



To: Marcus McMillan, Manager Applications

ASSESSMENT REPORT: Tasman Tourism New Zealand Limited

Date	15 August 2022	Classification	IN CONFIDENCE: Commercially sensitive
OIO reference	202200068	Deadline	17 August 2022

Purpose

We seek your decision on an application for consent to acquire an interest in sensitive land under the Overseas Investment Act 2005 (the 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 4.

Assessment timeframe requirements

A decision is required by 17 August 2022 to enable the decision to be communicated to the Applicant in compliance with the prescribed assessment timeframe. The Applicant's requested decision date is 14 April 2022 was unachievable.

Key information

Applicant	Tasman Tourism New Zealand Limited United Arab Emirates 90%; Australia 10%
Vendors	T & N Morgan Family Trust (leasehold interest) Ohiwa Holidays (2006) Limited (business assets) New Zealand 100%
Land	Approximately 4.4305 hectares of leasehold interest in land located at 380 Ohiwa Harbour Drive, RD2, Ōpōtiki.
Consideration	NZ\$ [s 9(2)(b)(ii)] [REDACTED] [REDACTED] [REDACTED]
Sensitivity	Includes land exceeding 0.4 hectares that a district plan or proposed district plan under the Resource Management Act 1991 provides is to be used as a reserve, as a public park, for recreation purposes, or as open space.
Relevant tests	Investor test: s16(1)(a) & s18A Benefit to NZ test – s16(1)(c)(ii) & s16A(1)(a) National interest test: s16(1)(g)

Timing

4. The Overseas Investment Regulations 2005 specify the total assessment timeframe for this application is 70 working days, but the timeframe was extended by an automatic 30 working days on account of significant new information.¹

A. Decision

Core tests

5. I determine that:

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

Relevant overseas person	Role
Tasman Tourism New Zealand Limited	Applicant and acquiring entity
[s 9(2)(b)(ii)]	[s 9(2)(b)(ii)]
[s 9(2)(b)(ii)]	[s 9(2)(b)(ii)]

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

individuals with control	Role
Robert Stephen Nichols	Managing Director of Tasman Capital Investments (Australia) Pty Ltd and Director of Tasman Tourism New Zealand Limited
Christopher Stephen Davies	Director of Tasman Tourism New Zealand Limited
[s 9(2)(b)(ii)], [s 9(2)(a)]	[s 9(2)(b)(ii)]
[s 9(2)(b)(ii)], [s 9(2)(a)]	
[s 9(2)(b)(ii)], [s 9(2)(a)]	
[s 9(2)(b)(ii)], [s 9(2)(a)]	
[s 9(2)(b)(ii)], [s 9(2)(a)]	
[s 9(2)(b)(ii)], [s 9(2)(a)]	
[s 9(2)(b)(ii)], [s 9(2)(a)]	
[s 9(2)(b)(ii)], [s 9(2)(a)]	

¹ Clause 7(a) of Schedule 5 (Timeframes relating to applications) of the Regulations. The significant new information was provided pursuant to the OIO's intention to decline letter.

individuals with control	Role
[s 9(2)(b)(ii)], [s 9(2)(a)]	

- 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 paragraphs 16 – 36 below, 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); and
 - 7.3 the benefit is proportionate to the sensitivity of the land and the nature of the transaction.

National interest assessment

8. The investment includes a transaction of national interest under section 20A because it involves a non-New Zealand government investor (NNZGI). The Applicant is a NNZGI for the purposes of the Act on the basis that it is a “relevant government enterprise” (RGE) because relevant government investors from the United Arab Emirates have aggregate ownership interests of more than 25% in the Applicant.
9. In response to advice from you that the core tests have been met, the Minister of Finance advised by letter dated 14 / 08 / 2022 that the investment is **not contrary** to New Zealand’s national interest. You must grant the application. The Minister of Finance has not advised that actions to mitigate risks are desirable.

Decision about whether to grant or decline consent

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



Marcus McMillan
 Manager Applications (Overseas Investment)
 Date: 15/08/2022

B. Background and proposed transaction

1. Tasman Tourism New Zealand Limited (the **Applicant**) has been established for the purpose of acquiring, developing, and operating a portfolio of holiday parks offering tourism services to domestic and international visitors in New Zealand.
2. This transaction involves the acquisition, by the Applicant, of the business operations and assets (including sensitive land under the Act) of Ohiwa Beach Holiday Park in the Eastern Bay of Plenty. The transaction is structured as follows:
 - The business assets² are to be acquired from Ohiwa Holiday (2006) Limited; and
 - the leasehold interests (and a conditional option to renew those interests) in the land at 380 Ohiwa Harbour Drive, RD2, Ōpōtiki totalling 4.4305 hectares (the **Land**)³ on which the Holiday Park operates are to be acquired from T & N Morgan Family Trust. (the **Proposed Transaction**)
3. The Applicant entered into sale and purchase agreements with the Vendor for both the business assets and the Land on [s 9(2)(b)(i)]. The agreement for sale and purchase of the business assets is conditional on the agreement for sale and purchase of the Land.

Investment background

4. Ohiwa Beach Holiday Park is a beachfront holiday park consisting of camping sites and holiday accommodation, located between Whakatane and Ōpōtiki. The core business of the holiday park is the provision of short-term tourist accommodation for domestic and international tourists.

Lease of Land

5. The Land is leased from the Ōpōtiki District Council (the **Lessor**) under a Memorandum of Lease with a commencement date of 1 February 1992 for a 33 year term and a renewal date of 1 February 2025 for potential further term of 33 years (the **Lease**).
6. The Lease provides for a final expiry date of 31 January 2058. The lease limits the use of the Land to a camping ground and holiday park. Use of the Land for any other purpose requires the Lessor's consent.
7. Under the lease, there are also several actions which the lessee is only able to undertake with the Lessor's consent. The Applicant does not expect that these would materially affect the ability of the Applicant to undertake the investment plan or meet consent criteria. [s 9(2)(b)(i)]
[REDACTED]

² Technically, this part of the Proposed Transaction does not require OIO consent.

³ The Land is not "farm land" as defined under the Act, as it is not used exclusively or principally for agricultural, horticultural, or pastoral purposes, or for the keeping of bees, poultry, or livestock. The Land does not include residential land.

Map 1 shows the Land outlined in red ink and is an extract from the Sensitive Land Certificate dated 9 September 2021:



11. A cadastral map and map of the locale and approximate location of the Land extracted from the Sensitive Land Certificate as well as a planning map from the Bay of Plenty Regional Council can be found in **Attachment 5**.

C. Application of the Act

12. The Land is sensitive because it includes land exceeding 0.4 hectares that a district plan or proposed district plan under the Resource Management Act 1991 provides is to be used as a reserve, as a public park, for recreation purposes, or as open space,⁴ so consent is required.⁵ The following criteria for an investment in sensitive land apply to this application:⁶
- The investor test must be met.⁷
 - The benefit to New Zealand test must be met.⁸
 - 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.⁹
13. 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 NZ.¹⁰
14. We assess the investor test in Part D, the investment plan and benefit to NZ test in Part E, and discuss national interest matters in Part F.

D. Applicant and investor test

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

Business Activities

16. The Applicant has been established for the purpose of acquiring, developing, and operating a portfolio of holiday parks offering tourism services to domestic and international visitors in New Zealand.
17. The Proposed Transaction is part of an overall acquisition strategy to build a portfolio of holiday parks in New Zealand and Australia, develop the assets to grow visitor numbers, and generate efficiencies from common management and operation at scale. [s 9(2)(b)(ii)]
 [redacted] and Tasman Capital Investments (Australia) Pty Ltd are, in addition to the Proposed Transaction and in parallel, acquiring a portfolio of holiday parks in Australia.
18. The Applicant has previously applied for and received consent under the Act to acquire freehold or leasehold interests (as applicable), business operations and assets of other holiday parks in New Zealand:

Consent	National interest
Papamoa Beach Resort (Case 202000202) (consent granted 26 August 2020)	No
Waihi Beach Top10 Holiday Resort and Beachaven Top10 Holiday Park (Case 201900676) (consent granted 26 August 2020)	No
Getaway Te Anau Holiday Park (Case 202000405) (consent granted 3 February 2021)	Yes

⁴ Row 8, Table 1, Part 1, Schedule 1 of the Act.

⁵ Under sections 10(1)(a) and 12(1)(a) of the Act.

⁶ Set out in section 16(1) of the Act.

⁷ Section 18A / 16(1)(a) of the Act.

⁸ Section 16(1)(e). 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.

⁹ Section 16(1)(g) of the Act.

¹⁰ Section 16A(1)(a) of the Act.

Consent	National interest
Christchurch Top 10 Holiday Park (Case 202100581)	(Direction order under the Emergency Notification Regime ¹¹ allowing the Applicant to give effect to the transaction issued 7 September 2021)

Ownership

19. The Applicant is wholly owned by Tasman Tourism NZ Holdings LP, a New Zealand limited partnership. [s 9(2)(b)(ii)]
20. [s 9(2)(b)(ii)], [s 9(2)(a)]
21. The general partner of Tasman Tourism NZ Holdings LP is Tasman Tourism NZ GP Limited, a New Zealand incorporated company ultimately wholly owned and controlled by [s 9(2)(b)(ii)]
22. [s 9(2)(b)(ii)]
23. A diagram of the intended ownership structure is in **Attachment 3**.

Control

24. The general partner of Tasman Tourism NZ Holdings LP (the 100% parent of the Applicant) is Tasman Tourism NZ GP Limited, a New Zealand incorporated company ultimately wholly owned and controlled by Tasman.
25. As the Applicant's shareholder is a limited partnership, the general partner, Tasman Tourism NZ GP Limited, exercises all management rights in relation to the partnership's assets, and is therefore responsible for exercising shareholder rights attaching to the partnership's interest in the Applicant. Tasman Tourism NZ GP Limited therefore controls (for the purposes of the Act) the Applicant.

Delegations

¹¹ <https://www.linz.govt.nz/overseas-investment/discover/find-out-if-you-need-notify-us-your-transaction>.

¹² ACN 133 225 448.

¹³ ACN 133 279 133.

¹⁴ ACN 133 083 271.

¹⁵ The Applicant's lawyers have advised in a letter dated 15 March 2022 that the Applicant's view is that sole control of the Applicant and Tasman ultimately lies with Mr Robert Nichols and therefore he should be treated as the sole individual with control for Tasman. Conversely, Mr Davies and Mr Cleary are employees of Tasman and, to the extent they have governance/management roles in relation to the Applicant, they hold those roles as nominees for Tasman and therefore subject to Mr Nichols' direction. We have agreed to remove Mr Cleary as an individual with control but have retained Mr Davies as an individual with control in his capacity as director of the Applicant.

26. [s 9(2)(b)(ii)] [REDACTED]
- [REDACTED]
 - [REDACTED]

Approval of Proposed Transaction

27. [s 9(2)(b)(ii)] [REDACTED]
28. [REDACTED]

Approve divestment

29. [s 9(2)(b)(ii)] [REDACTED]

Responsibility for day-to-day management of investment

30. [s 9(2)(b)(ii)] [REDACTED]

Approval of significant capital and operating expenditure

31. [s 9(2)(b)(ii)] [REDACTED]
- [REDACTED]
 - [REDACTED]

32. [s 9(2)(b)(ii)] [REDACTED]

Relevant overseas person and individuals with control

33. We recommend that the 'relevant overseas person' is (collectively):

Relevant overseas person	Role
Tasman Tourism New Zealand Limited	Applicant and acquiring entity
[s 9(2)(b)(ii)] [REDACTED]	[s 9(2)(b)(ii)] [REDACTED]

Relevant overseas person	Role
[s 9(2)(b)(ii)]	[s 9(2)(b)(ii)]

33.1 The 'individuals with control of the relevant overseas person'¹⁶ are:

individuals with control	Role
Robert Stephen Nichols	Managing Director of Tasman Capital Investments (Australia) Pty Ltd and Director of Tasman Tourism New Zealand Limited
Christopher Stephen Davies	Director of Tasman Tourism New Zealand Limited
[s 9(2)(b)(ii)], [s 9(2)(a)]	[s 9(2)(b)(ii)]
[s 9(2)(b)(ii)], [s 9(2)(a)]	
[s 9(2)(b)(ii)], [s 9(2)(a)]	
[s 9(2)(b)(ii)], [s 9(2)(a)]	
[s 9(2)(b)(ii)], [s 9(2)(a)]	
[s 9(2)(b)(ii)], [s 9(2)(a)]	
[s 9(2)(b)(ii)], [s 9(2)(a)]	
[s 9(2)(b)(ii)], [s 9(2)(a)]	
[s 9(2)(b)(ii)], [s 9(2)(a)]	

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.
35. For the reasons set out above, our conclusion is that **the investor test has been met.**

E. Investment plan and benefit to NZ 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 Applicant intends to acquire the Land and business assets under the Proposed Transaction to contribute to its development of a portfolio of holiday parks offering

¹⁶ Section 15.

tourism services to domestic and international visitors in New Zealand. **Special Condition 1** requires the Applicant to operate the Land as a holiday park.

38. In its original investment plan lodged in [s 9(2)(b)(ii)]
[REDACTED]
[REDACTED]:
- Capital expenditure of at least \$ [s 9(2)(b)(ii)] over five years. The [s 9(2)(b)(ii)] [REDACTED].
 - The provisional capital development plan was likely to:
 - result in temporary work (such as accommodation refurbishment, upgrading amenities and infrastructure) for local tradespeople. The number of jobs was not specified;
 - increase international visitor numbers and visitor spend; and
 - enhance the provision of services and amenities at the holiday park which may increase visitor numbers and visitor spend.
 - The investment would advance the Government's goals of seeking "productive, sustainable and inclusive" tourism growth, and to welcome visitors from a diverse range of overseas markets.

Intention to decline

39. On [s 9(2)(b)(ii)] we sent the Applicant an intention to decline letter. Based on the information we had received at that stage, we were not satisfied that the application would meet the section 16A(1)(a) criterion under the Act. This criterion must be met before consent may be granted. We were, therefore, likely to recommend to the delegated decision-maker that the application be declined.

40. The key issue was that the benefits the Applicant was proposing were [s 9(2)(b)(ii)] [REDACTED]
[REDACTED]
[REDACTED].

Revised investment plan

41. In response, on [s 9(2)(b)(ii)], the Applicant filed its revised investment plan, which increased the benefits on offer in respect of the Land. At a high level, the Applicant now plans to do the following:

- (a) [s 9(2)(b)(ii)]:
- (i) Increase the number of cabins on the Land. Currently there are 14 cabins at the park and Applicant proposes to construct additional cabins. However, this would be conditional on obtaining Council consent, which the Applicant says is something that it can undertake to seek but cannot control.

The Applicant says it has a track record of working with Councils to obtain consent. For example, it has previously obtained resource and building consent for the construction of cabins at its Waihi Beach holiday park¹⁷. The Applicant is therefore confident in its ability to secure consent. But any condition relating to the deployment of the capex would need to accommodate this residual uncertainty.

¹⁷ Case number 201900676.

(ii) should approval for additional cabins not be secured, spend that amount on upgrading the amenities on site, which the Applicant says are aged and would benefit from a refresh. These upgrades would include any of the following:

- installing additional infrastructure to alleviate current sewerage capacity constraints;
- upgrading the playground;
- upgrading the pool and pool facilities;
- refresh of the kitchen facilities; and/or
- refresh of the bathroom facilities.

(b) This additional investment is expected to result in the following economic benefits:

(i) **Productivity gains:**

- The Applicant claims that cabins attract visitors later into the season relative to powered and unpowered campsites, principally because it is more attractive to stay in built accommodation as the weather gets colder. The Applicant claims that constructing additional cabins would therefore extend the park's trading season and grow the business, as more people are encouraged to visit the park and stay for longer periods than they would otherwise if only powered sites and campsites were available.

The Applicant submits it is not in a position to precisely quantify the expected productivity gain from installing additional cabins given the market is in a recovery phase from the pandemic. But, the Applicant has submitted, by way of illustration, that two additional cabins, at a 50% occupancy rate over the course of the year and a \$300/night average room rate results in additional revenue of approximately \$110,000 per year.

- The Applicant also claims that upgrading the amenities increases patronage to the park, for longer periods, and encourages higher spend, which represents a productivity gain in respect of the Land.

Upgrading the park's facilities will also increase visitor numbers to the park and encourage longer stays by making the park a more attractive accommodation option for visitors, although there is no practicable method to estimate the additional revenue attributable to a refresh of the facilities.

(ii) **Export receipts:** the Applicant claims foreign tourists are amongst the target market for the holiday park. With borders opening, the Applicant claims that the proportion of foreign visitors is expected to increase. To the extent the growth in the business is attributable to foreign visitors, that would represent an increase in export receipts.

Pre-COVID, approximately [s 9(2)(b)(ii)] of visitors to the campsite were international tourists, so the Applicant estimates that, with the full re-opening of borders, even just [s 9(2)(b)(ii)] would generate additional export receipts of \$ [s 9(2)(b)(ii)] per year. The Applicant's strategy for managing its holiday parks includes [s 9(2)(b)(ii)] because it has determined this investment has a positive return.

- (iii) **Job creation:** in both cases, the Applicant claims there is the additional benefit of increased employment in order to carry out these projects. s 9(2)(b) 1

[REDACTED]

- (c) The Applicant claims that its integration of a portfolio of holiday parks across Australia and New Zealand into a single corporate platform represents a consequential benefit to New Zealand by offering a uniquely enhanced consumer experience.

The Applicant claims that its platform offers a single website point of entry for a range of parks across New Zealand and Australia. For overseas tourists visiting New Zealand, this makes discovery and trip planning easy and convenient. In addition, because the Applicant's portfolio of parks covers both Australia and New Zealand, and the Applicant actively markets its Australian and New Zealand parks to its customers, Australian Tasman customers are more likely to both:

- (i) choose to travel to New Zealand; and
- (ii) choose Tasman parks for their visit.

Current state (counterfactual)

42. Currently the provision of short-term tourist accommodation on the Land is made via a mix of unpowered sites, powered sites, cabins, and motel units. In each case, the principal use is for temporary accommodation for domestic and overseas tourists. The Land supports [REDACTED] FTE jobs and has 14 holiday accommodation units ranging from motel units to basic cabins. The Vendor has not planned any capital expenditure on the Land.

Summary of benefits

43. 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.
44. 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 4**.
45. In applying the benefit to New Zealand criteria, 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.

Summary assessment: benefit to NZ test

46. This table assesses the benefits to NZ 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	Current state counterfactual	OIO analysis: strength/weakness		Proposed special conditions and reporting requirements
				Indicative strength	Summary	
Economic benefits s17(1)(a)	Capex	<p>The Applicant will spend \$[s 9(2)(b)(i)] on the Land by increasing the number of cabins at the holiday park, [s 9(2)(b)(ii)]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>The Applicant will introduce capital expenditure of at least \$[s 9(2)(b)(i)] over five years.</p>	<p>The initiatives proposed by the Applicant have not yet occurred and are therefore not part of the current state.</p>	Moderate	<p>Capital expenditure of at least \$[s 9(2)(b)(i)] over five years which would not occur under the counterfactual.</p> <p>The capex will likely occur on the Land. The current lease expires on 1 February 2025. If the lease is renewed for another 33 years, then the Applicant expects to [s 9(2)(b)(ii)]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>	<p>Commit to capital expenditure programme of at least \$[s 9(2)(b)(i)] on the Land.</p> <p>Applicant to report on progress of conditions.</p>

Released under the Official Information Act 1982

Relevant benefit factors	Applicant's claims: what they intend to do	Current state counterfactual	OIO analysis: strength/weakness		Proposed special conditions and reporting requirements
			Indicative strength	Summary	
Creation / retention of jobs	The Applicant expects that [s 9(2)(b)(ii)] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED].	There are existing jobs at the Ohiwa Beach Holiday Park. ¹⁸ The jobs being proposed by the Applicant are not currently occurring.	Released under the Official Information Act 1982	Investment will likely create jobs for the work intended on the holiday park. The Applicant would be able to either match the current number of FTE jobs or narrowly better the current state.	Applicant to report on number of people employed and the nature of their employment.
Increased export receipts	The Applicant notes that of the \$110,000 additional revenue per year it expects to generate from constructing additional cabins, approximately \$[s 9(2)(b)(ii)] of this would be from international visitors.	As the approved initiatives are not currently in effect, the resulting increased tourism spending by international visitors is not part of the current state.		The Applicant has estimated a dollar value of increased export receipts. It is uncertain however if the additional capital investment will result in increased spending by international visitors or simply provide an alternative option for tourists.	Applicant to report on level of export receipts.

¹⁸ In respect of the Vendor Information Form, the Vendor advises that: (a) the [REDACTED] full time employees [s 9(2)(b)(ii)] and [REDACTED] part time employees currently working at the park are equivalent to [REDACTED] FTEs; and (b) the reference to the number of full and part time employees fluctuating from [REDACTED] people across the year, due to the seasonal nature of the business, amounts to [REDACTED] FTEs on an annualised basis.

Relevant benefit factors		Applicant's claims: what they intend to do	Current state counterfactual	OIO analysis: strength/weakness		Proposed special conditions and reporting requirements
				Indicative strength	Summary	
	Increased productivity	The Applicant is not in a position to precisely quantify the expected productivity gain from installing additional cabins given the market is in a recovery phase from the pandemic. But, by way of illustration, two additional cabins, at a 50% occupancy rate over the course of the year and a \$300/night average room rate results in additional revenue of approximately \$110,000 per year.	As the approved initiatives are not currently in effect, the resulting increased productivity is not part of the current state. No increased efficiency or productivity.		<p>The intended construction of additional cabins is likely to increase productivity in the way the Applicant has claimed. Spending on alternative projects is also likely to increase productivity by attracting more tourists than the current state of the Land.</p> <p>There is a risk of "double counting" the benefit claimed here with the benefits claimed under capex and increased export receipts.</p>	No special conditions recommended
Consequential benefits	N/A	The Applicant's structure provides a more coordinated approach to marketing (including trans-Tasman marketing to the Applicant's Australian holiday park visitors), business development and operational support to drive visitor growth, with shared central resources and knowledge.	Owner-operated model used.	Weak	<p>The Applicant's corporate platform is likely to provide a more convenient holiday planning experience for tourists than the current state.</p> <p>It is too early to tell how much the enhanced corporate platform will contribute to customer experience since the platform has recently been implemented.</p>	No special conditions recommended

Relevant benefit factors		Applicant's claims: what they intend to do	Current state counterfactual	OIO analysis: strength/weakness		Proposed special conditions and reporting requirements
				Indicative strength	Summary	
		The Applicant claims that its platform offers a single website point of entry for a range of parks across New Zealand and Australia.				
Advance a significant government policy (s17(1)(e))	N/A	The Government is seeking "productive, sustainable and inclusive" tourism growth, and to welcome visitors from a diverse range of overseas markets. The Applicant submits this Investment will advance those goals.	The approved initiatives, and therefore resulting enhancement of Government policy, has not yet occurred.	Weak	Some advance of general tourism policy but situation is still fluid due to COVID-19 pandemic. Borders re-opening provides scope for an increase in international visitor numbers. Holiday parks tailor to a different clientele increasing diversity.	No special conditions recommended.

Released under the Official Information Act 1982

Consultation and submissions about the investment

Submissions

47. No third-party submissions were sought or received.

Conclusion – benefit to NZ test

Key benefits

48. After considering the application, we are satisfied that the investment is likely to result in the benefits considered above. In particular, the spending of a minimum of \$ [s 9(2)(b)(ii)] over five years on the Land [s 9(2)(b)(ii)], and the productivity gains and increased export receipts. **Special Condition 2** requires the Applicant to introduce minimum capital expenditure of \$ [s 9(2)(b)(ii)] on the Land by [s 9(2)(b)(ii)] .

Proportionality

49. We have undertaken our assessment having regard to the sensitivity of the Land and the nature of the overseas investment transaction, reflecting the proportional nature of the benefit to NZ test. We consider the proportionality assessment to be **finely balanced** because the additional capex is comparable to other holiday parks for which the Applicant has obtained consent when seen in proportion. However there is still some uncertainty in the Proposed Transaction in that the Applicant has to secure renewal of the lease in 2025 and Lessor consent to improvements on the Land and being a recreational park there may be some public interest in the Proposed Transaction.
50. Taking into account the size, location, and current use of the Land, we consider that the Land is not highly sensitive and that the Applicant's plans may even assist local tourism operators incidentally benefiting from the Applicant's marketing activities. We also note that, according to the sensitive land certificate and our independent sensitivity checks, the Land has no environmental or historic heritage issues that give it special features or would generate public interest. We consider the overseas investment is likely to benefit New Zealand.

F. Transaction of national interest

51. The proposed overseas investment is a transaction of national interest under the mandatory criteria in the Act.¹⁹ This is because the investment involves a non-New Zealand government investor (**NNZGI**). The Applicant is a NNZGI for the purposes of the Act on the basis that it is a relevant government enterprise (**RGE**) because relevant government investors from the United Arab Emirates have aggregate ownership interests of more than 25% in the Applicant.
52. In response to advice from you that the core tests have been met, the Minister of Finance advised by letter dated 14 / 08 / 2022 that the investment is **not contrary** to New Zealand's national interests. You must grant the application. The Minister of Finance has not advised that actions to mitigate risks are desirable.

G. Conclusion

53. After considering the application, our view is that:
- the investor test has been met; and

¹⁹ Section 20A of the Act.

- the overseas investment will, or is likely to, benefit New Zealand (or any part of it or group of New Zealanders); and
- the benefit is proportionate to the sensitivity of the land and the nature of the transaction; and
- the conditions relating to residential land to be imposed on the consent will be, or are likely to be, met; and
- the transaction is considered to be a transaction which is not contrary to national interest.

54. Therefore, we consider that the criteria for consent in section 16 have been met and our recommendation is to **grant consent**.

55. If you agree, we refer you to **Attachment 1** to review the Proposed Decision (including consent conditions), and from page 3 of this Assessment Report to record your decision.



Luke Hilton
Solicitor, Applications
Overseas Investment Office

Date: 15 / 08 / 2022

H. List of Attachments

1. Proposed Decision
2. Letter to Minister of Finance
3. Ownership structure
4. Other benefit factors
5. Photos

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	202200068
Consent	The Consent holder may lease the land subject to the Conditions set out below.
Consent holder/s	Tasman Tourism New Zealand Limited (company number 7905336) We will also refer to each Consent holder and the Consent holders together as you.
Land	Approximately 4.4305 hectares of land located at 380 Ohiwa Harbour Drive, RD2, Ōpōtiki, contained in Record of Title GS60339 554901 (Gisborne).
Timeframe	You have until 31 August 2023 to acquire a leasehold interest in 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 the Overseas Investment Office as **OIO, us or we**.

Act means the Overseas Investment Act 2005.

Lease means the Memorandum of Lease with a commencement date of 1 February 1992 for a 33 year term and a renewal date of 1 February 2025 for potential further term of 33 years.

Lessor means Ōpōtiki District Council.

Regulations means Overseas Investment Regulations 2005.

Any term or expression that is defined in the Act or Regulations and used, but not defined, in this consent has the same meaning as in the Act or Regulations.

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: Must operate as holiday park	
You must operate the Land as a holiday park. 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.	At all times.
Special condition 2: Introduce capital expenditure into New Zealand	
1. You must obtain renewal of the Lease.	1. By 31 January 2025.
2. [s 9(2)(b)(ii)] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] (a) \$ [s 9(2)(b)(ii)] .	2(a) By [s 9(2)(b)(ii)] . 2(b) By [s 9(2)(b)(ii)] .

<p>(b) \$ s 9(2)(b)(ii) .</p> <p>3. [s 9(2)(b)(ii)] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED] [REDACTED]</p> <p>(a) \$ s 9(2)(b)(ii) .</p> <p>(b) \$ s 9(2)(b)(ii) .</p> <p>For the avoidance of doubt the total new minimum capital expenditure into New Zealand is \$ s 9(2)(b)(ii) .</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>	<p>3(a) By [s 9(2)(b)(ii)] .</p> <p>3(b) By [s 9(2)(b)(ii)] .</p>
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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
Automatic Condition: National Interest	
You must not, in relation to the Land, act or omit to act with a purpose or an intention of adversely affecting national security or public order.	At all times
Standard condition 1: acquire the leasehold interest in Land	
<p>You must acquire the leasehold interest in Land:</p> <ol style="list-style-type: none"> by the date stated in the Consent. If you do not, your Consent will lapse or become invalid and you must not acquire a leasehold interest in the Land, and using the acquisition, ownership and control structure you described in your application. 	As stated in the Consent

<p>Note, only you – the named Consent holder – may acquire leasehold interest in the Land, not your subsidiary, trust or other entity.</p>	
<p>Standard condition 2: tell us when you acquire the leasehold interest in the Land</p>	
<p>You must tell us in writing when you have acquired a leasehold interest in the Land.</p> <p>Include details of:</p> <ol style="list-style-type: none"> 1. the date you acquired a leasehold interest in the Land (Settlement), 2. consideration paid (plus GST if any), 3. the structure by which the acquisition was made and who acquired the leasehold 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>
<p>Standard condition 3: allow us to inspect the Land</p>	
<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: <ol style="list-style-type: none"> (a) directing your employees, agents, tenants or other occupiers to permit an Inspector to conduct an Inspection, 	<p>At all times</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>	
<p>Standard condition 4: remain not unsuitable to invest in New Zealand</p>	
<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>(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>	<p>At all times</p>
<p>Standard condition 5: tell us about changes that affect you, the people who control you, or people you control</p>	
<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. 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>Within 20 working days after the change</p>

Standard condition 6: dispose of your interest in the Land if you do not comply with key special conditions

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 your interest in the Land.

If all or part of this standard condition 6 applies to a special condition, we have said so in that condition.

We will give you written notice if we require you to dispose of your interest in the Land. After we have given you notice, you must:

Value the Land: obtain and send us a copy of a market valuation of the interest in 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 interest in the Land for sale on the open market.

Within six weeks of the date of our notice.

Dispose of the Land: dispose of your interest in 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 your interest in the Land within six months of our notice, offer the interest in the Land for sale by auction or tender without a reserve price or minimum bid and dispose of your interest in the Land.

Within nine months of our notice.

Report to us about marketing: tell us in writing about marketing activities undertaken and offers received for the interest in the Land.

By the last day of every March, June, September and December after our notice or at any other time we require.

Report disposal to us: send us, in writing, evidence:

- (a) that you have disposed of your interest in 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.

Within one month after your interest in the Land has been disposed of.

Reporting conditions

We need information from you about how your investment plan is tracking so we can monitor your progress against the Conditions.

In addition to Settlement reporting (as set out in Standard Condition 2), you must provide the OIO with reports detailing the progress of the investment. The reports must:

1. be submitted via our [Webform](#) by these dates:
 - a. 30 September 2023
 - b. 30 September 2025
 - c. 30 September 2027
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 amount spent on capital development on the Land for each reporting period;
 - c. the number of people employed (expressed as a full time equivalent) and the nature of employment for the 30 September 2025 and 30 September 2027 reporting periods; and
 - d. export receipts generated from the Land for the reporting period.
3. follow the format of the template annual report published on our website

If requested in writing by the OIO, 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

Released under the Official Information Act 1982

ATTACHMENT 2 – LETTER TO MINISTER OF FINANCE

OVERSEAS INVESTMENT OFFICE



Toitū Te Whenua
Land Information
New Zealand

Case ref. 202200068

2 August 2022

Hon Grant Robertson
Minister of Finance
PARLIAMENT BUILDINGS

cc Rebecca McAtamney, Head of Regulatory Practice and Delivery (Overseas Investment),
rmcatamney@linz.govt.nz

Dear Minister

National interest assessment under the Overseas Investment Act 2005

I seek your decision on whether the following investment is contrary to New Zealand's national interests.

Tasman Tourism New Zealand Limited seeks consent under the Overseas Investment Act 2005 (the Act) to acquire the business operations and assets of Ohiwa Beach Holiday Park located at 380 Ohiwa Harbour Drive, RD2, Ōpōtiki.

This investment requires consent because it is an acquisition, by an overseas person, of leasehold interest in sensitive land (section 12(1)(a) of the Act). The investment requires a national interest assessment because the overseas person is a non-New Zealand government investor (section 20A(1)(a) of the Act).

I have made an assessment that the relevant provisions of the investor test and benefit to New Zealand test are met.

The decision is delegated to the Overseas Investment Office pursuant to the Ministerial Delegation Letter dated 24 November 2021 (see Table A, Row C(6)).

Before I can determine whether to grant or decline the application, you need to decide whether the investment is contrary to New Zealand's national interest (section 20C of the Act). To assist with your consideration of the national interest assessment, I attach the Proposed Consent Decision that outlines the standard conditions that would apply if consent is granted. This includes the automatic condition that each consent holder must not, in relation to sensitive assets in which the relevant investment is made, act or omit to act with a purpose or an intention of adversely affecting national security or public order (section 25C of the Act.)

The Overseas Investment Office will separately provide you with a report addressing the national interest assessment.

Yours sincerely

Marcus McMillan
Manager, Applications
Overseas Investment

ATTACHMENT 3 – OWNERSHIP STRUCTURE

[s 9(2)(b)(ii)]

ATTACHMENT 4 – 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
Environmental benefits	Not relevant - The Applicant submits there are no areas of significant indigenous vegetation, with the exception of native plantings undertaken by the Vendors to improve the amenity value of the property for guests.
Public access	Not relevant - The Land is operated as a private business providing accommodation for New Zealand and overseas tourists. The Applicant has therefore not proposed to implement any public access over the land.
Historic heritage	Not relevant - Section 17(2)(d) does not apply as there are no areas of historic heritage within the Land.
Oversight or participation by New Zealanders	Insufficient – Applicant claims New Zealanders will have participation in the Investment through the local management structure, employing New Zealanders. However, the Applicant has claimed employment under economic benefit factor dealt with the Table A to avoid double counting. The leasehold would go from 100% New Zealand operated to 100% overseas operated. As a result of the counterfactual, the Investment will not result in any increased oversight or participation.
Negative impact of bulk water extraction	Not relevant - the investment will not involve the extraction of water for bottling, or other extraction of water in bulk for human consumption.

ATTACHMENT 5 – PHOTOS

Map 1 shows the Land coloured in pink; Map 1 is an extract from the Sensitive Land Certificate dated 9 September 2021 showing a cadastral map and map of the locale and approximate location of the Land:



An extract from the documents filed with the application showing a planning map from the Bay of Plenty Regional Council

