

The Treasury

Overseas Investment Act Forestry Review Information Release

June 2022

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Reference: T2021/1233 IM-5-8

Date: 12 May 2021

To: Minister of Finance (Hon Grant Robertson)
Associate Minister of Finance (Hon David Parker)

cc: Minister for Land Information (Hon Damien O'Connor)
Minister of Forestry (Hon Stuart Nash)

Deadline: 21 May 2021

Aide Memoire: Overseas Investment Act: Forestry Review – Communications and Stakeholder Engagement Strategy

Purpose

1. This paper seeks to update you (Minister Parker) on the stakeholder engagement and communications strategy for the Overseas Investment Act Forestry Review (the review). It also provides you with an update on our approach for engaging with iwi and Māori interest representatives, which we previously indicated we would do.

Context

2. In 2018, the Government changed how overseas investments in forestry are screened under the Overseas Investment Act 2005 (the Act). The changes brought forestry cutting rights into the screening regime and established streamlined consent pathways for forestry investments (including the 'special forestry test').
3. As these changes were developed at pace to align with the passage of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, the Act provided for a review of their operation and effectiveness to begin within two years of commencement (by 22 October 2020).¹
4. The review began in early 2020 when the draft Terms of Reference (ToR) were agreed (T2020/130 refers) by Forestry Ministers. However, due to COVID-19, the final ToR weren't agreed by the Economic Development Committee and Cabinet until March 2021 (CAB-21-MIN-0084 and DEV-21-MIN-0044 refer). Cabinet agreed to conduct a tightly-focused review focussing on the operation and effectiveness of the forestry changes.

¹ The review is mandated by Clause 10, Schedule 1AA of the Act.

Stakeholder Engagement

5. The review will be informed by two phases of stakeholder engagement:
 - a. The first tranche (expected to take place between late May and July 2021), will run a series of early, targeted, meetings with lawyers, iwi, environment and recreation interest groups, and investors (Annex 2) that have had the most experience with the changes, to understand how they are functioning. We are also engaging with the Ministerial Forestry Reference Group.² Feedback from these conversations will inform the development of a discussion document to be released later this year.
 - b. The second tranche of engagement (expected to occur in late 2021) will involve broader consultation on the proposed policy options with stakeholders, wider agencies, and the public (Annex 1).
6. Stakeholder engagement will be via a mixture of in-person and virtual meetings.

Iwi Consultation

7. Consultation with iwi and Māori interest representatives is an important part of the review and will help ensure that the Government understands the range of impacts of the changes on Māori. In particular, noting the important role that forestry plays in the Māori economy.³
8. Recognising the importance of these issues to Māori, in 2018 the Government established an iwi Forestry Reference Group (FRG) to allow for continued dialogue with iwi and the Māori forestry sector on the impact of the forestry related changes. The fourth and final meeting took place in February 2021 (T2020/3315 refers), ahead of the ToR being agreed.
9. To build on the feedback received from the FRG, further consultation with iwi and Māori interest representatives is planned to take place over the next two months as part of the first phase of stakeholder engagement (Annex 2). Four iwi have been selected for early engagement on the basis that they have had the most extensive dealings with different aspects of the 'special forestry test' regime and also happen to be based in different regions of the North Island. As part of the first tranche of engagement, we will also invite the former FRG members to provide feedback on the direction that the review should take.

² Set up by the Government in May 2018, the Forestry Ministerial Advisory Group considers and provides advice on a range of forestry topics to the Minister and Associate Minister of Forestry and Te Uru Rākau. It is made up of 9 independent members and a chair (<https://www.mpi.govt.nz/dmsdocument/30465-Forestry-Ministerial-Advisory-Group-members-biographies>).

³ Thirty percent of the land under New Zealand's plantation forests are in Māori ownership, and Māori may be disproportionately impacted by any forestry changes. Approximately 33 settlements of historic Treaty of Waitangi claims include forestry land redress.

10. The Overseas Investment Office (OIO) and Māori engagement advisors (from the Treasury and Te Uru Rākau (TUR)) have been consulted on the proposed strategy and iwi groups that we intend to consult with.
11. Wider consultation with iwi and Māori interest representatives will take place during the second tranche of engagement. Written submissions will also be welcome during this phase of the review.

Communications Strategy

12. The Treasury, supported by its Communications team, are leading the communications strategy for the review. We will not produce a great deal of material during the first tranche of engagement. We aim to draw more attention to the review after the publication of the discussion document and when public consultation begins.
13. The ToR was publicly released on the Treasury's website in early May 2021. A set of frequently asked questions were distributed to your office and agencies to ensure that messaging, in response to queries on the review, is aligned and consistent.
14. The Overseas Investment Act: Forestry Review Terms of Reference Cabinet Paper is planned to be proactively released on the Treasury Website in June 2021 as part of a wider suite of Overseas Investment Act reform documents.
15. When consulting with stakeholders as part of the first tranche of engagement, officials from OIO, TUR and Land Information New Zealand, will accompany Treasury officials so that they can respond to questions where they relate to their respective work programmes.

Jemma Jackson, Analyst, International, [39]

Thomas Parry, Manager, International, [39]

Annex 1. Forestry Review Timeline

You agreed to the review timeline below in February 2021 (T2020/3315 refers).

Action:	Date:
Targeted consultation to inform discussion document and preparation of discussion document	May – September 2021
Cabinet consideration and approval of discussion document	October 2021
Public consultation on discussion document	November 2021 – February 2022
Submissions analysis and policy development	December 2021 – April 2022
Cabinet agreement to reform package	May 2022
Depending on Cabinet decisions, either: <ul style="list-style-type: none">• Embedding operational changes• Developing and passing new regulations• Developing and introducing new legislation	June 2022 onwards

Annex 2. Engagement plan for phase one – targeted engagement

Type:	Location:	Date (all TBC):
<i>Law firms</i>		
Buddle Findlay	Wellington	Late May
Minter Ellison	Wellington	Late May
Lefever Law	Christchurch	Late May
Catherine Reid, Barrister (OIO Specialist)	Wellington	Late May
<i>Investors</i>		
Oji Fibre Solutions	Auckland	Early June
Pan Pac Forest Products Limited	Napier	Early June
New Forests NZ Pty Limited	Auckland	Early June
Rayoner Matariki Forests	Auckland	Early June
<i>Iwi</i>		
Maungaharuru Tangitu	Napier	Late June
Te Rarawa	Kaitaia	Late June
Nga Maunga Whakahii o Kaipara Development Trust	Auckland	Late June
Ngāti Tamaterā	Coromandel	Late June
<i>Industry Groups</i>		
Forestry Ministerial Advisory Group	Wellington	July
<i>Environmental and recreational groups</i>		
Walking Access Commission	Wellington	Late July
Queen Elizabeth Trust II National Trust	Wellington	Late July
Heritage NZ	Wellington	Late July

Members of the Iwi Forestry Reference Group:

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