hedge funds.

Who controls the Applicant

24. PP has five directors, four of whom are also directors of EB. EB has no control over the decision-making powers of PP. The managing director of both PP and EB is **Dr Soon Leong Neoh**.
25. The directors of PP are set out in the table of IWC below.
26. PP's directors approved the acquisition of this investment and could approve its divestment, without approval or reference to EB. They will also approve significant capital and operating expenditure, without approval or reference to EB.
27. PP Managing Director Dr Neoh and the NZ resident director Peter Keach will make day to day decisions on behalf of PP if the proposed forestry investment goes ahead.
28. None of the IWC has ever held government positions.

Relevant Overseas Person and Individuals with Control

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

ROP	Role
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Pine Plantations Private Limited (PP)	Applicant and acquiring entity
Eng Guan Chan Sdn. Berhad (EB)	100% parent of PP

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

IWC	Role
Dr Soon Leong Neoh	Managing Director of PP and EB
Peter Allan Keach	NZ Resident Director of PP
Joo Lee Khoo	PP Director and Board Member. Director of EB
Jiun Yih Neoh	PP Director and Board Member. Director of EB
Dr Soon Bin Neoh	PP Director. Director of EB

Does the Applicant meet the Investor Test criteria?

Business Experience and Acumen

31. In this case, the overseas investment can be described as the acquisition of a farm for mostly conversion to forestry
32. The Applicant has engaged experienced (47 years) forestry manager PF Olsen Limited (**PF Olsen**) to assist with the development and management of the new forest.
33. In addition, we have reviewed the biographical information provided by PP for the IWC and note the following:
- the NZ resident director is **Peter Keach** who has significant business experience relevant to forestry acquisition, investment and management. Until he retired, he was the Chief Operating Officer of PF Olsen, and has experience in converting farm land to forestry due to his previous work at PF Olsen;
 - the Managing Director of both PP and EB is **Dr Soon Leong Neoh** who holds a Bachelor of Science (Honours) in Soil Science and Plant Nutrition and was subsequently awarded a PhD in the same field from the University of Western Australia. He is in charge of the equity (shares) and bond investments of publicly listed companies in several parts of the world for EB (in NZ under the guidance of JBWere).
34. Having regard to the above, **we are satisfied** the IWC collectively have business experience and acumen relevant to the investment.

Financial Commitment

35. PP has demonstrated financial commitment to the investment by:
- entering into the purchase agreement;
 - paying the deposit of \$400,000;
 - preparing the OIO application;

- obtaining a sensitive land certificate;
 - engaging professional advisors.
36. PP will finance the acquisition and development of the Land through an interest-free loan from EB.
37. Having regard to the above, **we are satisfied** the ROP has demonstrated financial commitment to the investment.

Good Character

38. PP has provided a statutory declaration stating that each IWC is of good character, has not committed an offence or contravened the law, and know of no other matter that reflects adversely on their fitness to have the Investment. We are satisfied that the statutory declaration can be relied on as it complies with the requirements of the Oaths and Declarations Act 1957.
39. No significant matters were identified through our open source searches that give rise to character concerns. Therefore, **we are satisfied** the IWC are of good character.

Immigration Act

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

Summary of the proposed investment and investment plan

Sensitive land – 111 Gully Road

43. PP is seeking to acquire approximately 457ha of sensitive freehold land located at 111 Gully Road, Southland (**the Land**).
44. The Land is outlined in black on the following aerial photo:



45. The Land is sensitive for being over 5ha of non-urban land and adjoining a possible Conservation Act marginal strip. Further details relating to the sensitive land are set out in **Attachment 2**.
46. The following Land Use Capability (**LUC**) class information¹ provides general context as to the productive capacity and physical limitations of the land:
- (a) LUC 6 (309ha);
 - (b) LUC 4 (93ha);
 - (c) LUC 3 (32ha); and
 - (d) LUC 2 (23ha).
47. The Land does **not** include residential land or special land.

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

48. The Land does contain a residential dwelling and curtilage of approximately 12ha. The buildings include a three-bedroomed home with semi-detached garage and sleepout (the **dwelling**), which is intended to be subdivided off.
49. The Land also includes approximately 70ha of ecological high value area (**HVA**) which is currently open to grazing, and which the Vendor and Environmental Southland (**ES**) have been working together to enhance. In late 2019, ES produced a detailed report on these HVA. PP has consulted with ES regarding the HVA, and further details are set out under the Investment Plan and Existing Arrangements sections below.

Vendor

50. The Vendor is AG and KM Gill Limited, a NZ owned entity.
51. The Land is currently run as a large-scale sheep and beef farm, which includes approximately 3ha of existing trees. The Vendor is selling as it wishes to move into a different type of farming.

Agreement to Purchase

52. The parties entered their *Agreement for Sale and Purchase* for the Land in August 2020. Consideration for the Land is \$4 million + GST. The agreement is conditional upon OIO consent.
53. The Land had been on the market since June 2019, and was extensively advertised for almost a year up until May 2020. Further details are provided in the Farm Land Advertising section below.

Investment Plan

54. PP intends to convert most of the Land to a commercial forestry plantation – no resource consent is required. PP also intends to subdivide off approximately 12ha comprising the dwelling and associated curtilage.
55. PP has engaged PF Olsen to assist with the development and management of the new forest.
56. PP intends to own the Land as a long-term forestry investment. Once harvested, the trees will be sold to a combination of domestic and export markets. The split of volume between these two markets will depend on the opportunities available at the time, and which of those generate the best return on investment.
57. PP confirms that it will register the land in ETS.
58. With regard to the HVA, PP intends to ensure that the proposed use of the Land will have no impact on these ecological areas and will implement various recommendations required by ES and DOC.

National interest assessment

59. The transaction is **not** a transaction of national interest. **No** non-NZ government investors are involved and the investment is **not** in a strategically important business.

Consultation and submissions about the Investment

Consultation

60. We recommended that PP contact ES with regard to the HVA. The response from ES is set out in **Attachment 5**.

61. We also consulted with DOC, whose response is also set out in **Attachment 5**.

Submissions

62. No third party submissions were sought or received.

Does the Investment meet the Special Forestry Test?

Use of land for forestry activities

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

64. The approximate current and proposed use of the Land is set out in the table below:

111 Gully Road, RD 1, Tuatapere, Southland 9691		
Land use	Current (ha)	Proposed (ha)
Forestry (total)	3.45	330.82
Unplanted (<i>other than farm land</i>) (total)	0	121.58
Farm land (total)	461.32	0
Land to be divested/subdivided and sold (total)	0	12.37
Total land use	464.77 ha	464.77 ha
Forestry (total ha)	3.45	327.37
Existing plantation	3.45	0
New planting / afforestation – at 833 stems per ha	0	327.37
Unplanted (total ha)	0	121.58
Native bush (including scrub)	0	98.54
Unplantable – ridges, gullies, steep land	0	0
Infrastructure – roads, tracks	0	.09
Buffer land, set-backs, riparian planting	0	22.95
Farm land (total ha)		
Pasture	364.7	0
Land to be divested / subdivided and sold (total ha)		12.37
Farm land	0	12.37
Forestry	0	0
Other	0	0

65. Approximately 71% of the total area (330ha out of 464ha*) is intended to be planted in trees (mostly *pinus radiata*) during 2021/22. Approximately 121ha is unplatable due to ponds, setbacks and native vegetation (including the 70ha of HVA which PP intends to protect as detailed further below under the Existing Arrangements section).

* We note that the area in the table exceeds the total record of title area of 457ha – the above areas are approximations only as set out on the PF Olsen planting plan (set out on the map included as **Attachment 4**).

66. The trees will be planted at 833 stems/ha. The forest will be managed by PF Olsen under a structural regime with a thinning to-waste operation at aged 10 years and then harvested at a range of 25-30 years.
67. Until planted, the Vendor will continue to graze the Land – this grazing licence is expected to expire in April 2022.

Condition(s)

68. The Act requires that condition(s) be imposed on any consent granted that require the Land to be used exclusively, or nearly exclusively, for forestry activities (section 16C(4) of the Act). Proposed **special condition 2** meets this requirement.
69. In addition, proposed **special condition 1** requires PP to complete planting a crop of trees on the Land by 31 December 2023. This condition requires that the crop of trees cover an area of at least 300ha.
70. Proposed **special condition 6** permits grazing of the Land as a temporary activity prior to planting.

Residential land restriction

71. We are satisfied that the Land does not include residential land, and accordingly that this criterion is met.

Restriction on use of the Land for residential purposes

72. We are satisfied that that the Land will not be used or held for future use for residential purposes.
73. The Land contains a three-bedroomed residential dwelling semi-detached garage and sleepout (the **dwelling**) and curtilage of approximately 12ha. PP intends to subdivide the dwelling and curtilage which will then be sold within 3 years.

Condition(s)

74. The Act requires that condition(s) be imposed on any consent granted that ensure that the Land is not used or held for future use for any residential purposes, except for worker accommodation in accordance with section 16(A)(4)(c) of the Act (section 16C(4) of the Act). Proposed **special condition 4** meets this requirement.
75. In addition, we recommend you impose a condition of consent requiring the land containing the dwelling to be divested within 3 years of the date of consent – see proposed **special condition 5**. We also recommend that, in imposing this divestment condition, there be a short-term transitional provision allowing the dwelling to be rented prior to divestment – see proposed **special condition 6**.

Requirement to implement and maintain existing arrangements

76. No existing arrangements have been identified in relation to the Land, either by us, PP, the Vendor or DOC.
77. For completeness, the following table summarises other arrangements falling outside of Regulation 29 which apply to the Land, and conditions which the PP has agreed to create anyway:

Protecting areas of indigenous vegetation or habitats of indigenous fauna
Protecting areas of habitats of trout, salmon and other specified wildlife or game
<p>The Vendor provided a detailed ecological report which was drawn up with the assistance of ES in November 2019 and which identified the High Value Area (HVA). Although this report makes many recommendations, we do not consider that it constitutes an “existing arrangement” as there is no indication that it has led to any written “arrangement” between the Vendor and ES.</p> <p>Even so, PP has written to ES to check whether ES had any recommendations to make at this time and to see what PP could do to continue the existing relationship between the Vendor and ES. This resulted in a number of management recommendations by ES, some of which PP has agreed to implement – see proposed special condition 8.</p> <p>We also consulted with DOC which also made some suggestions, some of which PP has also agreed to implement - see proposed special condition 8.</p>
Protecting historic places or historic areas entered on the New Zealand Heritage List
Protecting certain wāhi tapu or wāhi tapu areas
<p>The NZ Heritage List/Rārangi Kōrero was searched in relation to historical heritage and wahi tapu sites on the land – no existing arrangements were identified, nor were any identified by DOC.</p>
Protecting land that is set apart as Māori reservation etc
<p>None of the land is set aside as Maori reservation.</p>
Providing access to land for members of the public
<p>The Vendor has confirmed that there are no formal third party access arrangements in place.</p>

Condition(s)

78. The Act requires that condition(s) be imposed on any consent granted that ensure that existing arrangements will be implemented and maintained (section 16C(4) of the Act). Proposed **special condition 7** meets this requirement by requiring that any arrangements not identified in the application, are maintained and implemented.
79. In addition, as stated above, proposed **special condition 8** includes various conditions agreed to by PP in relation to the HVA, whilst proposed **special condition 9** imposes a public access permit system.

Continuing obligations under any existing consent conditions

80. Not relevant. The Vendor is not an overseas person under the Act.

Continuing any existing log supply obligations

81. Not relevant. There is only one small area of trees on the Land and the Vendor has confirmed no log supply obligation applies to it.

Replanting requirement

82. We are satisfied that whenever a crop of trees is harvested on the Land, a new crop is likely to be established on the relevant land to replace the crop that is harvested.
83. PP expects that replanting will commence in 2049 and be completed by 2055 once the first rotation of trees is harvested.

Condition(s)

84. The Act requires that condition(s) be imposed on any consent granted that ensure that the harvested trees are replanted (section 16C(4) of the Act). Proposed **special condition 3** meets this requirement by requiring trees to be replanted within three years of harvest.

Special land offer requirement

85. The Land does **not** include special land (i.e. qualifying foreshore, seabed, riverbed, or lakebed).

Provision for other requirements in the Regulations

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

Farm land offer criterion

87. The Land was extensively advertised for sale for almost a year from June 2019 – May 2020 - prior to the entering of the *Agreement to Purchase* by PP in August 2020.
88. Advertising included the following:

Internet

- www.harcourts.co.nz;
- www.nzfarms.co.nz;
- www.trademe.co.nz;
- www.realestate.co.nz; and
- www.southernwiderealestate.co.nz

Printed media

- *Southland Times* (advertisement published 29 times between June 2019 and May 2020);
 - *NZ Farmer*;
 - *Farmers Weekly*;
 - *Property Brochure*.
89. After reviewing the form, content, duration, and publication date of the advertising **we are satisfied** it meets the requirements of the Regulations.

Conclusion and recommendation

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

List of Attachments

Attachment 1	Proposed decision
Attachment 2	Sensitive land details and maps
Attachment 3	Corporate structure diagram
Attachment 4	Planting map
Attachment 5	Correspondence with Environment Southland and DOC

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: 13 April 2021

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

Case	202000760
Consent type	One-off Consent (forestry activities) for an overseas investment in sensitive land
Consent holder/s	Pine Plantations Private Limited (company number 6257507) (You or the Consent Holder)
Consent	The Consent Holder may acquire the Land subject to the Conditions set out below.
Land	Approximately 457 hectares of land situated at 111 Gully Road, Southland being the land comprised in records of title SL218/93, 157636, 293616, 674954, SL8C/39 and SL6C/927
Use-by Date	28 March 2022

Conditions

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

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

Definitions

Act means the Overseas Investment Act 2005.

Dwelling means the current three-bedroomed home located on the Land with semi-detached garage and sleepout (along with approximately 12 hectares of curtilage).

HVA means the areas identified in the “*High Value Areas Ecological Assessment Report – Ayson Gill – Gill, TUAT37*” dated 28 November 2019 (as attached to the Vendor Information Form provided with the Application) the approximate areas of which are shown on the Map attached as **Appendix 1** to these conditions.

Regulations means the Overseas Investment Regulations 2005.

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

Special conditions

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

Details	Required date
Special condition 1: land must be planted with trees	
You must complete planting a crop of trees on the Land. The crop of trees must cover an area of at least 250 hectares.	By 31 December 2023
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. Forestry activities means maintaining, harvesting, and/or establishing a crop of trees for the purpose of plantation forestry but excluding permanent forestry.	At all times.
If you do not comply with this condition, standard condition 6 will apply and we may require you to dispose of the Land.	
Special condition 3: trees must be replanted after harvest	
You must replace each crop of trees you harvest with a new crop of trees (Replant). You may Replant on a like-for-like basis or on any similar basis. This condition does not require you to: 1. Replant the Land with the same species of tree or use the same silvicultural regime; or 2. Do anything in breach of any other Act, regulation, rule, bylaw, or that is otherwise contrary to law.	Within three years of harvest (or as otherwise permitted by this condition).

This condition does not limit special condition 2.	
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: residential use restrictions	
<p>The Land must not be used, or held for future use, for any residential purposes except for:</p> <ol style="list-style-type: none"> 1. worker accommodation in accordance with section 16A(4)(c) of the Act; or 2. 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 5: dwelling must be divested	
<p>You must:</p> <ol style="list-style-type: none"> 1. relocate the Dwelling from the Land; or 2. sell that part of the Land that contains the Dwelling to a third party who is not your associate; or 3. complete a subdivision of the Land so that the Dwelling is on a separate title (the Subdivided Land) and can be sold 	Within three years of the date of consent
If you have completed a subdivision of the Land, you must sell the Subdivided Land to a third party who is not your associate.	At all times
Special condition 6: permitted temporary activities	
<p>The Land may be used for the following temporary activities for transitional purposes:</p> <ol style="list-style-type: none"> 1. The Land may be grazed prior to being planted with a crop of trees in accordance with special condition 1; and 2. The Dwelling may be rented for transitional purposes until it is sold or removed in accordance with special condition 5. 	Temporarily (for the period stated in the condition).

Special condition 7: existing arrangements

You must implement and maintain any existing arrangements in respect of the Land that are for a specified purpose as set out in Regulation 29 of the Regulations (**Arrangements**).

You must implement and maintain all Arrangements, including:

1. specific Arrangements set out in these Conditions; and
2. Arrangements you did not identify in your application for consent.

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 8: forestry management plans

Your forestry management plans must include processes to provide for the following:

Maintaining existing Arrangements

- maintain any existing Arrangements (as described in Special Condition 7 and Regulation 29 of the Regulations);

Undertaking best practice in forestry management and protecting waterways

- undertake forest operations within the principles of the New Zealand Forest Accord and within the rules of the National Environmental Standards for Plantation Forestry;
- undertake pest control (in particular the control of possums, rabbits and hares) in line with the Regional Pest Management Plan targets of 10%RCT and Level 3 on the Modified McLean Scale respectively;
- retain all existing riparian margins during afforestation, avoid planting any forest within 5 metres from any perennial river, and undertake precautions during harvest to prevent sediment entering any local waterways;
- establish living slash catchers in key areas to mitigate risks associated with mobilisation of slash after harvest and associated forest operations within the forest;
- follow protocol and meet legal obligations if koiwi (bones) or other Māori artefacts are found;

At all times.

Protecting high-value areas (HVA)

- continue to protect the HVA, including considering additional formal legal protection for the HVA;
- provide an at least 10 metre buffer between the plantation forest and any areas of native vegetation (including the HVA), adopt harvesting techniques which minimise damage such areas, and exclude domestic stock from the HVA;
- monitor the HVA for wilding tree incursions five years after the planting of any trees on the Land, undertake further monitoring surveys every five years, and remove any wilding pines from the HVA as soon as possible after discovery;

Providing access

- permit reasonable public access for members of the public where safe to do so.

Standard conditions

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

Details	Required date
Standard condition 1: acquire the Land	
<p>You must acquire the Land:</p> <ol style="list-style-type: none">1. 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, and2. using the acquisition, ownership and control structure you described in your application. Note, only you – the named Consent Holder - may acquire the Land, not your subsidiary, trust or other entity.	As stated in the Consent.
Standard condition 2: tell us when you acquire the Land	
<p>You must tell us in writing when you have acquired the Land. Include details of:</p> <ol style="list-style-type: none">1. the date you acquired the Land (Settlement),	As soon as you can, and no later than two months after Settlement.

<ol style="list-style-type: none"> 2. consideration paid (plus GST if any), 3. the structure by which the acquisition was made and who acquired the Land, and 4. copies of any transfer documents and Settlement statements. 	
Standard condition 3: allow us to inspect the Land	
<p>Sometimes it will be helpful for us to visit the Land so we can monitor your compliance with the Conditions.</p> <p>We will give you at least two weeks' written notice if we want to do this.</p> <p>You must then:</p> <ol style="list-style-type: none"> 1. Allow a person we appoint (Inspector) to: <ol 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 records, and (f) do all other things reasonably necessary to carry out the Inspection. 2. Take all reasonable steps to facilitate an Inspection including: <ol style="list-style-type: none"> (a) directing your employees, agents, tenants or other occupiers to permit an Inspector to conduct an Inspection, (b) being available, or requiring your employees, agents, tenants or other occupiers to be available, at all reasonable times during an Inspection to facilitate access onto and across the Land. This includes providing transport across the Land if reasonably required. <p>During an Inspection:</p> <ol style="list-style-type: none"> (c) we will not compel you and your employees, agents, tenants or other occupiers to answer our questions or to let us look at, copy or take away documents, 	<p>At all times.</p>

<p>(d) our Inspector will comply with any reasonable instruction and co-operate with any reasonable health and safety policy or procedure you notify to us before the Inspection.</p>	
Standard condition 4: remain of good character	
<p>You and the Individuals Who Control You:</p> <ol style="list-style-type: none"> 1. must continue to be of good character, and 2. must not become an individual of the kind referred to in section 15 or section 16 of the Immigration Act 2009. <p>In summary, these sections describe convicted or deported people who are not eligible for visa or entry permission to enter or be in New Zealand and people who are considered likely to commit an offence or to be a threat or risk to security, public order or the public interest.</p> <p>The Individuals Who Control You are individuals who:</p> <ol style="list-style-type: none"> (a) are members of your governing body, (b) directly or indirectly, own or control more than 25% of you or of a person who itself owns or controls more than 25% of you, and (c) are members of the governing body of the people referred to in paragraph (b) above. 	<p>At all times.</p>
Standard condition 5: tell us about changes that affect you, the people who control you, or people you control	
<p>You must tell us in writing if any of the following events happens to any of the Consent holders:</p> <ol style="list-style-type: none"> 1. You, any Individual Who Controls You, or any person in which you or any individual who controls you hold (or at the time of the offence held) a more than 25% ownership or control interest commits an offence or contravenes the law anywhere in the world. This applies whether or not you or they were convicted of the offence. In particular, please tell us about any offences or contraventions that you are charged with or sued over and any investigation by enforcement or regulatory agencies or professional standard bodies. 2. An Individual Who Controls You ceases to be of good character; commits an offence or contravenes the law (whether they were convicted or not); becomes aware of any other matter that reflects adversely on their fitness to have the Land; or becomes an individual of the kind referred to in section 15 or 16 of the Immigration Act 2009 (see Standard condition 4). 	<p>Within 20 working days after the change.</p>

<p>3. You cease to be an overseas person or dispose of all or any part of the Land.</p> <p>4. You, any Individual Who Controls You, or any person in which you or any Individual Who Controls You hold (or at the time of the event held) a more than 25% ownership or control interest:</p> <ul style="list-style-type: none"> (a) becomes bankrupt or insolvent (b) has an administrator, receiver, liquidator, statutory manager, mortgagee's or chargee's agent appointed, or (c) becomes subject to any form of external administration. 	
Standard condition 6: dispose of the Land if you do not comply with key special conditions	
<p>If all or part of this standard condition 6 applies to a special condition, we have said so in that condition.</p> <p>If we consider you have failed to comply with one of those special conditions in a material way we may require you to dispose of the Land.</p> <p>We will give you written notice if we require you to dispose of the Land. After we have given you notice, you must:</p>	
Value the Land: obtain and send us a copy of a market valuation of the Land from a New Zealand registered valuer.	Within six weeks of the date of our notice.
Market the Land: instruct a licensed real estate agent to actively market the Land for sale on the open market.	Within six weeks of the date of our notice.
Dispose of the Land: dispose of the Land to a third party who is not your associate.	Within six months of our notice.
Offer without reserve: if you have not disposed of the Land within six months of our notice, offer the Land for sale by auction or tender without a reserve price or minimum bid and dispose of the Land.	Within nine months of our notice.
Report to us about marketing: tell us in writing about marketing activities undertaken and offers received for the Land.	By the last day of every March, June, September and December after our notice or at any other time we require.

Report disposal to us: send us, in writing, evidence:

- (a) that you have disposed of the Land,
- (b) of disposal (including copies of sale and purchase agreements, settlement statements and titles showing the purchaser as registered proprietor),
- (c) the purchaser is not your associate.

Within one month after the Land has been disposed of.

Released under the Official Information Act 1982

Reporting conditions

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

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

1. be sent to oiomonitoring@linz.govt.nz by these dates:
 - (a) 28 March 2022
 - (b) 28 March 2024
 - (c) 28 March 2026
2. contain information about:
 - (a) your progress in implementing the special conditions (which can include photographs, maps or aerial imagery as evidence of compliance with relevant conditions), and
 - (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)
3. follow the format of the template annual report published on our website at <https://oio.linz.govt.nz/oio-consent-monitoring>.

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

- (a) The representations and plans made or submitted in support of the application and notified by the regulator as having been taken into account when the consent was granted, or
- (b) The conditions of this consent.

Appendix 1 – Map of High Value Areas

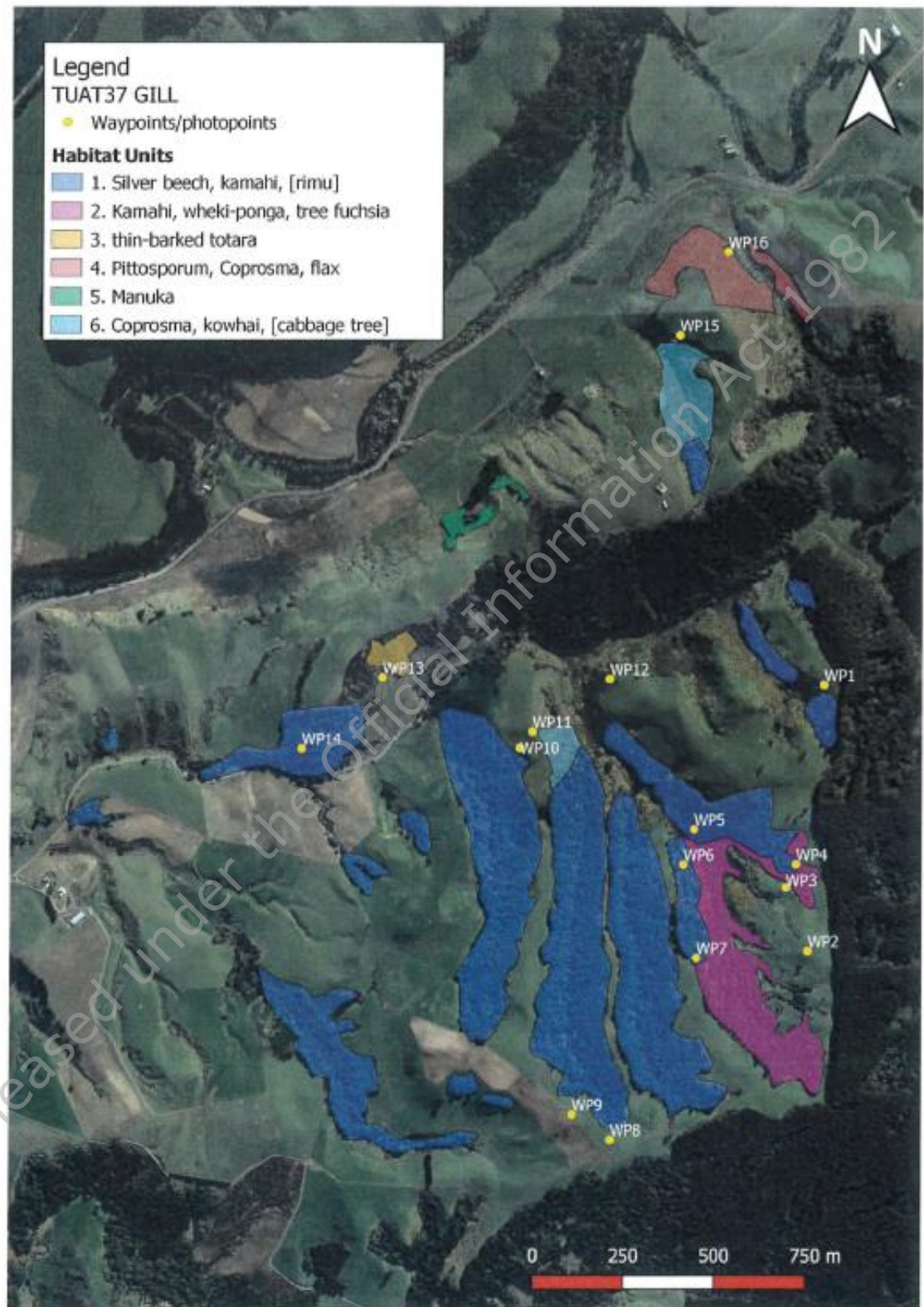


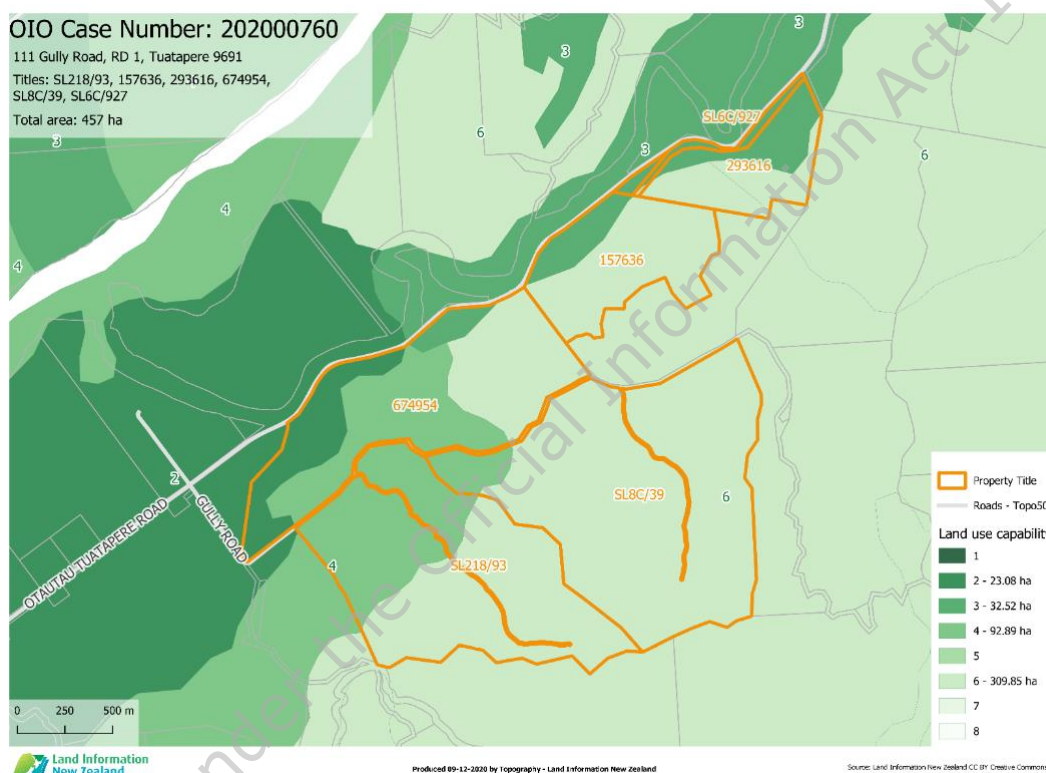
Figure 4: Aerial imagery showing the habitat units described in this report and the location of photopoints/waypoints. Boundaries are approximate. Refer to Appendix 1 for key to photopoints/waypoints. Photographs can be viewed in Appendix 2.

Attachment 2: Sensitive Land Details and Maps

1. Land at 111 Gully Road, RD 1, Tuatapere:

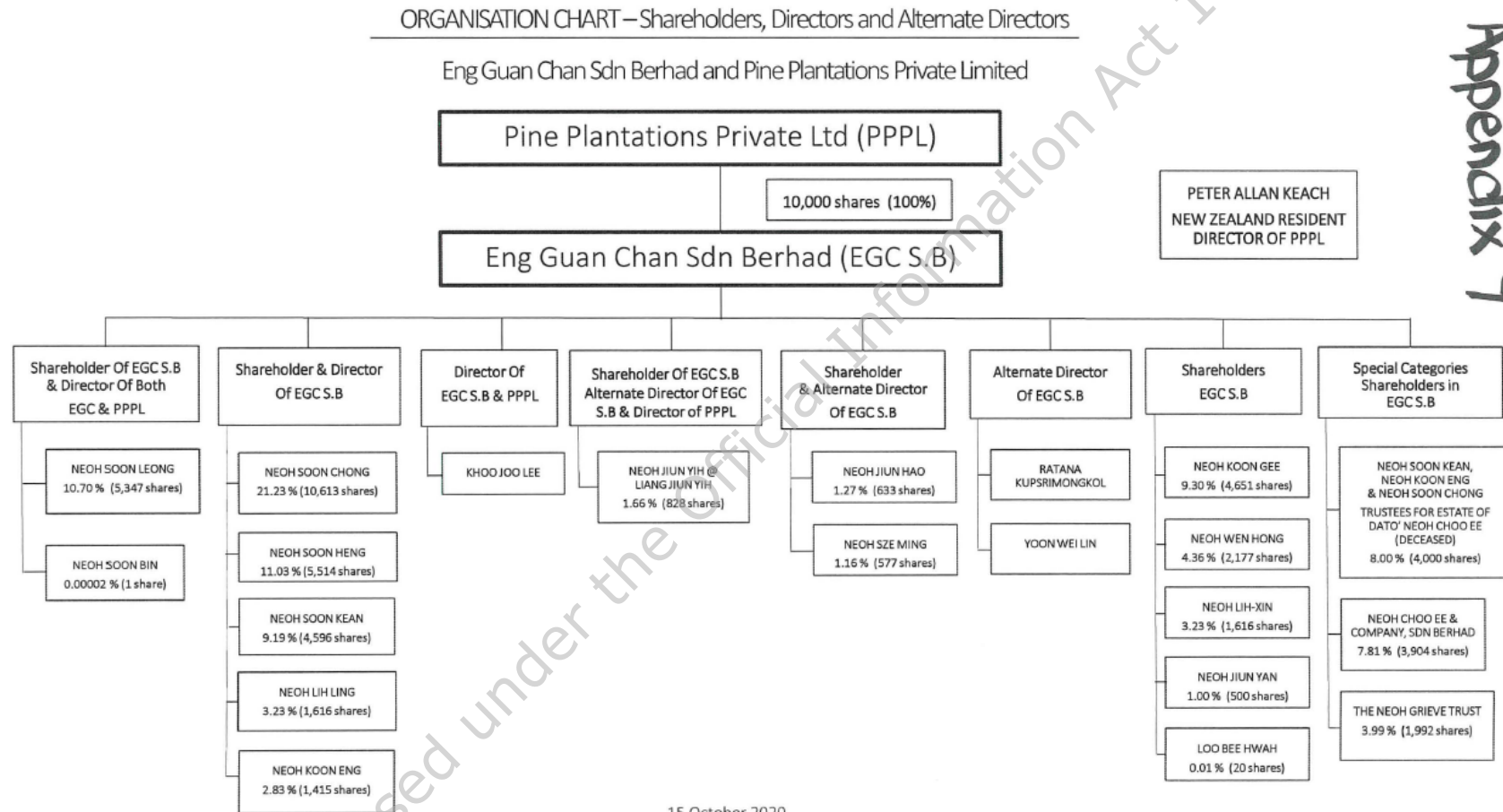
Land interest	Freehold Interest (approximately 457 hectares)
Records of Title	SL8C/39, SL218/93, 674954, 157636, SL6C/927, 293616
Sensitivities	Is more than 5 hectares of non-urban land Adjoins land that is over 0.4 hectares and is held for conservation purposes under the Conservation Act 1987

2. Map showing the Land Use Capability (LUC) classes on the Land:



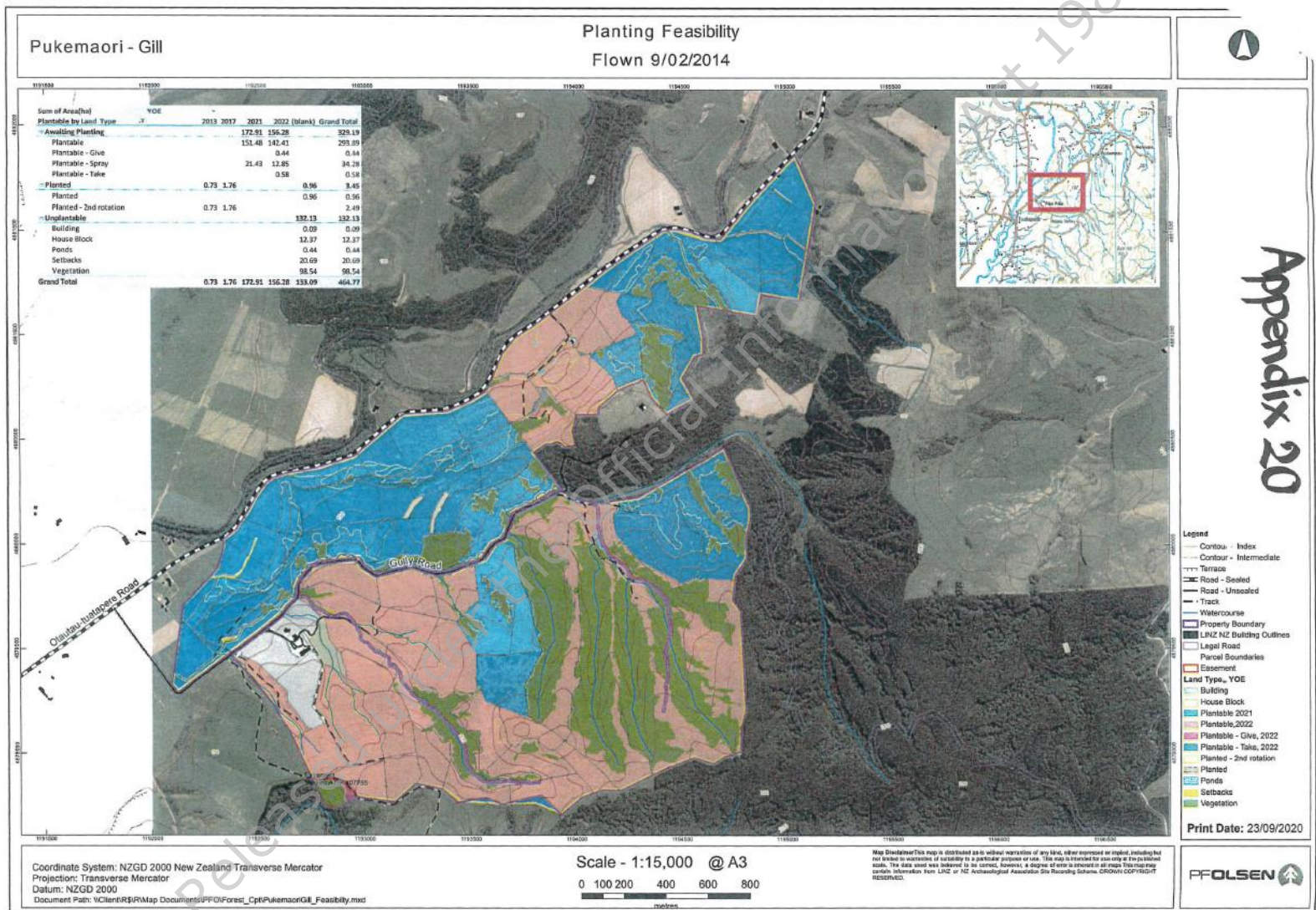
<i>LUC Class code</i>	<i>Description</i>
1	Land with virtually no limitations for arable use and suitable for cultivated crops, pasture or forestry
2	Land with slight limitations for arable use and suitable for cultivated crops, pasture or forestry
3	Land with moderate limitations for arable use, but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

Attachment 3: Ownership structure diagram



Appendix 7

Attachment 4: Planting plan



Attachment 5: Correspondence with Environmental Southland and DOC



To Whom It May Concern

Re: 111 Gully Road, RD1 Tuatapere

From the information provided to Environment Southland on the 19th, 21st and 25th of February 2021, and providing all of the actions provided below are followed, we do not anticipate any significant biosecurity issues or indigenous biodiversity concerns from this proposal. Any subsequent changes to afforestation species of the management may change this assessment.

It should be noted that the High Value Area report is not an Ecological Impact Assessment and cannot be used as such, it is purely a record of the indigenous values found to be present on the site at the time of the survey. We would encourage the owners to complete weed control of broom, gorse and elderberry throughout the areas of indigenous vegetation as recommended in the High Value Area report.

This letter is not an exemption from any rules within the Southland Regional Pest Management Plan or any other Environment Southland Plan and all rules will continue to apply.

Yours Sincerely

Actions provided to Environment Southland by P.F. Olsen in relation to the management of the property:

1. All forest operations will be undertaken within the principles of the New Zealand Forest Accord, and within the rules of the NES-PF.
2. There is a 5 m buffer around the drip line of all HVA areas.

For now
& our future



3. The afforestation species is *Pinus radiata*
4. The forest owner will undertake to monitor the HVA areas for wilding tree incursions from the age of 13 years. Monitoring surveys will be completed every five years from that point, with a work plan and budget provided to the forest owner where wilding trees are located (beyond what can be removed during the survey).
5. Domestic stock will be removed from the HVA areas, improving seedling survival rates.
6. Deer control will be undertaken via recreational hunting, under an access permit system.
7. Possums, rabbits, and hares will be controlled inline with the Regional Pest Management Plan targets of 10%RCT and Level 3 on the Modified McLean Scale respectively. Higher level of control will occur during the first four years via contract night shooting. The most intensive control will occur in the first two years while the *P.radiata* seedlings are most vulnerable.

DOC EMAIL

From: DOC

Sent: Friday, 5 March 2021

To: OIO

Subject: RE: Overseas Investment Application 202000760 - Gully Road

Thank you for providing DOC with the opportunity to comment on this Special Forestry Test application for Gully Road.

DOC does not have any written 'existing agreements' in place on this property. DOC is not aware of any other existing agreements on the land.

DOC supports the proposal to include a consent condition which will require the consultation with Environment Southland to continue (if not already completed) and to avoid any planting on the identified high value areas. DOC would like to see this expanded to include that the recommendations/management section of the High Value Area Report and/or the management actions provided to Environment Southland are implemented by the applicant.

In particular DOC are keen to see the applicant implement the exclusion of stock from all high value areas and preferably provide connectivity for native species between the areas. DOC supports the recommendation in the High Value Area Report that these high value areas are protected in perpetuity by a QEII (or DOC Reserves Act) conservation covenant. These areas are close to DOC's Longwood Forest Conservation Area and would provide a permanent habitat expansion for native species present in the conservation area.

DOC supports the buffer zone to the High Value Areas included in the management actions provided to Environment Southland. DOC additionally wants to advocate that good buffers are implemented during the forestry planting to ensure waterways are protected against sediment and slash during future harvesting and in any replanting. DOC supports the pest species control that has also been noted in the management actions.

If you have any questions please let me know.

Kind regards