

The Treasury

Overseas Investment Forestry Information Release

Release Document

February 2019

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Information Withheld

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act).

Where this is the case, the relevant sections of the Act that would apply have been identified.

Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Key to sections of the Act under which information has been withheld:

- [1] 6(a) - to avoid prejudice to the security or defence of New Zealand or the international relations of the government
- [2] 6(c) - to avoid prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial
- [3] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [4] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [5] 9(2)(h) - to maintain legal professional privilege
- [6] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [7] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage

Where information has been withheld, a numbered reference to the applicable section of the Act has been made, as listed above. For example, a [3] appearing where information has been withheld in a release document refers to section 9(2)(a).

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Technical policy refinements

- 6 **noted** that on 5 March 2018, Cabinet authorised a group of Ministers consisting of the Deputy Prime Minister, the Minister for Crown/Māori Relations, the Minister of Finance, the Associate Minister of Finance (Hon David Parker), the Minister for Māori Development, the Minister of Forestry, the Minister for Climate Change and the Minister for Land Information to have Power to Act on further detailed policy matters that may need to be addressed [CAB-18-MIN-0071.01];
- 7 **noted** that the paper under CAB-18-SUB-0094 and accompanying SOP have been drafted on the basis that the group of Ministers with Power to Act will approve policy refinements, including:
- 7.1 that for non-forestry profits-à-prendre:
 - 7.1.1 profits-à-prendre over minerals would not be screened under the Act;
 - 7.1.2 profits-à-prendre would only be screened where they relate to the principal or exclusive use of the area of land where the profit-à-prendre exists;
 - 7.1.3 a uniform screening threshold of 5 hectares will apply;
 - 7.2 that all forestry rights will be allowed to use the new checklist test, including those for planting and harvesting and maintaining;
 - 7.3 that freehold and leasehold land that has already been converted into forestry can go through the new checklist test;
 - 7.4 that freehold and leasehold land that is intended to be converted into forestry must go through a modified benefit test with a different “counterfactual analysis” so that the benefits of the forestry investment would be measured against the future intended use of the land by the current owner, and a pre-approval process will be available;

Approval of supplementary order paper and draft regulations

- 8 **approved** the SOP to the Overseas Investment Amendment Bill [PCO 20769-1/8.3] for release to the Finance and Expenditure Committee;
- 9 **noted** that the Attorney-General agrees to the publication of draft regulations to provide for the new checklist test for forestry investments under the Act, subject to Cabinet’s approval;
- 10 **approved** the publication for public consultation of draft regulations to provide for the new checklist test for forestry investments under the Act;
- 11 **invited** the Associate Minister of Finance (Hon David Parker) to request that the Finance and Expenditure Committee consider and call for public submissions on the SOP as part of its consideration of the Bill;
- 12 **noted** that on 12 March 2018, Cabinet agreed that further consultation be undertaken with iwi and Māori groups on the proposed changes, with oversight of the process by the Minister for Crown/Maori Relations in consultation with the Associate Minister of Finance (Hon David Parker) [CAB-18-MIN-0084];

- 13 **noted** that the Associate Minister of Finance (Hon David Parker) will report to the Cabinet Legislation Committee to approve final regulations for the screening of forestry investments under the Act in due course.

Michael Webster
Secretary of the Cabinet

Hard-copy distribution:

Prime Minister
Deputy Prime Minister
Associate Minister of Finance (Hon David Parker)