

BRF 24-285 OI Assessment Report 202300873 - Aquila Capital Holding GmbH & Far North Solar Farm Limited

Ki / To: Hon David Seymour, Associate
 Minister of Finance

Rā / Date: 15 March 2024

Hon Chris Penk, Minister for Land
 Information

Ngā mahi e hiahiatia ana / Action Sought

Minita/Minister	Key action required: Agree/note/forward	Deadline when this action should be completed by
Hon David Seymour, Associate Minister of Finance and Hon Chris Penk, Minister for Land Information	<ol style="list-style-type: none"> Review this report and consult with each other if desired; Determine whether to grant consent and, if so, on what conditions; and Indicate your decision from page 4. 	6 April 2024

Toitū Te Whenua Land Information New Zealand Whakapā / contacts

Ingoa/Name	Tūnga/Position	Nama waea/ Contact number	Whakapā tuatahi/ First contact
Anneke Turton	Leader Assessment	04 830 2513	<input checked="" type="checkbox"/>
Rebekah McCrae	Senior Customer Regulatory Specialist	03 379 1926	<input type="checkbox"/>

Ngā kōrero a te Minita/Minister's comments

Pūtake/Purpose statement

Toitū Te Whenua Land Information New Zealand (LINZ) seeks your decision on an application for consent to acquire an interest in sensitive land under the Overseas Investment Act 2005 (Act).

Summary

Applicants	Aquila Capital Holding GmbH Germany 60% Japan 30.6% Various 9.4% Far North Solar Farm Limited Australia 70% New Zealand 30%
Lessor	s9(2)(b)(2)(ii) New Zealand 100%
Investment	Acquisition of sensitive land
Land	A leasehold interest in approximately s9(2)(b)(2)(ii)
Consideration	\$s9(2)(b)(2)(ii)
Sensitivity	Is more than 5 hectares of non-urban land
Pathway	Benefit to NZ
Relevant tests	Investor test ² Benefit to NZ test- farm land benefit test ³ Farm land offer criterion ⁴ National interest criterion ⁵

The Applicants are a joint venture whose business is the construction, development, and operation of several solar photovoltaic farms in New Zealand.

¹ This is the s9(2)(b)(2)(ii)

² Section 16(1)(a) and 18A of the Act.

³ Section 16A(1C) of the Act.

⁴ Section 16(1)(f) of the Act.

⁵ Section 16(1)(g) of the Act.

The Applicants are acquiring the land to develop a solar farm with an anticipated installed capacity of 420 MWp, which is enough to power approximately 93,651 homes a year, by 2027.

The key benefits from this investment include expenditure of at least **s9(2)(b)(2)(ii)** on the solar farm, creation of 101 temporary jobs during the construction phase and 3 on-going jobs during the operation stage, better energy security, and alignment with government policy.

Timing

A decision is required by **21 May 2024** to enable the decision to be communicated to the Applicant in compliance with the prescribed assessment timeframe of 100 working days.

The Applicants have requested a decision by **6 April 2024** to meet their commercial timeframes. LINZ recommends a decision is made by this date which is 13 working days from the date of this report.

Tohutohu/Recommendations

After considering the application, LINZ's assessment is that:

- the investor test has been met;
- the farm land offer test has been met;
- the transaction is not considered to be a transaction of national interest; and
- the benefit to New Zealand test is met.

LINZ refers you to page 4 of this Assessment Report to record your decision.



Anneke Turton

Leader Assessment

Overseas Investment - LINZ

Rā/date: 15 March 2024

Decision

Core tests

1. I determine that:

1.1. The '**relevant overseas person**' is (collectively):

Relevant overseas person	Role
Aquila Capital Holding GmbH (Aquila Capital)	Parent company
Far North Solar Farm Limited (FNSF)	New Zealand solar farm developer and entity acquiring the Land
Roman Emanuel Rosslenbroich	26.44% ultimate owner of Aquila Capital SG Holdco Pte. Ltd (Aquila Holdco)
Project Point Limited Partnership (not yet established)	Entity acquiring the Land

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

Individuals with control	Role
Dieter Joachim Rentsch	Director of Aquila Capital and Group Portfolio Committee Member
Hendrick Rudolph Bohne	Director of the General Partner
John David Telfer	Directors of FNSF and Directors of the General Partner
Richard Ian Turner Homewood ⁶	
Alexander Lenz	Asia Pacific Chief Executive Officer for the Aquila Group
Florian Becker	Group Portfolio Committee Member
Christian Harry Ohl	

1.3. 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 Richard Ian Turner Homewood is ordinarily resident in New Zealand and therefore does not need to meet the investor test (Section 18A(2) of the Act).

2. I am satisfied that the investor test in section 18A of the Act has been met.

Hon David Seymour

Agree

Hon Chris Penk

Agree

Disagree

Disagree

3. I am satisfied, in relation to the benefit to New Zealand test in sections 16 and 16A of the Act, that:

- 3.1. the overseas investment will, or is likely to, benefit New Zealand (or any part of it or group of New Zealanders);
- 3.2. the benefit is proportionate to the sensitivity of the land and the nature of the transaction; and
- 3.3. the benefit will be, or is likely to be, substantial in relation to one of more of the factors of high relative importance for farm land.

Hon David Seymour

Agree

Hon Chris Penk

Agree

Disagree

Disagree

4. I am satisfied that the farm land offer criterion in section 16(1)(f) of the Act has been met.

Hon David Seymour

Agree

Hon Chris Penk

Agree

Disagree

Disagree

National interest assessment

5. 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.

Hon David Seymour

Noted

Hon Chris Penk

Noted

Decision about whether to grant or decline consent

6. My ultimate decision is to:

Hon David Seymour

Grant consent subject to the conditions in the Proposed Decision in **Attachment 1**

Grant consent with amended conditions provided on:

Decline consent

Hon Chris Penk

Grant consent subject to the conditions in the Proposed Decision in **Attachment 1**

Grant consent with amended conditions provided on:

Decline consent



Hon David Seymour

Date: 6 / 4 / 24



Hon Chris Penk

Date: 21 / 3 / 2024

Released under the Official Information Act 1982

A. Background and proposed transaction

7. Aquila Capital Holding GmbH (**Aquila Capital**) and Far North Solar Farm Limited (**FNSF**) (together the **Applicants**) are co-investing in the establishment of several solar photovoltaic systems in New Zealand.
8. Aquila Capital is the ultimate parent of Aquila Capital SG Holdco Pte. Ltd (**Aquila Holdco**)⁷.
9. Aquila Holdco and FNSF have entered into a '**Framework Agreement**' relating to the establishment of solar photovoltaic farms at various locations in New Zealand (**Projects**). The Framework Agreement sets out the overarching arrangements relating to the joint venture and the way in which each of the Projects will be developed.
10. Aquila Holdco will provide funding for each of the Projects, with FNSF to progress the development of each investment, until the 'Ready to Build status' is achieved⁸.
11. The Applicants seek consent to lease approximately 973.5 hectares⁹ of land for a period of 30 years (with a further 30-year option) for the purpose of establishing a solar farm with an anticipated installed capacity of 420 MWp, which is enough to power approximately 93,651 homes a year (**Investment**).
12. There has been recent media coverage regarding the Investment¹⁰.
13. For context we note that the development of another solar farm in the Mackenzie Basin on Crown pastoral land was recently rejected by Council appointed Commissioners and its future will now be decided by the Environment Court.¹¹

The Projects

14. The Applicants have previously obtained consent under the Act¹² to establish a business of developing, constructing, and operating solar photovoltaic farms in New Zealand.
15. The Projects are to be developed in two main phases ('**Phase I Projects**' and '**Phase II Projects**'). Phase I Projects consist of five projects with an aggregate capacity of approximately 180.5 MWp. Consent has been granted for all the Phase I Projects.¹³
16. Phase II Projects consist of seven projects with an aggregate capacity of approximately 1,228 MWp and includes (among others) the Investment (**The Point Project**).¹⁴

⁷ Established as the New Zealand special purpose vehicle to undertake the investments.

⁸ The Ready to Build status is defined in the Framework Agreement between the parties and is achieved when FNSF obtains/enters into all the relevant approvals/consents/agreements required before construction begins.

⁹ The Applicants are planning to sublease approximately s9(2)(b)(2)(ii) back to s9(2)(b)(2)(ii)

¹⁰ See, <https://www.nz.co.nz/news/country/503618/plan-to-build-new-zealand-s-largest-solar-farm-in-mackenzie-basin-goes-for-consultation> and <https://www.stuff.co.nz/timaru-herald/301016780/a-second-large-solar-farm-proposed-for-the-mackenzie-country>

¹¹ See, <https://newsroom.co.nz/2023/12/11/mackenzie-solar-farm-stough-heads-to-court/>

¹² Case 202200400 dated 30 November 2022.

¹³ Cases: 202100604, 202200397, 202200298, 202200400, and 202200401.

¹⁴ Other projects include: the Kikiwa Project, Waipara Project, Greytown Project, Ohau A Project, Ohau C Project, Taranaki 3 Project.

17. A project limited partnership (**Project LP**) will be established to acquire the leasehold interest in the land and will own and construct The Point Project¹⁵.

Land

18. The land is approximately s9(2)(b)(2)(ii) Land).¹⁶

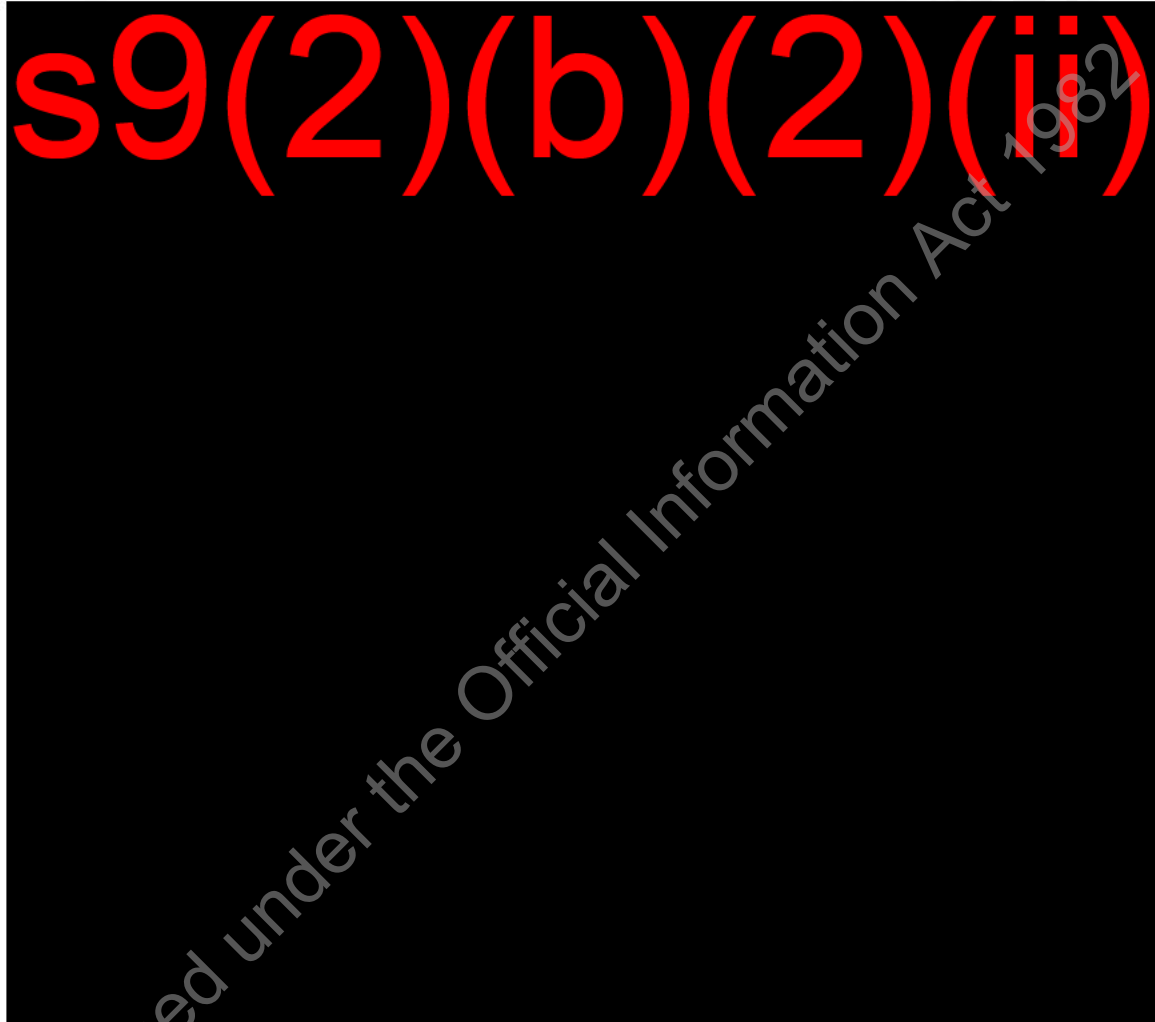


Figure 1 the Land

19. The Land is currently cropped to provide feed to dairy operations on the Lessor's other properties. Part of the Land has a pivot irrigator operating and the rest is cropped less extensively.
20. The Land is entirely classified as LUC 6¹⁷.

¹⁵ FNSF may enter into the deed of lease with the lessors initially and later assign the lease to Project Point LP (yet to be established), or Project Point LP may enter the deed of lease from the outset.

¹⁶ Contained in Record of Title s9(2)(b)(2)(ii)

¹⁷ Land Use Capability (LUC) class information provides general context as to the productive capacity and physical limitations of the Land. LUC 6 means the land is non-arable and has slight to moderate limitations to pastoral use, suitable for pasture, tree crops and forestry and in some cases vineyards. Erosion is generally the dominant limitation.

21. The Land adjoins a Department of Conservation held area; Lake Ruataniwha Conservation Area¹⁸.
22. The Applicants are planning to sublease approximately s9(2)(b)(2)(ii) back to s9(2)(b)(2)(ii)

Lessor

23. The Land is owned by s9(2)(b)(2)(ii) (Lessor). The Lessor is leasing the Land as the solar farm lease will provide better returns than those currently received from the Land, including ongoing benefits to the s9(2)(b)(2)(ii) and better environmental outcomes.

B. Application of the Act

24. The Land is sensitive because it is a) non-urban land over 5 hectares in size,¹⁹ and b) it adjoins land held for conservation purposes under the Conservation Act 1987 (which exceeds 0.4 hectares in area) so consent is required.²⁰ The Land is also farm land under the Act²¹. The following criteria for an investment in sensitive land apply to this application:²²
 - The investor test must be met.²³
 - The benefit to New Zealand test must be met.²⁴
 - The farm land must have been offered for sale on the open market,²⁵ unless exempt.²⁶
 - 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.²⁷
25. In order to satisfy the benefit to New Zealand test, the decision-maker must:

¹⁸ <https://www.doc.govt.nz/parks-and-recreation/places-to-go/canterbury/places/ruataniwha-conservation-park/?tab-id=50578>

¹⁹ Table 1, Part 1, Schedule 1 of the Act.

²⁰ Under sections 10(1)(a) and 12(1)(a)(i) of the Act.

²¹ Section 6, definition of 'farm land'.

²² Set out in section 16(1) of the Act.

²³ Section 18A / 16(1)(a) of the Act.

²⁴ Section 16(1)(c)(ii) of the Act.

²⁵ Section 16(1)(f) of the Act.

²⁶ Section 20(1)(a) or (b) of the Act.

²⁷ Section 16(1)(g) of the Act.

- determine that the overseas investment will, or is likely to, benefit New Zealand (or any part of it or group of New Zealanders);²⁸ and
 - determine that benefit will be, or is likely to be, substantial in relation to one or more of the factors of high relative importance for farm land²⁹ (unless the farm land benefit test is disapplied).³⁰
26. LINZ assesses the investor test in **Part C**, the benefit to New Zealand test in **Part D**, the farm land offer test in **Part E**, and discuss national interest matters in **Part F**.

C. Applicant and investor test

27. This section describes the Applicants and assesses whether the investor test is met.

Business Activities

Aquila Capital

28. Aquila Capital, the ultimate parent of Aquila Holdco, is an investment and asset development company that invests in clean energy and sustainable infrastructure.
29. Aquila Capital has approximately NZD26.46 billion assets under management with wind energy, solar photovoltaic and hydropower assets of more than a total capacity of 13.9 GW. The Aquila Group³¹ has more than 600 employees spread across 17 offices worldwide, including in Invercargill, New Zealand.
30. The Aquila Group has investments in New Zealand, including:
- A number of dairy, sheep and beef cattle farms in Canterbury, Southland and the central North Island acquired between 2010 and 2012.³²
 - A 2000-hectare forestry conversion in Gisborne in 2020³³, and a 993-hectare existing forestry block in Taranaki in 2022.³⁴
 - Solar farms in New Zealand (see above **Part A**) together with FNSF.

FNSF

31. FNSF is a renewable energy asset developer based in Auckland. FNSF is the trading entity established to develop and conduct the solar farm business. Its business operations are limited to the solar farm Projects.

²⁸ Section 16A(1)(a) of the Act.

²⁹ Section 16A(1C)(b) of the Act. This criterion applies because the Land is farm land over 5 ha in size.

³⁰ Section 16A(1D) of the Act.

³¹ Meaning Aquila Capital and its direct and indirect subsidiaries, including Aquila Clean Energy APAC Holding GmbH, Aquila Clean Energy APAC Projects Holding GmbH, Aquila Clean Energy APAC Pte Limited, and Aquila Holdco.

³² Consent under the Act was granted to these acquisitions – cases 201020100, 201020012, 201020008, 201020009, 201020006, 201020116, 201010048, 201110023, 201020100.

³³ Case 202000224.

³⁴ Case 202200044.

Ownership and control

32. Aquila Capital (through a series of other holding companies)³⁵ is the ultimate parent of Aquila Holdco.³⁶ Aquila Capital has two shareholders:
- Daiwa Energy & Infrastructure Co. Ltd (**Daiwa Energy**) – 40%; and
 - Aquila Holding GmbH³⁷ – 60%.
33. Daiwa Energy is ultimately owned by Daiwa Securities Group Inc (**Daiwa Securities**). Daiwa Securities is listed on the Tokyo Stock Exchange³⁸ and has diverse ownership.
34. Aquila Holding GmbH is 72.67% owned by Drei-R Holding GmbH which is in turn 60.65% owned by Mr Roman E Rosslenbroich giving him a beneficial interest in Aquila Holdco of 26.44%.
35. No other individual has a greater than 25% beneficial interest in Aquila Holdco³⁹.

FNSF

36. FNSF⁴⁰ is ultimately owned by two family trusts:
- The BDC Trust, New Zealand (30%); and
 - The Telfer Family Trust, Australia (70%).
37. The discretionary beneficiaries of the Telfer Family Trust are John Telfer and his wife Nicole Telfer (both Australian citizens) and their family.
38. The discretionary beneficiaries of the BDC Trust are Richard Homewood⁴¹ and his wife (a New Zealand citizen), and their family.

Project Point LP

39. The Project Point LP has not yet been established. It is intended that Aquila Holdco and FNSF will each own 50% of its general partner and 50% of its limited partnership interests through various holding entities.

Control

Aquila Capital

40. Aquila Capital will make all material decisions for Aquila Holdco in respect of The Point Project. The Group Portfolio Committee (the decision-making body of Aquila Capital) for approval and Alexander Lenz, in his role as the Chief Executive Officer of the Aquila

³⁵ Aquila Holdco is 100% owned by Aquila Clean Energy APAC Projects Holding GmbH. Aquila Clean Energy APAC Projects Holding GmbH is 100% owned by Aquila Clean Energy APAC Holding GmbH. Aquila Clean Energy APAC Holding GmbH is 100% owned by Aquila Capital.

³⁶ A limited liability company incorporated in Singapore (registration number 202130506E).

³⁷ Aquila Holding GmbH is a limited liability company incorporated in Germany (registration number HRB91146).

³⁸ TYO: 8601.

³⁹ See Attachment 2 for full ownership.

⁴⁰ A limited liability company incorporated in New Zealand - Company number 7844136.

⁴¹ Richard Homewood is ordinarily resident in New Zealand.

group in Asia Pacific, will be involved with the decision-making by Aquila Capital for The Point Project.

FNSF

41. Decisions for FNSF are made by its directors, John Telfer and Richard Homewood.

Project Point LP

42. The day-to-day decisions relating to The Point Project will be determined by the board of the General Partner, intended to comprise of two directors appointed by Aquila Holdco (Hendrick Rudolph Bohne and another nominated director) and two directors appointed by FNSF (John Telfer and Richard Homewood).
43. A diagram of the intended ownership structure is in **Attachment 2**.

Relevant overseas person and individuals with control

44. LINZ recommend that the 'relevant overseas person' is (collectively):

Relevant overseas person	Role
Aquila Capital Holding GmbH	Parent company
Far North Solar Farm Limited	New Zealand solar farm developer and entity acquiring the Land
Roman Emanuel Rosslbroich	26.44% ultimate owner of Aquila Holdco
Project Point LP (not yet established)	Entity acquiring the Land

45. LINZ recommend that the 'individuals with control of the relevant overseas person' (IWC)⁴² are:

Individuals with control	Role
Dieter Joachim Rentsch	Director of Aquila Capital and Group Portfolio Committee Member
Hendrick Rudolph Bohne	Director of the General Partner
John David Telfer	Directors of Far North Solar Farm Limited and Directors of the General Partner
Richard Ian Turner Homewood ⁴³	
Alexander Lenz	Asia Pacific Chief Executive Officer for the Aquila Group
Florian Becker	Group Portfolio Committee Member
Christian Harry Ohl	

⁴² Section 15 of the Act.

⁴³ Richard Ian Turner Homewood is ordinarily resident in New Zealand and therefore does not need to meet the investor test as he is not an overseas person (see, section 7(2)(a) of the Act).

Summary of investor test

46. The relevant overseas persons and individuals with control established none of the factors contained in section 18A(4) of the Act.
47. For the reasons set out above, our conclusion is that **the investor test has been met.**

D. Investment plan and benefit to NZ test

48. This section describes the Investment and our assessment of whether it is likely to meet the benefit to NZ criteria in the Act.

Current state (counterfactual)

49. The Land is currently cropped to provide feed to dairy operations in the Lessor's other properties. Part of the Land has a pivot irrigator operating and the rest is cropped extensively.
50. The Land has one person working on it, being a party related to the Lessor, s9(2)(b)(2)(i) [REDACTED]. This equates to less than one FTE position (approximately 0.2 FTE).
51. There is no significant capital expenditure planned for the Land. There are no active steps being taken to protect or minimise the environmental impact on the Land.

Investment plan

52. The Investment forms part of the Phase II Projects. The Point Project comprises the development and operation of a solar farm on the Land with an anticipated installed capacity of 420 MWp and is expected to generate approximately 669 GWh per year. The Point Project will comprise approximately 737,000 solar panels on the Land. The Investment is expected to match the annual load of approximately 94,000 homes once completed at the end of 2026.
53. The Investment is expected to cost approximately s9(2)(b)(2)(ii) [REDACTED]. The Applicants have already spent approximately s9(2)(b)(2)(ii) [REDACTED] on The Point Project.⁴⁴
54. The proposed solar infrastructure for the Land will allow sheep grazing. Overall, panels will only cover approximately 33% of the Land⁴⁵.
55. The Land was identified as especially suitable for solar development as a major transmission line passes through it. Furthermore, it is situated in an area with abundant solar irradiation, away from major roads and urban centres. The site's visibility is limited, with only a few vantage points offering a clear view of it. It is elevated above a nearby lake and recreational areas.
56. The Point Project will be well screened with trees to reduce the visual impact of the solar farm. In addition, the Applicants are proposing to plant unused land on the site

⁴⁴ As at November 2023.

⁴⁵ With a further s9(2)(b)(2)(i) [REDACTED] intended to be subleased back to s9(2)(b)(2)(i) [REDACTED].

for the purposes of improving ecological values. This will involve planting an area of approximately 89 hectares, which can support around 890,000 individual plants.

57. Through soil enhancement initiatives, the Applicants expect to retain soil moisture and reduce siltation. The reduction in siltation, the elimination of ploughing, fertilising and tiling, the addition of trees on the boundaries and the shading from the solar panels is said to allow for better grass coverage during summer.
58. The Investment will create the equivalent of approximately 101 fixed term FTE during the construction period (approximately 1 year) and equivalent of approximately 3.8 FTE for the duration of the lease once the Investment is constructed.
59. The Applicants will engage with local iwi in relation to the material developments throughout the life of the Point Project.

Assessment of benefits

60. The benefits to New Zealand that are likely to result from the Investment and our assessment of the relative weight to be given to each are set out in the table below.⁴⁶
61. For the farm land benefit test to be met, the Applicant must demonstrate, in relation to either the economic or New Zealand participation factors,⁴⁷ that the benefits of the Investment are of a size or nature that represent a substantial benefit to New Zealand.
62. LINZ have analysed the benefits that are likely to occur as a result of the Investment, compared to the current state of the Land, in the table below. This may include benefits that the Applicants did not specifically claim, but that we have identified may occur.
63. Factors that LINZ 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 3**.

Benefit		Analysis
Economic Strong	Job creation	101 FTE fixed term roles are likely to be created during the construction phase. 3.8FTE roles are likely to be created during the operation phase.
	Capital expenditure	<div style="background-color: black; color: red; padding: 2px;">s9(2)(b)(2)(ii)</div> <div style="background-color: black; height: 15px; width: 100%;"></div>
	Better energy security	Power approximately 94,000 homes annually.

⁴⁶ In applying the benefit to NZ test, you are required to consider each of the benefit factors, decide which of them are relevant and determine the relative importance of those relevant factors. The weight and relative importance to be given to each factor is a matter to be determined by you as the decision-maker (except where the farm land benefit test requires a factor to be given high relative importance). This report sets out our assessment to guide your consideration, however it is not determinative.

⁴⁷ Section 16A(IC) of the Act.

⁴⁸ Approximately

s9(2)(b)(2)(ii)

 per hectare.

Benefit		Analysis
<u>Advance Significant Government Policy</u>	Advance the National Policy Statement for Renewable Electricity Generation 2011, and the Emissions Reduction Plan 2022.	Development of new renewable electricity generation from low-emissions technologies. ⁴⁹ Advance NZ's aim to achieve 100% renewable electricity by 2030, to have 50% of total energy consumption coming from renewable sources by 2035, and to transition to a carbon-neutral economy by 2050.
<u>Environmental Weak</u>	Planting and pest removal; removal of invasive plants; rabbit/hare-proof fence	Planting of screening trees along the boundary of the Land and on an additional area of approximately 89 hectares on the Land; some pest and invasive plant removal; and fence to keep out rabbits/hares.

Consultation and submissions about the Investment

64. In undertaking our assessment, LINZ consulted with the Department of Conservation (DoC) and Ministry for Environment (MfE).
65. DOC made a number of recommendations which have not all been actioned. This is because MfE have advised that: "The suitability of the proposal for this location and the potential to manage effects on the environment are matters to be considered through the RMA resource consent process".
66. MfE have recommended that any consent granted be subject to the resource consent required under the Resource Management Act 1991 being obtained.

Proposed conditions and rationale

67. LINZ have recommended conditions be imposed requiring the Applicant to obtain resource consent and requiring the completion of a solar farm on the Land including the expenditure of at least s9(2)(b)(2)(ii).

Conclusion – benefit to NZ test

Key benefits

68. After considering the application, LINZ are satisfied that the Investment is likely to result in the benefits considered above. In particular, the Investment is likely to result in economic benefits including:

⁴⁹ At page 212 <https://environment.govt.nz/assets/Emissions-reduction-plan-chapter-11-energy-and-industry.pdf>

- capital expenditure of s9(2)(b)(2)(ii) million; and
- increase in electricity network productivity – better energy security, because of electricity being generated in the region likely to power approximately 93,651 homes annually.

Proportionality

69. LINZ have undertaken our assessment having regard to the sensitivity of the Land and the nature of the Investment, reflecting the proportional nature of the benefit to NZ test.
70. The Applicant is acquiring a leasehold interest in approximately 973.5 hectares of LUC 6 farm land currently used for cropping feed.

Conclusion

71. After considering the application, we are satisfied that the Investment is likely to result in economic, environmental and government policy benefits in proportion to the sensitivity of the Land and the nature of the Investment.
72. LINZ note that while the Land is currently used for cropping feed, the Investment allows the Land to be used for sheep grazing as well as the solar farm. Further approximately s9(2)(b)(2)(ii) are intended to be subleased back to a party related to the Lessor.
73. In relation to the farm land benefit test, the benefits are likely to be substantial in relation to the economic benefit factor.

E. Farm land offer test

74. The Applicants were granted an exemption from the farm land offer criterion on 22 July 2022.⁵⁰ We are therefore satisfied the transaction is exempt from the farm land offer requirement.

F. Not a transaction of national interest

75. The Investment does not involve a transaction of national interest under the mandatory criteria of the Act.⁵¹ 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).
76. The Minister of Finance has not called the Investment in for a national interest assessment.⁵²

⁵⁰ Case 202100806.

⁵¹ Under s 20A of the Act.

⁵² Under s20B of the Act.

G. Conclusion

77. For the reasons set out in this report, LINZ consider that the criteria for consent have been met and our recommendation is to **grant consent**.
78. LINZ refer you to **Attachment 1** to review the Proposed Decision (including consent conditions), and to page 4 of this report to record your decision.

H. Attachments

1. Proposed Decision
2. Intended ownership structure
3. Other benefit factors

Released under the Official Information Act 1982

ATTACHMENT 1 PROPOSED DECISION

Consent for Overseas Person to Acquire Significant Business Assets and 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	202300873
Consent	<p>The Consent Holder may acquire the Land subject to the Conditions set out below.</p> <p>For the avoidance of doubt, this consent may be relied upon more than once (for example, by one Consent Holder acquiring the Land from another Consent Holder).</p>
Consent holder/s	<p>a) Aquila Capital SG Holdco Pte. Ltd. (Singaporean company number 202130506E) (A); and</p> <p>b) Far North Solar Farm Limited (company number 7844136) (B); and</p> <p>c) A person (C) where no overseas person other than A, B, or another C has an ownership or control interest in C.</p> <p>We will also refer to each Consent holder and the Consent holders together as you.</p>
Land	<p>A leasehold interest for 30 years with an option for a further 30 years in approximately s9(2)(b)(2)(ii) [redacted] in Record of Title s9(2)(b)(2)(ii) [redacted]</p>
Timeframe	You have until 30 April 2025 to acquire the Land.

Conditions

Your Consent is subject to the Special conditions, Standard conditions and Reporting 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 Toitū Te Whenua Land Information New Zealand as **LINZ, us or we**.

Act means the Overseas Investment Act 2005.

Grid-Connected means a connection to the transmission grid operated by Transpower New Zealand Limited.

MWp means megawatt peak.

RMA means the Resource Management Act 1991.

Solar Farm means installation of Grid-Connected ground-mounted Solar PV for distribution on the local network with generator capacity of approximately 420 MWp including associated construction works and the planting of trees for screening and an additional (approximately) 80 hectares in native trees or plants on the Land.

Solar PV means a Solar Photovoltaic system (including solar panels and associated infrastructure).

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: Resource consent	
You must: a) Obtain the necessary resource consents under the RMA and any other consents and approvals as required by law for the Solar Farm. b) Comply with the RMA and the conditions of any consent granted under the RMA in respect of the Solar Farm.	a) By 30 June 2025. b) At all times.
If you do not comply with this condition, Standard Condition 6 will apply and we may require you to dispose of your interest in the Land.	

Details	Required date
Special Condition 2: Develop and operate a solar farm	
<p>You must:</p> <p>a) complete the Solar Farm on the Land.</p> <p>b) expend at least s9(2)(b)(2)(ii) million on the Solar Farm.</p> <p>c) subject to special condition 3, use, or continue to use, the Land exclusively or nearly exclusively for operation of the Solar Farm.</p>	<p>a) By 31 December 2028.</p> <p>b) By 31 December 2028.</p> <p>c) At all times on completion of the Solar Farm.</p>
<p>If you do not comply with this condition, Standard Condition 6 will apply and we may require you to dispose of your interest in the Land.</p>	
Special Condition 3: Sheep grazing	
<p>You must allow the Land to be used for sheep grazing in addition to the operation of the Solar Farm, either by entering a grazing licence with the lessor of the Land or another arrangement for sheep grazing.</p>	<p>At all times on completion of the Solar Farm.</p>
Special Condition 5: Waterway	
<p>You must construct the Solar Farm with a setback from waterways on or adjacent to the Land.</p>	<p>Prior to commencement of the Solar Farm</p>
Special Condition 6: Pest Control	
<p>You must operate a pest control programme which shall include removal of invasive plants on the Land and installing a rabbit/hare-proof fence on the Land.</p>	<p>At all times.</p>

Details	Required date
Standard condition 1: Acquire the Land	
<p>You must acquire the Land:</p> <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. Note, only you - the named Consent Holder - may acquire the Land, not your subsidiary, trust, or other entity. 	As stated in the Consent
Standard condition 2: Tell us when you acquire the Land	
<p>You must tell us in writing when you have acquired the Land. Include details of:</p> <ol style="list-style-type: none"> 1. the date you acquired the Land (Settlement), 2. consideration paid (plus GST if any), 3. the structure by which the acquisition was made and who acquired the Land, and 4. copies of any transfer documents and Settlement statements. 	As soon as you can, and no later than two months after Settlement
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. We will give you at least two weeks' written notice if we want to do this. 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, 	At all times

Details	Required date
<p>d. conduct surveys, inquiries, tests, and measurements,</p> <p>e. take photographs and video records, and</p> <p>f. do all other things reasonably necessary to carry out the Inspection.</p> <p>1. Take all reasonable steps to facilitate an Inspection including:</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>During an Inspection:</p> <p>1. 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>2. 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 Assets in accordance with section 18A(1) of the Act.</p> <p>The Individuals Who Control You are individuals who:</p> <p>1. are members of your governing body</p> <p>2. 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>	At all times

Details	Required date
3. are members of the governing body of the people referred to in paragraph (b) above.	
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 Asset. 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. 	Within 20 working days after the change
Standard condition 6: Dispose of the Land if you do not comply with key special conditions	
<p>If all or part of this Standard Condition 6 applies to a special condition, we have said so in that special condition. 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. We will give you written notice if we require you to dispose of the Land. After we have given you notice, you must:</p>	
Value the Land: obtain and send us a copy of a market valuation of the Land from a New Zealand registered valuer.	Within six weeks of the date of our notice
Market the Land: instruct a licensed real estate agent to actively market the Land for sale on the open market.	Within six weeks of the date of our notice
Dispose of the Land: dispose of the Land to a third party who is not your associate.	Within six months of our notice
Offer without reserve: if you have not disposed of the Land within six months of our notice, offer the Land for	Within nine months of our notice

Details	Required date
sale by auction or tender without a reserve price or minimum bid and dispose of the Land.	
<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 of the following:</p> <ol style="list-style-type: none"> 1. that you have disposed of the Land (including copies of sale and purchase agreements, settlement statements and titles showing the purchaser as registered proprietor), and 2. that the purchaser is not your associate. 	<p>Within one month after the Land has been disposed of</p>

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Reporting conditions

1. We need information from you about how your investment plan is tracking so we can monitor your progress against the Conditions.
2. In addition to Settlement reporting (as set out in Standard Condition 2), you must provide LINZ with reports detailing the progress of the investment. The reports must:
 1. be submitted via our [Webform](#) by these dates:
 - a) 31 January 2025
 - b) 31 July 2025
 - c) 31 January 2027
 - d) 31 January 2029
 - e) 31 January 2030
 2. contain information about:
 - a. your progress in implementing the special conditions (which can include photographs, maps or aerial imagery as evidence of compliance with relevant conditions),
 - b. the consultant report(s) obtained as required by special conditions 3, 5, and 6.
 3. follow the format of the template annual report published on our website
3. If requested in writing by LINZ, the Consent Holder(s) 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 and notified by the regulator as having been taken into account when the Consent was granted, or
 - b. the conditions of this Consent.

Power to vary reporting date

The dates on which reports are due to be provided may be changed by agreement between LINZ and the Consent Holder, provided that this power may not be used to give a time extension for an individual report.

Power to narrow scope of reports

LINZ may temporarily or permanently waive the requirement to report on a particular matter.

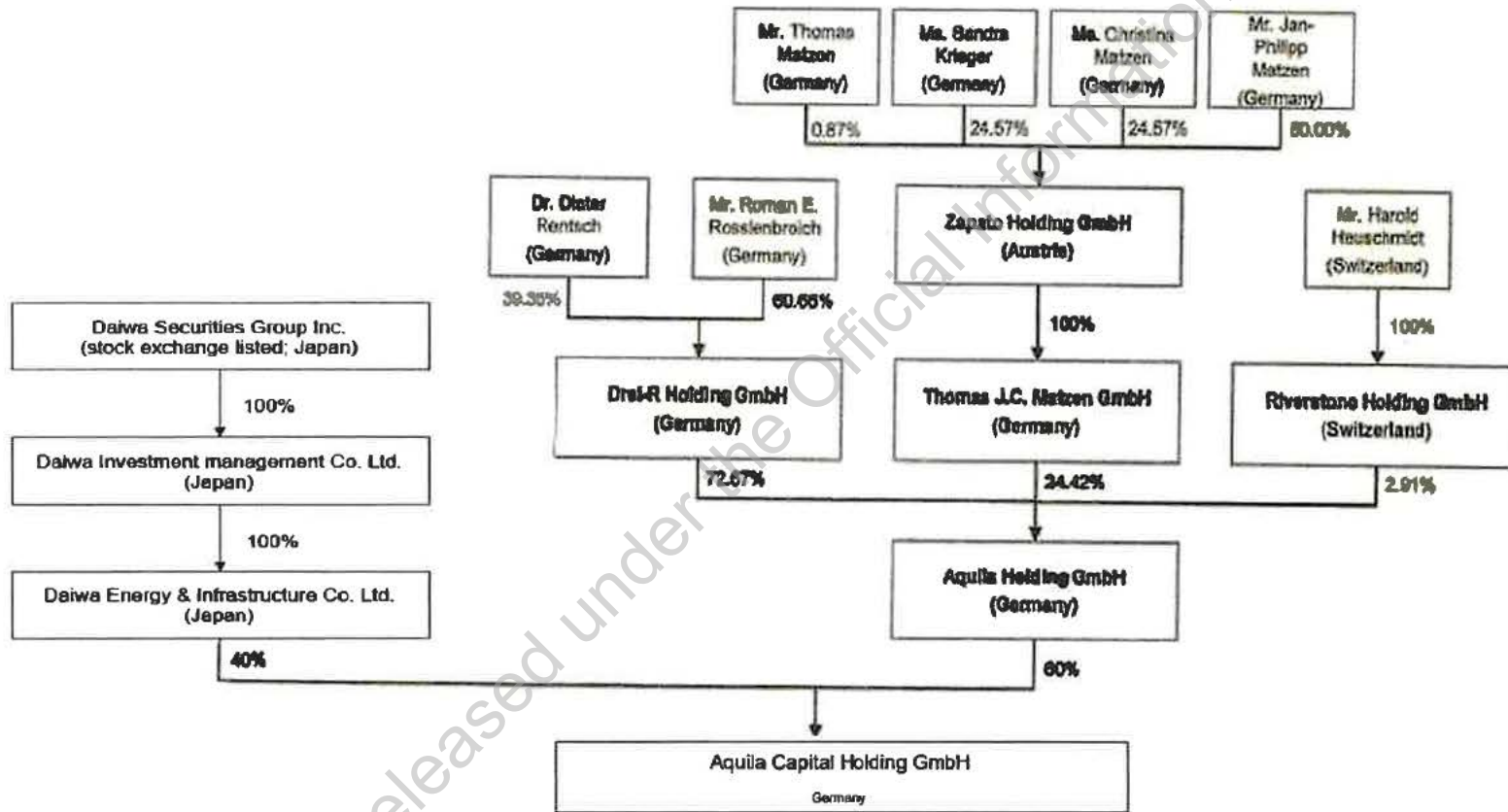
Power not to require further reporting

LINZ may waive the requirement to submit a report and may waive the requirement for future reporting.

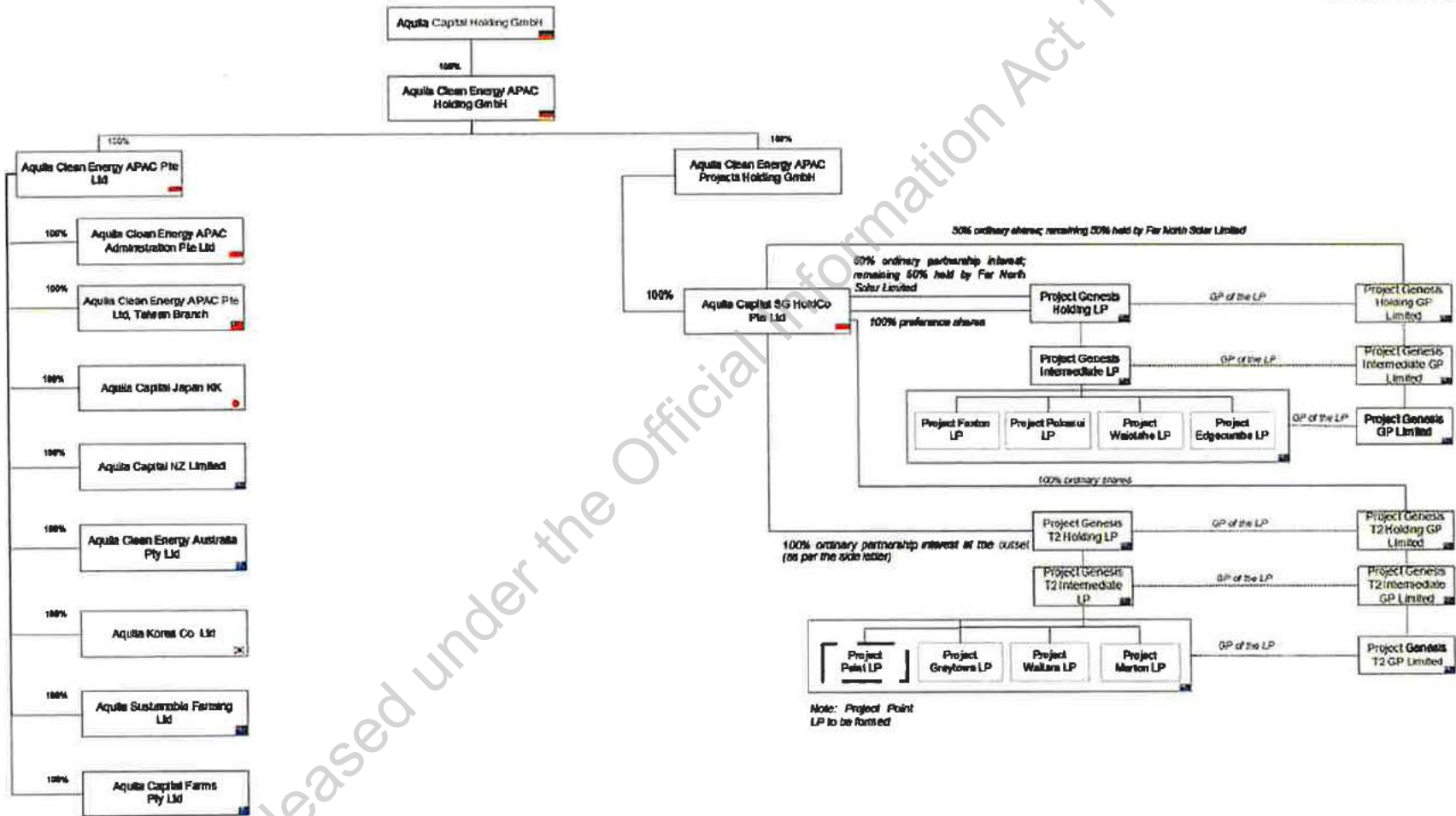
ATTACHMENT 2 OWNERSHIP STRUCTURE

Aquila Group

Upstream Ownership

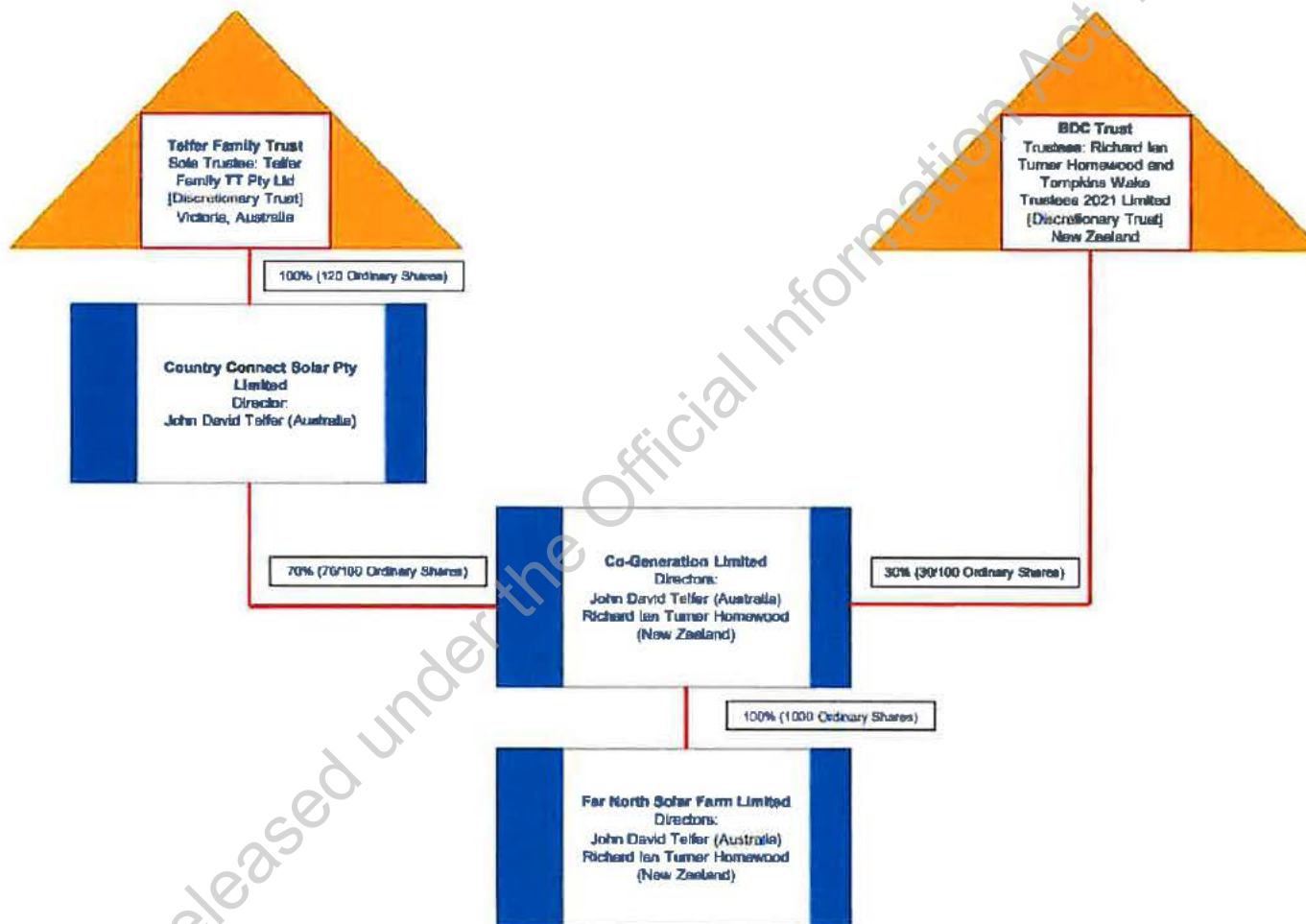


Downstream Ownership



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Far North Solar Farm Limited



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ATTACHMENT 3 – OTHER BENEFIT FACTORS

The table **below** lists other factors in the Act 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
Public access	Not relevant
Historic heritage	Not relevant
Oversight or participation by New Zealanders	Not relevant – Investment to be undertaken by overseas persons.
Extraction of water for bottling/human consumption	Not relevant
Consequential	Insufficient benefit - It is currently uncertain whether any benefit is likely to arise from the consequential benefits claimed.

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