

25 February 2013

LUMLEY CENTRE 88 SHORTLAND ST 1010 AUCKLAND
PO BOX 3798 AUCKLAND 1140 NEW ZEALAND
DX CP24061 www.minterellison.co.nz
TELEPHONE +64 9 353 9700 FACSIMILE +64 9 353 9701

BY EMAIL:

Olwyn Smith
Legal Executive
Overseas Investment Office
Lambton House
WELLINGTON

**Te Waihou Plantations Limited (Te Waihou)
Application No. 2010 20106 (Consent)**


We refer to your letter of 31 January 2013.

With regard to condition 6, Te Waihou has advised that it is continuing to comply with its requirement to replant. This past year this has again been by way of direct contract management for Radiata seedlings and via two Forestry Rights with Carter Holt Harvey Pulp and Paper Limited (**CHH**) for Eucalyptus seedlings. In the 2012 planting season the total Radiata area planted was 493 hectares, 13 more than estimated in our 2011 reporting letter (480 hectares). The total area planted in Eucalyptus in 2012 by CHH under the second Forestry Right was 1,252, 127 more than estimated in our 2011 reporting letter (1,125 hectares). Te Waihou also brought a further 131 hectares of old post-harvest land with regenerating trees back into production by spraying and thinning it. This year Te Waihou is preparing land to plant approximately 230 hectares into Radiata, and more Eucalyptus under a third Forest Right (~278ha). The seed for this year's Radiata seedlings was purchased last year and is currently being grown on Te Waihou's behalf under the direction of Te Waihou's local operational manager (New Zealand Forest Managers Limited (**NZFM**)) at local nurseries in preparation for planting this year. This totals an estimated 580 hectares of land planned for planting in 2013.

As evidence of the direct planting, please see the **attached** copy of NZFM's accounts for the month of August 2012 which shows that month's restocking costs and areas.

With regard to condition 8, Te Waihou has advised that following numerous attempts to meet with the appropriate DOC staff from the three regional offices a meeting was held with [s 9(2)(a)] from Rotorua DOC office and [s 9(2)(a)], NZFM's environmental planner in July 2012. The notes from that meeting are **attached** with the various action points within them. You will note that the focus of the agreed approach is to concentrate resources on managing and protecting the highest value ecological areas initially.

Yours faithfully
Minter Ellison Rudd Watts



Jocelyn Martin
Consultant

Contact: Jocelyn Martin +64 9 353 9721
jocelyn.martin@minterellison.co.nz
Our reference: 2001596889

7488657:JQM

MINTER ELLISON GROUP AND ASSOCIATED OFFICES
AUCKLAND WELLINGTON
SYDNEY MELBOURNE BRISBANE CANBERRA ADELAIDE PERTH GOLD COAST
DARWIN BEIJING HONG KONG SHANGHAI ULAANBAATAR LONDON

New Zealand Forest Managers Reporting
OPERATIONS REPORT AND MONTH END INVOICE CALCULATION



TE WAIHOU - 97

For Month Ended August 31, 2012

For Month Ended August 31, 2012

OPERATION	MONTH				FULL YEAR BUDGET		YEAR TO DATE			
	ACTUAL \$	BUDGET \$	ACTUAL Ha	BUDGET Ha	FULL YEAR \$	FULL YEAR M3	ACTUAL \$	BUDGET \$	ACTUAL Ha	BUDGET Ha
DIRECT HARVESTING COSTS										
DISTRIBUTION & MKTG - LOGYARD OPERATION	765.22	0.00	0.000	0.000			765.22	0	0.000	0.000
<i>Total Distribution</i>	\$765.22	\$0.00	0.000	0.000	\$0	0	\$765.22	0	0.000	0.000
TOTAL DIRECT COSTS	\$765.22	\$0.00			\$0		\$765.22	0		

FOREST MAINTENANCE

FOREST PROTECTION - SECURITY CONTRACTS	1,217.76	0.00					1,217.76	0.00		
FOREST PROTECTION - FIRE PREVENTION CONTRACTS	0.00	0.00					6,300.00	0.00		
<i>Total Forest Protection</i>	\$1,217.76	\$0.00			0	0	\$7,517.76	\$0.00		
<i>Total Other Forest Development</i>	\$0.00	\$0.00			0	0	\$0.00	\$0.00		
<i>Total Asset Maintenance</i>	\$0.00	\$0.00			0	0	\$0.00	\$0.00		
ADMIN & OTHER - FOREST PLANNING CONTRACTS	0.00	0.00					9,090.00	0.00		
ADMIN & OTHER - AERIAL MAPPING CONTRACTS	1,110.00	0.00					4,208.75	0.00		
ADMIN & OTHER - FOREST INVENTORY CONTRACTS	0.00	0.00					550.00	0.00		
<i>Total Administration and Planning</i>	\$1,110.00	\$0.00			0	0	\$13,848.75	\$0.00		
TOTAL FOREST MAINTENANCE COSTS	\$2,327.76	\$0.00			\$0.00		\$21,366.51	\$0.00		

FEEES FROM FOREST MAINTENANCE

[s 9(2)(b)(ii)]

[s 9(2)(b)(ii)]

\$0.00

FOREST INVESTMENT

OPERATION					FULL YEAR BUDGET					
	ACTUAL \$	BUDGET \$	ACTUAL Ha	BUDGET Ha	FULL YEAR \$	FULL YEAR M3	ACTUAL \$	BUDGET \$	ACTUAL Ha	BUDGET Ha
<i>Total Land Preparation New Planting</i>	\$0.00	\$0.00	0.00	0.00	0	0	\$0.00	\$0.00	0.00	0.00
RESTOCK - AERIAL SPRAYING CONTRACTS	0.00	0.00	0.00	0.00			53,221.99	0.00	526.00	0.00
RESTOCK - MECH PREP CULTIVATION CONTRACTS	6,351.09	0.00	12.20	0.00			45,228.50	0.00	63.40	0.00
RESTOCK - MECH PREP CRUSHING CONTRACTS	0.00	0.00	0.00	0.00			9,447.00	0.00	10.00	0.00
RESTOCK - LINE RAKING CONTRACTS	13,724.96	0.00	25.90	0.00			71,849.76	0.00	146.60	0.00
RESTOCK - GROUND SPRAY CONTRACTS	0.00	0.00	0.00	0.00			622.75	0.00	0.00	0.00
RESTOCK - AERIAL SPRAYING CONTRACTS	0.00	0.00	0.00	0.00			36,650.93	0.00	0.00	0.00
<i>Total Land Preparation Restocking</i>	\$20,076.05	\$0.00	38.10	0.00	0	0	\$217,020.93	\$0.00	746.00	0.00
<i>Total New Planting</i>	\$0.00	\$0.00	0.00	0.00	0	0	\$0.00	\$0.00	0.00	0.00
PLANTING & ANC - RESTOCKING CONTRACTS	53,067.56	0.00	170.60	0.00			142,301.75	0.00	492.90	0.00
PLANTING & ANC - RESTOCKING SUPPLIES	43,864.80	0.00	0.00	0.00			119,083.20	0.00	0.00	0.00
<i>Total Planting Restocking</i>	\$96,932.36	\$0.00	170.60	0.00	0	0	\$261,384.95	\$0.00	492.90	0.00
PLANTING & ANC - AERIAL SPRAY CONTRACTS	2,247.75	0.00	32.00	0.00			2,247.75	0.00	32.00	0.00
PLANTING & ANC - BLANKING CONTRACTS	1,340.34	0.00	0.00	0.00			3,070.34	0.00	0.00	0.00
PLANTING & ANC - AERIAL SPRAY SUPPLIES	3,061.80	0.00	0.00	0.00			2,155.61	0.00	0.00	0.00
<i>Total Ancillary Establishment</i>	\$6,649.89	\$0.00	\$32.00	\$0.00	0	0	\$7,473.70	\$0.00	32.00	0.00
<i>Total Fertilising</i>	\$0.00	\$0.00	0.00	0.00	0	0	\$0.00	\$0.00	0.00	0.00
<i>Total Pruning</i>	\$0.00	\$0.00	0.00	0.00	0	0	\$0.00	\$0.00	0.00	0.00
<i>Total Thinning</i>	\$0.00	\$0.00	\$0.00	\$0.00	0	0	\$0.00	\$0.00	0.00	0.00
TOTAL FOREST INVESTMENT COSTS	[s 9(2)(b)(ii)]	\$0.00	240.70	0.00	\$0.00		\$485,879.58	\$0.00	1270.90	0.00

20th July 2012

Meeting to Discuss Indigenous Areas in Te Waihou Forest

[s 9(2)(a)]

The Wildlands report (2010) categorises the indigenous areas into ecological significance categories 1-4. Category 1 is defined as: 'Areas are representative examples of indigenous vegetation or wildlife habitats on particular landform units within a bioclimatic zone, in an ecological district. They contain some of the largest, best quality, or only remaining examples of indigenous vegetation or wildlife habitat in an ecological district. Category 2 is defined as: 'Areas are also good quality representative examples of vegetation and/or wildlife habitat which complement Category 1 areas and existing protected natural areas. They may include:

- (a) Relatively small areas with vegetation types or plant taxa under-represented or unrepresented in protected natural areas or Category 1 areas;
- (b) Relatively large areas with features that are also represented in existing protected areas or Category 1 areas, but that are nevertheless worthy of protection;
- (c) Sites containing vegetation types that were formerly more common in the Ecological District and are unrepresented in protected natural areas or Category 1 sites, but that have been degraded by weed invasion or animal damage, or similar.

The following areas are identified as Level One or Two within Kinleith Forest:

Level One

1. Jack Henry wetland
2. Cochrane block (Endeans)
3. Pukerimu Forest
4. Waipapa Stream Geothermal

Level Two

1. Jack Henry wetland
2. Kangaroo Forest (Areas of Tokoroa East-North block)
3. Tikitiki Forest
4. Mangakotaha Stream

From the assessment of the report there are four 'hotspot' areas within the Te Waihou estate that should be concentrated on. These are the Waipapa Stream geothermal area, the Jack Henry wetland, Cochrane's Block, and Kangaroo Forest.

Action points from the Meeting:

- Request the GIS layers from the report from Wildlands. If these are not available, the site reference numbers should be entered in the NZFM GIS system. [s 9(2)(a)]
- Ensure that SNA areas are mapped on all operational maps for Te Waihou. [s 9(2)(a)]

- Waipapa Geothermal Areas:
 - Poison standing trees on the face adjacent to the geothermal area.
 - Contact to me made with [s 9(2)(a)] to find out what other monitoring of Cristella fern is taking place elsewhere in the region.
 - Contact [s 9(2)(a)] and discuss the work completed by Hancock regarding the Cristella fern.

- Te Waihou to tie in with DOC possum control operations in the Cochrane Block and the Tokoroa East-North block, or encourage possum control in these blocks.

- Ask [s 9(2)(a)] about possum trapping permits in the forest. The aim is to encourage trapping in particular native areas. [s 9(2)(a)]

- Talk to HFM about possum control and monitoring in Endeans Bush. Can effective possum control be gained by only working the boundary? [s 9(2)(a)]

- Wilding control should also be considered after the extent of wildings is assessed.
 - Find out when the forest was last flown from [s 9(2)(a)] and obtain aerial photographs. [s 9(2)(a)]

- Te Waihou to support the project of the Raukawa Trust.

- It is also important to recognise wetlands as having importance within the forest and assess the presence and invasion of willow species.
 - Wetlands should be shown on maps and those of high priority identified.
 - Identify areas that have been controlled by HFM and that require maintenance to contain the willows to low levels. [s 9(2)(a)] to discuss with [s 9(2)(a)]
 - Discuss with HFM sources of funding for this work. [s 9(2)(a)]
 - Over the next year, work around wetland and assess priority wetlands for control. Work on removing willows and look at legal protection.

- Ensure that all machinery is steam cleaned (as per the NZFM EMS) to stop/reduce the invasion of pests from other areas.

- There is potential benefit for an annual meet up of DOC/Te Waihou/NZFM. [s 9(2)(a)] to consider.
 - On-going communication between the parties on all matters is encouraged, outside of the annual meetings.