

LAND INFORMATION NEW ZEALAND
OVERSEAS INVESTMENT OFFICE COVER SHEET

REPORT NUMBER

812/200720136

DATE

3 July 2008

SUBJECT

Overseas Investment Act 2005
Applicant – John Shrimpton

AUTHORISED BY

Annelies McClure - Manager
Overseas Investment Office

ACTION SOUGHT FROM
MINISTER OF FINANCE

Sign the attached memorandum and refer
it to the Minister for Land Information

ACTION SOUGHT FROM
MINISTER FOR
LAND INFORMATION

Sign the attached memorandum once it is received
from the Minister of Finance and send it back to the
Overseas Investment Office

If the Ministers' decisions differ they should discuss
the application.

If Ministers wish to make changes to the conditions of
consent, those changes should be discussed with the
Overseas Investment Office before being finalised.

TIMEFRAME

Signed by the Minister of Finance and sent to Minister
for Land Information.

10 July 2008

Signed by Minister for Land Information

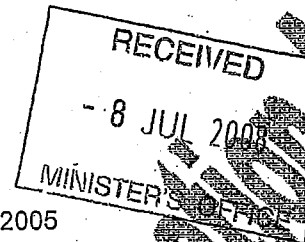
17 July 2008

SECURITY CLEARANCE

Commercial Secret

OIO CONTACT

Annelies McClure – Manager
Overseas Investment Office
Phone: 04-462 4461



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Application No. 200720136

Toitu te
Land whenua
Information
New Zealand



3 July 2008

Minister of Finance
Minister for Land Information

**OVERSEAS INVESTMENT PROPOSAL
REPORT NUMBER 812**

SUMMARY

"Farm-land"	Yes
Advertised	Yes
Land Interest	Freehold - 44,595.0719 ha Leasehold - 14,146.216
Land Area	14,595.0719 hectares
Current Land Use	14,595.0719 hectares: Agriculture - Sheep Farming
Proposed Land Use	14,595.0719 hectares: Agriculture - Sheep, Beef, Cattle
Beneficial Overseas Ownership	
Asset Current	0 percent
Asset Proposed	100 percent
Share Current	N/A
Share Proposed	N/A
Recommendation	Approve

Ministerial consideration is required to this matter as the land adjoins land exceeding 0.4 hectares that (a) is held for conservation purposes under the Conservation Act 1987, being the Craterburn State Forest Park, and (b) adjoins land that adjoins a lake and exceeds 0.4 ha (Lake Coleridge) and is a road for the purposes of the Local Government Act 1974, being the paper road that extends the entire length of land's eastern boundary with Lake Coleridge.

APPLICANT

Ryton Station Limited

1. 100 percent - United Kingdom - Shrimpton (John).

Overseas Investment Office
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160 Lambton Quay
Private Box 5501
Wellington
New Zealand
Tel 64-4-462 4490
Fax 64-4-460 0111
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APPLICATION

2. To acquire 14,595.0719 hectares of land situated at Ryton Station, Harper Road, Lake Coleridge, Canterbury for a consideration of \$23,500,000 plus GST (if any).

DETAILS OF THE LAND

3. The land comprises 448.8559 hectares of freehold and 14146.216 hectares of leasehold and is situated at Ryton Station, Harper Road, Lake Coleridge, Canterbury being CTs CB44C/718, CB26A/564 and CB620/51 (freehold) and CB529/90 and 72034 (leasehold) (Canterbury Registry).
4. Ryton Station's eastern boundary adjoins Lake Coleridge, the largest of the Canterbury high country lakes. Its northern boundary adjoins the Harper River, its western boundary adjoins the Craigieburn mountain range and its southern boundary adjoins Lake Coleridge Station. There are five lakes within the property, Lakes Evelyn, Selfe, Henrietta, Catherine and Ida, all of which are Crown-owned. The Ryton River is wholly contained within the property, with its headwaters rising in the Craigieburn range and flowing eastwards with its outlet into Lake Coleridge at Ryton Bay. The bed of the Ryton River is vested in either the Crown or the University of Canterbury.
5. The freehold land in CT44C/718 contains 5.5774 hectares and is located at the very northern end of Ryton Station. It contains a number of accommodation buildings, including a farm manager's cottage.
6. The freehold land in CT 26A/564 contains 249.6642 hectares and is located at Ryton Bay. The title has the main farm buildings located on it. Semi-public camping has evolved at Ryton Bay, without council consent, and the current owner of Ryton Station issues short term licences for the sites. There is no legal access to the camping area or Ryton Bay. The vendor has applied to subdivide part of the camping group land into 232 residential sections.
7. The freehold land in CT CB620/51 contains 193.6143 hectares and is located at the northern end of Ryton Station, adjoining the Harper River. It contains no buildings or other improvements.
8. The leasehold land in CT CB529/90 has an area of 5058.5705 hectares and is known as the "Mt Olympus Pastoral Lease". The land adjoins the Harper River, Craigieburn Range, Lake Coleridge Station and the Ryton Station University of Canterbury lease. The Mt Olympus ski field is located on the Mt Olympus Pastoral Lease and a club ski field is operated under a recreation permit issued by the Commissioner of Crown Lands. A Land Improvement Agreement registered against the title prevents grazing over a significant part of the land. The lease provides for 1100 sheep to be grazed on the land.
9. CT 72034 is a University of Canterbury leasehold property of 9087.6455 hectares. The land contains some huts and an old skating club building at Lake Ida. Lake Ida was known for winter ice skating in the past; however, the skating club no longer operates as recent winters have not been sufficiently cold. A Land Improvement Agreement registered against the title prevents grazing around the higher slopes of Mt Ida and Mt Hennah.

DETAILS OF ANY SENSITIVE LAND, BEING LAND IN THE FIRST SCHEDULE TO THE OVERSEAS INVESTMENT ACT 2005

10. The land is non-urban land that exceeds 5 hectares.

11. The land adjoins land exceeding 0.4 hectares that is held for conservation purposes under the Conservation Act 1987, being the Craigieburn State Forest Park.
12. The land adjoins land exceeding 0.4 hectares that adjoins a lake and exceeds 0.4 hectares (Lake Coleridge) and is a road for the purposes of the Local Government Act 1974, being the paper road that extends the entire length of land's eastern boundary with Lake Coleridge.

THE INVESTMENT

13. Ryton Station's current farming operation is relatively small, with the Station carrying only 6,000 merino sheep. Large parts of the property are either unable or incapable of being farmed, due to restrictions under a Land Improvement Agreement registered against titles to the property, or the extreme nature of the terrain. In its current state the farm is barely an economic unit and farming revenues are poorly diversified and mostly reliant on the sale of wool. The farm supplements its revenues with a small tourist operation.

RATIONALE FOR THE INVESTMENT

14. The Applicant wishes to make a long term investment in an operating farm property in New Zealand. The Applicant's shareholder wishes ultimately to spend more time in New Zealand, with a view to possibly living permanently in New Zealand.
15. The Applicant proposes to enhance the Ryton Station's farm operation through the investment of additional capital and by changing current farming practices. The Applicant also proposes to implement the recommendations contained in an ecological report prepared in relation to the property, including the protection of wetlands and areas of indigenous forest located on the land, through the registration of conservation covenants under the Reserves Act 1977. The applicant also proposes to discontinue the proposed Ryton Bay subdivision.
16. Public access will also be provided to the Ryton River, adjoining Department of Conservation lands, Lakes Coleridge, Ida and Catherine.

CRITERIA SET OUT IN SECTION 46 OF THE OVERSEAS INVESTMENT ACT 2005

17. We have sought sufficient:
 - (a) information from the applicant for us to be assured about the accuracy of the information supplied; and
 - (b) evidence from the applicant for us to be able to judge whether the criteria and factors that apply to the relevant category of overseas investment are likely to eventuate.
18. We considered it necessary to seek input from the following parties in order to verify the information or evidence gathered:
 - (a) The Department of Conservation and Fish & Game New Zealand.
19. This report has been prepared on the presumption that the investment will be compatible with the foreign direct investment policy of the Government.
20. Does the relevant overseas person, or do the individuals with control of the relevant overseas person collectively, have business experience and acumen relevant to that overseas investment?

- (a) As outlined in the attached application and correspondence, the individuals with control of the Applicant have business experience and acumen relevant to the proposed investment. The Applicant's shareholder has considerable financial and business experience. An experienced farm manager, with supervision from a farm consultant, will undertake the day-to-day management of the farm property. Consent to the assignment of the Mt Olympus Pastoral lease and the University of Canterbury lease to the applicant has been granted, subject to OIO consent.

21. Has the relevant overseas person demonstrated financial commitment to the overseas investment?

- (a) The Applicant's shareholder has demonstrated a financial commitment to the investment by entering into a contract to carry out the investment and paying a deposit. The Applicant will fund the entire purchase price from personal cash deposits. The Applicant's shareholder has also agreed to personally guarantee the rental payments under the Mt Olympus Pastoral lease and the University of Canterbury lease.

22. Is the relevant overseas person, or are all the individuals with control of the relevant overseas person, of good character?

- (a) The Overseas Investment Office has received a statutory declaration signed by the Applicant's shareholder that complies with the requirements of the Oaths and Declarations Act 1957 and an independent reference from the Consul-General of the New Zealand Consulate in Ho Chi Minh City in Vietnam, attesting to the good character of the Applicant's shareholder.

23. Is the relevant overseas person, or is each individual with control of the relevant overseas person, not an individual of the kind referred to in section 7(1) of the Immigration Act 1987?

- (a) The Overseas Investment Office has received a statutory declaration signed by the Applicant's shareholder that complies with the requirements of the Oaths and Declarations Act 1957, stating that the Applicant's shareholder is not an individual of the kind referred to in section 7(1) of the Immigration Act 1987.

24. Is the relevant overseas person or are all the individuals with control of the relevant overseas person New Zealand citizens, ordinarily resident in New Zealand, or intending to reside in New Zealand indefinitely?

- (a) The Applicant shareholder's busy work schedule at present does not allow him to live in New Zealand indefinitely but he does intend to begin spending more of his holiday time at Ryton Station, if the application is approved. The Applicant's shareholder is eligible to apply under the New Zealand Immigration Service's "Global Investor Category" based on his investment exceeding \$20 million in New Zealand. However, any intentions to reside in New Zealand indefinitely are long term, rather than immediate, intentions.

25. Will the overseas investment, or is it likely to, benefit New Zealand (or any part of it or group of New Zealanders)?

The proposal is likely to result in the following benefits, including:

Overseas Investment Act

- (a) Section 17(2)(a)(i) - the creation of new job opportunities in New Zealand;
- (b) Section 17(2)(a)(iii) - increased export receipts for New Zealand exporters;
- (c) Section 17(2)(a)(iv) - greater productivity in New Zealand;
- (d) Section 17(2)(a)(v) - the introduction into New Zealand of development investment for development purposes;
- (e) Section 17(2)(b) - the protection of existing areas of significant vegetation and significant habitats of indigenous fauna through the registration of conservation covenants; and
- (f) Section 17(2)(e) - the creation of mechanisms to secure public walking access over the land.

26. Will the benefit be, or likely be, substantial and identifiable?

- (a) Having considered the factors (or parts of them) in section 17 of the Overseas Investment Act 2005 and Regulation 28 of the Overseas Investment Regulations 2005 and determined which of them are relevant to the overseas investment and the relative importance to be given to each relevant factor (or part), the proposed benefits are likely to be substantial and identifiable.

27. Has the farm land, or have the farm land securities, been offered for acquisition on the open market to persons who are not overseas persons, in accordance with the Overseas Investment Regulations 2005?

- (a) The property has been advertised in accordance with section 16(1)(a) of the Overseas Investment Act 2005. In this regard the property has been listed with Browns Sotheby's International Realty since 3 October 2007 and advertised on Browns Sotheby's International Realty's internet site.

28. Will the overseas investment, or is it likely to, result in the creation of new job opportunities in New Zealand or the retention of existing jobs in New Zealand that would or might otherwise be lost?

Claimed benefits

The tourism business based at Ryton Station offers 7 fully serviced ensuite chalets, a 15 bed self catering lodge and 3 self-catering holiday houses. Main attractions include: tramping and hiking, camping, horse trekking, fly fishing 4WD adventure tours, skiing and station to station tours. The business is operated and managed from the Ryton Homestead and employs a manager, a permanent staff member and additional casual staff during the summer

season. It is proposed that the tourism operation will not be altered significantly and all positions will be retained.

- (b) The Applicant has engaged Polson Higgs, Chartered Accountants, to prepare a business plan, with reference to a report prepared by Baker and Associates (Wairarapa) Limited and Denis Hazlett, Farm Consultants.
- (c) The Applicant's focus will be on the development of the farming operation. By investing in the infrastructure of the property, the farm consultants have assessed that the business's performance could be improved. As the farming operation is developed, one additional staff member will be employed along with an additional 0.25 FTEs as required to assist with managing the increase in stock numbers. External contractors will be required to complete the development (over a period of up to five years following settlement), including fencing contractors, aerial and ground fertilizer spreaders, weed removal contractors, cultivation and direct drilling contractors; earth moving machinery contractors for water supply installation and upgrading of tracks.

Our assessment

- (d) The proposal is likely to result in the creation of new job opportunities.

29. Will the overseas investment, or is it likely to, result in the introduction into New Zealand of new technology or business skills? X
30. Will the overseas investment, or is it likely to, result in increased export receipts for New Zealand exporters? ✓

Claimed benefits

- (a) It is proposed that the existing farm operations be intensified, with the farm consultants assessing that the number of stock units on Ryton Station could be increased to 6,250 stock units to 13,029 stock units over a five year development period, an increase of 108%. This will result in an estimated increase in product for export as follows: Wool production – 18,000 kgs per annum; beef meat production – 28,800 kgs carcass weight per annum; and sheep meat production – 60,000 kgs carcass weight per annum.

Our assessment

- (b) The proposal is likely to result in increased export receipts for New Zealand exporters.

31. Will the overseas investment, or is it likely to, result in added market competition, greater efficiency or productivity, or enhanced domestic services, in New Zealand? ✓

- (a) Claimed benefits

- (b) The Applicant's farm consultant describes Ryton Station as having suffered from significant lack of development because of limited capital. The Applicant proposes to introduce 250 breeding beef cows and a number of crossbred sheep to complement the merinos. The introduction of cattle will ensure improved pasture

management and returns. Productivity of the farming operation will also be increased as a result of the development of 600ha of new pasture, the construction of 74kms of new fence to create 74 new paddocks, the application of capital fertiliser to 1,350ha of hill country, the eradication of 81ha of wilding pine and gorse and extending the stock watering system.

- (c) The Business Plan's estimated statement of financial performance for 2013 shows an increase of Gross Farm Income increasing by 80% as a result of the development to \$101.88/ha and farm EBIT improving by 20% to \$16.55/ha. On completion of the development, it is forecast that the business will produce an EBIT of \$192,691 per year – compared with EBIT for the year ended 30 June 2007 of (\$596,784).

Our assessment

- (d) The proposal is likely to result in increased productivity of the land.

32. Will the overseas investment, or is it likely to, result in the introduction, into New Zealand of additional investment for development purposes?

- (a) Claimed benefits
- (b) The development programme for the business requires additional investment of \$1,801,400 over the first five years. Of that amount, \$51,400 will be funded from cash surpluses.
- (c) The development programme includes subdivision and fencing (74km) of the lower lying areas of the property \$592,000, new yards \$60,000, tracks \$50,000, water supply, \$30,000, fertilizer \$126,000, pasture renewal \$379,000, weed and pest control \$30,000, purchased and retained stock \$535,000.

Our assessment

- (d) The proposal is likely to result in the introduction of additional investment for development purposes.

33. Will the overseas investment, or is it likely to, result in increased processing in New Zealand of New Zealand's primary products?

Applicant's claims

- (c) The proposed investment will add to the processing of primary products in New Zealand because of the increased stock carrying capacity.

Our assessment

- (b) The proposal will likely to result in increased processing in New Zealand of New Zealand's primary products.

34. Are there, or will there be, adequate mechanisms in place for protecting or enhancing existing areas of significant indigenous vegetation and significant habitats of indigenous fauna?

- (a) A ecological report has been prepared by Golder Associates (NZ) Limited, which has identified various mechanisms to protect or enhance the significant habitats of indigenous vegetation and fauna on the property.

Plant Management:

- (b) There are areas of hawthorn and wilding pines on the Ryton Station (gorse and broom are not particularly widespread). The broom, gorse and wilding pines can all be eradicated. The hawthorn may be more difficult to remove as it is controlled by spraying and spraying is problematic when hawthorn has established itself among native vegetation. Control on a case-by-case basis may be all that can be achieved in the circumstances.
- (c) Capital expenditure of \$30,000 in the first year has been allocated to noxious plant control in the farm budget. Thereafter the Applicant states that noxious plant control will be maintained as part of the farm management funded from annual revenues.
- (d) Hieracium (hawkweed), which is listed a pest in Canterbury because of its threat to biodiversity values, can be locally abundant on Ryton Station. The environmental report states that there is considerable debate about how to eradicate hieracium and stop it from spreading. There is little in particular that can be done to control hieracium, other than keep abreast of latest research outcomes for hieracium control.
- (e) The Applicant has stated that it is willing to make a donation of \$10,000 to Landcare Research for research into hieracium control.

Pest management:

- (f) The most common pests are possums, stoats and feral pigs. The Applicant advises that a pest control strategy will be implemented in the form of trapping and shooting as part of normal farm management, funded from annual farm revenues.

Protection mechanisms - Wetlands/Indigenous vegetation

- (g) There is an extensive and ecologically significant wetland area in the northwest corner of Ryton Station, extending from Lake Selkirk and Henrietta to the Harper River. A wetland in the intermontane basin area between Lake Catherine and Mt Hennah, and a lagoon-wetland complex in Ryton Bay are also considered to be of high ecological value. The ecological report recommends that these wetlands be protected by way of covenant. In addition, wildlife migratory corridors should be included in the reserve design to ensure strong linkages between protected lands and other wildlife habitats.
- (h) The ecological report recommends that wetland areas and tarns be delineated and fenced off from areas of intensive grazing, especially cattle. Areas of oversowing and fertilizer should avoid wetland areas. A buffer of ungrazed land should be kept to minimise nutrient and sediment runoff.
- (i) The report also recommends that forest remnants and extensive areas of tall or dense native bush be afforded

some measure of protection. Such areas include the remnant beech forest remnants on the southern slopes of Mt Ida and Lake Selfe.

- (j) The report notes that the Selwyn District Council placed restrictions on native scrub clearance (kanuka/manuka and matagouri) and recommends that Ryton Station employees be made aware of these restrictions.
- (k) The Applicant intends to formally protect the wetlands and remnant patches of indigenous forest and scrub on Ryton Station through the registration of covenants under the Reserves Act 1977 in consultation with the Department of Conservation. The Applicant also supports other measures recommended in the report, such as the delineation of wetland areas, fencing from intensive grazing, and farm nutrient management to enhance wetland integrity. Capital expenditure has been estimated at \$592,000 for the fencing programme.
- (l) Ryton Station no longer has any fire permits to burn areas on the property. The Applicant intends to manage the property without undertaking any burning activities.

Our assessment

- (m) There will be adequate mechanisms in place for protecting existing areas of significant areas of existing vegetation and fauna.

35. Are there, or will there be, adequate mechanisms in place for protecting or enhancing existing areas of significant habitats of trout, salmon, wildlife and game, and providing, protecting or improving walking access to those habitats?

Applicant's claims

- (a) Lake Coleridge and the rivers that flow into it are all part of a nationally significant trout and salmon fishery. Lakes Evelyn, Selfe, Henrietta, Catherine and Ida all contain fish and come within the jurisdiction and control of Fish & Game New Zealand.
- (b) The lakes are inhabited by game birds, mainly ducks, for which there is some winter shooting permitted by Fish & Game New Zealand. This use is relatively insignificant compared to the fishing undertaken on the various lakes and waterways at Ryton Station. Ryton Station is not known as a significant big game hunting area.
- (c) The Applicant's pest and weed control programme will provide protection to the wildlife areas, in particular the wetlands. The Applicant's fencing programme will limit livestock from entering into the protected wetlands and other waterways on the property. Stock will be managed to mitigate impacts on water quality, in compliance with district and regional council rules.
- (d) Access to these habitats is covered in paragraph 37 below.

Our assessment

- (e) There will be adequate mechanisms in place for protecting existing areas of significant areas of trout,

salmon, wildlife and game and providing protecting or improving walking access to those habitats.

36. Are there, or will there be, adequate mechanisms in place for protecting or enhancing historic heritage within the relevant land? ✓

Applicant's claims

- (a) The Applicant commissioned a Cultural Values report from Te Runanga o Ngai Tahu (Ngai Tahu). The report recommended that access mechanisms and protocols are developed with kaitiaki Papatipu Runaka to provide Ngai Tahu whanui with access to areas of native vegetation, lakes and wetlands on Ryton Station. Kaitiaki Papatipu Runaka support the Applicant's proposal to establish covenants over areas of native vegetation and wetlands on Ryton Station.
- (b) There are several traditional Ngai Tahu travel routes associated with Whakamatau/Lake Coleridge and Ryton Station. One of these trails is Noti Raureka/Browning Pass. It is recommended that members of Ngai Tahu Whanui access these traditional travel routes. It is also recommended that access mechanisms and protocols are developed with kaitiaki Papatipu Runaka to provide Ngai Tahu whanui with access to Whakamatau/Lake Coleridge.
- (c) Ngai Tahu recommend that the applicant work with the Department of Conservation and Ngai Tahu and kaitiaki Papatipu Runaka to develop a network of interpretation panels throughout Ryton Station at key areas, such as along access tracks and areas of high recreational and cultural interest, outlining the ecological, recreational, cultural and historical values associated with Whakamatau/Lake Coleridge. The report also recommends that the applicant work directly with Kaitiaki Papatipu Runaka to ensure that the interpretation about Ngai Tahu history and values is accurate and appropriate.
- (d) The Applicant has agreed to work with Ngai Tahu and kaitiaki Papatipu Runaka in the manner recommended by the Ngai Tahu Cultural Values report.

Our assessment

- (e) There will be adequate mechanisms in place for protecting or enhancing historic heritage within the land.

37. Are there, or will there be, adequate mechanisms in place for providing, protecting, or improving walking access over the relevant land, or a relevant part of that land, by the public? ✓

Applicant's claims

External Boundaries

- (a) **Northern Boundary:** Ryton Station's northern boundary adjoins the Harper River. An unformed paper road runs the entire length of the property. It provides walking access along the southern side of the Avoca River Valley. There is walking access used by mainly trampers, hunters and fishermen up the Harper River. There are various

huts along the way, leading out to Cora Lynn Station on the West Coast Road.

- (b) **Eastern Boundary:** Ryton Station's eastern boundary runs along the western side of the Craigieburn range for virtually its entire length. The eastern side of the Craigieburn range, known as the Castle Hill area, was recently purchased by the Nature Heritage Fund as a scenic reserve. Access to the Castle Hill area is by the West Coast Road, at Castle Hill.
- (c) The Applicant proposes to provide a walking access (on the same track to Lakes Ida and Catherine) through the property to the Craigieburn Range, to enable the public to access the Nature Heritage Fund conservation area.
- (d) **Southern Boundary:** Most of the southern boundary adjoins Lake Coleridge Station. The Applicant sees no need to provide access along this boundary, as it is principally an area used for its farming operations.
- (e) **Western Boundary:** Ryton Station's western boundary adjoins Lake Coleridge. There is a paper road running the entire length of the lake, enabling the public to walk the entire length of the lake where it adjoins Ryton Station. Likewise, fishermen and boat owners have access to the lake for fishing and recreational purposes.

Internal Access

- (f) **Ryton Bay.** Access to Ryton Bay, Lake Coleridge, has been at the will of Ryton Station land owners via a shingled track off Harper Road. This is not a legal public road.
- (g) The Applicant proposes to give the public permanent access from Harper Road to Ryton Bay by granting a registered right of way and if required to do so by the Department of Conservation, establish a picnic and carparking area at Ryton Bay for use by the public.
- (h) **Harper Road.** Harper Road is a formed shingle road used by the public to access the head of Lake Coleridge and the Harper river catchment and beyond. It also provides access to Lakes Evelyn and Selfe. Lakes Evelyn and Selfe are Crown owned, with a paper road extending around the lakes' edges, giving public access to them.
- (i) **Lakes Ida and Catherine.** At present access is with the Ryton owner's consent, as each of the roads to these lakes is via locked gates. There is no legal road or other access to them. Lakes Ida and Catherine are Crown-owned and have a 20 metre marginal strip/paper road around the lakes.

The Applicant proposes granting walking access off Harper Road to Lakes Ida and Catherine, via a more scenic route than the existing private road access to the lakes. However, the Applicant will not agree to persons carrying firearms on the walking track to the lakes.

- (k) In relation to these access proposals, Fish & Game New Zealand is concerned to maintain historical vehicular access arrangements to Lakes Ida and Catherine. These historical arrangements are informal arrangements. In

light of the Applicant's intention to invest in further farm development, the Applicant is not prepared to permit general vehicular access to Lakes Ida and Catherine or elsewhere within the property. However, the applicant will agree that Fish & Game New Zealand staff may have vehicle access to all spawning rivers, Lakes Ida, and Catherine for management purposes. If Fish & Game believe that bird control is required on Lakes Ida and Catherine, vehicular access would be given for management purposes to Fish & Game staff, if it considered some form of bird control was required.

- (l) The Overseas Investment Office has considered the arguments made in relation to these access proposals. The Overseas Investment Office notes that access to Lakes Ida and Catherine is over private land, and there is no legal obligation on the owner to provide any form of access. The statutory factors refer to providing, protecting, or improving *walking* access over the relevant land, or a relevant part of that land, by the public or providing, protecting or improving walking access to habitats of salmon, trout, wildlife or game. The factor does not extend to the provision of vehicular access. For that reason, it would not be possible to insist that a condition of consent be imposed requiring vehicular access.
- (m) **Mt Olympus Ski field:** Wind Whistle Winter Sports Club operates the Mt Olympus Ski field under a recreation permit granted by the Commissioner of Crown Lands.
- (n) The Applicant will continue to allow the Wind Whistle Winter Sports Club to use the Mt Olympus Ski field via the existing vehicle access road on the basis that it maintains the track from the existing track to Lake Catherine at its own expense.
- (o) **Ryton River.** The Ryton River has its headwaters in the Crown Pastoral lease, but there are no marginal strips extending along the river until the Mt Olympus pastoral lease is renewed in 2020, when a disposition will occur for the purposes of Part IVA of the Conservation Act 1987. The balance of the Ryton River flows through land that is owned by the University of Canterbury. It does not appear that ownership of the Ryton River was ever relinquished by the University of Canterbury when part of Ryton Station was freeholded.
- (p) The Applicant proposes walking access along the Ryton River, which will ensure public access to the entire length of the river, from the headwaters to the lake.
- (q) **Harper River.** Walking access is available up the Harper River valley, providing access to Department of Conservation huts.
- (r) No other formal public access is proposed by the Applicant. Ryton Station has a number of other walking tracks used by Station guests. The Applicant is prepared to allow access to other parts of Ryton Station upon request and may record an access policy on its website.

38. Has any foreshore, seabed, riverbed, or lakebed has been offered to the Crown?

n/a

- (a) Lakes Catherine, Ida, Evelyn, Selfe and Henrietta are excluded from the University of Canterbury's freehold estate. Each of the lakes, except Lake Henrietta, has a 20 metre marginal strip or paper road that extends around the edge of the lake. Lake Henrietta does not have such a road or strip as the Land Act 1948 only requires the reservation of land in favour of the Crown around lakes of more than 20 acres.
- (b) The University of Canterbury title records that the Harper River is excluded from the University of Canterbury's freehold estate. The University of Canterbury holds part of the beds of the Ryton River and the Goldney River. In relation to the Mt Olympus Crown Pastoral lease, the Crown owns the underlying freehold land and thus that part of the Ryton riverbed that forms part of the Pastoral lease land.
- (c) The vendor therefore does not have an interest in these lakes or rivers that can be offered to the Crown.

39. Will the overseas investment result in, or is likely result in, other consequential benefits to New Zealand (whether tangible or intangible benefits (such as, for example, additional investments in New Zealand or sponsorship of community projects))?

- (a) The Applicant has stated that he is willing to donate \$10,000 to research into hieracium control to Landcare Research.
- (b) If the Applicant is granted consent, the Applicant or the vendor will give reasonable notice to the campers at Ryton Bay requiring them to vacate their sites to make way for a new public area. The Applicant will pay for clean up and removal of noxious plants from the area. The campers at Ryton Bay have no interest or rights in the land and the camping activity is an illegal arrangement for which no resource consent has been (or will likely ever be able to be) obtained. Moreover, given the nature of the surrounding environment (outstanding natural landscape), the camping ground is an eyesore and poses groundwater contamination risks to Lake Coleridge and the nearby wetland, which the Applicant proposes to covenant.
- (c) The Applicant will also as a condition of consent agree to discontinue the resource consent application for the 232 lot subdivision proposed for Ryton Bay. The Applicant points out that, in relation to the moratorium on tenure review for properties near or adjoining certain lakes, there is a concern relating to development around the lakes mentioned in the Cabinet Paper relating to that review. Lake Coleridge is included in that list.
- (d) The Overseas Investment Office notes that the Department of Conservation, along with many others, has lodged an objection to the proposed subdivision.

- (e) Fish & Game New Zealand expressed a concern that the removal of the camping ground would mean that Fish & Game members would be deprived of an amenity (that is, camping facilities) that would better enable them to fish in the area.
- (f) The Applicant also advises that it is possible for the public to camp (on an informal basis) on the paper roads alongside Lake Coleridge and the Harper River, and the paper roads/strips around the lakes, as this land is owned by the Crown. The Department of Conservation noted that there may be uncontrolled occupation of these areas and suggested that one way to address the issue would be the creation of a reserve to be managed by the Council, which might provide for some informal camping. The Applicant is not in favour of a recreation reserve in that location. The Selwyn District Council have not expressed any enthusiasm for managing a camping ground.
- (g) The Applicant advises Ryton Station is located within the "High Country" section of the Selwyn District Council's rural zone rules. Camping grounds are a discretionary activity, and resource consent would be required. The Council has advised the Applicant that were an application for resource consent to be made, it would be notified. Consent for a camping ground in Ryton Bay is therefore not guaranteed, and the national importance issues in section 6 of the Resource Management Act would need to be considered. Any camping ground would generally also need to comply with the Camping Ground Regulations 1985, which specifies sanitary and other requirements for camping grounds.

Our assessment

- (h) The overseas investment is likely to result in consequential benefits to New Zealand.
40. Is the overseas person a key person in a key industry of a country with which New Zealand will, or is likely to, benefit from having improved relations? X
41. Will refusal adversely affect, or likely adversely affect, New Zealand's image overseas or its trade or international relations, or result in New Zealand breaching any of its international obligations? X
42. Will granting the application for consent result in, or likely result in, the owner of the relevant land undertaking other significant investment in New Zealand? X
43. Has the overseas person previously undertaken investments that have been, or are, of benefit to New Zealand? X
44. Will the overseas investment, or is it likely to, give effect to or advance a significant Government policy or strategy? X
45. Will the overseas investment enhance, or is it likely to enhance, the ongoing viability of other overseas investments undertaken by the relevant overseas person? X

46. Whether the overseas investment will or is likely to assist New Zealand to maintain New Zealand control of strategically important infrastructure on New Zealand land

n/a

CONDITIONS

47. See the appendix for proposed conditions of consent.

CONFIRMATION DATE

48. Upon consent of the Overseas Investment Office.

RECOMMENDATION

49. It is recommended that:

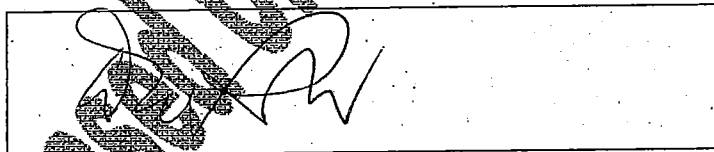
- (a) Having considered the criteria and factors that apply to the sensitive land category of overseas investment, and having determined which factors (or parts of them) are relevant to this overseas investment, and the relative importance to be given to each relevant factor (or part), you be satisfied that all of the criteria in section 16 of the Overseas Investment Act 2005 are met, and you grant consent to the transaction subject to the conditions in Appendix A.



Minister of Finance

Consent Granted: ☒

Consent Declined: ☐



Minister of Land Information

Consent Granted: ☒

Consent Declined: ☐



Annelies McClure - Manager
Overseas Investment Office

Appendix A

1. Consent is granted subject to the following conditions:

- (a) the consent will lapse if the land at Ryton Station (the Investment) has not been acquired by and transferred to the Applicant within twelve months of the date of consent;
- (b) the Applicant must notify the Overseas Investment Office in writing as soon as practicable, and no later than twelve months from the date of consent, whether settlement of the acquisition of the investment took place. If settlement of the acquisition of the investment did take place, the notice must include:
 - (i) the date of settlement;
 - (ii) final consideration paid (plus GST, if any);
 - (iii) the structure by which the acquisition was made, and whether an associate of the Applicant acquired the investment;
 - (iv) where applicable, copies of transfer documents and settlement statements; and
 - (v) any other information that would aid the Overseas Investment Office in its function to monitor conditions of consent.
- (c) That the Applicant, or the individuals with control of the Applicant, must:
 - (i) continue to (and in the case of individuals with control of the Applicant, collectively) have business experience and acumen relevant to the investment;
 - (ii) continue to demonstrate financial commitment to the investment;
 - (iii) continue to be of good character; and
 - (iv) not become an individual of the kind referred to in section 7(1) of the Immigration Act 1987.
- (d) The Applicant must notify the Overseas Investment Office within 28 working days if the Applicant:
 - (i) or any person in which the Applicant has, or had at the time of the offence or contravention, a 25% or more ownership or control interest, commits an offence or contravenes the law (whether convicted or not); or
 - (ii) ceases to be an overseas person; or
 - (iii) sells the investment.

2. The Applicant must report in writing to the Overseas Investment Office providing evidence of compliance with condition 1(c) no earlier than six months from the date of consent and no later than twelve months from the date of consent. The Applicant must also, if required by the Overseas Investment Office, provide this information at any subsequent time.

3. The Applicant must

- (a) within three months of settlement of the acquisition of the Investment, give notice to the Selwyn District Council and Environment Canterbury withdrawing all resource consent applications for the proposed development at Ryton Bay. The Applicant must provide copies of the notices of withdrawal to the Overseas

Investment Office. The Applicant also agrees that, for so long as it is the owner of the Investment, it will not take any steps to promote or implement a residential subdivision development at Ryton Bay.

- (b) Within six months of settlement of the acquisition of the Investment, give notices of termination to each of the campers at Ryton Bay. When all of the sites have been vacated, the Applicant must ensure that all rubbish is removed from the camping sites and that the site is rehabilitated, as far as practicable, to as pristine a condition as possible. Within 18 months of the date of consent, the Applicant must report to the Overseas Investment Office on progress made on the rehabilitation of the Ryton Bay area.
- (c) Within three years of the date of consent, register conservation covenants under Section 77 Reserves Act 1977 for the wetlands areas shown in the Golder Associates map "Ryton Station proposed covenant areas" dated April 2008, and the indigenous forest areas shown in the Golder Associates map "Ryton Station Forest vegetation mapping" dated March 2008 (in respect of some sites, a slightly larger area will be covenanted). The Applicant must pay all costs (including survey costs) associated with the creation and registration of the conservation covenants. The terms and conditions of the proposed covenant will be subject to consultation with the Department of Conservation. The applicant must request the Commissioner of Crown Lands and the University of Canterbury to have such covenants registered over their freehold interests. If for any reason this is not possible, the Applicant must seek the consent of the Commissioner of Crown Lands and the University of Canterbury to the registration of the covenants over the leasehold estate.
- (d) Within three years of the date of consent, register an easement and otherwise formalise walking access off Harper Road to Lakes Ida and Catherine, up the Ryton River to the boundary with the Castle Hill Scenic Reserve, more or less in accordance with the Golder Associates map "Proposed Access Roads and Walking Tracks" dated February 2008 and shown pink on that map. This walking access will be created pursuant to the Walking Access Bill, if it is passed into law. If the Walking Access Bill is not passed into law, this easement will be created pursuant to the New Zealand Walkways Act 1990.
- (e) Within three years of the date of consent, register an easement and otherwise formalise the existing public access (including vehicular access) off Harper Road via the existing road through the property to Ryton Bay, more or less in accordance with the Golder Associates map "Proposed Access Roads and Walking Tracks" dated February 2008 and shown yellow on that map. If requested to do so by the Department of Conservation, the Applicant must within twelve months of that request, create a carpark and picnic area at Ryton Bay. However, the Department of Conservation will be responsible for the maintenance of the picnic area and ancillary facilities, such as public toilets. In the meantime, and if the Department of Conservation indicates that it does not wish to maintain the facilities, the Applicant will use its best endeavours to negotiate suitable arrangements for maintenance of the existing public toilet facilities at Ryton Bay with the Selwyn District Council.

The Applicant must consult with the Department of Conservation and with Ngai Tahu and kaitiaki Papatipu Runaka to develop a network of interpretation panels throughout Ryton Station at key areas, such as along access tracks and areas of high recreational and cultural interest, outlining the ecological, recreational, cultural and historical values associated with to Whakamatau/Lake Coleridge. The applicant must also work directly with Kaitiaki Papatipu Runaka to ensure that the interpretation about Ngai Tahu history and values is accurate and appropriate in relation to carparking, signage and markers for such access.

- (g) To the extent that they are not already provided for by these conditions, develop appropriate access mechanisms and protocols with kaitiaki Papatipu Runaka to provide Ngai Tahu whanui with appropriate access to Whakamatau/Lake Coleridge and traditional travel routes.
- (h) continue to allow WindWhistle Winter Sports Club Inc. to have access over the existing road at Ryton Station to access the Mt Olympus Ski Field Club on the same terms as has been used by the ski club historically.
- (i) continue to allow walking access along the banks of the Ryton river for angling purposes.
- (j) continue to allow vehicle access for Fish & Game New Zealand staff for management purposes to all fish spawning rivers and lakes at Ryton Station.
- (k) not permit or grant any "exclusive capture" arrangements (i.e. the generation of commercial benefit from an exclusive fishery access arrangement that includes denial of public access) for so long as it is the owner of the Investment.
- (l) undertake the capital expenditure and works as identified in the business plan and farm consultants report included with the application, including the work in relation to wilding tree and noxious plant control, with such work to begin as soon as practicably possible after settlement of the purchase of Ryton Station.
- (m) provide a report to the Overseas Investment Office on or before 30 November each year, for a five year period, of progress made in implementing the business plan. The first report is due on 30 November 2009, with the last report being due on 30 November 2014. The report should cover the following matters (without limitation):
- (i) capital expenditure on the property;
 - (ii) the number of FTEs employed on the property;
 - (iii) pest and weed control measures undertaken;
 - (iv) steps taken to mitigate fertilizer run off;
 - (v) a description of the Applicant's consultation with the Department of Conservation on the matters set out in condition (p) below;
- (n) within one year from the date of this consent, make a \$10,000 donation to Landcare Research for hieracium control research.
- (o) not seek funding from the New Zealand central or local government sector for pest or weed control (for example, wilding pine removal or stoat eradication) in relation to the Investment.
- (p) recognise the importance of the recommended areas of protection (RAP) as identified on Map 4.1 in the Golder & Associates ecological assessment report. The Applicant must consult in good faith with the Department of Conservation in relation to those RAP areas that are not covered by the Land Improvement Agreement (the areas to be retired from grazing under the Land Improvement Agreement are depicted in Map 2.9 in the Golder & Associates ecological report) or other protective mechanisms, in terms of current farming practices. In the event the Department of Conservation and the Applicant are unable to agree to ongoing arrangements in relation to those areas, then the Applicant must adhere to current farming practices, which excludes cattle grazing and any agricultural intensification within those areas.

4. If the trustees of a trust established John Shrimpton becomes the shareholder of the Applicant, Regulation 33(1)(g) of the Overseas Investment Regulations 2005 (or any enactment that replaces regulation 33(1)(g)), will only apply to exempt from the requirement for consent the transfer by the Applicant of the securities or other property in the Investment to one or more of the following persons or classes of persons:
- (a) John Shrimpton;
 - (b) Any partner of John Shrimpton;
 - (c) the parents, brothers, sisters, children, grandchildren or great-grandchildren of John Shrimpton or his partner.
 - (d) For the purpose of regulation 33(1)(g)(iii), any beneficiary of the trust who is an overseas person and who is not a person or within the classes of persons referred to above, must obtain consent under the Overseas Investment Act 2005 (or any enactment that replaces that Act) to the transfer of the investment to that beneficiary under the Trust.
5. Section 28 of the Overseas Investment Act 2005 provides that it is a condition of every consent, whether or not it is stated in the consent, that
- (a) The information provided by each applicant to the regulator or the relevant Minister or Ministers in connection with the application is true and correct at the time it was provided; and
 - (b) Each consent holder must comply with 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 is granted, unless compliance should reasonably be excused.
6. For the purposes of section 28, the Overseas Investment Office advises that it has taken into account the following information:
- (a) The application letter dated 7 December 2007, 29 April 2008 (2 letters), 1 May 2008, 15 May 2008, 20 May 2008, 22 May 2008, 10 June 2008, 12 June 2008, 20 June 2008, 24 June 2008, and 30 June 2008.

Application No. 200720136

Decision No. 200820012

25 July 2008

Antony Brown
Rhodes & Co.
PO Box 13444
CHRISTCHURCH

Toitu te
Land whenua
Information
New Zealand



Dear Mr Brown

APPLICANT – RYTON STATION LIMITED

1. Thank you for your letter of 4 December 2007.

INTERPRETATION

2. Where a term defined in the Overseas Investment Act 2005 ("the Act") or the Overseas Investment Regulations 2005 ("the Regulations") appears in this letter, that term shall have a corresponding meaning.
3. Applicant includes any associate of the applicant.
4. Unless the context otherwise requires, a reference to the Overseas Investment Office is a reference to the Regulator.

DECISION

5. Consent has been granted under the Overseas Investment Act 2005 to the Applicant acquiring:
 - (a) a leasehold interest in 146.216 hectares of land at Harper Road, Lake Coleridge, Canterbury described in CTs CB529/90 and 72034 (Canterbury Registry); and
 - (b) a freehold interest in 448.8559 hectares of land at Harper Road, Lake Coleridge, Canterbury described in CTs CB26A/564, CB620/51 and CB44C/713 (Canterbury Registry).

CONDITIONS OF CONSENT

6. Consent is granted subject to the following conditions:
 - (a) The consent will lapse if the land, the rights or interests in the securities, the business, or property, as the case may be (the investment) has not been acquired by and transferred to the Applicant by 25 July 2009;
 - (b) The Applicant must notify the Overseas Investment Office in writing as soon as practicable, and no later than 25 July 2009, whether settlement of the acquisition of the investment took place. If settlement of the acquisition of the investment did take place, the notice must include:
 - (i) the date of settlement;

Overseas Investment Office
Lambton House
160 Lambton Quay
Private Box 5501
Wellington
New Zealand
Tel 64-4-462 4490
Fax 64-4-460 0111
Internet
<http://www.oio.linz.govt.nz>

- (ii) final consideration paid (plus GST, if any);
 - (iii) the structure by which the acquisition was made, and whether an associate of the Applicant acquired the investment;
 - (iv) where applicable, copies of transfer documents and settlement statements; and
 - (v) any other information that would aid the Overseas Investment Office in its function to monitor conditions of consent.
- (c) That the Applicant, or the individuals with control of the Applicant, must:
- (i) continue to (and in the case of individuals with control of the Applicant, collectively) have business experience and acumen relevant to the investment;
 - (ii) continue to demonstrate financial commitment to the investment;
 - (iii) continue to be of good character; and
 - (iv) not become an individual of the kind referred to in section 7(1) of the Immigration Act 1987.
- (d) The Applicant must notify the Overseas Investment Office within 28 working days if the Applicant:
- (i) or any person in which the Applicant has, or had at the time of the offence or contravention, 25% or more ownership or control interest, commits an offence or contravenes the law (whether convicted or not); or
 - (ii) ceases to be an overseas person; or
 - (iii) sells the investment.
- (e) Within three months of settlement of the acquisition of the Investment, give notice to the Selwyn District Council and Environment Canterbury withdrawing all resource consent applications for the proposed development at Ryton Bay. The Applicant must provide copies of the notices of withdrawal to the Overseas Investment Office. The Applicant also agrees that, for so long as it is the owner of the Investment, it will not take any steps to promote or implement a residential subdivision development at Ryton Bay.
- (f) Within six months of settlement of the acquisition of the Investment, give notice of termination to each of the campers at Ryton Bay. When all of the sites have been vacated, the Applicant must ensure that all rubbish is removed from the camping sites and that the site is rehabilitated; as far as practicable, to as pristine a condition as possible. Within 18 months of the date of consent, the Applicant must report to the Overseas Investment Office on progress made on the rehabilitation of the Ryton Bay area.
- (g) By 25 July 2011, register conservation covenants under Section 77 Reserves Act 1977 for the wetlands areas shown in the Golder Associates map "Ryton Station proposed covenant areas" dated April 2008, and the indigenous forest areas shown in the Golder Associates map "Ryton Station Forest vegetation mapping" dated March 2008 (in respect of some sites, a slightly larger area will be covenanted). The Applicant must pay all costs (including survey costs) associated with the creation and registration of the conservation covenants. The terms and conditions of the proposed covenant will be subject to

consultation with the Department of Conservation. The applicant must request the Commissioner of Crown Lands and the University of Canterbury to have such covenants registered over their freehold interests. If for any reason this is not possible, the Applicant must seek the consent of the Commissioner of Crown Lands and the University of Canterbury to the registration of the covenants over the leasehold estate.

- (h) By 25 July 2011, register an easement and otherwise formalise walking access off Harper Road to Lakes Ida and Catherine, up the Ryton River to the boundary with the Castle Hill Scenic Reserve, more or less in accordance with the Golder Associates map "Proposed Access Roads and Walking Tracks" dated February 2008 and shown pink on that map. This walking access will be created pursuant to the Walking Access Bill, if it is passed into law. If the Walking Access Bill is not passed into law, this easement will be created pursuant to the New Zealand Walkways Act 1990.
- (i) By 25 July 2011, register an easement and otherwise formalise the existing public access (including vehicular access) off Harper Road via the existing road through the property to Ryton Bay, more or less in accordance with the Golder Associates map "Proposed Access Roads and Walking Tracks" dated February 2008 and shown yellow on that map. If requested to do so by the Department of Conservation, the Applicant must within twelve months of that request, create a carpark and picnic area at Ryton Bay. However, the Department of Conservation will be responsible for the maintenance of the picnic area and ancillary facilities, such as public toilets. In the meantime, and if the Department of Conservation indicates that it does not wish to maintain the facilities, the Applicant will use its best endeavours to negotiate suitable arrangements for maintenance of the existing public toilet facilities at Ryton Bay with the Selwyn District Council.
- (j) The Applicant must consult with the Department of Conservation and with Ngai Tahu and kaitiaki Papatipu Runaka to develop a network of interpretation panels throughout Ryton Station at key areas, such as along access tracks and areas of high recreational and cultural interest, outlining the ecological, recreational, cultural and historical values associated with to Whakamatau/Lake Coleridge. The applicant must also work directly with Kaitiaki Papatipu Runaka to ensure that the interpretation about Ngai Tahu history and values is accurate and appropriate in relation to carparking, signage and matters for such access.
- (k) To the extent that they are not already provided for by these conditions, develop appropriate access mechanisms and protocols with kaitiaki Papatipu Runaka to provide Ngai Tahu whanui with appropriate access to Whakamatau/Lake Coleridge and traditional travel routes.
- (l) Continue to allow WindWhistle Winter Sports Club Inc. to have access over the existing road at Ryton Station to access the Mt Olympus Ski Field Club on the same terms as has been used by the ski club historically.
- (m) Continue to allow walking access along the banks of the Ryton river for angling purposes.
- (n) Continue to allow vehicle access for Fish & Game New Zealand staff for management purposes to all fish spawning rivers and lakes at Ryton Station.
- (o) Not permit or grant any "exclusive capture" arrangements (i.e. the generation of commercial benefit from an exclusive fishery access arrangement that includes denial of public access) for so long as it is the owner of the Investment.

- (p) Undertake the capital expenditure and works as identified in the business plan and farm consultants report included with the application, including the work in relation to wilding tree and noxious plant control, with such work to begin as soon as practicably possible after settlement of the purchase of Ryton Station.
- (q) Provide a report to the Overseas Investment Office on or before 30 November each year, for a five year period, of progress made in implementing the business plan. The first report is due on 30 November 2009, with the last report being due on 30 November 2014. The report should cover the following matters (without limitation):
- (i) capital expenditure on the property;
 - (ii) the number of FTEs employed on the property;
 - (iii) pest and weed control measures undertaken;
 - (iv) steps taken to mitigate fertilizer run off;
 - (v) a description of the Applicant's consultation with the Department of Conservation on the matters set out in condition (p) below.
- (r) By 25 July 2009, make a \$10,000 donation to Landcare Research for hieracium control research.
- (s) Not seek funding from the New Zealand central or local government sector for pest or weed control (for example, wilding tree removal or stoat eradication) in relation to the Investment.
- (t) Recognise the importance of the recommended areas of protection (RAP) as identified on Map 4.1 in the Golder & Associates ecological assessment report. The Applicant must consult in good faith with the Department of Conservation in relation to those RAP areas that are not covered by the Land Improvement Agreement (the areas to be retired from grazing under the Land Improvement Agreement are depicted in Map 2.9 in the Golder & Associates ecological report) or other protective mechanisms, in terms of current farming practices. In the event the Department of Conservation and the Applicant are unable to agree on ongoing arrangements in relation to those areas, then the Applicant must adhere to current farming practices, which excludes cattle grazing and any agricultural intensification within those areas.
- (u) If the trustee of a trust established John Shrimpton becomes the shareholder of the Applicant, Regulation 33(1)(g) of the Overseas Investment Regulations 2005 (or any enactment that replaces regulation 33(1)(g)), will only apply to exempt from the requirement for consent the transfer by the Applicant of the securities or other property in the Investment to one or more of the following persons or classes of persons:
- (i) John Shrimpton;
 - (ii) any partner of John Shrimpton;
 - (iii) the parents, brothers, sisters, children, grandchildren or great-grandchildren of John Shrimpton or his partner.
 - (iv) for the purpose of regulation 33(1)(g)(iii), any beneficiary of the trust who is an overseas person and who is not a person or within the classes of persons referred to above, must obtain consent under the Overseas Investment Act 2005 (or any enactment that replaces that Act) to the transfer of the investment to that beneficiary under the Trust.

- (v) The Applicant must report in writing to the Overseas Investment Office providing evidence of compliance with condition 6(c) no earlier than 25 January 2009 and no later than 25 July 2009, conditions 6(g), (h) and (i) by 25 July 2011, condition 6(q) by 30 November 2009 and thereafter annually until 30 November 2014, and condition 6(r) by 25 July 2009. The Applicant must also, if required by the Overseas Investment Office, provide this information at any subsequent time.

7. Section 28 of the Overseas Investment Act 2005 provides that it is a condition of every consent, whether or not it is stated in the consent, that

- (a) The information provided by each applicant to the regulator or the relevant Minister or Ministers in connection with the application is true and correct at the time it was provided; and
- (b) Each consent holder must comply with 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 is granted, unless compliance should reasonably be excused.

8. For the purposes of section 28, the Overseas Investment Office advises that it has taken into account the following information:

- (a) Your application letter dated 4 December 2007, 29 April 2008 (2 letters), 1 May 2008, 15 May 2008, 20 May 2008, 22 May 2008, 10 June 2008, 12 June 2008, 20 June 2008, 24 June 2008, and 30 June 2008.

MONITORING CONDITIONS OF CONSENT

9. The Overseas Investment Office may also, by notice in writing, require the Applicant to provide a statutory declaration verifying the extent to which the Applicant has complied with the conditions of consent, and if the Applicant is in breach of a condition or conditions, the reasons for the breach and the steps the Applicant intends to take to remedy the breach.

SANCTIONS

10. The Act provides for civil and criminal sanctions for breaching the Act, failing to comply with conditions of consent and failing to provide information required by the Overseas Investment Office. The Overseas Investment Office has an obligation to investigate and act upon alleged and suspected breaches of the Act.

DECISION SHEET

11. The attached "decision sheet" contains the information the Overseas Investment Office proposes to release to the public. The Overseas Investment Office will generally post the decision sheet on the Office's website at the end of the month following the date of the decision. (For example, September decision sheets will be posted at the end of October). However, in certain circumstances, the Overseas Investment Office may release the decision sheet at an earlier time:

WITHHOLDING DECISION SHEET INFORMATION

12. If you consider that any information in the decision sheet should be withheld, you must make a submission to the Overseas Investment Office stating why the information should be withheld. You must make specific reference to the provisions of the Official Information Act 1982 on which you rely. Please consult the practice guidelines issued by the Office of the Ombudsmen before making a submission. Submissions must be received by **12pm on Friday 8 August 2008**, and directed to:

Overseas Investment Office
Private Box 5501
Wellington
Attn: Peter Hill (prhill@linz.govt.nz)

**MAKING OTHER CHANGES TO THE DECISION SHEET (NOT RELATING TO
THE WITHHOLDING OF INFORMATION)**

13. If you consider there should be other changes to the decision sheet, or if you have any other queries about the information in the decision sheet, please direct these matters to:

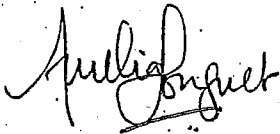
Overseas Investment Office
Private Box 5501
Wellington
Attn: Amelia Longuet (alonguet@linz.govt.nz)

14. If we have not heard from you by 12pm on Friday 8 August 2008, we will publicly release the information without further reference to you.

GST INVOICE/RECEIPT

15. Please find enclosed a GST invoice/receipt for the application fee.

Yours sincerely



Amelia Longuet
Team Leader Applications
Overseas Investment Office

Released Under the Official Information Act