



To: Kirsty Hulena, Principal Advisor, Applications

ASSESSMENT REPORT: KSF Fund No. One Pty Ltd and Karreman Racing Pty Ltd

Date	2 December 2022	Classification	IN CONFIDENCE: Commercially sensitive
OIO reference	202200396	Suggested deadline	16 December 2022

Purpose

We seek your decision on an application for consent to acquire an interest in sensitive land under the Overseas Investment Act 2005 (“Act”).

Action sought

1. Review this report.
2. Determine whether to grant consent and, if so, on what conditions.
3. Indicate your decision from page 3.

Key information

Applicants	KSF Fund No. One Pty Ltd and Karreman Racing Pty Ltd Australia (100%)
Vendor	116 Callisto Limited New Zealand (100%)
Land	Approximately 6.7439 hectares of land located at 116 Redoubt Road, Cambridge
Consideration	\$1,875,000
Sensitivity	Is more than 5 hectares of non-urban land
Relevant tests	Investor test: s18A Benefit to New Zealand test: substantial and identifiable: s16(1) and s16A Farm land offer test: s16(1)(f)

Timing

4. The Overseas Investment Regulations 2005 (“**Regulations**”) specify the total assessment timeframe for this application is 100 working days. This application is currently on day 56, therefore a decision is due to the applicant by 24 February 2023.

A. Decision

Core tests

5. I determine that:

5.1 The 'relevant overseas person' is (collectively):

Relevant overseas person	Role
The Karreman Superannuation Fund No. One (" KSF Fund ")	Ultimate owner of the freehold interest in the land
KSF Fund No. One Pty Ltd (" KSF Ltd ")	Applicant and trustee of KSF Fund
Karreman Racing Trust (" Karreman Racing ")	Ultimate owner of a leasehold interest in the land
Karreman Racing Pty Ltd (" KRP Ltd ")	Applicant and trustee of Karreman Racing
Dirk Karreman	Beneficial owner of KSF Fund and Karreman Racing
Anne Karreman	Beneficial owner of KSF Fund and Karreman Racing

5.2 The 'individuals with control of the relevant overseas person' are:

Individuals with control	Role
Dirk Karreman	Director of KSF Ltd and KRP Ltd
Anne Karreman	Director of KSF Ltd
Richard Ian Williams	General Manager of The Oaks Stud and associate of the Applicants

5.3 None of the relevant overseas persons and individuals with control of the relevant overseas person have established any of the factors contained in section 18A(4) of the Act.

6. I am satisfied that the investor test in section 18A, as outlined in paragraph 5.3 above, has been met.

7. I am satisfied, in relation to the benefit to New Zealand test, that:

7.1 the criteria for consent in sections 16 and 16A have been met;

7.2 the overseas investment will, or is likely to, benefit New Zealand (or any part of it or group of New Zealanders);

7.3 the benefit will be, or is likely to be, substantial and identifiable; and

7.4 the farm land offer criteria have been met.

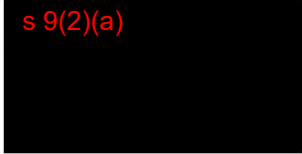
National interest assessment

8. I note that the overseas investment in sensitive land is not a transaction of national interest under section 20A of the Act and the Minister of Finance has not notified it is a transaction of national interest under section 20B of the Act.

Decision about whether to grant or decline consent

9. My ultimate decision is to grant consent subject to the conditions in the Proposed Decision in **Attachment 1**.

s 9(2)(a)

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Kirsty Hulena

Principal Advisor (Overseas Investment Office)

Date: 5 / 12 / 2022

Released under the Official Information Act 1982

B. Background and proposed transaction

10. The Applicants seek retrospective consent for the acquisition of an interest in approximately 6.7439 hectares of farmland at 116 Redoubt Road, Cambridge (“**Land**”).
11. The Land is shown (outlined in red) in the aerial photograph below:



12. The Applicants are involved in the thoroughbred industry in New Zealand and Australia. They own and operate the Oaks Stud in Cambridge. The Land adjoins the Oaks Stud land. The Applicants intend to use the Land as a quarantine/isolation facility in immediate proximity to (but physically separate from) the main property comprising the Oaks Stud.
13. The benefits of a quarantine/isolation facility are difficult to quantify, but are nevertheless important.¹ The investment is likely to support the continued operation (and enhance the viability) of the Oaks Stud, as having a quarantine/isolation facility will help prevent or manage any infectious diseases affecting any horses coming into, or located at, the stud farm. As such, the investment is likely to help retain existing jobs and continue the existing level of export receipts.

Retrospective consent

14. On 4 June 2021 an associate of the Applicants (Richard Williams, a New Zealand citizen) entered into an Agreement for Sale and Purchase (“**ASP**”) to acquire the Land, intending to then nominate Karreman Superannuation Fund as purchaser (subject to OIO consent). The legal interest in the Land was transferred to Richard Williams and Joanne Williams on 10 September 2021.
15. As the ASP was not conditional on OIO consent, this resulted in an overseas person (by way of an associate) acquiring an interest in sensitive land without first obtaining OIO consent, which was a breach of the Act.
16. In accordance with s53 of the Act and reg 32 of the Regulations, the regulator has imposed a \$20,000 administrative penalty on the Applicants, noting that the breach was inadvertent and that retrospective consent is recommended.

¹ See paragraphs 41-43 and 49-54 below.

C. Application of the Act

17. As the transaction that required consent under the Act occurred before 24 November 2021, the tests in place before this date apply.
18. The Land is sensitive because it is non-urban land over 5 hectares in size,² so consent is required.³ The following criteria for an investment in sensitive land apply to this application:⁴
 - The investor test must be met.⁵
 - The benefit to New Zealand test must be met.⁶
 - The farm land must have been offered for sale on the open market;⁷ and
 - You must also note whether the investment is a transaction of national interest and, if so, whether the Minister of Finance has decided that the investment is contrary to New Zealand's national interest.⁸
19. In order to satisfy the benefit to New Zealand test, the decision-maker must:
 - Determine that the overseas investment will, or is likely to, benefit New Zealand;⁹ and
 - Determine that benefit will be, or is likely to be, substantial and identifiable.¹⁰
20. We assess the investor test in Part D, the benefit to New Zealand test in Part E, the farm land offer test in Part F and discuss national interest matters in Part G.

Delegated decision

21. This decision has been delegated to the OIO because the value of the consideration for this overseas investment in this sensitive land is less than \$2 million¹¹.

D. Applicant and investor test

22. This section describes the Applicant and assesses whether the investor test is met.

Business Activities

23. The Applicants are involved in the thoroughbred industry in New Zealand and Australia. The Applicants own and operate the Oaks Stud in Cambridge, which comprises approximately 197 hectares of land, owns a band of around 50 select broodmares, and prepares a draft of 30-40 yearlings each year for the Karaka Yearling Sales Series.
24. In addition to its breeding and sales stock, the Oaks Stud also has a racing team of approximately 30 horses, stands four stallions, and boards approximately 15 mares for clients from New Zealand and overseas. The Oaks Stud currently employs a team of approximately 15 staff.

² Table 1, Part 1, Schedule 1 of the Act.

³ Under sections 10(1)(a) and 12(a)(i) of the Act.

⁴ Set out in section 16(1) of the Act.

⁵ Section 16(1)(a) of the Act.

⁶ Section 16(1)(c)(ii). The alternative is the relevant overseas person or each of the individuals with control is a NZ citizen or resident, which is not applicable to the proposed investment.

⁷ Section 16(1)(f) of the Act.

⁸ Section 16(1)(g) of the Act.

⁹ Section 16A(1)(a) of the Act.

¹⁰ Section 16A(1)(b) of the Act. This criterion applies because the Land is non-urban land over 5 hectares in size.

¹¹ See Table A, row C, Paragraph 3 of the Designation and Delegation Letter of 24 November 2021.

Ownership

25. The Applicants are KSF Fund No. One Pty Ltd (“**KSF Ltd**”), as trustee of the Karreman Superannuation Fund, and Karreman Racing Pty Ltd (“**KRP Ltd**”), as trustee of the Karreman Racing Trust.
26. The Karreman Superannuation Fund is a self-managed superannuation fund established for the benefit of Dirk and Anne Karreman. The fund holds numerous investments, including securities and real estate in Australia and New Zealand. KSF Ltd is owned by Dirk and Anne Karreman (as to 50% each).
27. Karreman Racing Trust is a trading trust with Australian tax residency, that owns and operates a horse breeding, racing, and agistment business based in Australia and New Zealand. The primary beneficiaries of the trust are Dirk and Anne Karreman, with other discretionary beneficiaries including Dirk and Anne Karreman’s children and other related corporate entities. KRP Ltd is owned by Dirk and Anne Karreman (as to 50% each).
28. An ownership and control diagram for the Applicants is below:

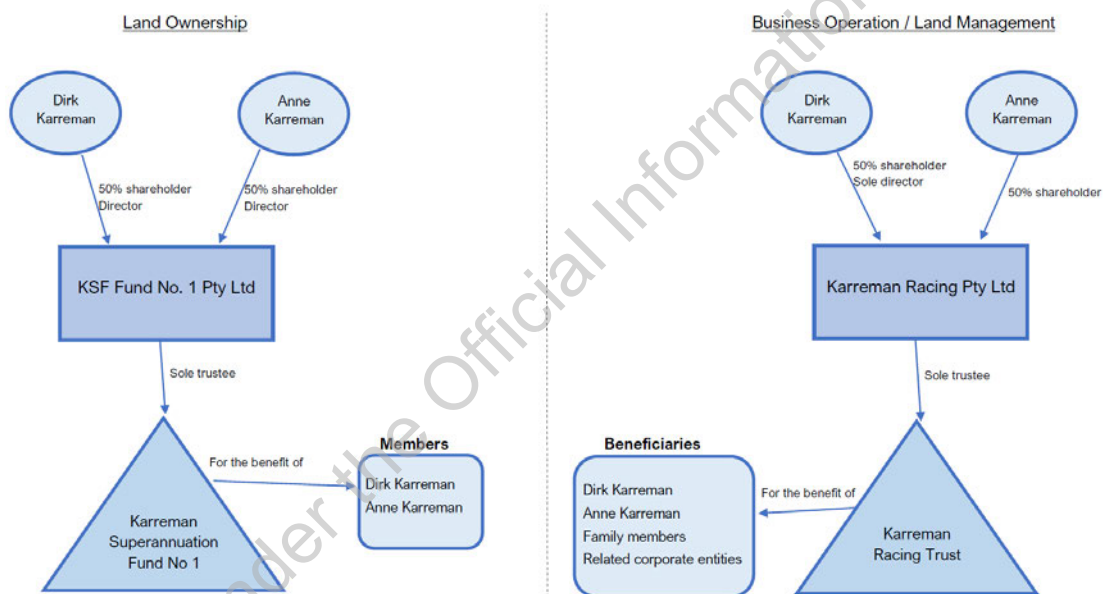


Figure 1 – Ownership and control diagram provided by the Applicants

Control

29. KSF Ltd is controlled by its two directors Dirk and Anne Karreman (who are also the sole beneficiaries of the Karreman Superannuation Fund).
30. KRP Ltd is controlled by its sole director Dirk Karreman.
31. Richard Williams is the General Manager of The Oaks Stud, and is therefore responsible for the day-to-day management of the Oaks Stud. Mr Williams will be responsible for the day-to-day management of the Land and the proposed quarantine/isolation facility.

Relevant overseas person and individuals with control

32. We recommend that the ‘**relevant overseas person**’ is (collectively):

Relevant overseas person	Role
The Karreman Superannuation Fund No. One (“ KSF Fund ”)	Ultimate owner of the freehold interest in the land
KSF Fund No. One Pty Ltd (“ KSF Ltd ”)	Applicant and trustee of KSF Fund
Karreman Racing Trust (“ Karreman Racing ”)	Ultimate owner of a leasehold interest in the land
Karreman Racing Pty Ltd (“ KRP Ltd ”)	Applicant and trustee of Karreman Racing
Dirk Karreman	Beneficial owner of KSF Fund and Karreman Racing
Anne Karreman	Beneficial owner of KSF Fund and Karreman Racing

33. We recommend that the ‘**individuals with control of the relevant overseas person**’ (“**IWCs**”)¹² are:

Individuals with control	Role
Dirk Karreman	Director of KSF Ltd and KRP Ltd
Anne Karreman	Director of KSF Ltd
Richard Ian Williams	General Manager of The Oaks Stud and associate of the Applicants

Summary of investor test

34. The relevant overseas persons and individuals with control established none of the factors contained in section 18A(4) of the Act. One of the IWCs (Richard Ian Williams) is a New Zealand citizen, so he is not required to meet the investor test in accordance with s18(2) of the Act.
35. For the reasons set out above, our conclusion is that **the investor test has been met.**

E. Investment plan and benefit to New Zealand test

36. This section describes the proposed investment, and our assessment of whether it is likely to meet the benefit criteria in the Act.

Investment plan

37. The Oaks Stud land is held by KSF Fund No. One Pty Ltd (“**KSF Ltd**”) as trustee of the Karreman Superannuation Fund. The Oaks Stud business is operated by Karreman Racing Pty Ltd (“**KRP Ltd**”), as trustee of the Karreman Racing Trust, under ‘The Oaks Stud’ name, which holds a lease of this land.
38. The Applicants intend to use the Land as a quarantine/isolation facility in immediate proximity to (but physically separate from) the main property comprising The Oaks Stud.

¹² Section 15.

Location of the Land

39. As the Land is physically separate from (although adjoining) The Oaks Stud, it can be accessed without crossing over the main property. Having separate access to the property for quarantine purposes is highly desirable and suitable for The Oaks Stud and the wider horse breeding industry.
40. A map showing The Oaks Stud land (coloured red) adjoining the Land (coloured blue) is below:

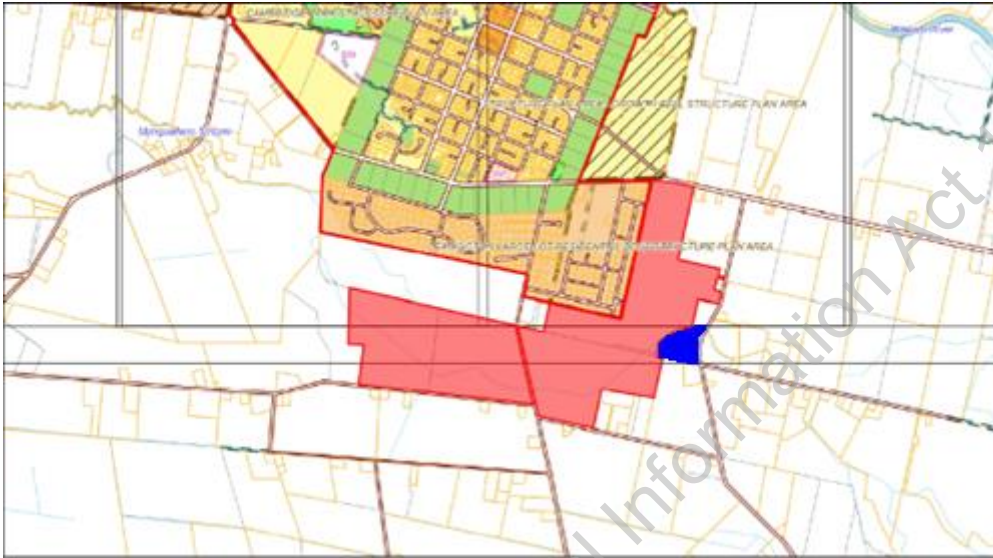


Figure 3 – Map provided by the Applicants (blue colouring added by the OIO)

Benefit of a quarantine/isolation facility

41. The investment is likely to support the continued operation (and enhance the viability) of The Oaks Stud farm, as having a quarantine/isolation facility will help prevent or manage any infectious diseases affecting any horses coming into, or located at, the stud farm. As such, the investment is likely to help retain existing jobs and continue the existing level of export receipts. While it is possible that if there is another infection outbreak the owners may decide to close or sell its business (which could lead to the loss of existing jobs), it is difficult to assess the likelihood of this occurring.
42. A quarantine/isolation facility would reduce the chance of exposure to the rest of the animals on the farm from any disease (and therefore reduce the risk to the New Zealand equine industry as a whole). Due to animal movements – and the ability of certain diseases, such as Equine Herpes Virus 1 (EHV-1) to be spread via tack (eg equipment/accessories used on horses), vehicle wheels etc – outbreaks of viruses that are not diagnosed and contained on-farm have the potential to significantly impact New Zealand's thoroughbred industry.
43. The Oaks Stud has experienced two outbreaks of EHV-1, in January 2014 and July 2021. In each case, it was able to be contained but did involve the loss of some mares.
44. The investment is also likely to enhance the viability of The Oaks Stud farm business, advance government policy (around supporting the racing industry). The ROP also has previous investments that have resulted in benefits to New Zealand.
45. The investment requires a substantial and identifiable level of benefit (being 5 hectares or more of non-urban land), on a proportionate basis, considering the nature of the transaction and the sensitivity of the Land. The Land consists of approximately 6.7 hectares of non-urban land in Cambridge, currently used for keeping of livestock and grazing, with no other sensitivities or special features. Accordingly, we consider that the

size, value, and sensitivity of the Land is low, so the level of benefit required to meet this threshold is accordingly reduced.

What is likely to happen without the investment (Counterfactual)

46. We consider the most likely counterfactual is that the Land would have been retained by the vendor in the short term but would have looked to sell the Land in due course to an alternative New Zealand purchaser (“ANZP”). We consider an ANZP would be likely to use the Land as a lifestyle property.
47. At the time it was marketed for sale, the Land was being leased as a horse agistment farm (not breeding farm), but was in a run-down state and was not viable as a stand-alone economic unit. The applicant advised that due to the amount of capital investment required on the Land, it is unlikely an ANZP would have used the Land as an isolation/quarantine facility.
48. The Land had been advertised but was passed in at the auction on 4 June 2021. The applicant advised that the underbidder at the auction (whose bid did not meet the reserve price) intended to purchase the Land as a lifestyle property. None of the other stud farms in the area bid on the Land at auction (which may indicate that they had no interest in incorporating the Land into their existing operations). Accordingly, we consider that an ANZP would have been most likely to use the Land as a lifestyle property (involving running some horses or cattle, but not as an economically viable unit).

Consultation with the Ministry for Primary Industries

49. In undertaking our assessment, we consulted with the Ministry for Primary Industries (“MPI”) regarding the benefits of using the Land as an isolation/quarantine facility.
50. MPI advised that the Land could be operated as either an isolation facility (separating infected animals from non-infected animals) or a quarantine facility (separating animals that could be infected, until they are deemed non-infected). A well-managed quarantine or isolation facility is highly likely to play a positive role in reducing the spread of equine infectious diseases both at the stud farm and across New Zealand.
51. MPI advised that the proposed operational procedures for a quarantine facility are in accordance with universally accepted best practice for biosecurity. When correct quarantine proposals are applied, many endemic diseases and conditions (such as equine stangles, antibiotic resistant bacteria, and resistant worms) can be significantly managed. MPI noted that the benefits to the New Zealand horse industry from isolation of infected horses with transmissible diseases was demonstrated by the lack of spread of EHV-1 within both the stud farm and the New Zealand equine population in both outbreaks.
52. MPI advised that while the proposed facility may not increase the total number of staff at the stud farm, the knowledge, expertise, and management required to run the facility would offer opportunities for staff development and career progression. MPI further advised that during a disease outbreak when the Land is used as an isolation facility additional staff are likely to be required.
53. MPI advised that movement restriction is a key element in the control of infectious diseases. Movement restriction on the stud farm could have animal welfare implications where surgical interventions would not be possible or would be performed with increased risk of complications or even death. As a result, having an isolation facility available would allow for movement of healthy horses and those needing specialised care to and from the stud farm during a disease outbreak.
54. MPI advised that while the proposed facility may not relate directly to the creation of export receipts, an isolation facility can allow for horse movements on a case-by-case

basis to an approved export facility from the stud farm during an infectious disease outbreak. This may help support the continued export of horses to overseas buyers and thereby support maintaining the existing level of export receipts generated by The Oaks Stud.

Summary of benefits

55. The benefits to New Zealand that are likely to result from this investment and our assessment of the relative weight to be given to each are set out in the table below.
56. Factors that we considered were either not relevant to the investment, or the benefit to New Zealand was not sufficient to be relied on, are noted in **Attachment 2**.
57. In applying the benefit to New Zealand criteria, you are required to consider each of the benefit factors and determine which of them are relevant. The weight and relative importance to be given to each factor is a matter to be determined by you as the decision-maker. This report sets out our assessment to guide your consideration, however it is not determinative.
58. Under the terms of the Ministerial directive letter,¹³ the 'rural land directive' applies to this investment.¹⁴ Of the benefit factors Ministers have directed should be given high relative importance, the factor relating to increased export receipts is relevant to this investment.
59. The impact of the presence or absence of high relative importance factors is considered in the context of the overall application.¹⁵

¹³ Dated 28 November 2017, paragraphs 13-17.

¹⁴ Because the investment involves the acquisition of non-urban land over 5 hectares in size (excluding any associated land) and excludes 'forest land'.

¹⁵ So (for example) an application that does not establish a high relative importance factor might be favourably considered if it provides a number of other relevant benefit factors. Likewise, the nature of the counterfactual and matters of proportionality may be relevant when considering the merits of the application.

Summary assessment: benefit to New Zealand test

60. This table assesses the benefits to New Zealand likely to result from the investment and the relative weight to be given to each.

Relevant benefit factors	Applicant's claims: what they intend to do	Without the investment (Counterfactual)	OIO analysis: strength/weakness		Proposed special conditions
			Indicative strength	Summary	
Enhanced ongoing viability	The investment is likely to enhance the ongoing viability of the ROP's adjoining stud farm business (The Oaks Stud).	The use of the Land would not enhance the ongoing viability of the adjoining Oaks Stud as the ANZP would have likely used the Land as a lifestyle property.	Moderate	The investment is likely to enhance the ongoing viability of the ROP's adjoining Oaks Stud, which could be significantly impacted by another infectious disease outbreak.	This benefit factor is not appropriate for conditions.
Greater efficiency or productivity	The investment is likely to allow the adjoining Oaks Stud to operate more efficiently.	The use of the Land would not increase the efficiency of the adjoining Oaks Stud as the ANZP would have likely used the Land as a lifestyle property.	Moderate	The investment is likely to allow the Oaks Stud to operate more efficiently, noting the reduced risk of an infectious disease outbreak (and the reduced impact of a possible disease outbreak at The Oaks Stud).	This benefit factor is not appropriate for conditions.
Increased export receipts <i>(high relative importance)</i>	The investment is likely to support export receipts at The Oaks Stud.	The use of the Land would not support export receipts at The Oaks Stud as the ANZP would have likely used the Land as a lifestyle property.	Low	The investment is likely to result in supporting or increasing export receipts of The Oaks Stud when compared against the counterfactual.	Use the Land for equine facilities.

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Relevant benefit factors	Applicant's claims: what they intend to do	Without the investment (Counterfactual)	OIO analysis: strength/weakness		Proposed special conditions
			Indicative strength	Summary	
Advance significant government policy or strategy	The investment is likely to advance government policy around the racing industry.	The use of the Land would not advance or support government policy around the racing industry as the ANZP would have likely used the Land as a lifestyle property.	Low	The investment is likely to support the Racing Industry Act 2020 and other support measures undertaken by the government to help protect and grow the racing industry.	This benefit factor is not appropriate for conditions.
Previous investments	The ROP has made previous investments that have resulted in benefit to New Zealand.	N/A	Low	The ROP has demonstrated benefit to New Zealand through previous investments in 2002 and 2003, including capital expenditure, new jobs, and export receipts as a result of operating The Oaks Stud.	This benefit factor is not appropriate for conditions.

Released under the Official Information Act 1982

Conclusion – benefit to New Zealand test

61. We have undertaken our assessment having regard to the characteristics of the Land and the nature of the interest being acquired, reflecting the proportional nature of the benefit to New Zealand test. In this case, the investment consists of approximately 6.7 hectares of non-urban land in Cambridge with no other sensitivities or special features. The Land is operated as part of the Oaks Stud and is not a viable economic unit on its own. The most likely counterfactual is that the Land would be used as a lifestyle property.
62. After considering the application, we are satisfied that the investment is likely to result in the benefits considered above. The use of the Land as a quarantine/isolation facility is likely to support the export receipts, ongoing viability, and the increased efficiency of the adjoining Oaks Stud.
63. We also note that the ROP has demonstrated benefit to New Zealand through a number of previous investments, and that the investment is likely to support government policies supporting the protection and growth of the racing industry in New Zealand.
64. These benefits would not occur under the counterfactual, and while we acknowledge that many of the benefits are difficult to precisely quantify¹⁶, when considered together on a proportional basis (having regard to the characteristics and size of the Land), we consider that the benefits of the investment are likely to be substantial and identifiable.

F. Farm land offer test

65. Because the Land is farm land,¹⁷ we note that it was advertised for sale on the open market with the required information for a period exceeding 20 working days¹⁸ through the following channels:
 - internet sites (realestate.co.nz, YouTube, Harcourts);¹⁹ and
 - a property brochure prepared by Harcourts.
66. We are therefore satisfied the regulations requiring the farm land to be offered for acquisition on the open market have been complied with.²⁰

G. Not a transaction of national interest

67. The investment does not involve a transaction of national interest under the mandatory criteria of the Act.²¹ This is because the investment does not involve a non-NZ government investor, or an investment in a strategically important business (as defined in the Act).
68. We have not referred this transaction to the Minister of Finance for him to call it in for a national interest assessment on a discretionary basis.²² He has therefore not declined consent to the transaction.

¹⁶ We draw comfort from the helpful analysis provided by MPI in paragraphs 49-54 above which considers the benefits of having a functional quarantine facility to the continued operations of the Oaks Stud and the New Zealand racing industry generally.

¹⁷ Currently being used primarily for horticultural purposes (see the definition of farm land in s 6 of the Act).

¹⁸ For lease, from 1 July 2021 to 2 August 2021.

¹⁹ From 8 April 2021 to 4 June 2021.

²⁰ Overseas Investment Regulations 2005, regulations 5 to 10.

²¹ Under s 20A of the Act.

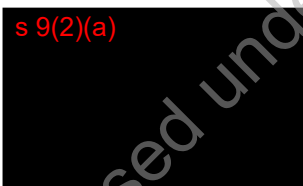
²² Section 20B of the Act

69. We are directed²³ that the starting point is the assumption that overseas investment is in New Zealand's national interest and that we should only seek the Minister of Finance to exercise his discretion for a national interest assessment if the proposed investment:
- could pose risks to New Zealand's national security or public order
 - would grant an investor significant market power within an industry or result in vertical integration of a supply chain
 - has foreign government or associated involvement that was below the 10 per cent threshold for automatic application of the national interest test, but granted that government (and/or its associates) disproportionate levels of access to or control of sensitive New Zealand assets or
 - would have outcomes that were significantly inconsistent with or would hinder the delivery of other Government objectives.
70. We do not consider that this investment engages any of these risk factors.

H. Conclusion

71. After considering the application, our view is that:
- the investor test has been met; and
 - the overseas investment will, or is likely to, benefit New Zealand (or any part of it or group of New Zealanders); and
 - the benefit will be, or is likely to be, substantial and identifiable; and
 - the farm land offer test has been met; and
 - we note that the transaction has not been determined to be a transaction of national interest.
72. Therefore, we consider that the criteria for consent in section 16 have been met and our recommendation is to **grant consent**.

s 9(2)(a)



Daniel Mumford

Senior Solicitor

Overseas Investment Office

Date: 2 / 12 / 2022

I. List of Attachments

1. Proposed Decision and Conditions
2. Other Benefit Factors

²³ Supplementary Ministerial Directive Letter (8 June 2020).

ATTACHMENT 1 – PROPOSED DECISION

Consent for Overseas Person to Acquire Sensitive New Zealand Land

Read this consent carefully - you must comply with all the conditions. If you do not, you may be required to dispose of the land and/or be subject to fines or other penalties.

Consent

Decision date: [date]

The following people have been given the following consent:

Case	202200396
Consent	<p>Richard Ian Williams and Joanne Michelle Williams are granted retrospective consent for their acquisition of the freehold interest in the Land (from 116 Callisto Limited) subject to the Conditions set out below.</p> <p>KSF Fund No. One Pty Ltd may acquire a freehold interest in the Land (from Richard Ian Williams and Joanne Michelle Williams) subject to the Conditions set out below.</p> <p>Karreman Racing Pty Ltd may acquire a leasehold interest in the Land (from KSF Fund No. One Pty Ltd) subject to the Conditions set out below.</p>
Consent holders	<p>Richard Ian Williams and Joanne Michelle Williams KSF Fund No. One Pty Ltd (ACN 128 173 964) Karreman Racing Pty Ltd (ACN 050 411 991)</p> <p>We will also refer to each Consent holder and the Consent holders together as you.</p> <p>Provided that Richard Ian Williams and Joanne Michelle Williams will be excluded from the definition of Consent holder (and you) once they cease to hold an interest in the Land.</p>
Land	Approximately 6.7439 hectares of land located at 116 Redoubt Road, Cambridge, contained in Record of Title SA35B/262 (South Auckland).
Timeframe	You have until 30 November 2023 to acquire the freehold and leasehold interests in the Land.

Conditions

Your Consent is subject to the Special conditions and Standard conditions (Conditions) set out below. You must comply with them all. Be aware that if you do not comply with the Conditions you may be subject to fines or other penalties, and you may also be required to dispose of the Land.

In the Consent and the Conditions, we refer to the Overseas Investment Office as **OIO, us or we**.

Act means the Overseas Investment Act 2005.

Special conditions

You must comply with the following **special conditions**. These apply specifically to this Consent and were considerations that particularly influenced us to give consent:

Details	Required date
Special condition 1: Acquire the freehold interest in the Land	
KSF Fund No. One Pty Ltd must acquire the freehold interest in the Land. If you do not, standard condition 6 will apply and we may require you to dispose of your interest in the Land.	30 November 2023
Special condition 2: Use the Land for equine quarantine or isolation facility	
You must use the Land for an equine quarantine or isolation facility. If you do not, standard condition 6 will apply and we may require you to dispose of your interest in the Land.	At all times

Standard conditions

You must also comply with the **standard conditions** set out below. These apply to all overseas people who are given consent to acquire sensitive New Zealand land, including you:

Details	Required date
Standard condition 1: acquire the Land	
You must acquire the interests in the Land:	As stated in the Consent

<ol style="list-style-type: none"> 1. by the date stated in the Consent. If you do not, your Consent will lapse or become invalid and you must not acquire the Land, and 2. using the acquisition, ownership and control structure you described in your application. <p>Note, only you – the named Consent holders – may acquire the interests in the Land, not your subsidiary, trust or other entity.</p>	
Standard condition 2: tell us when you acquire the Land	
<p>You must tell us in writing when you have acquired the interests in the Land.</p> <p>Include details of:</p> <ol style="list-style-type: none"> 1. the date you acquired the interests in the Land (Settlement), 2. consideration paid (plus GST if any), 3. the structure by which the acquisition was made and who acquired the interest in the Land, and 4. copies of any transfer documents and Settlement statements. 	<p>As soon as you can, and no later than two months after Settlement</p>
Standard condition 3: allow us to inspect the Land	
<p>Sometimes it will be helpful for us to visit the Land so we can monitor your compliance with the Conditions.</p> <p>We will give you at least two weeks' written notice if we want to do this.</p> <p>You must then:</p> <ol style="list-style-type: none"> 1. Allow a person we appoint (Inspector) to: <ol style="list-style-type: none"> (a) enter onto the Land, including any building on it, other than a dwelling, for the purpose of monitoring your compliance with the Conditions (Inspection), (b) remain there as long as is reasonably required to conduct the inspection, (c) gather information, (d) conduct surveys, inquiries, tests and measurements, (e) take photographs and video records, and (f) do all other things reasonably necessary to carry out the Inspection. 2. Take all reasonable steps to facilitate an Inspection including: 	<p>At all times</p>

<p>(a) directing your employees, agents, tenants or other occupiers to permit an Inspector to conduct an Inspection,</p> <p>(b) being available, or requiring your employees, agents, tenants or other occupiers to be available, at all reasonable times during an Inspection to facilitate access onto and across the Land. This includes providing transport across the Land if reasonably required.</p> <p>3. During an Inspection:</p> <p>(a) we will not compel you and your employees, agents, tenants or other occupiers to answer our questions or to let us look at, copy or take away documents,</p> <p>(b) our Inspector will comply with any reasonable instruction and co-operate with any reasonable health and safety policy or procedure you notify to us before the Inspection.</p>	
Standard condition 4: remain not unsuitable to invest in New Zealand	
<p>You, and to the extent that you are not an individual, the Individuals Who Control You must remain not unsuitable to own or control the Land in accordance with section 18A(1) of the Act.</p> <p>The Individuals Who Control You are individuals who:</p> <p>(a) are members of your governing body,</p> <p>(b) directly or indirectly, own or control more than 25% of you or of a person who itself owns or controls more than 25% of you, and</p> <p>(c) are members of the governing body of the people referred to in paragraph (b) above.</p>	At all times
Standard condition 5: tell us about changes that affect you, the people who control you, or people you control	
<p>You must tell us in writing if any of the following events happens to any of the Consent holders:</p> <ol style="list-style-type: none"> 1. You become aware that you and/or any Individual Who Controls you establishes any of the investor test factors listed in section 18A(4) of the Act. 2. You cease to be an overseas person or dispose of all or any part of the Land. 	Within 20 working days after the change

<p>3. Your New Zealand Service Address changes. This is the address you provided us in your application as the address which we will send any legal document we need to serve on you.</p>	
<p>Standard condition 6: dispose of the Land if you do not comply with key special conditions</p>	
<p>Some of the special conditions were key to the decision to give consent. If we consider you have failed to comply with one of those Special conditions in a material way we may require you to dispose of the Land.</p> <p>If all or part of this standard condition 6 applies to a special condition, we have said so in that condition.</p> <p>We will give you written notice if we require you to dispose of the Land. After we have given you notice, you must:</p>	
<p>Value the Land: obtain and send us a copy of a market valuation of the Land from a New Zealand registered valuer.</p>	<p>Within six weeks of the date of our notice.</p>
<p>Market the Land: instruct a licensed real estate agent to actively market the Land for sale on the open market.</p>	<p>Within six weeks of the date of our notice.</p>
<p>Dispose of the Land: dispose of the Land to a third party who is not your associate.</p>	<p>Within six months of our notice.</p>
<p>Offer without reserve: if you have not disposed of the Land within six months of our notice, offer the Land for sale by auction or tender without a reserve price or minimum bid and dispose of the Land.</p>	<p>Within nine months of our notice.</p>
<p>Report to us about marketing: tell us in writing about marketing activities undertaken and offers received for the Land.</p>	<p>By the last day of every March, June, September and December after our notice or at any other time we require.</p>
<p>Report disposal to us: send us, in writing, evidence:</p> <ul style="list-style-type: none"> (a) that you have disposed of the Land, (b) of disposal (including copies of sale and purchase agreements, settlement statements and titles showing the purchaser as registered proprietor), (c) the purchaser is not your associate. 	<p>Within one month after the Land has been disposed of.</p>

ATTACHMENT 2 – OTHER BENEFIT FACTORS

The table below lists other factors in the Act and regulations for assessing the benefit of overseas investments.

We considered that the factors below were either not relevant to the investment, or the benefit to New Zealand was not likely or sufficient to be relied on for the purposes of our assessment.

Factor	Reason not relevant or insufficient
Jobs – s17(2)(a)(i) (high relative importance factor)	Assessed as not met . The investment is unlikely to result in the creation of new jobs, and it is uncertain if any existing jobs at The Oaks Stud would otherwise be lost if the investment did not proceed.
Oversight and participation by New Zealanders – reg 28(j) (high relative importance factor)	Assessed as not met . The ROP is wholly owned and controlled by overseas persons. The level of participation by a New Zealander (General Manager of The Oaks Stud) is insufficient to meet this factor.
Indigenous vegetation/fauna – s17(2)(b)	These factors are not relevant to this application as the Land does not include any of these features.
Trout, salmon, wildlife, and game – s17(2)(c)	
Historic heritage – 17(2)(d)	
Walking access – s17(2)(e)	
Offer to sell seabed/foreshore/riverbed to the Crown – s17(2)(f)	
New technology or business skills – s17(2)(a)(ii) (high relative importance factor)	The Applicant submits, and we agree, that these benefit factors are not relevant to this application.
Additional investment for development purposes – s17(2)(a)(v)	
Increased processing of primary products – s17(2)(a)(vi) (high relative importance factor)	
Consequential benefits – reg 28(a)	
Key person in a key industry – reg 28(b)	
Affect image, trade, or international relations – reg 28(c)	
Owner to undertake other significant investment – reg 28(d)	
Strategically important infrastructure – reg 28(h)	
Economic interests – reg 28(i)	