



Investment Plan

Benefit to New Zealand Test

Application for consent to acquire Sensitive land, or Sensitive land & Significant business assets

Use this template for all applications for consent under the benefit to New Zealand test, involving sensitive land and significant business assets.

It is important that you provide us with accurate and complete information. It is an offence to make a false or misleading statement or material omission in any information or document provided to the Overseas Investment Office (OIO).

The OIO may use relevant legislation to share details of this application with other agencies to the extent permitted by law and as required to complete the application process.

Instructions:

- Please do not remove the instruction text from this template.
- Use the latest version of this template. Download this template from our website before each use.
- Follow the guidance in each section. Provide all required information.
- Be concise and use plain English. Use headings and tables (if relevant) and explain industry terminology.
- This is a living document and must be updated during the assessment process if further information is provided. Updated versions of this document must be recorded in the table below and with [tracked changes](#) so the OIO can easily identify those updates.
- You must upload the completed investment plan to your online application for consent before you submit the application.

Electronic Filing Requirements

Your investment plan and supporting information must be submitted electronically using our [Application Submission Webform](#). The webform is a secure upload site and provides details of our electronic filing requirements.

Please do not provide hard copy versions of your documents.

Checklist	
1.	Electronic copy of your signed application (without appendices) <input checked="" type="checkbox"/>
2.	Electronic copy of each appendix to your application (number and describe each appendix as follows: 'Appendix 01 – X') <input type="checkbox"/>
3.	All PDF documents are: <input type="checkbox"/> <ul style="list-style-type: none">• 'Printed to PDF', or scanned and OCR'd (i.e., all text in the document can be copied)• Free from security restrictions• In colour (if the document contains colour)• If scanned, at 300 dpi (where possible)

Version control

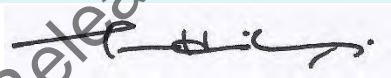
Record the details of each version of the investment plan below.

Applicant Name	Click or tap here to enter text.	
Version	Date	Description
1.0	22/03/22	First version submitted to OIO

Applicant signature – Version 1.0

Only version 1.0 and the final version of the investment plan must be signed.

Sign version 1.0 of the application below.

Version 1.0		
		Date
		
Hai Chuang Tan	Director	22/03/2023

Application signature – Final version

Do not sign the final version of the investment plan below until the OIO requests you to.

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Click or tap here to enter text.

Date [e.g., 01/01/20]

[Name]

[Position]

[Date]

Released under the Official Information Act 1982

Section 1: Land

Use this section to address criteria relating to farm land, farm land advertising, the farm land benefit test and residential land.

Farm land

Is the relevant land farm land (refer section 6 and OIO [guidance](#))?

Required content:

Provide reason(s) why the relevant land is or is not farm land.

1 Response

The relevant land is not farmland since it is not used exclusively or principally for agricultural or pastoral purposes, or for the keeping of bees, poultry or livestock. The primary purpose of the relevant land is for it to be used for commercial purposes as a boutique hotel in Queenstown. Farming is a non-complying activity under the current district zoning and is not anticipated to occur in that area. The relevant land does not contain non-urban land larger than five hectares and is not suitable for farming.

Farm land advertising

If yes, has the farm land or interests in farm land been offered for acquisition on the open market to persons who are not overseas persons in accordance with the procedure set out in regulations (refer section 16(1)(f), regs 4-11 and OIO [guidance](#))?

Required content:

Provide the following:

Provide the following:

- Describe the advertising undertaken, clearly identifying the date the farm land was first advertised and when the advertising period ended, dates of any subsequent advertisements and the mediums published in.
- Explain how the advertising meets the requirements in the Regulations.
- Provide evidence of the advertising undertaken.
- Explain how the advertising occurred before any transaction was entered into (e.g. entering into the agreement for sale and purchase).
- If you have applied for a farm land advertising exemption under section 20(1)(a), please confirm this below and provide the required details in the relevant section of the online Consent form.

Note - the advertising period of 30 working days (as set out in regulation 9) is calculated with the date of the advertisement equalling day '0'.

Released under the Official Information Act 1982

Required attachments to be uploaded:

A copy of, and links to, the advertisements as published, including newspaper or real estate listing. All mediums of advertising must show the listing date and include any price reductions over the course of the advertising.

2 Response

Click or tap here to enter text.

Farm land benefit test

Does the farm land benefit test apply to this investment (refer section 16A(1C))?

Required content:

Submissions on why the farm land benefit test does, or does not, apply to this investment.

Please note if the land includes farm land that exceeds five hectares the farm land benefit test will be applied unless the investment clearly meets the criteria in section 16A(1D). If you consider your investment meets one of the criteria in section 16A(1D)(a)-(c), please clearly detail which applies and why.

If applicable, submissions on how the farm land benefit test is met should be included in

[Section 4: Farm Land Benefit Test](#).

3 Response

Click or tap here to enter text.

Residential land

If the land is, or includes, residential land then the decision-maker must determine which residential land outcome(s) in clause 19 of Schedule 2 of the Act apply to the residential land and be satisfied that the mandatory conditions associated with the relevant outcome(s) will or are likely to be met.

Is the relevant land, or does it include, residential land?

Required content:

Confirm whether the land is or includes residential land and, if so, identify the location of the residential land and describe it.

Required attachments to be uploaded:

A cadastral map and aerial photo clearly identifying residential land (or refer to the same if already provided elsewhere).

4 Response

The relevant land is not and does not include residential land.

If yes, what residential land outcome(s) do you propose for the residential land?

Required Content:

Provide the following:

- Confirm the residential land outcomes you propose for the residential land. If you propose more than one, clearly identify the land each proposed outcome relates to.
- Explain how you will meet the relevant outcome(s), including information about your plans and timeframes.
- Comments (if any) about the conditions we must impose in relation to the relevant residential land outcomes.

5 Response

Click or tap here to enter text.

Section 2: Investment plan

Current state

Describe what the current owner has been, and is currently, doing with the relevant assets - this is your understanding of the situation. This information should be set out first as it provides the necessary background and context for your investment story and helps us assess the current state (counterfactual) of the investment as set out in section 16A(1A)(a).

Information in this section should generally include details of the current owner's business operations including the current condition of the relevant assets, productivity information, measures in place to protect the natural environment, historic heritage or public access and relevant background information. Be clear where this information has come from (e.g., discussions with the vendor / lessor, due diligence).

Note: We will request further specific information about the current state for each benefit claim you set out later.

Avoid duplicating information.

6 Response

Nugget Point Hotel Queenstown is a boutique hotel at Arthur's Point, Queenstown. It is positioned above the Shotover River and is within easy access to the Coronet Peak ski field.

It has 40 suites and facilities including conference rooms, a health spa with indoor swimming pool, gymnasium, squash court, and home theatre. The hotel was first opened in 1987, and operated for many years as a 5-star boutique hotel. Operators that have managed the hotel in the past include Distinction Hotels and Capstone Group. In ~2017, the hotel was sold to individual accommodation unit owners, who then appointed THC Group to manage the operations.

In recent years, a combination of factors like sub-optimal management, a lack of continued improvements made to the property, as well as the Covid pandemic (which brought NZ and Queenstown tourism to a standstill for 2 years), has led to the hotel becoming run-down and poorly managed.

The hotel is in need of a major refurbishment and rejuvenation by a new operator (see Appendix 21). With this in mind, the individual unit owners collectively decided to put the property up for sale recently.

Investment

Describe what you plan to do with the investment - this is the story of your investment. It should be clear to us what you plan to do with the assets (including key commitments and how long you intend to hold the investment) and why.

Your specific benefit claims are set out later but are expected to flow from this narrative. This will reduce the amount of background information required within each benefit claim.

Avoid duplicating information.

7 Response

Queenstown Hotel Investments Limited (QHI) is the nominee of New Bay Group Limited for the proposed investment in Nugget Point Hotel, Queenstown. A deed of nomination is attached to this application which outlines the terms of the nomination. Also attached is a structure diagram for New Bay Group showing the relationship between New Bay Group and QHI.

New Bay Group has developed and owned hotels in NZ for more than 25 years. In 1996, New Bay Investments built Rydges Auckland Hotel, and appointed Rydges Hotels as the operator.

In 2006, HC Tan became Executive Director, S9(2)(a). From 2008 to 2010, New Bay built a new tower adjacent to the 1st tower, expanding the hotel to 267 rooms, quadrupling the conference areas, and adding a rooftop events venue. This was a major undertaking during the difficult GFC period, and showed New Bay's deep commitment to NZ's hospitality industry.

Through the years, Rydges Auckland has gone from strength to strength, and is one of the prominent hotels in the Auckland CBD. From 2020 to 2022, Rydges Auckland served as one of 30 MIQ facilities under the coordination of MBIE during the Covid pandemic. It provided accommodation to thousands of returning New Zealanders for their quarantine period. The hotel consistently received excellent feedback from NZDF, NZ Police, MBIE and quarantine guests for how they operated as an MIQ.

In 2015, New Bay purchased the former Kingsgate Wellington Hotel in Thorndon, Wellington, which comprises 108 guest rooms, and rebranded it as The Thorndon Hotel Wellington – by Rydges. In late 2016, the Kaikoura earthquake caused some structural damage to the hotel. New Bay again showed its commitment to the NZ hotel market – we undertook a major seismic strengthening exercise to not only repair the damage, but also bring up the building to an NBS A grading of 80%. After the seismic strengthening was completed, New Bay refurbished the hotel further, and the hotel was re-launched as Atura Wellington in 2019, making it the first Atura hotel in NZ.

In 2018, New Bay constructed the 42-unit apartment hotel on Devonport Rd, Tauranga. The hotel was launched as Quest Tauranga Central in 2019.

As part of the growth of New Bay Group’s portfolio of NZ hotels, we have been keen to add a hotel in South Island for some time. Queenstown is one of the 4 key tourism centres for NZ, and quality accommodation rooms are in short supply.

We see Nugget Point Hotel as a well-located hotel in Queenstown. While a short drive (6km) from the Queenstown town centre, it provides easy access to the Coronet Peak ski field as well as Arrowtown and Queenstown Airport. At the same time, its excellent location above the Shotover River, with sweeping views of the river and mountain ranges, means it can be a destination and function/ event venue as well.

New Bay Group intends to upgrade and refurbish the hotel to a 5-star luxury lodge/ boutique lodge, and “restore” the property to its former glory. Nugget Point Hotel used to be a well-known iconic Queenstown destination hotel, and we aim to make that happen again.

There is also a resource consent in place, to build additional accommodation units (up to 37 hotel rooms) within the site. S9(2)(b)(ii)

S9(2)(b)(ii)

S9(2)(b)(ii)

HC Tan and his wife Heather are NZ Resident Visa holders (Investor 1 Category) since 2019.

146 Arthurs Point Road, Arthurs Point, Queenstown		
Land use	Current (ha)*	Proposed (ha)*
Vacant undeveloped land	0.6043 ha	0.5743 ha
Visitor accommodation units	0.24 ha	0.03 ha
Total	0.8443 ha	0.6143 ha

* these values are approximated

Section 3: Benefit claims

Address the benefits that are likely to flow from the investment. Identify and focus on the key benefits of the investment – not all benefit factors will be relevant or need to be satisfied however if the investment includes farm land, you will need to show a substantial benefit under the economic factor and/or the New Zealand participation.

Only make a claim where:

- A factor is relevant to the investment (if the factor isn't, then state 'not relevant');
- You can satisfy the key elements of the factor;
- The applicant is prepared to deliver that benefit (benefit claims will be subject to conditions and post consent monitoring); and
- The benefit is additional to any benefit present under the current state.

Making a claim

When making a claim:

- Clearly explain the initiative, include details such as the size and scale and how it will result in benefit to New Zealand.
- Be specific and where possible quantify the benefit – provide relevant figures and timeframes. Provide evidence and well researched claims (use a range if a specific figure cannot be provided and explain why).
- Address each key element of the relevant factor.
- Be concise and write in plain English (use headings and tables where appropriate and explain industry specific terminology).
- Identify whether the plan/benefit is contingent on another event and the timing of that event (e.g., obtaining resource consent).
- Be clear about what you are willing to commit to doing and have as conditions of consent.
- Avoid duplicating information.

Where necessary, provide more detailed analysis and supporting evidence in a separate report (e.g., a report from an environmental consultant). Any references to the report in your claim should be to the specific section of the report that evidences your claim. A report supports a benefit claim, it is not a substitute for a claim.

Address the extent to which the claimed benefit is additional to any benefit present under the current state and why. Where necessary, use relevant data/reports to demonstrate that a claimed benefit would likely exceed the current state.

When claiming a benefit, you must also describe any directly comparable negative impacts likely to result from your investment (e.g., if you are claiming an increase in jobs as a benefit, also state if any jobs will be lost in other areas).

Economic Factor

Will the overseas investment result in, or is it likely to result in, economic benefits to New Zealand (refer section 17(1)(a))?

Examples may include:

- The creation or retention of jobs
- The introduction of technology or business skill
- An increase in productivity or export receipts
- A reduced risk of illiquid assets

Clearly outline the exact economic benefit arising from your claims and clearly set out the claims with defined headings if you wish to address multiple economic benefits.

If the investment includes farm land, this factor is deemed to be of high relative importance (refer section 16A(1C)(a)).

8 Response

There are clear economic benefits to New Zealand, for New Bay Group to invest in Nugget Point Hotel. These economic benefits include:

OUTLINE OF UPGRADING WORKS TO THE EXISTING NUGGET POINT HOTEL

The below is a description of the proposed refurbishment to the existing Nugget Point Hotel, Arthurs Point Road.

1. ROOM REFURBISHMENT

a. Description of Room Inventory

- (i) The existing Nugget Point Hotel comprises of 40 guest rooms which are made up of the following configurations:

1. 21 Standard River View Rooms approximately 38 m²
2. 14 Standard Garden View Rooms approximately 38 m²
3. 4 Presidential Suites (3 River Views and 1 Garden View) approximately 77 m²
4. 1 Suite with 2 Bedrooms River View approximately 88 m²

b. Brief Description and Scope of Refurbishment works to Rooms

- (i) Furnz has provided a brief scope of works to refurbish a standard room and the reception area (Appendix 22). S9(2)(b)(ii)

S9(2)(b)(ii)

(ii) Our plan is to upgrade and refurbish the existing hotel to a luxury 5- star boutique hotel standard. We believe this will mean that the interiors of the rooms will undergo a makeover. The scope of works will include but not limited to the following:

1. Replacement of floor covering
2. Replacement and addition of ceiling linings
3. Repainting of the whole interior
4. Wall finishes to feature walls
5. Upgrading of electrical and lighting
6. Replacement of all indoor furniture
7. New built-in joinery fittings
8. Replacement of all soft furnishings and fabrics
9. Replacement of beddings and associated items

c. Estimated Cost of Room Refurbishment

We estimate the cost of room refurbishment would be in the vicinity of:

- (i) 35 Standard Rooms @ S9(2)(b)(ii)
- (ii) 4 Presidential Suites @ S9(2)(b)(ii)
- (iii) 2 Bedroom Suite @ S9(2)(b)(ii)

Total cost of room refurbishment S9(2)(b)(ii)

2. PUBLIC AREAS

The hotel has a number of spaces and amenities and some of these are in need of an upgrade. Some spaces are either redundant or could be converted into useful income generating amenities.

- a. Corridors
- b. Conference Rooms
- c. Restaurant/Kitchen
- d. Gym & Squash Courts (potentially converting the squash courts into other uses)
- e. Spa, Sauna & Swimming Pool
- f. Conversion of existing spaces for alternative uses
- g. Reception, lobby & Front Entrance
- h. Back of house

Allow S9(2)(b)(ii)

3. REPAIR & REPLACEMENT OF EXISTING BUILDING STRUCTURE, FABRIC & SERVICES

- a. Repainting of the entire building
- b. General repairs of existing
- c. External works including landscaping, lighting
- d. Waterproofing repair and replacement work
- e. Existing services, some are in need of replacement

Allow S9(2)(b)(ii)

4. CONSULTANCY & CONTINGENCY

- a. Professional and Consultancy Fees
- b. Contingencies Allow S9(2)(b)(ii)

TOTAL ESTIMATED COST S9(2)(b)(ii)

5. ADDITIONAL EMPLOYMENT CREATED

- a. Hotel Management Company – S9(2)(b)(ii)
S9(2)(b)(ii)
- b. Designers will be needed to design the room refurbishment and all public areas within the hotel.
- c. Structural engineer - Upon opening up the cladding and fabric of certain parts of the building, we may discover the need to carry out structural strengthening works. There may be a need to carry out some seismic works though this has not been allowed.
- d. Quantity Surveyor – cost planning, estimates and tendering processes
- e. Services Engineer – for repair/replacement of existing services such as hydraulic services, HVAC, electrical services, lift, fire.
- f. Geotech engineer – there is a part of the building which had subsided and ongoing works to monitor and remedial works may be needed
- g. Gib fixers

- h. Gib stoppers
- i. Tilers
- j. Plasterers
- k. Painters and decorators
- l. Plumbers
- m. Electricians
- n. HVAC technicians
- o. Carpet layers
- p. Joiners
- q. Glaziers
- r. Furniture makers
- s. Labourers

The above professionals and tradesmen will be needed at different times during the period of refurbishment which is estimated to be about S9(2)(b)(ii)

Upon completion, we anticipate we will require more hotel personnel. The hotel will be operating as a 5-star luxurious boutique hotel standard and it is expected to offer better service with more staff such as the following:

- t. Housekeepers
- u. Waiting staff
- v. Chefs
- w. Front office receptionist
- x. Duty manager
- y. Administrative staff

- z. Maintenance staff
- aa. Attendants at Spa, Swimming Pool

ADDITIONAL ACCOMMODATION UNITS

There is a current resource consent to build 37 additional accommodation units within the Nugget Point Hotel vicinity. From preliminary plans issued, they appear to be standard rooms approximately 38m² GFA. Validity of resource consent will expire in two years' time.

NBG's plan is to build additional ^{S9(2)(b)}new high quality luxurious guest rooms to complement the existing offering from the hotel. We envisage these rooms would be larger than the existing rooms and would be approximately ^{S9(2)(b)(ii)} each. ^{S9(2)(b)(ii)}

^{S9(2)(b)(ii)}

It is likely the new guest rooms will be built within a multi-storey building complete with covered carparking on the ground level. ^{S9(2)(b)(ii)}

^{S9(2)(b)(ii)}

We envisage construction cost will be approximately ^{S9(2)(b)(i)} including covered walkway from the new building to the main hotel complex, carparking and other external works including mature trees and landscaped gardens. This excludes any seismic strengthening works

1. PRELIMINARY TIMELINE FOR PROPOSED CONSTRUCTION OF ADDITIONAL ACCOMMODATION UNITS

- a. ^{S9(2)(b)(i)} - Refurbishment of the existing building
- b. ^{S9(2)(b)(ii)} - After the completion of refurbishment and seismic strengthening, New Bay Group will commence the process of development planning to build the additional accommodation units. As part of the due diligence process, Hadley Consultants was commissioned to carry out an Initial Seismic Assessment (ISA). As no intrusive investigation was carried out during the ISA, Detailed Seismic Assessment (DSA) was assumed not to be needed. However, if this is subsequently found to be required, the length of time for refurbishment may be extended to cover for seismic strengthening works.
- c. ^{S9(2)(b)(ii)} - Building consent documentation and application

- d. S9(2)(b)(ii) – Tendering, Construction and Completion

2. JOBS CREATED

The construction of this new building will require the complete team of professional consulting disciplines and construction tradesmen. I list below the respective professionals and tradesmen who would be needed at certain point of the project life S9(2)(b)(ii)

S9(2)(b)(ii) The number of persons for each discipline & trade cannot be determined.

- a. Planner (this could also be the architect depending on the firm we appoint and if they do offer that service)
- b. Architect
- c. Quantity Surveyor
- d. Structural engineer
- e. Hydraulics engineer
- f. Electrical engineer
- g. Mechanical engineer
- h. Geotech engineer
- i. Land surveyor
- j. Interior designer
- k. Lawyer
- l. Excavation tradesman
- m. Heavy machinery operators
- n. Concretors
- o. Steel reinforcement fixers
- p. Carpenters
- q. Blocklayers
- r. Structural steelworkers
- s. Gib fixers
- t. Gib stoppers
- u. Tilers
- v. Insulation installers
- w. Plasterers
- x. Painters and decorators
- y. Plumbers
- z. Electricians
- aa. HVAC technicians
- bb. Carpet layers
- cc. Joiners
- dd. Roofers
- ee. Glaziers

- ff. Landscapers
- gg. Furniture makers
- hh. Kitchen cabinetry makers
- ii. Waterproofers
- jj. Scaffolders
- kk. Labourers

Once the building is completed, the hotel will need additional personnel to help service the additional guest rooms. These include the following groups of people:

- a. Housekeepers
- b. Maintenance tradesmen
- c. Chefs and kitchen hands
- d. Administrative/clerical staff

LONG TERM BENEFITS:

The above plans and activities will improve the hotel's overall performance over the long term, and more importantly, bring associated benefits to Queenstown's hospitality and holiday accommodation sector. There will be need for additional hospitality jobs. Businesses supplying to the hotel such as food & beverage suppliers and others will also derive benefits from the increased demand.

Other benefits include:

1. An upgraded luxury boutique hotel such as Nugget Point Hotel will increase the total room nights available to Queenstown. There is a lack of good quality luxury hotels in the Queenstown region. New Bay's investment will help to meet the tourism demand. New Bay also plans to promote the hotel as a S9(2)(b)(ii)
2. S9(2)(b)(ii)
3. Introduction of business skills
 - a. After many years of running hotels successfully in New Zealand, New Bay Group brings with it a great deal of expertise and specialised knowledge of hotel development, to take this hotel forward to the next level. This adds to the overall benefit to New Zealand's hospitality industry.

Environmental Factor

Will the overseas investment result in, or is it likely to result in, benefits to the natural environment (refer section 17(1)(b))?

Examples may include:

- Protection of indigenous flora and fauna
- Erosion control

For the environmental factor it will normally be insufficient to state 'not relevant' without further explanation. Potentially relevant areas must be identified even if no action is proposed.

Where possible please provide aerial photography/satellite imagery of the relevant land and/or expert reports. You can prevent further information requests by identifying areas of interest. E.g., if the land contains indigenous vegetation or fauna then identify these areas and explain how they are managed, protected, or identified under the current state.

If you have consulted any government agencies, environmental groups or sought any expert advice, include evidence of that consultation and any recommendations/findings made by the relevant entity.

9 Response

The nature of this investment is not likely to increase the benefits of the natural environment as no element of the natural environment will be affected by the investment.

Public Access

Will the overseas investment result in, or is it likely to result in, continued or enhanced access by the public, or any section of the public, within or over the sensitive land or features giving rise to the sensitivity (refer section 17(1)(c))?

Examples may include:

- Access for recreational purposes
- Access for undertaking stewardship of, or exercising kaitiakitanga of the natural environment or historic heritage

Please detail any proposed new or existing arrangements in relation to public access on the land and, where possible, provide aerial photos, location maps or expert reports in relation to any proposed benefit.

Please be specific about the access to be provided including the purpose for which it is being provided such as walking, cycling, hunting, vehicle access.

10 Response

No.

Historic Heritage

Will the overseas investment result in, or is it likely to result in, continued or enhanced protection of historic heritage in or on the relevant land (refer section 17(1)(d))?

Examples may include:

- Agreement to execute a heritage covenant (or comply with existing covenants)
- Agreement to support entry to wāhi tūpuna, wāhi tapu
- Agreement to support entry to wāhi tapu areas on the New Zealand Heritage List/Rārangi Kōrero
- Taking other actions under the Heritage New Zealand Pouhere Taonga Act 2014 to recognise or protect heritage values
- Agreement to land being set apart as a Māori reservation

Please detail any areas of historic heritage on the land regardless of whether a benefit is claimed and describe all existing arrangements in place.

11 Response

There are no areas of historic heritage on the land.

Government Policy

Will the overseas investment, or is it likely to, give effect to or advance a significant Government policy (refer section 17(1)(e))?

Please clearly identify the Government policy being relied on, where possible provide links to the relevant publicly available key documents you are relying on. Claims should give clear examples of how the relevant policy will be given effect to or advanced.

12 Response

The 2022 Government's Tourism Snapshot (Appendix 23) highlights the importance of developing and promoting high-quality, authentic visitor experiences in New Zealand in order to ensure the long-term sustainability and resilience of the country's tourism industry.

It is desirable for NZ to be seen as a preferred and aspirational destination among travellers. Attracting domestic and international travellers who spend more and on higher quality experiences benefits the tourism industry overall and leads to supporting sustainable tourism growth. One way to attract these travellers is to improve the functionality and quality of regional visitor centres. Since tourism activities utilise a wide range of amenities, one of which is visitor accommodation, investing in quality infrastructure for these amenities is central to achieving sustainable tourism growth. For the Government, long-term success for tourism includes creating policies that reflect the strength of NZ's regions and enable NZ to deliver on its brand promise of bringing world-class authentic experiences to tourists through showcasing NZ's unique nature, culture and history.

The proposed transaction to purchase Nugget Point Hotel fits within the Government's New Zealand's tourism policies. NBG intends to refurbish the hotel to a 5-star standard, turning it into a luxurious destination for those visiting Queenstown. It is NBG's aim that those wishing to experience the natural beauty of New Zealand will be drawn to stay the hotel since it is in a desirable location overlooking the Shotover River and provides views of the surrounding landscape and will offer high-quality and boutique amenities to those staying at the hotel. It is forecasted that if NBG refurbishes the hotel and builds on an additional 50 room units, the profitability and productivity of the hotel will increase, which in turn will increase the profitability and productivity of Queenstown's tourism industry and contribute to its sustainability. It is important that capital investment is put into existing amenities such as the hotel so that the value of the tourism industry continues to grow faster than the volume of visitors and remains sustainable.

According to the Queenstown Lakes District Council (QLDC) Spatial Plan (Appendix 24), it is expected that almost 190,000 people will be in Queenstown Lakes during the summer, of which 90,000 will be either domestic or international visitors. The rapid increase in visitors has stretched infrastructure networks and is putting pressure on the environment and the surrounding community. In the Spatial Plan, QLDC states better coordination is needed to ensure visitors tread lightly and are a welcome contributor to the social, economic, cultural and

environmental story of the Queenstown Lakes. NBG S9(2)(b)(ii) to Nugget Point Hotel will support QLDC's vision for Queenstown as the additional units will support the capacity for future volumes and demands of tourism in the area. Accommodation, as a core tourism infrastructure, must cater for the number of visitors to ensure there is sufficient infrastructure capacity to support a quality visitor experience. Ensuring that existing accommodation in Queenstown can make these necessary adjustments will safeguard both the quality of experiences offered to visitors and the social licence of the tourism sector to operate in Queenstown.

One challenge faced by Queenstown is that public support for tourism is starting to wane as its disadvantages are beginning to outweigh its advantages. To address this issue, QLDC issued the Queenstown Lakes Regenerative Tourism Plan (Appendix 25) which has the aim of enhancing the visitor experience and to bring strong visitor satisfaction to the area, thus bringing it in line with the vision of Queenstown as a destination brand for New Zealand. Having a hotel with 5-star amenities, such as a spa, restaurant, gym and events venue, in the area of Arthurs Point will be a valuable addition to building this brand and the promotion of high-quality experiences in New Zealand.

Oversight and Participation by New Zealanders

Will the overseas investment result in, or is it likely to, involve oversight of, or participation in, the overseas investment or any relevant overseas person by persons who are not overseas persons (refer section 17(1)(f))?

This factor is relevant to all investments and is deemed to be of high relative importance for investments involving farm land (refer s16A(1C)(a)). If New Zealanders are unlikely to have any oversight of or participation in the investment or relevant overseas person, then your conclusion should state this.

13 Response

In addition to the benefits outlined in Section 3's Response;

1. The hotel operation will be staffed by people who are likely to be New Zealanders;
2. The investment involves funding to be sourced from Bank of New Zealand.

Consequential benefits

Will the overseas investment result in, or is it likely to result in, other consequential benefits to New Zealand (refer section 17(1)(g))?

Any benefits claimed under this factor should not duplicate any information set out above.

14 Response

No.

Released under the Official Information Act 1982

Extraction of water for bottling/human consumption

If the overseas investment involves the extraction of water for bottling or other extraction of water in bulk for human consumption; will the overseas investment, or is likely to, result in a negative impact on water quality or sustainability (refer section 17(3)(a))?

This factor will always be relevant if your investment involves the extraction of water for bottling, or other extraction of water in bulk for human consumption.

Where possible, provide expert reports evaluating the likely impacts of the investment on water quality or sustainability.

15 Response

Not applicable.

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Section 4: Benefit to NZ

Will the overseas investment, or is it likely to, benefit New Zealand (or any part of it or group of New Zealanders) (refer section 16A(1)(a))?

Discuss the overall benefit to New Zealand and how it is proportionate to:

- a) the sensitivity of the land (for example, the importance to New Zealand of the purpose for which the land is used, the size and value of the land, any sensitive features associated with the land, and the level of interest that the public have in the land); and
- b) the nature of the overseas investment transaction (for example, the estate or interest being acquired, whether the estate or interest is temporary or permanent, and the degree of overseas ownership or control of the land or of the estate or interest in land).

16 Response

- a) The land is sensitive as it is contiguous to Department of Conservation land. The views from the land are spectacular and take in the Shotover River. Nugget Point Hotel was once an iconic destination which will be restored for the benefit of New Zealanders and tourists to enjoy 5-star luxury lodge. There is no public interest in the land other than the enhancement of an iconic site and the preservation of the spectacular local scenery; and
- b) the overseas investment transaction involves the acquisition of a permanent interest in land which is controlled by overseas persons.

Section 5: Farm Land Benefit Test

If applicable, explain how the investment will meet the farm land benefit test (refer section 16A(1C)). In particular, explain how the investment has demonstrated a benefit, in relation to one or more of the factors of high relative importance, that are of a size or nature that represent a substantial benefit to New Zealand.

Required content:

Submissions on how the investment meets the farm land benefit test.

17 Response

Not applicable.

Released under the Official Information Act 1982