
Exemption from the farm land offer criterion

Read this decision carefully - you must comply with all the conditions. If you do not, we may revoke your exemption.

Decision (Case 202300363)

1. Decision Date

15 February 2024

2. Duration of the Exemption

This Exemption expires on **15 February 2029**.

3. Interpretation

(1) In this notice, unless the context otherwise requires—

Act means the Overseas Investment Act 2005.

Exemption means the exemption in paragraph 4.

Exemption Holder means Akuo Energy New Zealand Limited.

Land means approximately 114.3172 hectares of land located at 129 Tutaekara Road, Pahiatua, Tararua.

LINZ means Toitū Te Whenua Land Information New Zealand.

Qualifying Interest means a leasehold interest in the Land being acquired exclusively or nearly exclusively for operating a solar farm for electricity generation.

Qualifying Transaction means the acquisition of a Qualifying Interest by an Exemption Holder

Regulations means the Overseas Investment Regulations 2005.

(2) Any term or expression that is defined in the Act or the Regulations and used, but not defined, in this Exemption has the same meaning as in the Act or the Regulations (as the case may be).

4. Exemption from farm land offer criterion under the Act

The requirement in section 16(1)(f) of the Act does not apply in respect of an application for consent under the Act for a Qualifying Transaction decided on or before **15 February 2029**.

5. Conditions of the Exemption

(1) If requested in writing by LINZ, the Exemption Holder must provide a written report within 20 working days (or such other timeframe as specified) on any matter relating to its compliance with:

- a. the representations and plans made or submitted in support of the application for the Exemption; or
- b. the conditions of the Exemption.

6. Amendment or revocation of the Exemption

The Exemption and conditions of the Exemption may at any time be amended or revoked by LINZ.

7. Sanctions

The Act provides for civil and criminal sanctions for breaching the Act, failing to comply with conditions of exemption and failing to provide information required by LINZ. LINZ has an obligation to investigate and act upon alleged and suspected breaches of the Act.

8. Reasons for Exemption

The purpose of the requirement to advertise farm land is to give New Zealanders an opportunity to acquire farm land on the open market.

An exemption from this requirement may be granted if the decision maker considers that the overseas investment need not meet this requirement by reason of the circumstances relating to the particular overseas investment or section 12 interest or the nature of the land to which the section 12 interest relates.

An exemption may only be granted if there are circumstances that mean that it is necessary, appropriate, or desirable to provide an exemption, and the extent of the exemption is not broader than is reasonably necessary to address those circumstances.

The Exemption Holder intends to develop a solar farm on the Land and has sought an exemption from the requirement for farm land to be advertised.

In this case, an exemption is appropriate and desirable as:

- there are circumstances that make advertising less appropriate for solar farm developments than for other developments:
 - investors are likely to face uncertainty and risk which may discourage investments if they are forced to undertake extensive feasibility studies without first obtaining a right to acquire the land needed for their proposed solar farm (there would be nothing preventing the existing property owners from selling or leasing their land to a third party, including the investors' competitors);
- the Exemption is consistent with the principle that overseas investment should benefit New Zealand, noting the high importance the Government places on renewable energy;
- the Land will be used for both for solar purposes and for grazing; and
- the interests are leasehold interests, therefore only a temporary divestment of the farm land. New Zealanders will not permanently lose the opportunity to acquire the Land – the freehold will remain in New Zealand ownership and the leasehold will become available at the expiry of the lease.

The decision maker considers that the extent of the Exemption is not broader than is reasonably necessary as it is limited to specific properties and acquisitions for the purpose of developing a solar farm, only applies for a limited period of time, and the interests are leasehold interests only.