



To: Hon Dr Megan Woods, Associate Minister of Finance
Hon Damien O'Connor, Minister for Land Information

ASSESSMENT REPORT: Ingka Investments Forest Assets NZ Limited and Ingka Investments Management NZ Limited – Land at 2987 Mata Road, Raukumara, Huiarua Station and Fernside Road, Tauwhareparae, Matanui Station.

Date	1 July 2022	Classification	IN CONFIDENCE: Commercially sensitive
OIO reference	202200036	Deadline	11 July 2022 (contractual deadline)

Purpose

We seek your decision on an application to acquire an interest in sensitive land under the special test relating to forestry activities in the Overseas Investment Act 2005 (**Act**).

This decision has been delegated to the OIO¹ and 'called in' for a decision by Ministers on 29 June 2022.

Action sought

1. Review this report.
2. Determine whether to grant consent and, if so, on what conditions.
3. Indicate your decision from page 4.

Commercial deadline

The Applicants have sought a decision by 11 July 2022 as this is the date for confirmation of the OIA consent condition in the agreements for sale and purchase. [s 9(2)(b)(ii)]

OIO Contacts

Name	Position	Contact	First contact
Daniel White	Applications Manager	+6444600147	<input type="checkbox"/>
Marcus McMillan	Applications Manager	+64 4 830 1917	<input checked="" type="checkbox"/>

A. Summary

1. Ingka Investments Forest Assets NZ Limited and Ingka Investments Management NZ Limited (the **Applicants**) are seeking to acquire Huiarua Station and Matanui Station,

¹ One-off consent decisions under the special forestry test are delegated to the OIO under Table A, row C, item 8 of the Designation and Delegation letter dated 24 November 2021.

two large farms in the Gisborne region, with a combined area of 6,113 hectares, to convert to plantation forestry.

2. The criteria of the special forestry test (set out at paragraphs 8.1 to 8.6 below) only confers on the decision-maker a limited discretion whether to grant or decline the application. If the Applicants meet all the criteria under the test, then the decision-maker must grant consent.
3. We consulted the Ministry of Primary Industries (MPI) regarding the Erosion Control Funding Programme, and the implications for the viability of commercial forestry on the Land (see from paragraph 100 below in this report). Based on information received from MPI and the Applicants we expect the Applicants will likely satisfy the criterion that the Land be used nearly exclusively for forestry activities. MPI is also party to the Memorandum of Understanding with Ngāti Porou and the Gisborne District Council.
4. We consulted with the Department of Conservation, Walking Access Commission and Heritage New Zealand to ascertain whether there are any existing arrangements that must be maintained. Based on information received we have not identified any qualifying existing arrangements.
5. We consulted with the Ministry of Education regarding Mata School situated on Huiarua Station, and whether the School will remain viable if the Land is converted to forestry. If consent is granted under the Act it is unlikely the Ministry of Education would step in to retain the School by acquiring the land on which it is situated (see from paragraph 69).
6. There is strong community opposition to the proposed investment. We have to date received 40 third party submissions, including a petition, all opposing the conversion of the farms to forestry.
7. We received a submission from Ngāti Porou in opposition to the proposed investment and engaged further with this iwi group. The key concerns for Ngāti Porou relate to the direct impact of forestry activities on the Mata River, and the indirect impact on the river downstream and the Waiapu Catchment, which is subject to an Accord between Ngāti Porou and the Crown (see from paragraph 77 in this report).
8. Third party submissions have raised some broader issues (such as economic and social impact, and alignment with New Zealand’s values and interests, including giving better effect to the Treaty of Waitangi) which, while important, are not relevant to the criteria of the special forestry test. [s 9(2)(g)(i)]
[REDACTED]
[REDACTED]
[REDACTED]
9. For the reasons set out in this report, our recommendation is to **grant consent**.

Key information

Applicants	Ingka Investments Forest Assets NZ Limited and Ingka Investments Management NZ Limited (Netherlands, 100%)
Vendor(s)	Christopher’s Management Services Limited (New Zealand, 100%)
Interests in Land	1. Approximately 4,912.3086 hectares of freehold land at 2987 Mata Road, Raukumara known as Huiarua Station , and approximately 1,200.6967 hectares of freehold land at Fernside Road, Tauwhareparae known as Matanui Station .

	<p>2. A forestry right to be granted by Ingka Investments Forest Assets NZ Limited over the Land in favour of Ingka Investments Management NZ Limited (the Forestry Right).</p> <p>3. An interest in the Timbergrow Forestry Right being a forestry right over 9.5 hectares (more or less) of part of the Waiiau Forest (certificate of title 5D/327) owned by Timbergrow Limited (Timbergrow Forestry Right Interest).</p>
Consideration	[s 9(2)(b)(ii)]
Application type	Sensitive land – special forestry test (one-off)
Relevant tests	<p>Investor test: s 16(1)(a) and s 18A</p> <p>Benefit to NZ test – special test relating to forestry activities: s 16A(4)</p> <p>Farm land offer test: s 16(1)(f)</p> <p>National interest test: s 16(1)(g)</p>

Timing

4. The Overseas Investment Regulations 2005 specify the total assessment timeframe for this application is 85 days, which consists of 55 days for applications in the special forestry pathway plus an automatic 30 day extension because of the high volume of third party submissions and consultation required.²
5. This application is currently on day 87. A decision was due to the Applicants by 29 June 2022 in order to meet the assessment timeframe.

B. Decision

Core tests

6. I determine that:

- 6.1 The 'relevant overseas person' is (collectively):

Relevant overseas person	Role
Ingka Investments B.V. (Ingka Investments)	100% shareholder of both Ingka Forest Assets NZ and Ingka Management NZ
Ingka Investments Forest Assets NZ Limited (Ingka Forest Assets NZ)	Applicant, purchaser of the Land
Ingka Investments Management NZ Limited (Ingka Management NZ)	Applicant, proposed Forestry Right owner

- 6.2 the 'individuals with control of the relevant overseas person' are:

IWC	Ingka Forest Assets NZ	Ingka Management NZ	Ingka Investments
Juvencio Maeztu			Director

² Clause 7(b) of Schedule 5 (Time frames relating to applications) of the Overseas Investment Regulations 2005.

IWC	Ingka Forest Assets NZ	Ingka Management NZ	Ingka Investments
Jesper Brodin			Director, President and Chief Executive Officer of Ingka Group
Krister Mattsson ³			Director (until 31 May 2022), Chairperson of Renewable Energy & Forestland Portfolio Council
Peter Van Der Poel			Director of Ingka Investments B.V. from 31 May 2022
Andriy Hrytsyuk	Director	Director	Portfolio Manager Forestland
Anna Gustafsson	Director	Director	
Iulia-Andreea Simion			Legal Counsel, Ingka Group
Ray Raiesmaa			Portfolio Operations Manager, Ingka Group
Costel Bucur			Portfolio Business Risk & Compliance Manager, Ingka Group
Gijs Menting			Forestland Portfolio Acquisition Manager from 1 March 2022

6.3 None of the relevant overseas persons and individuals with control of the relevant overseas person have established any of the factors contained in section 18A(4) of the Act.

7. I am satisfied that the investor test in section 18A has been met.

³ Krister Mattsson stepped down from his role as a director of Ingka Investments and accordingly his membership in the various internal approval bodies (such as the Portfolio Council and the Ingka Investments Board) will cease. This change is likely to be effective from 31 May 2022.

Hon Dr Megan Woods

Hon Damien O'Connor

Agree

Agree

Disagree

Disagree

8. I am satisfied, in relation to the special forestry test, that:

- 8.1 the Land is likely to be used exclusively or nearly exclusively for forestry activities;
- 8.2 the Land does not include residential land;
- 8.3 the Land is not likely to be used or held for future use for any residential purposes except forestry worker accommodation permitted under section 16A(4) of the Act;
- 8.4 the requirements set out in clause 29(2) of the Overseas Investment Regulations 2005 are likely to be met (being requirements to continue existing arrangements, comply with existing conditions of consent, and comply with existing log supply obligations);
- 8.5 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; and
- 8.6 the farm land offer criteria have been met.

Hon Dr Megan Woods

Hon Damien O'Connor

Agree

Agree

Disagree

Disagree

National interest assessment

9. I note that the overseas investment in sensitive land is not a transaction of national interest under section 20A of the Act and the Minister of Finance has not notified it is a transaction of national interest under section 20B of the Act.

Hon Dr Megan Woods

Noted

Hon Damien O'Connor

Noted

Decision about whether to grant or decline consent

10. My ultimate decision is to:

Hon Dr Megan Woods

Grant consent subject to the conditions in the Proposed Decision in **Attachment 1**

Grant consent with amended conditions provided on:

Decline consent



Hon Dr Megan Woods

Date: 11 / 07 / 22

Hon Damien O'Connor

Grant consent subject to the conditions in the Proposed Decision in **Attachment 1**

Grant consent with amended conditions provided on:

Decline consent

Hon Damien O'Connor

Date: / /

Released under the Official Information Act 1982

IWC	Ingka Forest Assets NZ	Ingka Management NZ	Ingka Investments
Jesper Brodin			Director, President and Chief Executive Officer of Ingka Group
Krister Mattsson ³			Director (until 31 May 2022), Chairperson of Renewable Energy & Forestland Portfolio Council
Peter Van Der Poel			Director of Ingka Investments B.V. from 31 May 2022
Andriy Hrytsyuk	Director	Director	Portfolio Manager Forestland
Anna Gustafsson	Director	Director	
Iulia-Andreea Simion			Legal Counsel, Ingka Group
Ray Raiesmaa			Portfolio Operations Manager, Ingka Group
Costel Bucur			Portfolio Business Risk & Compliance Manager, Ingka Group
Gijs Menting			Forestland Portfolio Acquisition Manager from 1 March 2022

6.3 None of the relevant overseas persons and individuals with control of the relevant overseas person have established any of the factors contained in section 18A(4) of the Act.

7. I am satisfied that the investor test in section 18A has been met.

³ Krister Mattsson stepped down from his role as a director of Ingka Investments and accordingly his membership in the various internal approval bodies (such as the Portfolio Council and the Ingka Investments Board) will cease. This change is likely to be effective from 31 May 2022.

Hon Dr Megan Woods

Hon Damien O'Connor

Agree

Agree

Disagree

Disagree

8. I am satisfied, in relation to the special forestry test, that:

- 8.1 the Land is likely to be used exclusively or nearly exclusively for forestry activities;
- 8.2 the Land does not include residential land;
- 8.3 the Land is not likely to be used or held for future use for any residential purposes except forestry worker accommodation permitted under section 16A(4) of the Act;
- 8.4 the requirements set out in clause 29(2) of the Overseas Investment Regulations 2005 are likely to be met (being requirements to continue existing arrangements, comply with existing conditions of consent, and comply with existing log supply obligations);
- 8.5 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; and
- 8.6 the farm land offer criteria have been met.

Hon Dr Megan Woods

Hon Damien O'Connor

Agree

Agree

Disagree

Disagree

National interest assessment

9. I note that the overseas investment in sensitive land is not a transaction of national interest under section 20A of the Act and the Minister of Finance has not notified it is a transaction of national interest under section 20B of the Act.

Hon Dr Megan Woods

Noted

Hon Damien O'Connor

Noted

Decision about whether to grant or decline consent

10. My ultimate decision is to:

Hon Dr Megan Woods

Grant consent subject to the conditions in the Proposed Decision in **Attachment 1**

Grant consent with amended conditions provided on:

Decline consent

Hon Damien O'Connor

Grant consent subject to the conditions in the Proposed Decision in **Attachment 1**

Grant consent with amended conditions provided on:

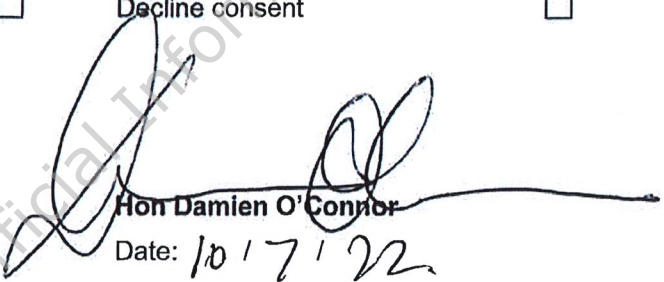
Decline consent

Hon Dr Megan Woods

Date: / /

Hon Damien O'Connor

Date: 10/7/22



Released under the Official Information Act 1982

C. Background and proposed transaction

1. Ingka Investments Forest Assets NZ Limited and Ingka Investments Management NZ Limited (the **Applicants**) are seeking to acquire **Huiarua Station** (at 2987 Mata Road, Raukumara) and **Matanui Station** (at Fernside Road, Tauwharaeparae), two large farming stations in the Gisborne region, with a combined area of 6,113 hectares (**ha**) (the **Land**), to convert to plantation forestry.
2. Huiarua Station has an area of 4,912.3 ha including 3,200 ha of grazing land, and 1,800 ha of pine, native or non-productive eroding land. Matanui Station has an area of 1,200.7 ha including approximately 800 ha of grazing land. Huiarua and Matanui stations are currently run as sheep and beef breeding operations with some existing forest in radiata pine (615 ha and 88 ha respectively).
3. Ingka Investments Forest Assets NZ Limited (**Ingka Forest Assets NZ**) entered into two agreements for sale and purchase (which are interdependent and will be settled contemporaneously) with the Vendor both dated 24 December 2021 to acquire Huiarua Station and Matanui Station (the **Agreements**).

Forestry Rights

4. Immediately after settlement Ingka Forest Assets NZ intends to grant the Forestry Right to Ingka Investments Management NZ Limited.
5. There is an existing forestry right in favour of Timbergrow Limited⁴ registered over a small area that will also form part of this investment. (The Land, the Forestry Right, and the Timbergrow forestry right are together referred to as the **Investment**). A forestry right in favour of Port of Gisborne will not form part of this Investment.⁵

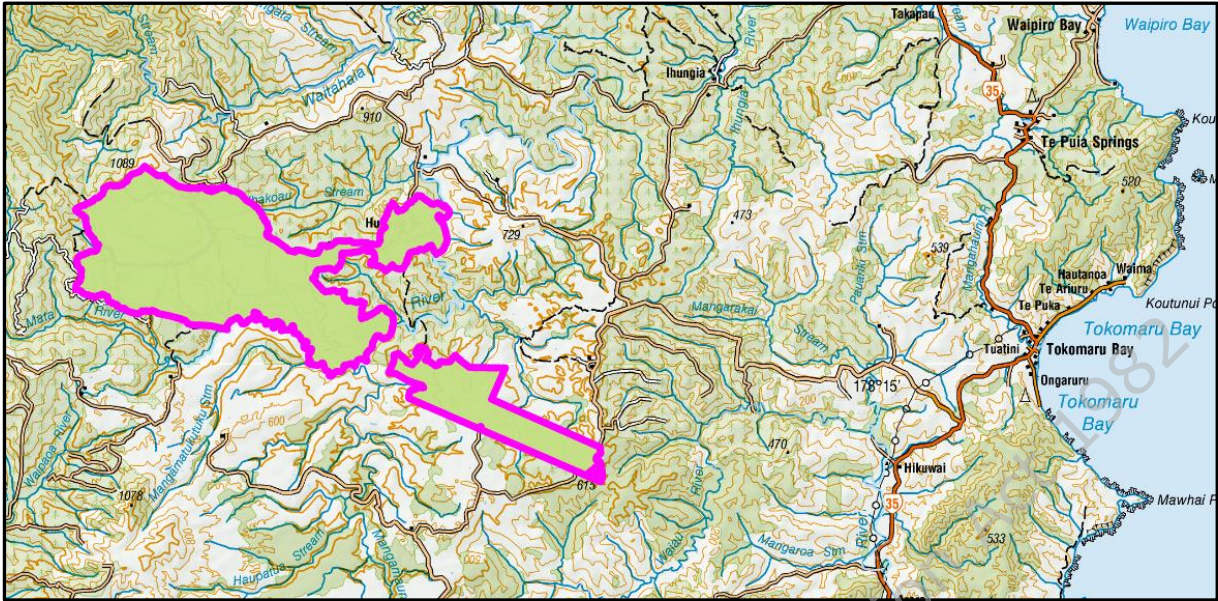
Vendor

6. [s 9(2)(a)]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
7. The Vendor and Applicants have agreed to a leaseback arrangement for the Vendor to continue its farming operations, for three years from settlement, with the area available for grazing reduced each year, while the Land is converted to forestry.
8. A map showing location of the Land (with the boundary outlined pink, inland from Tokomaru Bay, north of Gisborne) is below.

⁴ A forestry right in favour of Timbergrow Limited registered over 17 ha will be assigned to Ingka Forest Assets NZ on settlement.

⁵ A forestry right in favour of Port of Gisborne over 25.6 ha expires on 31 July 2027 and the Applicants will only have the ability to replant this area if Port of Gisborne choose not to exercise its right of first refusal.

[REDACTED]
[REDACTED]



9. The sensitive land certificate dated 26 January 2022⁷ confirms that the terrain is rolling, cultivatable with moderate to steep land. Some of the steeper country is in both native bush and exotic plantation forestry. The terrain rises from 400 metres above sea level to a high point of 1089 metres asl. It is drained by several tributaries of the Mata River, to which it has some frontage.⁸
10. An area of approximately 1,190 ha at Huiarua Station is subject to Part 4A Conservation Act 1987⁹. This reserves the marginal strips of any streams or rivers that are over 3 metres wide. However, there are no such rivers within that area.
11. There is a freshwater area (Mata River) on Huiarua Station, as confirmed by the Applicant and the sensitive land certificate, which notes that the entire rohe is prone to erosion. This is of concern to local hapu and the Gisborne District Council, as outlined in the Waipau River Catchment Study Summary (which includes the Mata River).
12. The Land contains 12 residential dwellings. The Applicants plan to subdivide and sell 11 of the dwellings but retain one dwelling as accommodation to support forestry activities. The Mata School contains a residential house for the School Master currently subject to a Licence to Occupy with the Crown.
13. Images of the Land can be found at **Attachment 7**.

⁷ Peter Port, LINZ Accredited Crown Property Supplier and Principal of Port Glen Limited.

⁸ The sensitive land certificate states that parts of the southern and eastern boundaries of Lot 1 DP 9828 adjoin the true left bank of the Mata River. The river flows east and northwards at this point. There are no notations as to the width of the Mata River on either GS6D/207 DPs 7690 or 9828 but by scaling it appears to be around 30 metres. However the two relevant frontages are subject to 10 metre wide esplanade easement strips registered in Instrument 6175886.14. under s. 232 of the Resource Management Act 1991. Although the esplanade strip is covered in a legal instrument the strip remains in the ownership of the landowner.

⁹ Record of Title GS5C/245, Lot 5 DP 7690.

D. Application of the Act

14. The Land is sensitive because it is non-urban land over 5 ha in size,¹⁰ so consent is required.¹¹ Because the Land is likely to be used almost exclusively for forestry activities, the following criteria for an investment in sensitive land apply to this application:¹²
- 14.1 The investor test must be met.¹³
 - 14.2 The benefit to New Zealand test must be met under the special test relating to forestry activities.¹⁴
 - 14.3 The farm land must have been offered for sale on the open market.¹⁵
 - 14.4 You must also note whether the investment is a transaction of national interest and, if so, whether the Minister of Finance has decided that the investment is contrary to New Zealand's national interest.¹⁶
15. In order to satisfy the special test relating to forestry activities, the decision-maker must be satisfied that:¹⁷
- 15.1 **Use of land:** The Land—
 - a) is likely to be used (nearly) exclusively for forestry activities
 - b) is not exclusively residential land and
 - c) is not likely to be used for any residential purposes, other than forestry worker accommodation.
 - 15.2 **Requirements:** The following requirements are likely to be met—¹⁸
 - a) existing arrangements are maintained
 - b) existing conditions of consent are complied with
 - c) logs continue to be supplied under existing supply obligations and
 - d) 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; and
16. As this transaction includes fresh or seawater interest(s), the automatic condition relating to fresh and seawater areas applies.¹³ The Crown must acquire, and the owner of the Land must allow the Crown to acquire, the fresh and seawater interest(s).¹⁴ However, the Crown need not acquire the fresh or seawater interest(s) if the owner is notified of a decision not to acquire.¹⁵
17. We assess the investor test in Part D, the special test relating to forestry activities in Part E, the farm land offer test in Part F, and discuss national interest matters in Part G.

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

¹¹ Under sections 10(1)(a) and 12(a)(i) of the Act.

¹² Set out in section 16(1) of the Act.

¹³ Section 16(1)(a) and 18A of the Act.

¹⁴ Section 16(1)(c)(ii) and s16A(4) of the Act.

¹⁵ Section 16(1)(f) of the Act.

¹⁶ Section 16(1)(g) of the Act.

¹⁷ Section 16A(4)(a)-(f) of the Act.

¹⁸ As set out in clause 29(2) of the Overseas Investment Regulations 2005, and s 16A(4)(e) of the Act.

E. Applicant and investor test

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

Business Activities

19. Two limited liability companies, each incorporated in New Zealand in December 2020 for the purpose of making the Investment, are together the Applicants.
20. Ingka Investments Forest Assets NZ Limited (Company No. 8148262) intends to acquire the Land and will grant the Forestry Right to Ingka Investments Management NZ Limited (Company No. 8148260).
21. The two New Zealand companies are referred to respectively as **Ingka Forest Assets NZ** and the **Ingka Management NZ**, or as the context requires, collectively as the Applicants.
22. The Applicants are subsidiaries of Ingka Group (meaning Ingka Holding B.V. and its controlled entities) as described further below.

Ownership

23. Ingka Forest Assets NZ and the Ingka Management NZ are both 100% owned by Ingka Investments B.V. (**Ingka Investments**). Ingka Investments is the investment arm of Ingka Group.
24. Ingka Investments is a wholly owned subsidiary of Ingka Pro Holding B.V. (incorporated in the Netherlands in 1978), which itself is a wholly owned subsidiary of Ingka Holding B.V. (incorporated in the Netherlands in 1982).
25. Ingka Holding B.V. is the 'parent' holding company for all subsidiaries that jointly form the Ingka Group.

Stichting Ingka Foundation

26. The ultimate parent of Ingka Group is Stichting Ingka Foundation (**Ingka Foundation**), also registered in the Netherlands. Ingka Foundation, which has a charitable purpose, does not and cannot have any shareholders or other types of legal owners, but holds its assets only on its own behalf. It has a charitable purpose which is achieved by making funds available to Ingka Holding B.V.
27. The Kamprad family can occupy up to two of the five seats on the Ingka Foundation board, but the family does not control Ingka Foundation. Funds can be spent only in pursuit of the charitable purposes and not for the benefit of the Kamprad family.¹⁹

Ingka Group

28. Ingka Group is a large multinational corporation with 166,350 employees and had total revenue of EUR 37.4 billion in the 2020 financial year. It has 378 IKEA stores in 30 countries and 45 shopping centres in 15 countries.
29. Ingka Group is the largest franchisee of IKEA stores internationally. The IKEA concept is owned by Inter IKEA Systems B.V. (part of the Inter IKEA Group), also based in the Netherlands, which franchises the IKEA concept globally. The Inter IKEA Group and Ingka Group are two separate groups of companies with different management and different owners.
30. Ingka Group's strategy is to invest in forestry in countries relevant for the IKEA supply chain. The Applicants have stated that planning is underway for the Ingka Group to

¹⁹ Link to Ingka Foundation website with information on the founder and Kamprad family: [Governance | INGKA Foundation](#).

bring IKEA stores to New Zealand in the near future. In April the OIO granted consent to IKEA New Zealand Limited for an investment in significant business assets, being the establishment of an IKEA store retail home furnishings and distribution business, to be located in Auckland, with an opening date in December 2024.²⁰

31. Ingka Group has three business areas, each with its own management and corporate structure, which sit under the Ingka Group corporate structure.
32. The three business areas of Ingka Group are:
 - (a) IKEA Retail Business.

Ingka Group's core business is IKEA Retail, which is the world's largest home furnishing retailer, operating 378 IKEA stores in 30 countries. These IKEA stores had 706 million customers in the 2020 financial year.
 - (b) Ingka Investments Business

Ingka Investments is the investment arm of Ingka Group. This is the relevant part of the Group for the proposed Investment and is described in more detail below.
 - (c) Ingka Centres Business

Ingka Centres develops shopping centres with each anchored by an IKEA retail store. Currently there are 45 shopping centres across Europe, Russia, and China.
33. Each of these entities within Ingka Group has a management board responsible for making any decisions relating to that entity.

Ingka Investments
34. Ingka Investments was incorporated in the Netherlands in 2014. The Applicants submit that it makes responsible investments to secure long-term growth for Ingka Group and shares the knowledge it gains from its investment collaborations with IKEA Retail to support its business development. Ingka Investments has a diverse portfolio, mainly invested in securities with low-risk profiles.
35. Ingka Investments is divided into these six sub-businesses:
 - (a) Financial Market Investments
 - (b) Business Development Investments
 - (c) Renewable Energy
 - (d) Forestland
 - (e) Circular Economy
 - (f) Real Estate
36. Ingka Investments itself has a large global reach. It owns about 250,000 ha of responsibly managed forests in the United States, Romania, Estonia, Latvia and Lithuania. Ingka Investments' strategy is to invest in forestry in countries relevant for the IKEA supply chain. The Applicants have stated that planning is underway for the Ingka Group to bring IKEA stores to New Zealand in the near future.

Previous Investor Tests

²⁰ OIO case number 202200041.

37. The Applicants have been granted four consents under the Act. Their first consent, under the special forestry test, was granted in August 2021 for the acquisition of 5,499 ha of land in Clutha, Otago (known as 'Wisp Hill Station').²¹
38. This year the Applicants have received three further consents for farm to forestry conversions under the special forestry test. These relate to acquisitions of land at:
 - 38.1 86 Koneburn Road, Gore (1,188 ha),
 - 38.2 708 and 668 Old Hill Road, Porangahau, Central Hawke's Bay (609 ha), and
 - 38.3 254 Wilder Road, Porangahau (670 ha)²².
39. Accordingly, the Applicants have previously met the investor test in s18 of the Act. As with all consents, the Applicants (including 'relevant overseas persons' and 'individuals with control') must remain not unsuitable to own or control any sensitive New Zealand assets.
40. The Applicants have also submitted another two applications for consent being processed²³ along with this application (202200036).
41. A diagram of the Applicants' ownership structure, simplified to show the Ingka Investments part of Ingka Group, is in **Attachment 2**.

Control

42. Ingka Forest Assets NZ and the Ingka Management NZ are controlled by their directors. Both companies share the same two directors, Andriy Hrytsyuk and Anna Gustafsson.
43. In New Zealand the Applicants will be responsible for making decisions with respect to the investments being made, and the day-to-day management of them. Ingka Investments, as the parent of the Applicants, approves certain investment decisions. The directors of Ingka Investments are Juvencio Maeztu, Jesper Brodin, and Krister Mattsson who stepped down as of 31 May 2022 (replaced by Peter Van Der Poel).
44. Ingka Investments, as one of the three businesses of Ingka Group, has its own management board, including its three directors, which is responsible for monitoring of performance and execution of the strategy and the annual asset allocation plan for Ingka Investments. The Renewable Energy & Forestland Portfolio Council is one of a number of Investment Portfolio Councils established to support the work of the Ingka Investments Board.
45. Ingka Investments has a New Zealand forestry project team that is responsible for advising the board of the Applicants on identification of, and recommendation to make, the investment, the ongoing day-to-day oversight of the investment, and any recommendation to dispose of the investment.
46. The New Zealand forestry project team is made up of Iulia-Andreea Simion (Legal Counsel, Ingka Group), Ray Raiesmaa (Portfolio Operations Manager, Ingka Group), Costel Bucur (Portfolio Business Risk & Compliance Manager, Ingka Group) and Gijs Menting (Forestland Portfolio Acquisitions Manager).
47. The financial commitment for the total investment amount (including during the project lifetime) comes from Ingka Investments, the parent and sole shareholder in both Applicants.

²¹ OIO case number 202100045.

²² OIO case numbers 202200038 (86 Koneburn Road), 2021000767 (708 and 668 Old Hill Road), and 2021000739 (254 Wilder Road).

²³ OIO case numbers 202200215 and 202200216.

48. Formal decision-making delegations are in place for the governance of the Applicants. The 'Rule on Forestland Investments' is approved by the Ingka Investments Board and sets out decision-making structure for forestland transactions, and delegation thresholds.
49. Decisions on purchases of forestland are delegated to, and made by, the Boards of the local investing company, which for the proposed investment will be the Boards of the Applicants. [s 9(2)(b)(ii)] the body approving the decision under delegation is the Renewable Energy & Forestland Portfolio Council – however the decision to invest was initiated by and driven by the Applicants. (No other body can direct the local investing company to implement a particular course of action). Krister Mattsson is the Chairperson of the Council (who stepped down as of 31 May 2022) and Andriy Hrytsyuk is a member in his role as the Portfolio Manager for Forestland.
50. Accordingly, the transaction was approved by the directors of the Applicants and the directors of Ingka Investments, who could also approve a divestment.

Relevant overseas person and individuals with control

51. For these reasons, we recommend that the 'relevant overseas person' is (collectively):

Relevant overseas person	Role
Ingka Investments B.V. (Ingka Investments)	100% shareholder of both Ingka Forest Assets NZ and Ingka Management NZ
Ingka Investments Forest Assets NZ Limited (Ingka Forest Assets NZ)	Applicant, purchaser of the Land
Ingka Investments Management NZ Limited (Ingka Management NZ)	Applicant, proposed Forestry Right owner

52. We recommend that the 'individuals with control of the relevant overseas person' (IWC)²⁴ are:

IWC	Ingka Forest Assets NZ	Ingka Management NZ	Ingka Investments
Juvencio Maeztu			Director
Jesper Brodin			Director, President and Chief Executive Officer of Ingka Group
Krister Mattsson ²⁵			Director (until 31 May 2022), Chairperson of Renewable Energy

²⁴ Section 15.

²⁵ Krister Mattsson stepped down from his role as a director of Ingka Investments and accordingly his membership in the various internal approval bodies (such as the Portfolio Council and the Ingka Investments Board) will cease. This change is likely to be effective from 31 May 2022.

IWC	Ingka Forest Assets NZ	Ingka Management NZ	Ingka Investments
			& Forestland Portfolio Council
Peter Van Der Poel			Director of Ingka Investments B.V. from 31 May 2022
Andriy Hrytsyuk	Director	Director	Portfolio Manager Forestland
Anna Gustafsson	Director	Director	
Iulia-Andreea Simion			Legal Counsel, Ingka Group
Ray Raiesmaa			Portfolio Operations Manager, Ingka Group
Costel Bucur			Portfolio Business Risk & Compliance Manager, Ingka Group
Gijs Menting			Forestland Portfolio Acquisition Manager from 1 March 2022

Summary of investor test

53. The relevant overseas persons and individuals with control established none of the factors contained in section 18A(4) of the Act.
54. The above relevant overseas persons, and individuals with control, are the same as for the Applicants' most recent previous consent granted in March 2022 for the acquisition of Stonebridge Farm,²⁶ except that Krister Mattsson has stepped down, and Peter Van Der Poel and Gijs Menting have joined Ingka Investments as set out above.
55. For the reasons set out above, our conclusion is that **the investor test has been met.**

F. Investment plan and special forestry test

56. This section describes the proposed investment and our assessment of whether it is likely to meet the special forestry test criteria in the Act.

²⁶ Noting that the consent granted for case 202100767 was subject to the 'new' investor test effective from 22 March 2021.

Investment

57. The Applicants wish to acquire the Land to convert it from its current farm use for an investment in commercial forestry.
58. The Applicants plan to convert the Land to forestry by establishing and maintaining plantation forest (predominantly radiata pine) over approximately 4,907 ha (representing approximately 80% of the Land), being the parts of the Land it has assessed are best suited to forestry. Planting of the Land is planned to occur over four years during the 2023 to 2026 autumn-winter planting seasons.
59. The total afforested area would include new planting of approximately 4,202 ha (3,372 ha at Huiarua Station and 830 ha at Matanui Station), along with the area of existing plantation. Subject to the availability of suitable tree stocks and the duration of the planting season, the proposed new planting plan appears below:

Period	Tree crop establishment (ha)
Autumn 2023	1,259.85
Autumn 2024	1,259.85
Autumn 2025	844.9
Autumn 2026	844.9
Total	4,209.5

60. The following Land Use Capability (LUC) class information¹⁵ provides general context as to the productive capacity and physical limitations of the land:
- LUC 2 (22 ha);
 - LUC 3 (290 ha);
 - LUC 4 (292 ha);
 - LUC 6 (3,084 ha);
 - LUC 7 (2,379 ha); and
 - LUC 8 (18 ha).
61. **Attachment 6** provides further details relating to the Land's land use capability.
62. The expected timeframe for harvesting radiata pine would be 27 to 30 years from planting. The Applicants have committed to harvesting the commercial crop of trees. Other plantation trees (redwood, eucalyptus, macrocarpa) will also be considered as these other species may create more biodiversity although no specific commitment has been made to these other species.

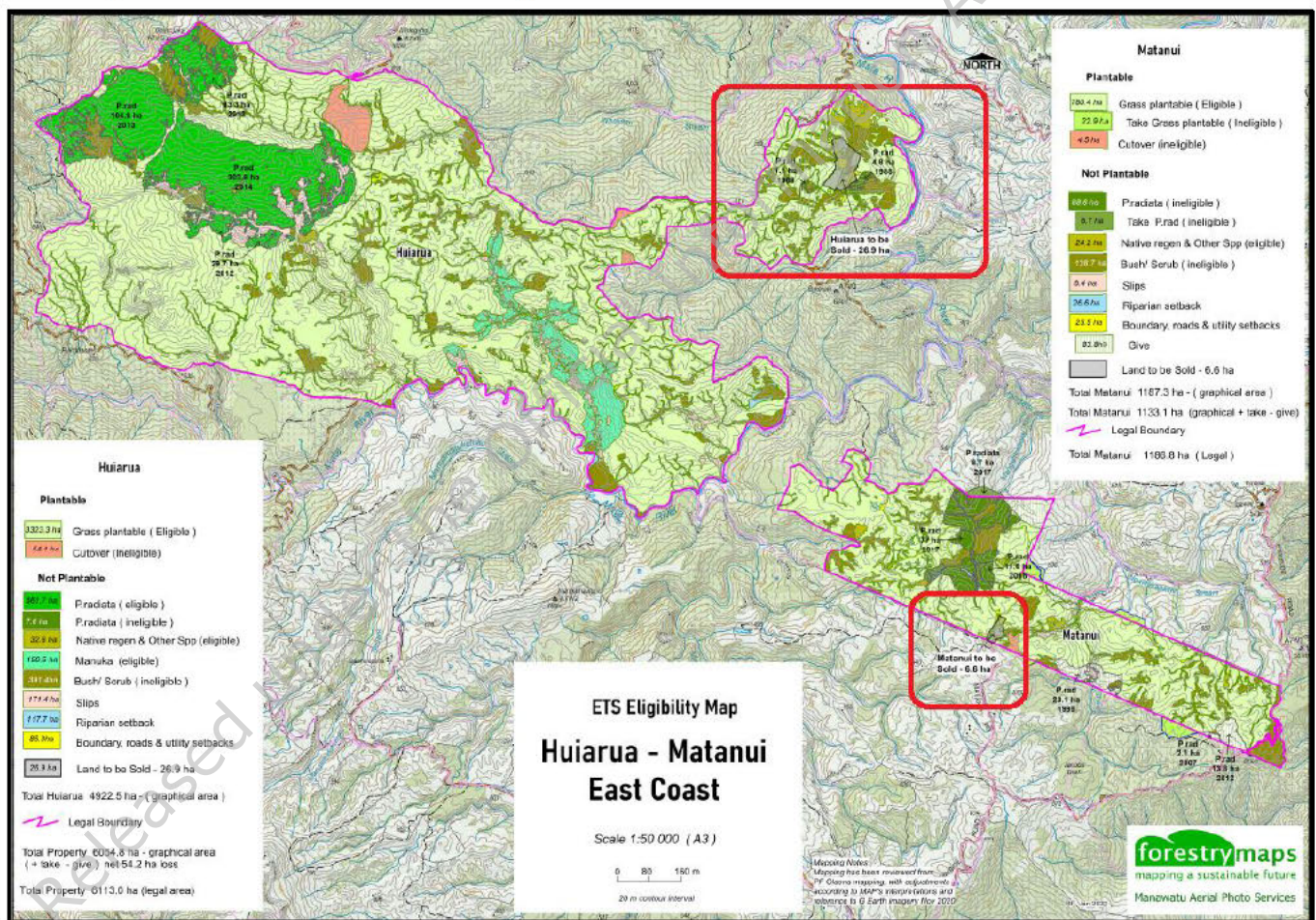
Subdivision of land containing dwellings

63. The Land contains 12 dwellings, which are listed in Schedule 5 of the Agreements. The Huiarua Station Agreement also lists an office as a dwelling, but we have not included this as it is not a residential dwelling.

Huiarua Station		
#	Dwelling description	Record of title + description
1.	Manager's House	GS6D/207 Lot 1 DP 9828
2.	Head Shepherd's House	
3.	House 1	
4.	House 2	
5.	Cottage	
6.	Corporate House	

7.	Shepherd's Quarters	
8.	Shepherd's Quarters	
9.	Cookhouse	
Matanui Station		
10.	Manager's House	GS6A/814 Section 1 SO Plan 5834 and Part Tauwhareparae 2B Block
11.	Shepherd's House	
12.	Shepherd's Quarters	

64. The Applicants plan to subdivide and sell approximately 30 ha of Land with 11 dwellings, being about 25 ha at Huiarua Station and 5 ha at Matanui Station, within 4 years of settlement.
65. See below for the eligibility map submitted by the Applicants on which we have super-imposed red outlined boxes drawing attention to the areas of land to be sold:



66. One dwelling will be retained for forestry worker accommodation, as permitted by the Act. The Vendor will use the 12 houses under the leaseback arrangement for three years from settlement, which will be discussed in further detail below.
67. **Special Condition 7** and **Special Condition 8** require the Land not be used for any residential purposes (with the exception of forestry worker accommodation), other than for a temporary period while the Land is converted to forestry. (See the proposed decision in **Attachment 1**).
68. **Attachment 3** contains an enlarged version of the super-imposed red outlined boxes drawing attention to the areas of land.

Mata School

69. Huiarua Station includes about 2 ha of land subject to a licence to occupy granted to the Crown in respect of Mata School. This also includes a residential dwelling (additional to the 12 dwellings mentioned above) that is used as the School Master's house.
70. Mata School is an isolated rural school about 45 minutes inland from Tokomaru Bay, staffed with one full-time sole-charge principal, with a "highly transient roll" (six students in 2019).²⁷
71. Several third party submissions (as well as the petition) have objected to the granting of consent on the basis that the sale of the two farms would lead to the loss of the Mata School which serves the families of the surrounding farms.
72. The Ministry of Education has exercised its final right of renewal for seven years from 1 September, and the licence term is due to expire on 31 August 2029. The School Master's house, classrooms, ancillary buildings and swimming pool belong to the Crown, and will be removed at the end of the licence term.
73. The Applicants have told us they are supportive of the licence to the Crown continuing for Mata School, or alternatively are open to subdividing and selling the area containing Mata School to the Crown, should they wish to acquire it.
74. The Ministry's view is that the Mata School was established to support farm station workers in the area. Currently there are only 5 students at Mata School and all of these are children of workers on these stations. As such, if the stations are acquired and converted into forestry land, it is unlikely that there will continue to be a need for this school. It is therefore unlikely that the Ministry would want to look to acquire the existing licenced land if OIO consent was granted.
75. **Special Condition 10** imposes an obligation on the Applicants to consult with the Secretary for Education as to whether the licence for the Mata School will continue after planting is complete. In the event it does then the Applicants will need to subdivide and sell the Mata School premises, and Special Condition 10 provides for the continued residential use of the School Master's house for a temporary period. In the event it does not then the Applicants will not need to subdivide and sell the Mata School premises. (See the proposed decision in **Attachment 1**).
76. **Attachment 3** shows the Mata School on a map as well as a map of the part of Huiarua Station on which the School is situated.

Consultation with Ngāti Porou

77. We received detailed submissions from Ngāti Porou, opposing the investment for reasons associated with wellbeing of people in the region. We engaged further with Ngāti Porou to request further information, and to inform them of the special forestry test criteria.
78. In particular, Ngāti Porou raised their Treaty settlement and a Memorandum of Understanding (**MoU**) entered into in 2014 between Ngāti Porou, the Crown (**MPI**), and Gisborne District Council (**GDC**). The MoU relates to the Waiapu Catchment. The Waiapu River has very high sediment levels due among other things to historic deforestation and erosion problems. The Mata River is one of the main tributaries of the Waiapu river.
79. Ngāti Porou expressed concerns that increased waste from pine forestry may be detrimental to the Mata River, but also that there are wider economic and social consequences due to the significant role played by this farm in the region. The MoU is

²⁷ Review Report of Education Review Office (18 June 2019).

intended to try and recognise the need to address the state of the Waiapu catchment and sets out a number of plans. It also recognises the significant role Ngāti Porou has in the protection of the region and the adverse impact failure to protect the river can have on the people of the region, including economic and social.

80. Further comment received from Ngāti Porou expanded on their reasons for objecting to the application. These reasons, in summary, included that:
- forestry is not the best use of this productive farm land;
 - the establishment of plantation forests will replicate experiences after the Tolaga Bay floods and add to sediment in the Waiapu catchment, in turn impacting the coastal environment which is a source of food for Ngāti Porou; and
 - while Ngāti Porou have a joint management agreement with Gisborne District Council intended to provide for shared decision-making in their rohe, in practice they are let down by the compliance capability of the Council and it will be the hapu of Ngāti Porou who will live with the impacts.
81. [s 9(2)(g)(i)]
[REDACTED]
[REDACTED] However, we have provided the Applicants with a copy of the submissions received from Ngāti Porou and encouraged them to consider the issues raised and engaged proactively with this iwi to share their investment plans and listen to the issues of importance to Ngāti Porou.
82. The Applicants have told us that there will be a number of forestry management practices employed to ensure that the impact of harvesting is minimal. This includes that riparian setbacks around the Mata River (to be planted in mānuka and other natives) will be 20 metres, exceeding the minimum requirements required by law. The National Environmental Standards for Plantation Forestry (NES-PF), made under the Resource Management Act 1991, provides a framework for managing the environmental effects of forestry.
83. Further, the Applicants submit that their proposed investment will be consistent with the key aims of the Waiapu River catchment programme and the MoU, namely, to treat erosion, prevent greater physical damage, and to bring social and economic gains to iwi and landowners. Ingka say they are committed to a number of measures to minimise erosion and prevent damage to the Waiapu River catchment, including riparian planting, sustainable harvesting methods, and monitoring of water quality.
84. We understand that the Ingka's advisors have recently met with Ngāti Porou, and that a further meeting was scheduled to take place when Ingka Group representatives visited New Zealand in June.

Third Party Submissions

85. There is strong community opposition to the proposed investment. We have to date received 40 third party submissions, including a petition²⁸, all opposing the conversion of the farms to forestry.
86. Common themes from submissions include that the investment will have an adverse impact on the environment, be detrimental to the economy and local community (including possible closure of Mata School), opposition to "overseas carbon farmers", and claims that forestry will not be commercially viable on the Land.

²⁸ In April we received a submission attaching a hard copy of a petition signed by 371 individuals and informing us of an online petition on change.org (which at that the date of writing has gathered over 8,000 signatures), subsequently presented to Hon Kiri Allan on 13 May 2022.

87. We have sought further information from the Applicants regarding issues raised in a number of submissions, including about the viability of the Land for commercial forestry. This has subsequently informed our assessment of the application. The common themes from third party submissions, and the Applicants responses, are summarised below.

Use of land

88. This section considers whether the Land –
- 88.1 is likely to be used (nearly) exclusively for forestry activities
 - 88.2 is not exclusively residential land and
 - 88.3 is not likely to be used for any residential purposes, other than forestry worker accommodation.

Used (nearly) exclusively for forestry activities

89. It is a fundamental criterion of the special forestry test that the relevant land is used exclusively, or nearly exclusively, for forestry activities.²⁹ We provide details about particular constraints on the use of the Land in this part, and our assessment as to why these factors do not prevent this criterion from being met.

Plans for obtaining resource consent for red zoned land

90. We have requested further information from the Applicants regarding the proportion of the Land that will require resource consent for forestry activities, and their plans to apply for consent.
91. The Applicants have told us that resource consent will be required for forestry activities, including afforestation and harvesting, in areas where the erosion susceptibility risk is 'very high' (red zoned land). 819 ha at Huiarua Station and 95 ha at Matanui Station is red zoned and will require resource consent. Of the red zoned plantable land, about 150 hectares will be planted in native species as riparian setbacks.
92. The Applicant's forestry managers have advised (Logic Forest Solutions Limited) that, based on their due diligence and discussions with GDC, they do not believe there will be any issues with gaining the resource consents required.
93. The Applicants' advisors have already engaged GDC regarding an application for resource consent, and GDC advised that it supports forestry on the area of plantable red-zoned land provided that riparian planting of permanent species is proposed.

Carbon lease

94. The Land at Huiarua Station is subject to a lease (the Carbon Lease) in favour of New Zealand Forest Leasing No.3 Limited (the **Lessee**).³⁰ This allows the Lessee to plant trees on Huiarua Station to be registered under the New Zealand Emissions Trading Scheme (**ETS**) and earn emissions units for the growth of the trees planted.
95. The Carbon Lease was originally registered over an area of 1,532 ha. However, the Vendor and Lessee have agreed that the Carbon Lease will be surrendered over the majority of that area as it was not planted as originally anticipated. This means that the area subject to the Carbon Lease will be approximately 552 ha.
96. The Applicants have confirmed that the area subject to the Carbon Lease can be used for forestry activities without consent of the Lessee. Under the terms of the Carbon

²⁹ Forestry activities means maintaining, harvesting, and/or establishing a crop of trees for the purpose of plantation forestry but excluding permanent forestry.

³⁰ The Carbon Lease commenced on 1 January with a term of approximately 25 years.

Lease the Applicants can harvest the trees in this area on the expiry of the Carbon Lease, which will fit with their timeframe for harvesting.

Opposition to 'carbon farming'

97. Numerous third party submissions raised objections related to 'carbon farming'. This includes statements that the trees will not be harvested, or that the return from the ETS is better than the return from harvesting, and therefore the investment should not be eligible for consent under the special forestry test.
98. A detailed submission from Dame Anne Salmond stated that "the large scale establishment of production pine plantations that can also be used for carbon farming is beneficial to New Zealand is ill-informed and short-sighted, and contrary to current international scientific advice on how best to tackle climate change".
99. The Applicants have confirmed to us that Ingka Group does not use its forests for carbon offsetting, but that the business model for their forestry portfolio is based on timber sales.

Erosion Control Funding Programme

100. There are areas that are subject to grants under MPI's Erosion Control Funding Programme (**ECFP**).
101. Approximately 1,728.09 ha at Huiarua Station and 124.36 ha at Matanui Station (being a total of 1,852.45 ha across both stations) is subject to ECFP grants. Under the terms of the grants the owner must not clear or cause any loss, damage, or destruction to any part of the area covered by the grant unless with the authority of the MPI.
102. We have consulted with MPI regarding the ECFP grant programme, and the implications for the viability of commercial forestry on the Land. Based on information received from MPI and the Applicants, and our assessment to date, we expect the Applicants will likely be able to satisfy this criterion. MPI said that radiata pine plantation grants were approved with MPI having the intention that these forests would be harvested.

Leaseback arrangement - grazing lease

103. The Agreements provide for an interim pastoral and grazing lease in favour of Rimani Farms Limited (a related party of the Vendor) for three years. The land area covered by the lease does **not** include the areas under the Carbon Lease, the registered forestry rights, the licence to the Ministry of Education, and an area of approximately 500 ha forecasted to be planted in the first year of the term of the interim pastoral and grazing lease.

Economic viability of the Land for plantation forestry

104. Several submitters stated that it would not be economic to harvest trees planted on the Land due to factors including the distance from the nearest port at Gisborne, the state of the roading, and cost of transport. We consider these submissions are relevant as this goes towards the likelihood of the Land being used for forestry activities.
105. We have tested this claim with Ingka, including requesting further information about their due diligence, silvicultural practices, and the forest manager to be appointed.
106. Before entering the Agreements Ingka engaged a number of advisors to conduct due diligence to understand the economic viability of the Land for production forestry. Advisors included Logic Forest Solutions, DLA Piper, Eland NZ, and NZ Forest Advisory. The assessments and financial modelling provided by these advisors generated an economic return acceptable to Ingka for commercial production forestry.

107. In particular, Logic Forest Solutions advised the Applicants on the costings for land preparation, establishment, pruning, thinning roading and eventual harvest based on a 28 year rotation.
108. The main points going towards viability for production forestry included the following:
- there would be increased costs of establishment, silviculture and transport due to the distance of the Land from the port, however this would be countered by lower harvesting costs due to the contours of the Land allowing for the majority to be harvested via ground-based harvesting;
 - ground-based harvesting is significantly cheaper than hauler-based harvesting (by approximately \$10-\$15 per tonne, representing a large cost saving given the scale of the Land);
 - the scale of the Land will enable Ingka to use economies of scale effectively reducing what might otherwise be a high cost on a smaller property; and
 - Mata Road is set up for logging trucks at present with a significant number of trucks using the road each day.
109. Also, the Applicants have told us that many of the surrounding properties have been developed in forestry for a significant period of time (with some being second rotation forests) providing Ingka with good local information and comparisons to help inform aspects of due diligence.

Applicants' submissions - 'nearly exclusively for forestry purposes' criterion

110. We have tested this criterion with the Applicants, including requesting details of about their silvicultural practices, and the forest manager to be appointed.
111. The silviculture regime for radiata pine will involve pruning the 330 stems per ha to three metres at five years, pruning again to six metres at seven years, and then thinning the trees in year nine. The expected timeframe for harvesting would be between 27 to 30 years from planting.
112. The Applicants will be engaging Logic Forest Solutions as its forestry manager for the investment. Logic Forest Solutions is a New Zealand company with over 20 years' experience in forest management. Ingka has also engaged New Zealand company NZ Forest Advisory, based in Gisborne, to oversee and report on the performance of the forest manager.
113. Figure 1 below shows the current and proposed use of the Land. As can be seen, the Investment plan intends that there will be a total afforested area of 4,907 hectares (or 80% of the Land). The Applicants intend to plant 4,202 ha of new planting on the Land in the 2023 to 2026 planting seasons.

Huiarua Station		
Land use	Current (ha)	Proposed (ha)
Forestry (total)	615.8 ha	3988.44 ha
Unplanted (<i>other than farm land</i>) (total)	749.9 ha	897 ha
Farm land (total)	3546.6 ha	0 ha
Land to be divested/subdivided and sold (total)	n/a	26.9 ha*
Total land use	4912.3 ha	4912.3 ha
Forestry (total ha)	615.8 ha	3988.44 ha
Existing plantation	615.8 ha	615.8 ha
New planting / afforestation – <i>at X stems per ha</i>	0 ha	3372.64 ha
Unplanted (total ha)	749.9 ha	897 ha
Native bush (including scrub)	578.5 ha	578.5 ha
Unplantable – ridges, gullies, steep land	76.6 ha	105.9 ha
Infrastructure – roads, tracks	92.8 ha	92.8 ha
Buffer land, set-backs, riparian planting	n/a	117.8 ha
Other (Mata School)	2 ha	2 ha
Farm land (total ha)	ha	ha
Pasture	3546.6 ha	0 ha
Land to be divested / subdivided and sold (total ha)	ha	26.9 ha
Farm land	ha	ha
Forestry	ha	ha
Other	ha	26.9 ha

*This area includes the areas subject to the Mata School licence (approximately two hectares) which will not be sold.

Matanui Station		
Land use	Current (ha)	Proposed (ha)
Forestry (total)	88.6 ha	918.5 ha
Unplanted (<i>other than farm land</i>) (total)	178.5 ha	275.6 ha
Farm land (total)	933.6 ha	0 ha
Land to be divested/subdivided and sold (total)	ha	6.6 ha
Total land use	1200.7	1200.7
Forestry (total ha)	88.6 ha	918.5 ha
Existing plantation	88.6 ha	88.6 ha
New planting / afforestation – <i>at 1000 stems per ha</i>	0 ha	829.9 ha
Unplanted (total ha)	178.5 ha	275.6 ha
Native bush (including scrub)	163 ha	163 ha
Unplantable – ridges, gullies, steep land	10.5 ha	56.8 ha
Infrastructure – roads, tracks	5 ha	0 ha
Buffer land, set-backs, riparian planting	n/a	55.8 ha
Other	0 ha	0 ha
Farm land (total ha)	933.6 ha	0 ha
Pasture	933.6 ha	0 ha
Land to be divested / subdivided and sold (total ha)	ha	6.6 ha
Farm land	ha	ha
Forestry	ha	ha
Other(Lifestyle)	ha	6.6 ha

* stock number defined as total number and type of stock on the relevant land.

114. The remaining portion of the Land not used for forestry activities (i.e. not existing plantation and new afforestation comprising 80% of the Land) will be used as follows:
- a. remain unplanted due to native bush (including scrub), ridges, gullies, steep land, infrastructure (roads, trucks), and buffer land, set-backs, riparian planting, and the Mata School premises (approximately 19%); and
 - b. to be subdivided and sold (approximately 1%).
115. Ingka Forest Assets NZ intends to own the Land indefinitely, consistent with Ingka Investments' strategy for investment in forestry. The Ingka Group owns around 250,000 ha of forestry around the world, investing in countries relevant for the IKEA supply chain. The Ingka Group acquires forestry assets as a 'hedge' against the global market for wood given that Ingka Group is such a large consumer of wood products for its furniture, and to offset the Ingka Group's environmental footprint globally.
116. The entire forestry portfolio of Ingka Investments is FSC certified. The FSC certification of acquired forestry assets directly after take-over is a main priority for the Applicants. Also, the Applicants confirm they will register the Land in the ETS. (This is consistent with the practice of other forestry operators and does not of itself preclude the ability to harvest trees).
117. Note that proposed **Special Condition 2** meet the requirement for a condition that the Land continue to be used for forestry activities.³¹ (See the proposed decision in **Attachment 1**.)
118. In addition, proposed **Special Condition 1** requires the Applicants to complete planting a crop of trees on the Land by 1 October 2027. This condition requires that the crop of trees cover an area of at least 3,990 ha.

Not exclusively residential land

119. The Land does not include residential land. None of the Land has a property category of residential or lifestyle in the relevant district valuation roll.

Unlikely to be used for residential purposes

120. The Land will not be used for residential purposes, after a temporary period while arrangements are made to separate and sell the land that contains the residential dwellings (not including the dwelling to be retained for use by forestry worker accommodation).
121. The Applicants plan to undertake a subdivision of the land containing the dwellings, which would be subject to obtaining the required territorial authority consent. The Applicants plan to commence the subdivision process shortly after settlement and expect this will take about six months to complete.
122. Note that proposed **Special Condition 7** meets the requirement for a condition that the Land not be used for residential purposes.³² (See the proposed decision in **Attachment 1**.)
123. Also, we recommend you impose a condition of consent requiring the land containing the dwellings to be divested by 1 August 2026 – see **Special Condition 6** (which refers to 'Other Land'). We recommend that, in imposing the divestment condition, there be a

³¹ This condition is required by s 16C(4) of the Act.

³² This condition is required by s 16C(4) of the Act.

short-term transitional provision allowing the dwellings to be rented prior to divestment – see **Special Condition 8**.

Requirements

124. This section considers whether the following requirements will be met—

- 124.1 maintain existing arrangements
- 124.2 comply with existing consent conditions
- 124.3 supply logs and
- 124.4 replace harvested crops.

Maintain existing arrangements

125. The following checks have been undertaken to identify existing arrangements:

- 125.1 the Vendor Information Form;
- 125.2 the Applicants have carried out due diligence of the Land including reviewing the records of title to the Land, sensitive land certificate, the Land Information Memorandum report, and district plans; and
- 125.3 inquiries were made of Heritage New Zealand and the New Zealand Archaeological Association via the Archsite archaeological site recording scheme website to identify whether any known archaeological sites were located on the property.

126. The decision-maker must be satisfied that any existing arrangements in respect of the relevant land that are for one or more specified purposes (e.g. protection of indigenous vegetation, indigenous fauna or wildlife habitats, wāhi tapu, historic places or areas, or public access) will be implemented and maintained.

127. Due to the nature of this proposed investment the OIO has consulted with the Department of Conservation, Walking Access Commission and Heritage New Zealand to ascertain whether there are any existing arrangements that must be maintained.

128. Based on information received to date we have not identified any qualifying existing arrangements.

129. The Applicants submit that there are no existing arrangements to be maintained or implemented on the Land. For completeness, the Applicant notes that:

- a. the GDC Tairāwhiti Resource Management Plan identified four scheduled 'Protected Management Areas' located on Huiarua Station. These are WR83 The Pond Bush (17 ha), WR88 Mata/Manga-matukutuku confluence (a 12-hectare area of high significance), WR89 Mata/Manga-maunu confluence (47 ha) and WR 137 Ohinepaka (17 ha).
- b. protected watercourses, waterbodies and/or riparian areas within the region that warrant specific riparian protection management due to their associated aquatic or terrestrial biodiversity, habitat or ecosystem values and current or potential impacts to these, or potential threats to water quality identified in the GDC Tairāwhiti Resource Management Plan.

130. The Applicants have undertaken to conduct their forestry activities so as to minimise disruption to these areas as required by all applicable laws and any resource consents. The Applicants intend to also plant riparian setbacks in Manuka or other native species in these areas for additional protection.

131. The Applicant submits, and we agree, that the above are not an arrangement for the purposes of clause 29 of the Regulations. Existing arrangements do not include

obligations that are imposed by any other legislation or which are registered against the title of the land. No conditions are required to address those as they are legally enforceable in their own right.

Special conditions regarding existing arrangements

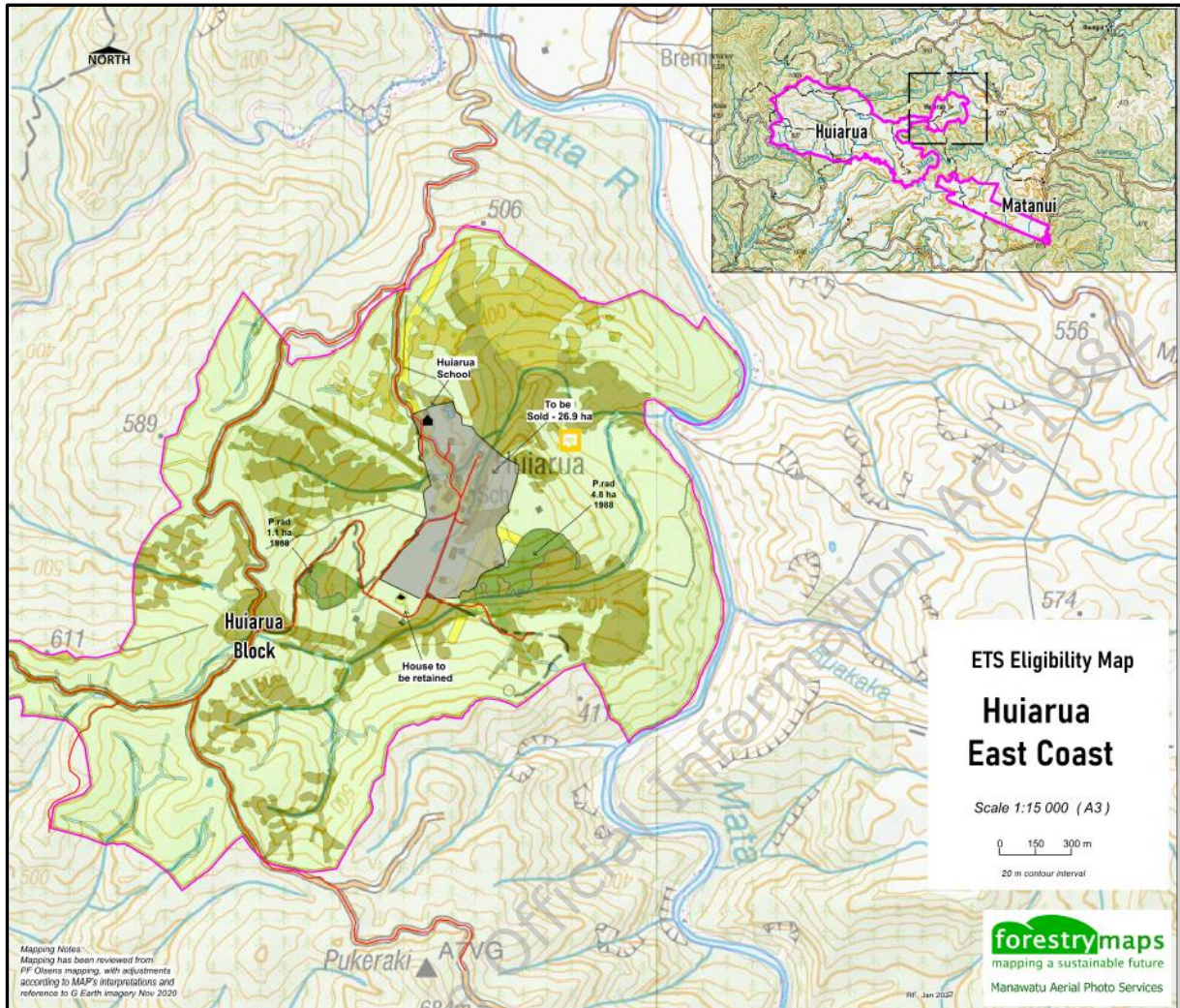
132. We recommend you impose our usual 'back stop' condition requiring the consent holders to implement and maintain any existing arrangements, whether or not these were identified in the application. We reiterate that the Applicants are committed to the Mata School remaining on the site, including public access to the property.
133. Note that proposed **Special Condition 9** meets the requirement for a condition that the any existing arrangements (including those not identified in the application) must be maintained.³³ (See the proposed decision in **Attachment 1**). **Special Condition 10** contains a condition specifically requiring public access to the Mata School for as long as it continues to exist. The Applicants will have to consult with the Secretary for Education as to whether the school will continue.

Freshwater area on the Land

134. The Applicants have notified us that the Land includes a river which qualifies as a "fresh or seawater area" (**FSA interest**) under the Act. The FSA interest is in the form of rights associated with the bed of the Mata River.³⁴ If consent is granted the Crown will have the right to acquire this FSA interest.
135. The sensitive land certificate states that parts of the southern and eastern boundaries of Lot 1 DP 9828 adjoin the true left bank of the Mata River. The river flows east and northwards at this point. There are no notations as to the width of the Mata River on either GS6D/207 DPs 7690 or 9828 but by scaling it appears to be around 30 metres. However, the two relevant frontages are subject to 10 metre wide esplanade easement strips registered in Instrument 6175886.14. under s. 232 of the Resource Management Act 1991. Although the esplanade strip is covered in a legal instrument the strip remains in the ownership of the landowner.
136. An extract from the ETS eligibility map (below) for Huiarua East Coast shows the Mata River running alongside the eastern boundary of the base of Huiarua Station.

³³ This condition is required by s 16C(4) of the Act.

³⁴ The landowner has ad medium filum aquae rights to the centre of the river.



Comply with existing consent conditions

137. There are no existing consent conditions to comply with. As noted on page 2 of this report, the Vendor is a non-overseas person.

Supply logs

138. The Vendor has confirmed that there are no existing log supply obligations in relation to the Land (the Land is currently predominantly farm land with a small area of existing pine).

Replant harvested crops

139. We are satisfied that whenever a crop of trees is harvested on the Land, a new crop is likely to be established on the Land to replace the crop that is harvested.

140. The Applicants intend to practice rotational forestry, harvesting approximately every 27-30 years after planting and replanting the Land within two years of harvest.

141. Note that proposed **Special Condition 3** also requires that the crop of trees be harvested within 35 years of planting (for radiata pine) and within 50 years (for alternative commercial forestry species). Special Condition 3 is subject to limitations under the:

- Timbergrow Forestry Right Interest and the Port of Gisborne Forestry Right Interest as defined in the conditions,

- ECFP grants requiring MPI consent to remove existing planting or plant new trees, and
- three registered replanting covenants under the Forestry (East Coast) Grants Regulations 2000, which oblige the establishment and maintenance of required levels of planting over areas of Huiarua Station over 50 years.

142. Note also that proposed **Special Condition 4** meets the requirement for a condition that each crop of trees be replaced.³⁵

G. Farm land offer test

143. Because the Land is farm land,³⁶ we note that the Land was advertised:³⁷

Huiarua Station	Matanui Station
Realestate.co.nz – 18 October 2021 (silver package listing – 8 weeks).	
Eastcoaststation.co.nz – 26 October 2021.	
Knight Frank – standard listing – 26 October 2021.	
Trade Me Gold Package – 26 October 2021 (high impact 6-week marketing campaign and base listing).	
Bayleys Digital Display – Google Amplify – Rural – 29 October 2021 and 30 October 2021.	
Bayleys window card A3 – 22 November 2021.	
Media Release – Country – 21 October 2021.	
Chinese Herald full page – 28 October 2021.	Chinese Herald ½ page – 28 October 2021.
Gisborne Herald full page – 28 October 2021.	Gisborne Herald full page – 28 October 2021 and 4 November 2021
Gisborne Herald ½ page – 4 November 2021, 11 November 2021 and 18 November 2021.	Gisborne Herald ½–page - 11 November 2021 and 18 November 2021.
Sunday Star Times full page – 31 October 2021 and 7 November 2021.	
HP (3V Pic H) – 1 November 2021.	FP (3H Pic H) – 1 November 2021.
NZ Farmers Weekly ½ page – 8 November 2021 and 15 November 2021.	
Showcase magazine full page – 25 November 2021.	
Spoke Google display and social media campaign – 28 October 2021.	

144. We are satisfied it meets the farm land advertising requirements of the Regulations,³⁸ including that it was genuinely advertised on the open market for over 30 working days.³⁹ We understand that the marketing activity for Huiarua and Matanui Stations received strong interest from forestry buyers (largely those with a carbon focus and

³⁵ This condition is required by s 16C(4) of the Act.

³⁶ Currently being used primarily for a sheep and beef breeding farm (see the definition of farm land in s 6 of the Act).

³⁷ The Land has been advertised by Bayleys online, in stores, in newspapers and magazines.

³⁸ Overseas Investment Regulations 2005, regulations 5 to 10.

³⁹ The Land has been advertised prior to entering into Agreements and the Agreements were not entered into before the required period of advertising ended. The advertising commenced on 18 October 2021 with the last advertisement on 13 December 2021, being 39 working days. The Agreements were entered into on 24 December 2021.

some with production forestry focus), and more limited interest from non-forestry buyers.

H. Not a transaction of national interest

145. The investment does not involve a transaction of national interest under the mandatory criteria of the Act.⁴⁰ This is because the investment does not involve a non-NZ government investor, or an investment in a strategically important business (as defined in the Act).

146. We are directed⁴¹ that the starting point is the assumption that overseas investment is in New Zealand's national interest and that we should only seek the Minister of Finance to exercise his discretion for a national interest assessment if the proposed investment:

- could pose risks to New Zealand's national security or public order
- would grant an investor significant market power within an industry or result in vertical integration of a supply chain
- has foreign government or associated involvement that was below the 25 per cent threshold for automatic application of the national interest test, but granted that government (and/or its associates) disproportionate levels of access to or control of sensitive New Zealand assets or
- would have outcomes that were significantly inconsistent with or would hinder the delivery of other Government objectives.
- raises significant Treaty of Waitangi issues, or
- relates to a site of national significance (e.g. significant historic heritage).

147. [s 9(2)(g)(i)]
[Redacted text block]

148. [s 9(2)(g)(i)]
[Redacted text block]

149. [s 9(2)(g)(i)]
[Redacted text block] A schedule of third party submissions received can be found in **Attachment 5**.

150. [s 9(2)(g)(i)]
[Redacted text block]

I. Conclusion and recommendation

151. We recommend you grant consent to the Investment as we consider all of the relevant criteria have been met.

⁴⁰ Under s 20A of the Act.

⁴¹ Ministerial Directive Letter (24 November 2021).

⁴² Section 20B of the Act.

152. The conditions we recommend are set out in the Proposed Decision (**Attachment 1**). These conditions include all required mandatory conditions and additional discretionary conditions.



Daniel White

Manager, Applications
Overseas Investment Office

Date: 1/07/2022

J. List of Attachments

1. Proposed Decision and Conditions
2. Applicants' Ownership Structure
3. Submissions relevant to discretionary national interest assessment
4. Third Party Submissions
5. Land use capability
6. Images of the Land

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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: [consent not issued] 2022

The following people have been given the following consent:

Case	202200036															
Consent type	One-off Consent (forestry activities) for an overseas investment in sensitive land.															
Consent Holders	Ingka Investments Forest Assets NZ Limited (company number 8148262) and Ingka Investments Management NZ Limited (company number 8148260) (You or the Consent Holders)															
Consent	The Consent Holders may acquire the Land, the Timbergrow Forestry Right Interest, and the Forestry Right subject to the Conditions set out below.															
Land	<p>1. Approximately 4,912.3086 hectares at 2987 Mata Road, Raukumara, otherwise known as Huiarua Station, contained in the following Records of Title:</p> <table border="1"><thead><tr><th>RT No.</th><th>Legal Description</th><th>Land Area</th></tr></thead><tbody><tr><td>GS5C/245</td><td>Lot 5 DP 7690</td><td>1,191.9000 ha</td></tr><tr><td>GS6D/207</td><td>Lot 1 DP 9828</td><td>3,720.4086 ha</td></tr></tbody></table> <p>2. Approximately 1,200.6967 hectares at Fernside Road, Tauwhareparae, otherwise known as Matanui Station, contained in the following Records of Title:</p> <table border="1"><thead><tr><th>RT No.</th><th>Legal Description</th><th>Land Area</th></tr></thead><tbody><tr><td>GS6A/814</td><td>Section 1, Survey Office Plan 5834 and Part Tauwhareparae 2B Block</td><td>1,200.6967 ha</td></tr></tbody></table>	RT No.	Legal Description	Land Area	GS5C/245	Lot 5 DP 7690	1,191.9000 ha	GS6D/207	Lot 1 DP 9828	3,720.4086 ha	RT No.	Legal Description	Land Area	GS6A/814	Section 1, Survey Office Plan 5834 and Part Tauwhareparae 2B Block	1,200.6967 ha
RT No.	Legal Description	Land Area														
GS5C/245	Lot 5 DP 7690	1,191.9000 ha														
GS6D/207	Lot 1 DP 9828	3,720.4086 ha														
RT No.	Legal Description	Land Area														
GS6A/814	Section 1, Survey Office Plan 5834 and Part Tauwhareparae 2B Block	1,200.6967 ha														

Timbergrow Forestry Right Interest	The mutual forestry right in instrument number 5921058.2, registered against Record of Title GS6A/814, which grants Christopher's Management Services Limited (Vendor) forestry rights over approximately 9.5 hectares of neighbouring land and simultaneously grants the owner of neighbouring land (being Timbergrow Limited company number 2499269) forestry rights over approximately 17 hectares of the 'endor's land at Record of Title GS6A/814 known as Matanui Station.
Forestry Right	The forestry right to be granted between Ingka Investments Forest Assets NZ Limited (Grantor) and Ingka Investments Management NZ Limited (Grantee) to be registered over the Land.
Timeframe	You have until 31 July 2023 to acquire the Land.

Conditions

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

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

Definitions

Act means the Overseas Investment Act 2005.

Alternative Species means redwood, eucalyptus, macrocarpa, douglas fir or other similar commercial forestry species.

Dwellings means the houses in the following table currently located on the Other Land.

Huiarua Station		
#	Dwelling description	Record of title + legal description
1.	Manager's House	GS6D/207 Lot 1 DP 9828
2.	Head Shepherd's House	
3.	House 1	
4.	House 2	
5.	Cottage	
6.	Corporate House	
7.	Shepherd's Quarters	
8.	Shearer's Quarters	
9.	Cookhouse	
Matanui Station		
10.	Manager's House	GS6A/814 Section 1 SO Plan 5834 and Part Tauwhareparae 2B Block
11.	Shepherd's House	
12.	Shepherd's Quarters	

ECFP Grants means the Ministry of Primary Industries' funding through the Erosion Control Funding Programme to Gisborne district landholders to help reduce wide-scale erosion problems in the Gisborne district.

Forestry Activities means maintaining, harvesting, and/or establishing a crop of trees for the purpose of plantation forestry but excluding permanent forestry.

Forestry Right means the forestry right to be granted between Ingka Investments Forest Assets NZ Limited (Grantor) and Ingka Investments Management NZ Limited (Grantee) to be registered over the Land.

Forestry Land means the Land which is still to be identified in the Planting Plan and which you intend to use exclusively, or nearly exclusively, for forestry activities (which, for the avoidance of doubt, may include areas of native bush, and reasonable allowances for roads, set-backs, buffer area, riparian planting and other land reasonably deemed "non-productive").

Mata School House means the School Master's house on the Mata School Premises.

Mata School Premises means the premises situated at Tokomaru Bay, Gisborne, being more particularly described as the associated grounds located at Lot 1 DP 9828 containing an area of approximately 2.0 ha.

Planting Plan means a plan that describes how the Forestry Land will be planted and identifies and explains: the area of land suitable for planting, the area you will plant with trees, the type of trees you will plant, and a map showing the same.

Fresh or seawater areas has the same meaning as in the Act.

Other Land means Land that is not Forestry Land and which is still to be identified.

Port of Gisborne Forestry Right Interest means the forestry right contained in instrument number 206772.1 to Port Gisborne Limited, which is due to expire on 31 July 2027, and in terms of which the Consent-Holders will only be entitled to replant on the 25.6 hectares if the Port of Gisborne choose not to exercise their first right of refusal.

Regulations means the Overseas Investment Regulations 2005.

Replanting Forestry Covenants means the following covenants registered against the Land pursuant to Regulation 13(4)(a) Forestry (East Coast) Grants Regulations 2000:

- (a) instrument number 9158774.1 registered on 20 August 2012 against Record of Title GS5C/245 (Huiarua Station);
- (b) instrument number 9391335.1 registered on 8 May 2013 against Record of Title GS5C/245 (Huiarua Station); and
- (c) instrument number 9158774.1 registered on 20 August 2012 against Record of Title GS6D/207 (Huiarua Station).

Timbergrow Forestry Right Interest means the mutual forestry right in instrument number 5921058.2, registered against Record of Title GS6A/814, which grants the Vendor forestry rights over approximately 9.5 hectares of neighbouring land and simultaneously grants the owner of neighbouring land (being Timbergrow Limited company number 2499269) forestry rights over approximately 17 hectares of the Vendor's land at Record of Title GS6A/814 known as Matanui Station..

Vendor means Christopher's Management Services Limited.

WAAN means water areas acquisition notice.

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: Forestry Land must be planted with trees	
<p>You must complete planting a crop of trees on the Land. The crop of trees must cover an area of at least 3,990 hectares.</p> <p>If you do not comply with this condition, Standard Condition 6 will apply and we may require you to dispose of the Land.</p>	By 1 October 2027.
Special condition 2: Forestry Land must be used for forestry activities	
<p>The Forestry Land must be used exclusively, or nearly exclusively, for forestry activities except as otherwise permitted by these Conditions.</p> <p>Forestry activities means maintaining, harvesting, and/or establishing a crop of trees for the purpose of plantation forestry but excluding permanent forestry.</p> <p>If you do not comply with this condition, Standard Condition 6 will apply and we may require you to dispose of the Land.</p>	At all times.
Special Condition 3: Forestry Land must be harvested	
<p>You must harvest the crop of trees.</p> <p>This condition is subject to restrictions applicable to the Consent Holders under the Timbergrow Forestry Right Interest and the Port of Gisborne Forestry Right Interest.</p>	For radiata pine within 35 years of planting and for Alternative Species within 50 years of planting.
Special condition 4: Trees must be replanted after harvest	
<p>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.</p> <ol style="list-style-type: none"> 1. This condition does not require you to: <ol style="list-style-type: none"> (a) Replant the Land with the same species of tree or use the same silvicultural regime; or 	Within two years of harvest (or as otherwise permitted by this condition).

<p>(b) Replant the areas of the Land subject to the Replanting Forestry Covenants in a manner that is contrary to the required levels of planting under those Replanting Covenants; or</p> <p>(c) Do anything in breach of any other Act, regulation, rule, bylaw, or that is otherwise contrary to law; or</p> <p>(d) Replant the areas of Land that fall under the Timbergrow Forestry Right Interest if the grantee exercises the first option for a further forestry right over those areas; or</p> <p>(e) Replant the areas of Land that fall under the Port of Gisborne Forestry Right Interest if the grantee exercises the right of first refusal for a further forestry right over those areas.</p> <p>2. This condition does require you to:</p> <p>(a) Replant the areas of Forestry Land that fall under the ECFP Grants if the Ministry of Primary Industries' consents.</p> <p>This condition does not limit Special Condition 2.</p>	
<p>If you do not comply with this condition, Standard Condition 6 will apply and we may require you to dispose of the Land.</p>	
<p>Special condition 5: Confirm area of Forestry Land and Other Land</p>	
<p>You must:</p> <ul style="list-style-type: none"> • confirm to us in writing the area of Forestry Land, the area of Other Land, and the area of the Mata School House, • provide a map showing the location of the Forestry Land, the Other Land, and the Mata School House, and • provide a Planting Plan for the Forestry Land. 	<p>By 1 February 2023.</p>
<p>Special condition 6: Subdivide and dispose of the Other Land</p>	
<p>You must commence a subdivision to enable the disposal of the Other Land.</p>	<p>31 July 2024</p>
<p>You must complete a subdivision so to enable the disposal of the Other Land.</p>	<p>By 1 August 2025.</p>
<p>You must dispose of the Other Land.</p>	<p>By 1 August 2026.</p>

<p>If you do not comply with this condition, Standard Condition 6 will apply and we may require you to dispose of the Land.</p>	
<p>Special condition 7: Residential use restrictions</p>	
<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. forestry worker accommodation in accordance with section 16A(4)(c) of the Act; or 2. as otherwise permitted by Special Condition 8 (Permitted temporary activities) and Special Condition 10 (Mata School Premises). <p>If you do not comply with this condition, Standard Condition 6 will apply and we may require you to dispose of the Land.</p>	<p>At all times.</p>
<p>Special condition 8: Permitted temporary activities</p>	
<p>The Land may be used temporarily for the following 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 (Forestry Land must be planted with trees); and 2. Residential dwellings on the Land may be used for transitional residential purposes. 	<p>Until 1 October 2027.</p>
<p>Special condition 9: Existing arrangements</p>	
<p>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).</p> <p>You must implement and maintain all Arrangements, including Arrangements you did not identify in your application for consent.</p>	<p>At all times.</p>
<p>For the avoidance of doubt, you must maintain engagement with Te Runanga O Ngāti Porou including in your making of plans for planting and any impact of Forestry Activities on them.</p>	<p>At all times.</p>

For the avoidance of doubt, you must continue to implement and maintain the Protected Management Areas and the protected watercourses, waterbodies and/or riparian areas identified in the Gisborne District Council Tairāwhiti Resource Management Plan, and establish an agreed protocol around these protected areas as part of your forest management practices.	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 10: Mata School House	
1. You must consult with the Secretary for Education as to whether the Mata School Premises will continue after planting is complete under Special Condition 1.	By 1 October 2026.
2. In the event that the Mata School Premises will continue after planting is complete, you must: <ul style="list-style-type: none"> (a) commence a subdivision to enable the disposal of the Mata School House. (b) complete a subdivision to enable the disposal of the Mata School House. (c) dispose of the Mata School House. (d) maintain public access to the Mata School House until it is subdivided and sold. 	2(a) By 1 September 2027. 2(b) By 1 September 2028. 2(c) By 1 September 2029. 2(d) Until 1 September 2029.
3. The Mata School House may be used for the School Master's house accommodation.	3. Until 1 September 2029.
4. In the event that the Mata School Premises will not continue after planting is complete, you do not need to subdivide and dispose of the Mata School House.	
If you do not comply with this condition, Standard Condition 6 will apply and we may require you to dispose of the Land.	

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
Automatic condition: Fresh or Seawater Areas	
You must, in relation to the fresh or seawater area(s), comply with all provisions of Schedule 5 of the Act.	By the times set out in schedule 5.
You must provide a draft WAAN to FSAapplications@linz.govt.nz .	At least 15 working days before settlement.
You must lodge the WAAN on the title.	Immediately following the transfer and before registering any other interests on the title.
Standard condition 1: acquire the Land	
<p>You must acquire the Land:</p> <ol style="list-style-type: none"> by the date stated in the Consent. If you do not, your Consent will lapse or become invalid and you must not acquire the Land, and 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"> the date you acquired the Land (Settlement), consideration paid (plus GST if any), the structure by which the acquisition was made and who acquired the Land, and copies of any transfer documents and Settlement statements. 	As soon as you can, and no later than two months after Settlement.

Standard condition 3: allow us to inspect the Land

Sometimes it will be helpful for us to visit the Land so we can monitor your compliance with the Conditions.

We will give you at least two weeks' written notice if we want to do this.

You must then:

1. Allow a person we appoint (**Inspector**) to:
 - (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:
 - (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.
3. During an Inspection:
 - (a) 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,
 - (b) 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.

At all times.

Standard condition 4: remain not unsuitable to invest in New Zealand	
<p>You, and to the extent that you are not an individual, the Individuals Who Control You must remain not unsuitable to own or control the Assets.</p> <p>The Individuals Who Control You are individuals who:</p> <ul 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. 	At all times.
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 become aware that you and/or any Individual Who Controls you establishes any of the investor test factors listed in section 18A(4) of the Act. 2. You cease to be an overseas person or dispose of all or any part of the Land. 3. Your New Zealand Service Address changes. This is the address you provided us in your application as the address which we will send any legal document we need to serve on you. 	Within 20 working days after the change.
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 special 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>	
<p>Value the Land: obtain and send us a copy of a market valuation of the Land from a New Zealand registered valuer.</p>	Within six weeks of the date of our notice.
<p>Market the Land: instruct a licensed real estate agent to actively market the Land for sale on the open market.</p>	Within six weeks of the date of our notice.

<p>Dispose of the Land: dispose of the Land to a third party who is not your associate.</p>	<p>Within six months of our notice.</p>
<p>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.</p>	<p>Within nine months of our notice.</p>
<p>Report to us about marketing: tell us in writing about marketing activities undertaken and offers received for the Land.</p>	<p>By the last day of every March, June, September and December after our notice or at any other time we require.</p>
<p>Report disposal to us: send us, in writing, evidence of the following:</p> <ul style="list-style-type: none"> (a) that you have disposed of the Land (including copies of sale and purchase agreements, settlement statements and titles showing the purchaser as registered proprietor), and (b) that the purchaser is not your associate. 	<p>Within one month after the Land has been disposed of.</p>

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 OIO with reports detailing the progress of the investment. The reports must:

1. be submitted via our [Webform](#) or sent to oiomonitoring@linz.govt.nz by these dates:
 - (a) 30 November 2023;
 - (b) 30 November 2026; and
 - (c) 30 November 2029.
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),
 - (b) your progress maintaining engagement with Ngāti Porou including in your making of plans for planting and any impact of Forestry Activities on them
 - (c) your progress in continuing to implement and maintain the Protected Management Areas and the protected watercourses, waterbodies and/or riparian areas identified in the Gisborne District Council Tairāwhiti Resource Management Plan, and establish an agreed protocol around these protected areas as part of your forest management practices,

- (d) your most current forecast or schedule for harvesting (including harvesting trees under Special Condition 3 within 30 years of acquisition of the Land) and replanting of various areas of the Land (including maps indicating the particular areas and likely schedules), and
- (e) your Planting Plan and its compliance with special conditions 1, 5, and 6.

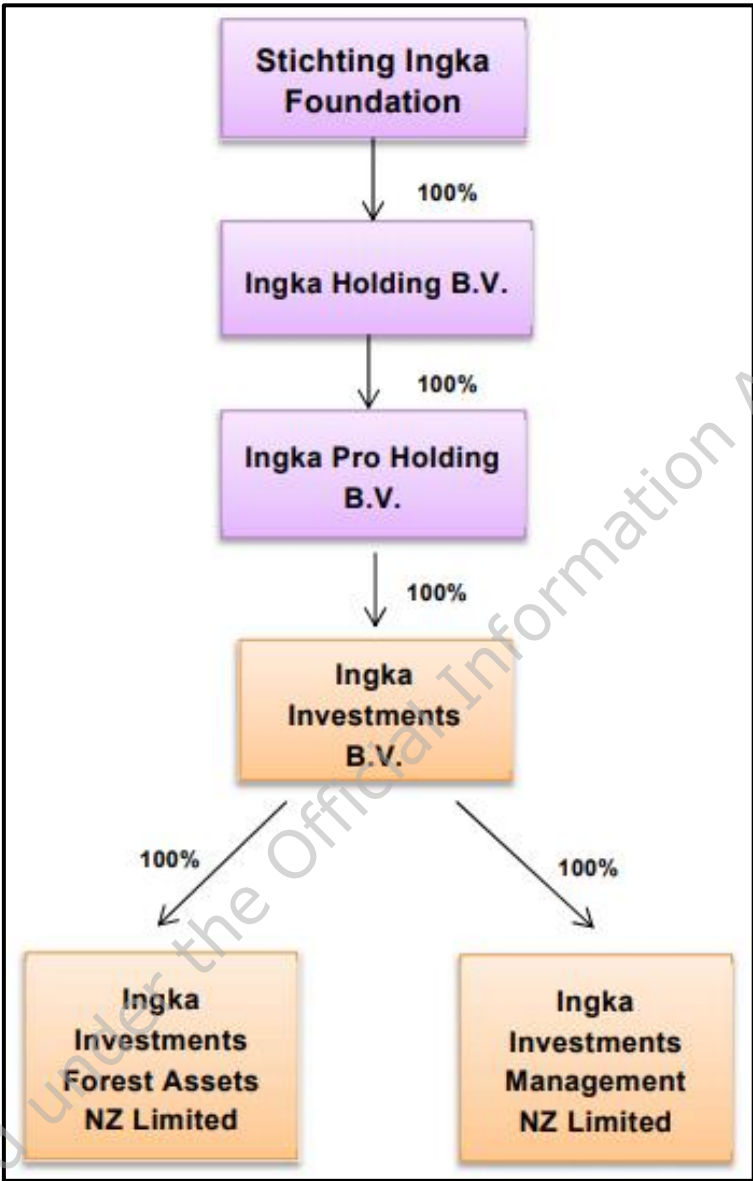
3. follow the format of the template annual report published on our website.

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.

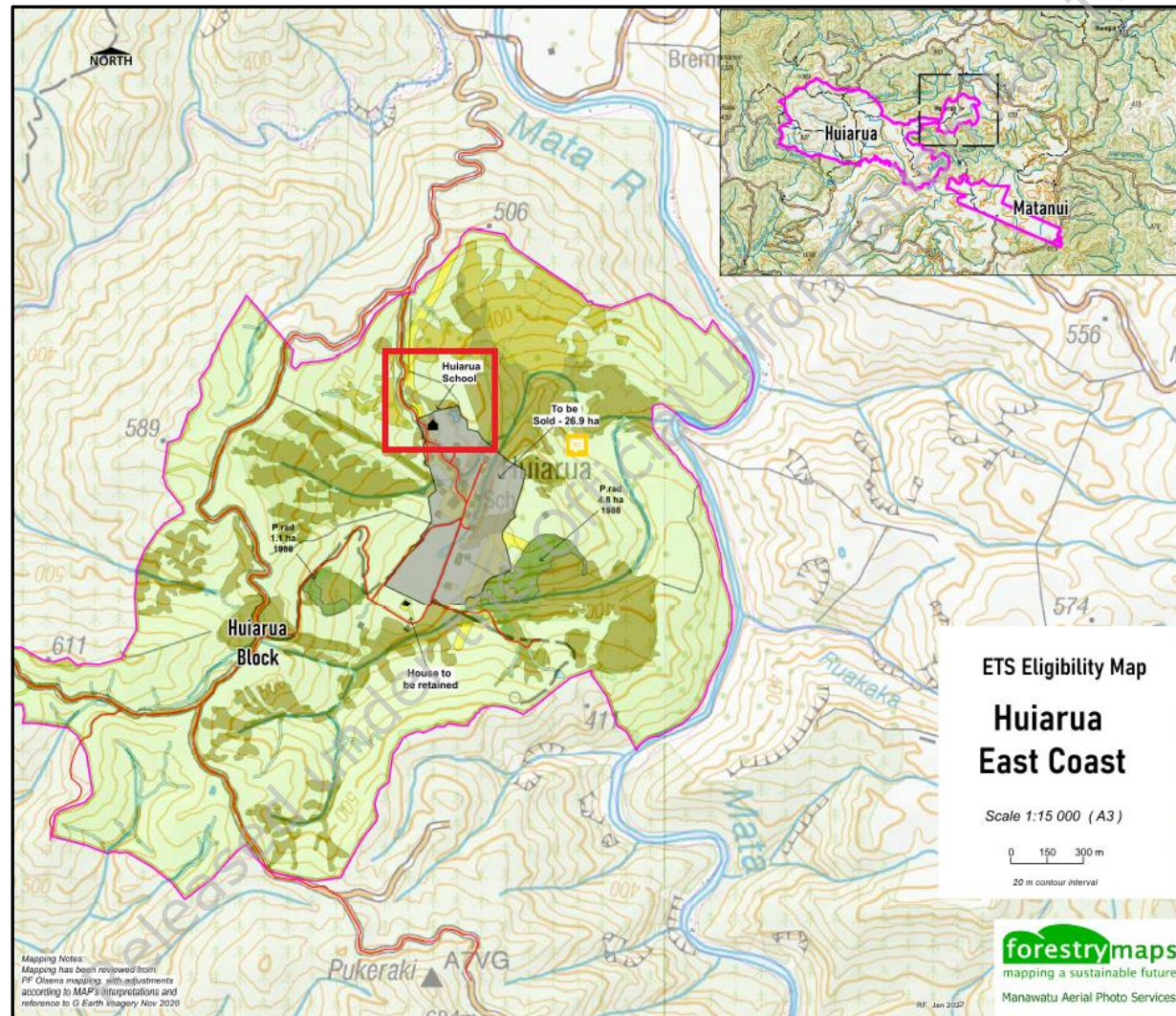
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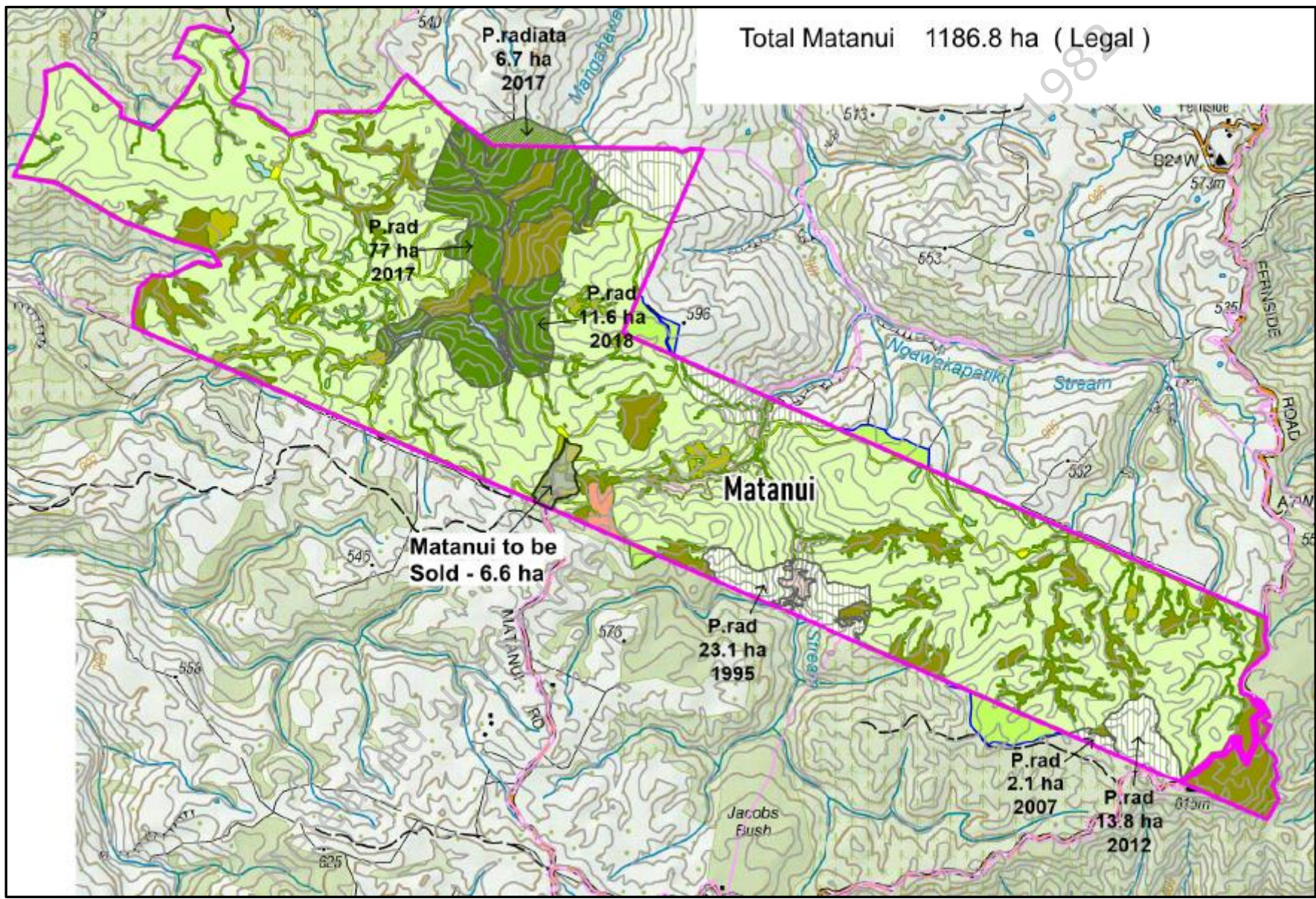
Attachment 2: Applicants' Ownership Structure



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Attachment 3 – Extract from map showing subdivision areas on Huiarua and Matanui Stations





Attachment 4:

[s 9(2)(g)(i)]

Adverse impact on the community and local economy

1. A large proportion of the third party submissions raised objections based on the negative impact that the conversion of Huiarua and Matanui Stations to forestry would have for the community and local economy, including consequent loss of employment opportunities.
2. Submitters have told us that because these are the largest farms in the region the viability of other farms, and ancillary businesses are dependent on their continued farming operations. Huiarua and Matanui Stations are also considered a training ground for young farmers.
3. Ngāti Porou have also told us there are wider economic and social impacts due to the significant role played by the farming stations in the region.
4. While we acknowledge that these are important issues, these are outside the criteria of the special forestry test. [s 9(2)(g)(i)]

Adverse impact on the environment

5. A common issue from third party submissions relates to adverse impact on the environment from forestry. The themes raised include debris in the Mata River and the Waiapu Catchment, pine forests creating a lack of biodiversity, and increased fire risk due to the effects of climate change.
6. Of particular note, Dame Anne Salmond submitted that the large scale afforestation of Tairāwhiti in conifer plantations is contrary to international scientific advice, and to regional and national economic, social and ecological interests. She submitted that the [s 9(2)(g)(i)]
7. Also, as noted above, the MoU between Ngāti Porou, MPI and GDC is intended to recognise the significant role Ngāti Porou has in the protection of the region and the adverse impact failure to protect the Mata River can have on the people of the region.
8. These issues are also outside the special forestry test criteria, and as already mentioned above, the NES-PF provides the appropriate legislative framework for managing the environment effects of forestry. [s 9(2)(g)(i)]

Attachment 5: Third Party Submissions Opposing Investment

Below is the third party submissions table in chronological order.

#	Date received	Submitter	High level summary
1.	December 12, 2021	Mark & Lisa Shelton	Opposing sale to overseas investors because of negative economic impact on community. Protect farmland from conversion to carbon forestry.
2.	January 08, 2022	Sandy Bull	Opposing the sale to overseas investors because of negative economic and social impact on the community. Reference to potential school closure.
3.	January 09, 2022	Lucy & Tim Jefferd	Opposing the sale to overseas investors because of negative economic and social impact on the community. Reference to price of farmland increasing because of carbon farms.
4.	January 10, 2022	Rob Daunton	Opposing the sale to overseas investors because of negative economic and social impact on the community. Under current conditions it would not be economically viable to harvest these trees so the exotics will remain on the land which will result in: lack of biodiversity, fire risk as climate changes, debris in the Mata River, job loss and community breakdown, profits going overseas.
5.	January 17, 2022	Selwyn Parata Tiamana o Te Runanganui o Ngāti Porou	Opposing the sale to overseas investors because: <ul style="list-style-type: none"> ○ changes in land ownership should be conditional on that land use does not have adverse impacts on either our environment our communities or our regional economy; ○ prospective purchasers need to show how their intended long-term land use decisions enhance the wellbeing of our environment, communities, and regional economy. ○ some form of surety should be provided to remediate any perverse outcomes of their land use decisions. <p>The key concern relates to harvesting the trees and the direct impact that may have on the Mata River, and the indirect impact on the river downstream and the Waiapu Catchment, which is subject to the Accord between Ngāti Porou and the Crown.</p>
6.	January 18, 2022	Ted Hindmarsh	Opposing the sale to overseas investors because of negative economic and social impact on the community.
7.	January 21, 2022	Kiera Hughes	Opposing the sale to overseas investors because of negative economic and social impact on the community.
8.	February 16, 2022	Lily Stevenson	Opposing the sale to overseas investors.
9.		Emerson B	Opposing the sale to overseas investors. Protect farmland from conversion to carbon forestry.

#	Date received	Submitter	High level summary
10.	February 17, 2022	Erica Butt	Opposing the sale to overseas investors because of negative economic and social impact on the community.
11.	February 18, 2022	Maia Garland	Opposing the sale to overseas investors.
12.	February 25, 2022	Bradley Anderson	Opposing the sale to overseas investors because of negative economic and social impact on the community.
13.	February 26, 2022	Rachel Kent	Opposing the sale to overseas investors because of the negative economic and social impact on the community. Reference to potential school closure. Sale would reduce farming sector productive capacity and increase red meat prices. Toxicity of pine trees and pest problem for New Zealand's native bird life.
14.		Dame Anne Salmond	<p>Opposing the sale to overseas investors:</p> <ul style="list-style-type: none"> ○ Assurances from prospective international investors in new pine plantations that they intend to harvest the trees upon maturity cannot be relied on. ○ The assumption that the large scale establishment of production pine plantations that can also be used for carbon farming is beneficial to New Zealand is ill-informed and short-sighted, and contrary to current international scientific advice on how best to tackle climate change. ○ In relation to the proposed sale of Huiarua and Matanui Stations, the above considerations apply. The submitter also stated: <ul style="list-style-type: none"> ● Given the location of these stations at an uneconomic distance from Gisborne port, and the extreme improbability that in 25-20 years time, the clear-fell harvesting on which the economics of this kind of silviculture relies will still be permitted, the 'fast-track' option for proposed forestry purchases is not appropriate. ● If the 'fast track' option for a consent is no longer applicable, the 'national interest' test must apply. As argued above, the large scale afforestation of Tairāwhiti in conifer plantations is contrary to international scientific advice, and to regional and national economic, social and ecological interests, and the application should fail on those grounds.
15.	February 28, 2022	Megan Friel	Opposing the sale to overseas investors because of the negative economic and social impact on the community. Reference to problematic current incentives for land use change and the rubber stamping of carbon speculators undermining New Zealand's food production.
16.	February 28, 2022	Leigh & Shane Anderson	Opposing the sale to overseas investors because of negative economic and social impact on the community. Reference to potential school closure. Sale would reduce farming sector

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17.	March 01, 2022	Leigh Anderson	productive capacity and increase red meat prices. Toxicity of pine trees and pest problem for New Zealand's native bird life as well as fire risk and forestry slash, etc.
18.	March 03, 2022	Jacqueline Marie Hahn	Opposing the sale to overseas investors because of negative economic and social impact on the community. No benefit to New Zealand. Must ensure that fences are maintained, exotic trees do not grow across boundaries, rates are paid and roads maintained, pests are controlled, firebreaks and water storage are provided and maintained.
19.	March 04, 2022	Michael Patterson	Opposing the sale to overseas investors because it would reduce farming sector productive capacity.
20.	March 07, 2022	Janet & Spook	Opposing the sale to overseas investors.
21.	March 10, 2022	Gwyn Jones	Opposing the sale to overseas investors because of negative economic and social impact on the community. No benefit to New Zealand. Reference to potential school closure. Exporting profits.
22.	March 13, 2022	Lee & Jenny Newman	Opposing the sale to overseas investors because of negative economic and social impact on the community. Reference to potential school closure. Wrong consent pathway (special forestry) applied. Given the predominant revenue stream will be carbon revenues, the application should be assessed as a carbon farming application, with the uncertainty of harvest revenues in the future. Public access issue because Mata and Tauwhareparae roads require radio communications to safely enter and exit. These roads are often unsafe and accessible only by 4X4 vehicles due to existing forestry traffic.
23.	March 16, 2022	Jonathan Evatt	Opposing sale to overseas investors. Protect farmland from conversion to carbon forestry. Emphasised Minister O'Connor's role of Kaitiakitanga.
24.	March 19, 2022	Kere Griffin	Opposing sale to overseas investors.
25.	March 22, 2022	Marcus & Kerry Worsnop (Kerry Worsnop is a sitting district councillor in Gisborne)	Opposing the sale to overseas investors because of negative economic and social impact on the community. <ul style="list-style-type: none"> ○ The wrong test has been applied ie the correct test is not special forestry but rather the benefits test pathway. Carbon return is better than the harvesting return and therefore the special forestry test is not appropriate. ○ Acknowledges the limited scope of the special forestry test. Argues that need to take a broader view of the application based on specific detrimental economic factors that the submitter sees will occur as a result of the investment (including problem of any new forests being located two hours from Gisborne on extremely unstable roads, at considerable distance from both labour supplies and any suitable processing facilities (or

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			<p>consented future processing sites), pressure on roads, infrequent timing of harvest expenditure vs frequent timing of farming expenditure.)</p> <ul style="list-style-type: none"> ○ Questions the viability of the proposed investment primarily for production purposes. ○ Public access is problematic, impractical, and potentially unsafe (road users must possess forestry radios) to implement. ○ Mata School will not remain open and claims there is evidence of other schools in afforested communities closing.
26.	March 23, 2022	Nikki Barbarich-Waikari	Opposing the sale to overseas investors because of negative economic and social impact on the community. Significant rainfall causes harvested forestry slash downstream impacting on biodiversity and farming sector productive capacity.
27.	March 25, 2022	Trevor Brown	Opposing the sale to overseas investors because of negative economic and social impact on the community. Potential loss of high value farming product exports.
28.	April 07, 2022	Rozzi Phillips	Opposing the sale to overseas investors because of negative economic and social impact on the community (jobs, etc). Proposes the application of the benefits test to the acquisition. Sale would have negative impact on Ngāti Porou's hunter gatherer rights and opportunities. References to the school and unsafe roads.
29.		J Williams	Opposing the sale to overseas investors because of negative economic and social impact on the community (jobs, etc). Proposes the application of the benefits test to the acquisition. Sale would have negative impact on the school as well as heavy trucks on unsafe road. Detour required because of forest slash. The submitter wants the LINZ Minister to call in the application.
30.		Toby Williams (petition)	<p>Huiarua and Matanui Sale Objection</p> <ul style="list-style-type: none"> ○ Petition. According to the email: "There are a Total of 371 individuals who have signed this version of the petition." That's the manual version. There's also an online version: "The attached Petition has 6480 Signatures also included are the comments people have left in support of the petition." (as at 18 May 2022 there were 8,676 signatures) ○ The petition (physical) rejects the special forestry test. Public access issue because Mata and Tauwhareparae roads require radio communications to safely enter and exit. These roads are often unsafe and accessible only by 4X4 vehicles due to existing forestry traffic. ○ One of the comments in the preamble to be read in conjunction with the petition states: "Together with the distance to port and the cost of transport will make it prohibitively expensive to harvest."

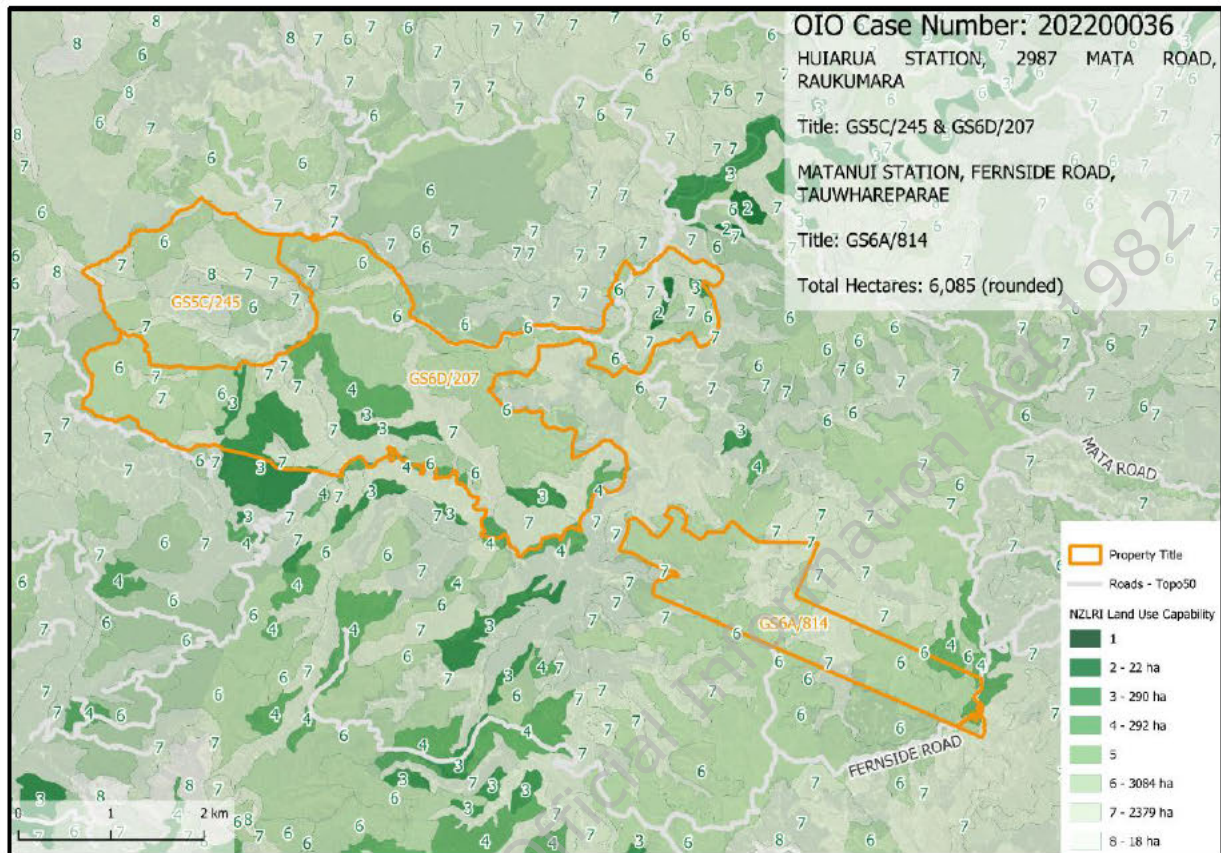
#	Date received	Submitter	High level summary
31.	April 08, 2022	Ben Te Pairi	Letter dated 8 April 2022 addressed to the Honourable Minister O'Connor's office as well as letters to OIO dated 8, 10 and 11 May 2022. The contents of the letters: (a) whanau hapū request for consultation and/or mediation before any sale is made to overseas investors; (b) request to know who the applicant is; (c) fact that the submission is open for discussion with the applicant and that you are happy to work with our office to release information; (d) request for a copy of the application assessment process; (e) request to be asked before personal information is released to the applicant; (f) desire to purchase the land yourself; and (g) legislation that you have referred us to as well and appendices to your letters.
32.		Graeme Williams	Opposing the sale to overseas investors because of the negative economic and social impact on the community. There is reference to the distance from the Gisborne port and forest managers running at a loss due to log prices vs extraction costs.
33.		rj pp	Opposing the sale to overseas investors because of the negative impact of heavy trucks on roads, the uneconomic distance to the port, destroying jobs, the school, the community.
34.		[s 9(2)(a)]	Opposing sale to overseas investors and asks whether "... the OIO / government [can] guarantee that the new foreign owners won't 'on sell' Huiarua and Matanui at a later date to NZ investors who could legally then turn Huiarua and Matanui into permanent carbon forests."
35.		Clive Bibby	Opposing the sale to overseas investors because of the negative economic and social impact on the community. Proposed alternative policy to effectively limit the planting of pine trees to class 7 land. Sale would reduce farming sector productive capacity and increase red meat prices. Requested OIO send members of the decision making panel to the East Coast to see the potential dangers associated with granting the application.
36.		Henry and Sofie Gaddum	Opposing the sale to overseas investors because of the negative economic and social impact on the community. There's reference to the distance from the Gisborne port. Requested OIO send members of the decision making panel to the East Coast to see the potential dangers associated with granting the application.
37.	April 12, 2022	Lesley Stevenson	Opposing sale to overseas investors to plant pine trees for use as carbon sinks. Negative impact on community on East Coast.
38.	April 13, 2022	Cordelia Woodhouse (Environmental	Requested to view the application and/or be provided with the Applicants details.

#	Date received	Submitter	High level summary
		Defence Society)	
39.	May 13, 2022	Kara Goddard	Opposing sale to overseas investors on environmental grounds (forestry business negatively affects local biodiversity, landscape, and coastlines). Would prefer planting natives on the steepest land.
40.	May 25, 2022	Bill Hughes	Opposing the sale to overseas investors because of the negative economic and social impact on the community. Reference to potential school closure and negative effect this will have on the community.

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Attachment 6: Land use capability

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 7: Imagery of Land

Imagery of Huiarua Station (from advertising material)



Imagery of Land (Showing Property Boundaries)

