

The first three farm-to-forest conversion decisions have been decided

In August 2023, the Overseas Investment Office (OIO) released decisions on the first three farm-to-forest conversion applications. Only one consent was granted and two were declined.

The Overseas Investment Act 2005 was amended in 2022 so that farm-to-forest conversions were required to be considered under the benefit to New Zealand test rather than the less stringent special forestry test.

Since these changes have been made, as at 31 August 2023 the OIO had received 18 applications for farm-to-forest conversions under the benefit to New Zealand test.

In August 2023, the OIO announced that the first three farm-to-forest decisions had been made. These relate to:

- Enterprise Investments WRI Limited's (**Enterprise Investments**) application to acquire a freehold interest in approximately 237 hectares of land in the Bay of Plenty (case number 202300166) (**Enterprise Investments Application**);
- Corisol New Zealand Limited's application to acquire a freehold interest in approximately 600 hectares in Otago (case number 202300011) (**Corisol Application**); and
- Port Blakely Limited's (**Port Blakely**) application to acquire approximately 800 hectares of land in the Otago region (case number 202200552) (**Port Blakely Application**).

The Enterprise Investments Application was successful and the Corisol Application and Port Blakely Application were declined.

Following reviewing these decisions, we have determined that the following factors appear to be relevant to whether consent will be granted:

- a smaller area of land to be converted to forestry appears to be more favourable to consent being granted;
- consent is more likely to be granted for lower quality land (i.e. Land Use Classification 5 and above land) which is less arable;
- the quality of the existing farming appears to be relevant in that consent is more likely to be granted where the farm generates limited revenue and there are limited employment opportunities at the existing farm; and
- demonstrating that an economic benefit to New Zealand will flow from the investment is crucial.

Enterprise Investments was also successful in its claims regarding environmental benefits. In that decision, the OIO required that an array of ecological conditions be imposed and Enterprise Investments had successfully argued that environmental benefit would flow from halting farm practices and implementing erosion control.

Both Port Blakely and Enterprise Investments demonstrated that significant government policies would be advanced. However, in relation to claims relating to the advancement of climate change objectives the OIO commented that the strength of such claims would need to be assessed by the relevant Ministers. The OIO has separately commented that there will be an unofficial separate "carbon benefits factor" which applicants can point to as part of the economic benefits. We expect that the OIO will provide further information on this in the future.

Want to know more?

If you have any questions about farm-to-forest conversions or applying for OIO consent more generally, please contact our [specialist Overseas](#)

**The first three farm-to-forest conversion decisions have
been decided**
(Continued)

[Investment team.](#)