

Internal Memo



To: David Viviers – Team Manager

 Olwyn Smith – Legal Executive

From: _____

Date: 31 January 2012 (updated 27/2/13)

File Ref: H2-100-KRL

Subject: **Te Waihou Plantations Limited**

Case Number: **201020106**

Progress report from consent dated 28 February 2011

<p>1 & 2. Settlement and notification conditions (Applicant had 3 years to settle)</p>	<p>20/4/11 - Received 1st tranche of settlement 24/5/11 - Received 2nd tranche of settlement 8/12/11 - Received 3rd and final tranche of settlement</p>
<p>3. Investor Test</p>	<p>Compliance received 12 December 2011</p>
<p>6. The Applicant shall ensure that the development as set out in paragraph 7.12 and Schedule 10 of the Application is undertaken. The Applicant must provide a written report as to any such development expenditure on the first anniversary of the date of consent.</p> <p>7.12 as below: In addition to the purchase price the Applicant will also undertake further investment in planting and tending of new trees on the land after the harvest of the existing tree crop by the Forestry right holders and the return of the land to the Applicant. The Spreadsheet in Schedule 10 shows how an additional NZ\$13.4 million in terms of direct silviculture investment (that is forest establishment and tending investment) is intended to be committed in the first 10 years of the investment. Including the additional costs of management of the investment of NZ\$2.9 million in the first 10 years the Applicant envisages a total investment of NZ\$16.3 million. Further investment is intended to be made each year after the initial 10 years as the Applicant continues to replant the land as it is progressively harvested.</p>	<p>Report received 27 January 2012 - Te Waihou advises that it is fully abiding by its requirement to replant. At this point this had been by way of a direct contract management for radiata seedlings & via 2 forestry rights with CHH P& P Ltd for eucalyptus seedlings. The Total area planted in the 2011 planting season was approx 338 hec of radiata & 325 hec to eucalyptus by CHH under 1 forestry right.</p> <p>During 2012 Te Waihou is preparing 480 hec of land for replanting into radiata. The seeds were purchased last year and are currently being grown on Te Waihou's behalf under the direction of Te Waihou's local operational manager (NZFM) at local nurseries in preparation for planting this year. CHH is also to plant 1,125 hec of eucalyptus under the 2nd forestry right & have operations underway to prepare & plant this in 2012. This totals 2,318 hec of land being almost all of the bare land available for re-establishment.</p> <p>Applicant has attached copy of NZFM's accounts for the month of</p>

	<p>August 2011 which shows that month's restocking costs & areas.</p> <p>Report received 25 February 2013 – Once again Te Waihou advises that it continues to comply with its requirement to replant. This past year this has again been by way of direct contract management for Radiata seedlings & via 2 Forestry Rights with CHH for Eucalyptus seedlings. In the 2012 planting season the total Radiata area planted was 493 hec. The total area planted in Eucalyptus in 2012 by CHH under the second Forestry Right was 1,252 hec. Te Waihou also brought a further 131 hec of old post-harvest land with regenerating trees back into production by spraying & thinning it. This year Te Waihou is preparing land to plant approx 230 hec into Radiata, & more Eucalyptus under a 3rd Forest Right (278hec).</p> <p>Once again the seeds were purchased last year and are currently being grown on Te Waihou's behalf under the direction of NZFM at local nurseries in preparation for planting this year. This totals an estimated 580 hec of land planned for planting in 2013. As evidence of the direct planting, applicant has attached a copy of NZFM's accounts for the month of August 2012 which shows that month's restocking costs & areas.</p>
<p>8. The Applicant shall consult with the Department of Conservation (DOC) within six months of consent being granted to this Application, with regard to the protection of ecological values. If required, the Applicant shall (at its cost) register a covenant or other suitable instrument as negotiated with DOC. The Applicant shall also implement the measures as set out in the Wildlands Report attached to the Application (as Schedule 7A) and otherwise abide by the Tasman Accord 1991 and the GFP Global Environmental Stewardship Policy. The Applicant must report in writing to the Overseas Investment Office as to the outcome of the DOC consultation and progress with the implementation of the Wildlands Report on the first anniversary date on which consent is granted to this Application.</p>	<p>Report received 27 January 2012 – Contact has been made with DOC with respect to ecological areas to arrange an initial meeting. Currently work is underway to establish who the correct DOC personnel are and under which regional office(s) the various Te Waihou line holdings are located before consultation can begin.</p> <p>Report received 25 February 2013 – A meeting was held in July 2012 with DOC Rotorua office, & NZFM's environmental planner. The focus of the agreed approach is to concentrate resources on managing and protecting the highest value ecological areas initially.</p> <p>The Wildlands report (2010) categorises the indigenous areas into ecological significance categories 1-4. The OIO has received a copy of the notes from the July 2012 meeting, with the various action points within them categorised as relevant for each forest area.</p> <p>It has been decided that there would be a benefit for an annual meet up of DOC/Te Waihou/NZFM and ongoing communication between the parties on all matters is encouraged, outside of the annual meeting.</p>

Released under the Official Information Act 2000