

Forestry Applications Under the Overseas Investment Act

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What we will cover today



Tara Wylie
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01

Forestry under the
Overseas
Investment Act

02

Forestry Tests

03

Special Forestry Test

04

Benefit to New
Zealand Test

05

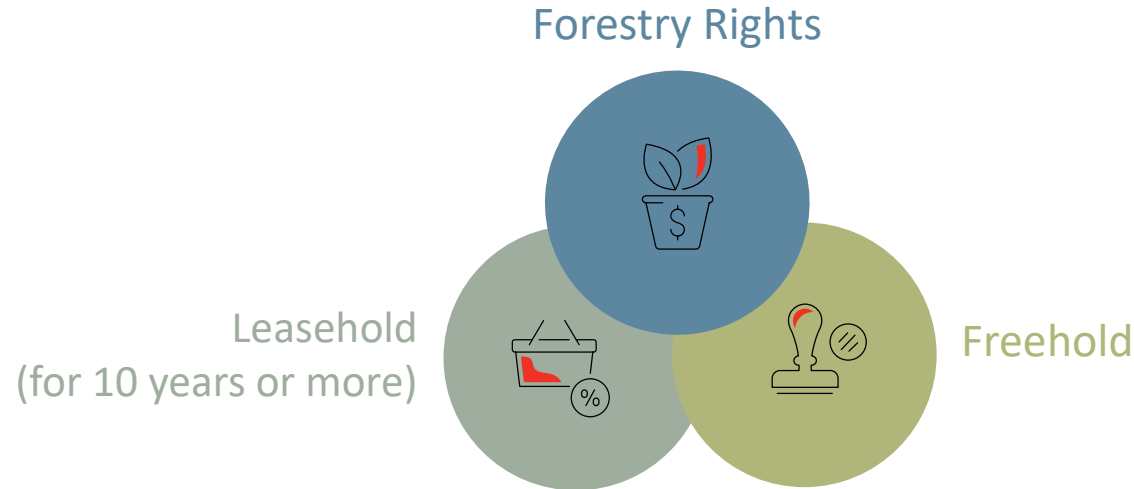
Standing Consents

06

Costs and
Timeframes

Forestry under the Overseas Investment Act

Investors need an interest in land to be the registered participant in the ETS



Forestry Tests

- Post 16 August 2022, 3 options for investment in forestry
- Exemption - 1,000 ha of forestry rights per calendar year
- Exemption for certain Australian investors



Special Forestry
Test



Benefit to
NZ Test



Standing
Consents

Special Forestry Test



Investment in existing forestry, not farmland to forestry conversions



Use exclusively, or nearly exclusively, for forestry activities



Replant after harvesting



Cannot live on the land



Implement and maintain certain arrangements for the land, including:

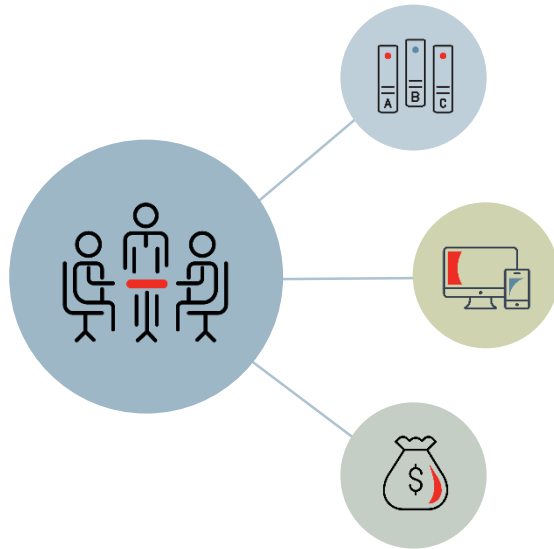
- walking access rights;
- protection of historic places and habitat for indigenous plants and animals; and
- log supply arrangements

Benefit to New Zealand Test

- 7 factors
- Measured against the current state of affairs



Standing Consents



Pre-approval

Enables investors to enter a certain number of transactions to acquire a maximum amount of land in total within a certain time period

Criteria

- Track record of compliance
- Investor test
- Conditions
- Adequate processes for compliance

Requirements

Ongoing consent requirements can be onerous

Costs and Timeframes



Special forestry test

\$33,800

55 working days



Standing consent

\$54,800

100 working days



Benefit to New Zealand

\$74,000 to \$146,000

70-100 working days



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