

To: Hon Grant Robertson, Minister of Finance

National Interest Assessment Report: Tasman Tourism New Zealand Limited

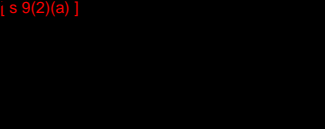
Purpose

This report seeks your decision about whether the proposed investment is contrary to the national interest of New Zealand under the Overseas Investment Act 2005 (the **Act**).

Date	4 August 2022
Briefing number	BRF 23-044
Case number	202200068
Investor	Tasman Tourism New Zealand Limited
Pathway the assessment has arisen under	<input checked="" type="checkbox"/> Mandatory assessment via consent pathway <input type="checkbox"/> Discretionary call-in via consent pathway

Assessment


This report has been prepared by Toitū Te Whenua Land Information New Zealand (**LINZ**), with advice from the Standing Committee for Overseas Investment. We do not consider the proposed investment is contrary to New Zealand's national interest. We recommend that you seek further advice from officials if you disagree.

	Signature	Date
Paul Wrigley Manager, Monitoring and Intelligence		4 August 2022

Action Required

1. Review the national interest assessment report.
2. Determine if the proposed investment is contrary to the national interest of New Zealand.
3. Complete the **Decision** section on page 3.
4. Return the decision to the Overseas Investment Office (**OIO**) by **16 August 2022** (noting that this due date is based on the OIO's assessment timeframe deadline of 17 August 2022).

OIO Contacts

Name	Position	Contact	First contact
Paul Wrigley	Manager, Monitoring and Intelligence		<input checked="" type="checkbox"/>

Executive Summary

1. Tasman Tourism New Zealand Limited (the **Applicant**) intends to acquire business operations and leasehold interest in Ohiwa Beach Holiday Park in the Eastern Bay of Plenty, which is situated on sensitive land.¹
2. Applying a national interest test to the investment is mandatory in this instance as the Applicant is a non-New Zealand government investor² because the Abu Dhabi Government indirectly holds a 90% ownership interest in the Applicant.
3. We consider the risk of the proposed investment being contrary to New Zealand's national interest s 6(a) that the transaction is likely to have a positive impact on New Zealand's economy by providing an injection of capital from overseas into a tourist accommodation business. Accordingly, we recommend the following:

Recommended Decision	Conditions/Notes	Rationale
Not contrary to New Zealand's national interest	None	The investment poses minimal risk to New Zealand's national security and public order and is likely to result in some benefit to New Zealand.

4. Once you have made your decision, please complete the decision section on the next page and return the document to the Overseas Investment Office (OIO).
5. Our more detailed assessment is provided from page 4.
6. If you agree that no additional conditions are required to manage national interest risks, the investment would be managed under the special and standard conditions set out in the Proposed Consent Decision included in Attachment 2.

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¹ 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.

² Under section 6(1) of the Act.

Decision

I have reviewed Tasman Tourism New Zealand Limited (202200068)'s transaction of national interest and have decided:

- a. that the transaction is **not contrary** to New Zealand's national interest and refer the transaction back to the OIO (as the delegated decision-maker for the Substantive Application) with no further comments.

YES / NO

OR

- b. that the transaction is **not contrary** to New Zealand's national interest, but I consider that there are risks that need to be mitigated. I ask the decision-maker under the Act to **consider imposing conditions** to mitigate the risk of harm to New Zealand's national interest.

YES / NO

OR

- c. that the transaction **may be contrary** to New Zealand's national interest and I request further advice from officials before I can make a decision.

YES / NO


Hon Grant Robertson
Minister of Finance

Date: 14 August 2022

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Path to National Interest Assessment

1. The assessment of this transaction arose from an application, under the Overseas Investment Act 2005 (**Act**), to make the Investment (**Substantive Application**).
2. The transaction has been assessed by the Overseas Investment Office (**OIO**) to be a transaction of national interest under section 20A of the Act because the Abu Dhabi Government has an ownership interest in the Applicant of more than 25%. The Applicant acquiring the land is therefore considered to be a non-New Zealand government investor.
3. On 21 June 2022, the OIO decided that the consent pathway criteria (i.e., general benefit to New Zealand only and investor test) for this application were satisfied (**Attachment 1**). The next step is for you to consider whether the Investment is contrary to New Zealand's national interest. If you consider that the Investment is not contrary to New Zealand's national interest the proposed special and standard conditions contained in the attached Consent Decision (**Attachment 2**) will govern how the Investment is managed under the overseas investment regime.
4. This report was prepared by the Toitū Te Whenua, Land Information New Zealand (**LINZ**), with advice from the Standing Committee for Overseas Investment, a cross-government agency group of advisors.

Context for the Investment

The investment

5. 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.
6. 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 **Holiday Park**). The transaction is structured as follows:
 - the business assets³ 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**)⁴ on which the Holiday Park operates are to be acquired from T & N Morgan Family Trust (the **Proposed Transaction**)
7. The Applicant entered into sale and purchase agreements with the Vendor⁵ for both the business assets and the leasehold for the Land on [s 9(2)(b)(ii)]. The agreement for sale and purchase of the business assets is conditional on the agreement for sale and purchase of the Land. The purchase price is NZ\$ [s 9(2)(b)(ii)], which is apportioned as follows:
 - [s 9(2)(b)(ii)];
 - [s 9(2)(b)(ii)]; and
 - [s 9(2)(b)(ii)].

³ Technically, this part of the Proposed Transaction but does not require OIO consent.

⁴ 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.

⁵ **T & N Morgan Family Trust** (leasehold interest) and **Ohiwa Holidays (2006) Limited** (business assets).

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Investment background

8. The 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

9. 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 a potential further term of 33 years (the **Lease**).
10. 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.
11. 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)(ii)]
[REDACTED]

Key benefits

12. After considering the application, we are satisfied that the investment is likely to result in benefit to New Zealand. In particular, the spending of a minimum of [s 9(2)(b)(ii)] over five years on the Land ([s 9(2)(b)(ii)]
[REDACTED]
[REDACTED]⁶ 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)] [REDACTED]. For the avoidance of doubt the total new minimum capital expenditure into New Zealand is \$ [s 9(2)(b)(ii)], which is dealt with in more detail in paragraphs 54 – 58 of this report.

Proportionality

13. 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 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.

⁶ The Applicant's letter dated 1 July 2022 states: "In respect of the revised investment plan, the Applicant expects that the [s 9(2)(b)(ii)] [REDACTED]. The materials/labour mix varies for each of the approved initiatives that the Applicant might undertake pursuant to the draft conditions, and hence the Applicant expresses the FTE estimate as a range."

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



14. 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 3**.

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Previous investments

15. The Proposed Transaction is part of an overall acquisition strategy by the investor 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)] and Tasman are, in addition to the Proposed Transaction and in parallel, acquiring a portfolio of holiday parks in Australia.
16. Tasman Tourism owns five holiday parks in New Zealand, amounting to approximately 15 hectares of land across three regions. 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 these other holiday parks in New Zealand:

Consent	Region	National interest
Papamoa Beach Resort (Case 202000202) (consent granted 26 August 2020)	Bay of Plenty	No (application received prior to National Interest coming into force)
Waihi Beach Top10 Holiday Resort and Beachaven Top10 Holiday Park (Case 201900676) (consent granted 26 August 2020)	Bay of Plenty	No (application received prior to National Interest coming into force)
Getaway Te Anau Holiday Park (Case 202000405) (consent granted 3 February 2021)	Southland	Yes
Christchurch Top 10 Holiday Park (Case 202100581)	Canterbury	(Direction order under the Emergency Notification Regime ⁷ allowing the Applicant to give effect to the transaction issued 7 September 2021)

17. Open source indicates Tasman Tourism owns a further 21 holiday parks in Australia (26 in total).⁸ It has a presence in five Australian states, though its Australian holiday parks are primarily located in New South Wales and Queensland.⁹ No open source information was identified regarding assessments or decisions made by Australia's Foreign Investment Review Board (FIRB) in relation to acquisitions of holiday parks in Australia by Tasman Tourism, though FIRB guidance indicates foreign government investors generally require approval when acquiring Australian business¹⁰ and commercial land¹¹ assets.

⁷ <https://www.linz.govt.nz/overseas-investment/discover/find-out-if-you-need-notify-us-your-transaction>.

⁸ <https://www.theurbandevolver.com/articles/tasman-holiday-parks-goes-on-aud65m-spending-spree>, accessed 12 July 2022.

It should be noted that Tasman Tourism's website only lists 20 Australian holiday parks.
⁹ <https://tasmanholidayparks.com/au/caravan-parks/find-a-park/>, accessed 12 July 2022.

¹⁰ https://firb.gov.au/sites/firb.gov.au/files/guidance-notes/GN07_Business_1.pdf, accessed 12 July 2022.

¹¹ https://firb.gov.au/sites/firb.gov.au/files/guidance-notes/GN04_Commercialland_1.pdf, accessed 12 July 2022.

[s 6(a)]

18. [s 6(a)]

19. [s 6(a)]

20. [s 6(a)]

Applicant ownership and control

21. The Applicant is jointly owned and controlled by [s 9(2)(b)(ii)] which will hold a 90% interest in the Proposed Transaction and [s 9(2)(b)(ii)] which will hold a 10% interest in the Proposed Transaction.

Al Sariya

22. [s 9(2)(b)(ii)] (holding 90% interest in the Investment) is a subsidiary of [s 9(2)(b)(ii)] [s 9(2)(b)(ii)] is an Abu Dhabi government entity, [s 9(2)(b)(ii)]

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

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

Tasman Trust

25. [s 9(2)(b)(ii)] (holding the remaining 10% interest in the Investment) [s 9(2)(b)(ii)] Tasman is a private equity firm, based in Australia, specialising in lower mid-market private companies focused on completing management buyouts, turnarounds, active real estate, and buy and build transactions. Tasman is controlled by its Managing Director, Robert Nichols, an Australian National.

Control of the Applicant

26. A structure diagram of the Applicant is shown below:

¹² Case 202200069.

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



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



[s 6(a)]

Vendor is not a strategically important business

28. The Vendor does not carry on a strategically important business. For the avoidance of doubt, the Vendor is not a critical direct supplier and is not involved in the operation of any business that develops, produces, maintains or otherwise has access to sensitive information.

Market and/or industry context

29. Tourism is a major industry in New Zealand, generating a direct contribution to GDP of NZ\$8.5 billion, or 2.9% of GDP for the year ended March 2021. The indirect value added by industries supporting tourism generated an additional NZ\$5.8 billion, or 1.9% of GDP.¹³ These figures represent a significant decrease¹⁴ from the previous period due to the outbreak of COVID-19, which has significantly impacted the tourism sector in New Zealand. Border closures stopped the inflow of tourists and forced the sector to reorientate to domestic tourism. While there has been a subsequent rise in domestic tourism, it does not match the expenditure of international tourists.
30. Prior to COVID-19, the tourism sector was growing significantly on a yearly basis. It is almost certain the loosening of border restrictions around the world during 2022 will have a positive impact on New Zealand's tourism sector.
31. Research carried out for Holiday Parks New Zealand into the holiday park sector in 2019¹⁵ estimated visitors staying at holiday parks contributed approximately NZ\$1.2 billion annually to New Zealand's economy. Holiday parks benefit local and regional communities by providing employment to locals, purchasing supplies and services from vendors, and can assist in generating business for other industries.

National Interest Assessment

32. This section sets out our assessment of whether the substantive Application would likely be contrary to New Zealand's national interest as set out in section 20C(1) of the Act.
33. New Zealand requires productive overseas investment. Foreign direct investment is presently particularly important for New Zealand businesses which are currently capital constrained due to the economic downturn caused by the COVID-19 pandemic. Advantages of productive foreign investment include better access to markets, technology, and capital, and, as a result, a more productive economy.
34. The national interest, and what would be contrary to it, is not defined in the Act. Instead, the Act grants the responsible Minister broad discretion to decide whether proposed investments could be contrary to the national interest on a case-by-case basis.
35. In undertaking the national interest assessment, we have been informed by the following:¹⁶
- the *Foreign Investment Policy and National Interest Guidance*¹⁷ (the **Guidance Note**), which sets out factors generally considered when determining whether an investment is contrary to New Zealand's national interest; and
 - consultation and input from relevant partner agencies.¹⁸
36. We consider four of the factors set out in the Guidance Note to be relevant to the proposed investment: economic and social impact (including market structure), alignment with New Zealand's values and interests, international relations, and foreign government investor. We discuss each below.

¹³ Tourism satellite account: Year ended March 2021. Retrieved from <https://www.mbie.govt.nz/assets/tourism-satellite-account-year-ended-march-2021.pdf> on 30 June 2022.

¹⁴ Tourism contributed NZD 16.4 billion to GDP, and industries supporting tourism generated an additional NZD 11.3 billion in the previous period.

¹⁵ Value of holiday park sector hits \$1.2 billion. Retrieved from https://www.holidayparks.co.nz/sites/default/files/documents/value_of_the_holiday_park_sector_hits_1.2_billion_-_release.pdf on 30 June 2022.

¹⁶ As set out in the Ministerial Directive letter dated 24 November 2021.

¹⁷ Guidance Note, June 2021.

¹⁸ Such as those agencies listed in section 126 of the Act.

37. We note that the draft conditions of the consent include a requirement that the consent holder must not act or omit to act with a purpose or intention of adversely affecting national security or public order.

National security

38. [s 6(a)]

Economic and social impact

The Government considers an investment's likely impact on the New Zealand economy and on New Zealand society.

39. We consider the investment poses a **low** risk to the economy and society is likely to have some **positive** economic and social impacts.

Risk

Market concentration

40. The Applicant submits that this transaction is part of a strategic plan to acquire a portfolio of holiday parks in Australia and New Zealand. If the Applicant were to acquire a significant portion of holiday parks in New Zealand, this could result in market concentration risk.

41. [s 6(a)], [s 9(2)(ba)(ii)], [s 9(2)(d)]

42. [s 6(a)], [s 9(2)(ba)(ii)], [s 9(2)(c)]

43. There are currently 253 registered holiday parks in New Zealand,²³ and prior correspondence with TNZ in December 2020 indicated there were a total of approximately 400 registered and unregistered parks. Holiday parks are typically individually owned in New Zealand. There are three industry-wide brands, Top Ten Group Limited (**Top 10**), Kiwi Holiday Parks, and Family Parks (which is Australian-owned). Collectively these brands are affiliated with 74 registered holiday parks nationally, though are still based on individual owner/operator models. Because of this, it is assessed the actual market share and control of these brands is significantly diluted.

¹⁹ [s 6(a)]

²⁰ Case 202000405.

²¹ BRF 21-218 Supplementary OIO National Interest Assessment – 202000405.

²² Personal communication between OIO and MBIE, 26 July 2022 0846hrs (A4971091).

²³ <https://www.holidayparks.co.nz/find-a-park>, accessed 30 June 2022.

44. Initial analysis of all registered holiday parks in New Zealand indicates the sector is highly fragmented with no single individual holding a significant market share. Most (82.2%) registered holiday parks are assessed to be New Zealand-owned. It is assessed this ownership pattern likely extends to unregistered holiday parks, though this remains unconfirmed.²⁴

45. Tasman Tourism's current portfolio of five holiday parks in New Zealand equates to approximately [s 9(2)(b)(ii)]

46. [s 6(a)], [s 9(2)(ba)(ii)], [s 9(2)(d)]

47. [s 6(a)], [s 9(2)(ba)(ii)], [s 9(2)(d)]

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

49. It is considered likely that future holiday park acquisitions by Tasman Tourism will require consent and be subject to National Interest Assessment by the OIO, therefore enabling ongoing insight of aggregation risk. However, not all holiday parks are located on sensitive land, and some future acquisitions of holiday parks will not require consent. As mitigation, LINZ can periodically, proactively monitor for changes in overseas ownership across this sector, particularly where acquisitions may not trigger consent requirements.

50. This information will be provided to you to add context as a component of any future National Interest Assessments within this sector.

Positive impacts

51. We consider the transaction could have some positive impacts on New Zealand's economy and society by providing an injection of capital from overseas.

²⁴ [s 6(a)], [s 9(2)(ba)(ii)], [s 9(2)(d)]

²⁵ BRF 21-218 Supplementary OIO National Interest Assessment – 202000405.

²⁶ Categorised by Holiday Parks New Zealand as follows: 19 in Bay of Plenty, 8 in Rotorua.

²⁷ *Ibid.*

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52. We note from the ministerial briefing (BRF 21-195) dated 26 November 2020 for the Te Anau holiday park transaction (OIO case 202000405) that Treasury has advised that a key part of the Government's Economic Plan is to create deeper pools of capital available to New Zealand businesses, to invest in infrastructure and grow New Zealand's productive assets, including tourism accommodation. While access to capital is not a key part of the Government's tourism strategy, the tourism sector is one of the most negatively impacted by COVID-19 and there are new investment related issues that have arisen since the strategy was published in 2019. Investments will be particularly important to the sector while COVID-19 is having a negative impact.
53. We also note from the ministerial briefing above, that, from the perspective of the New Zealand-wide economy, the key market impact for this transaction will be a small increase in competition in what is already a competitive market. This may marginally help improve services in some locations.

Applicant's offer of benefits on the Land

54. The Applicant still must obtain renewal of the Lease but has submitted that it is confident of its ability to do so. The risk of renewal lies with the Applicant. We have conditioned the Applicant to obtain renewal of the Lease in Special Condition 2, which the Applicant has agreed to.

55. [s 9(2)(b)(ii)]
[Redacted text]

56. [s 9(2)(b)(ii)]
[Redacted text]

57. For this transaction, the other benefits submitted are:
- a. a commitment to operate the business as a holiday park for the foreseeable future;
 - b. increased export receipts of approximately \$ [s 9(2)(b)(ii)] per year from international visitors (though it is uncertain if the additional capital investment will result in increased spending by international visitors or simply provide an alternative option for tourists) and increased productivity from installing additional cabins;
 - c. creation of additional jobs through tradespeople working on the initiatives proposed for the Ohiwa Beach Holiday Park;
 - d. consequential benefits via improving marketing through a revamped website and greater efficiency through the use of a corporate model rather than an individual owner-operator model under the current state; and
 - e. advance a significant government policy regarding tourism.

58. Overall, we consider there to be some benefit arising from the Proposed Transaction through the injection of capital into the tourist accommodation sector and the operation of the Holiday Park alongside other parks, creating benefits from some export receipts and a more efficient corporate platform.

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Likely fair market value for Proposed Transaction

59. We consider that it is likely that fair market value was offered for the Proposed Transaction.²⁸ The Vendors have confirmed that the purchase price reflects current market value, and that the sale is not being made because of financial hardship. However, the Vendors also submitted that they do not have sufficient funds or assets outside of the business to continue to grow the business and they preferred to sell the holiday park to an experienced and well financed operator.

International relations

The Government considers the extent to which investments pose risks to New Zealand's public order or international relations.

60. [s 6(a)]

[s 6(a)]

61. [s 6(a)]

[s 6(a)]

62. Overall, the United Arab Emirates (**UAE**) is an important economic partner for New Zealand. It is our 12th largest trading partner, with two-way goods trade reaching NZ\$3.33 billion in 2021. It is also an important hub for New Zealand companies doing business with the wider Middle East and beyond. The UAE actively invests in very large quantities offshore through a range of investment companies, sovereign wealth funds, and government-related entities, including in large infrastructure projects (roads/rails/ports), hospitality, and the tourism industry. [s 6(a)]

Alignment with New Zealand's values and interests

The Government will consider the extent to which an investment supports broader Government priorities and policy settings and New Zealand's values.

63. [s 6(a)]

[s 6(a)]

64. [s 6(a)]

²⁸ Based on relative size and location of other acquisitions, the value of the Proposed Transaction is not assessed as unusually low.

²⁹ Personal communication between OIO and MFAT, 1 August 2022 1648hrs (A4974461).

³⁰ <https://www.amnesty.org/en/countries/middle-east-and-north-africa/ united-arab-emirates/report-united-arab-emirates/> and <https://www.fatf-gafi.org/media/fatf/documents/reports/mer4/Mutual-Evaluation-Report-United-Arab-Emirates-2020.pdf>

65. [s 6(a)]

Other factors: Non-New Zealand government investor

66. Applying a national interest assessment to this application is mandatory due to the non-New Zealand Government ownership of the investors, being the Abu Dhabi Government [s 9(2)(b)(ii)]. Our assessment of the risk associated with this non-New Zealand government ownership is as follows:

Guidance note factors	Assessment
[s 6(a)]	

[s 6(a)] accessed 1 August 2022.

[s 6(a)]

67. [s 6(a)]

Summary of Analysis

68. [s 6(a)]

69. The Proposed Transaction is assessed to pose a low risk to the economy and society and is likely to have some positive economic and social impacts. There are sufficient benefits on offer (including a commitment to spend at least \$ [s 9(2)(b)(ii)] developing the Land) to provide a positive impact on New Zealand's tourism industry going forward.

70. [s 6(a)]

71. It is considered likely future holiday park acquisitions by Tasman Tourism will be subject to consent and National Interest assessment by the OIO, enabling ongoing management of the market aggregation risk. However, not all holiday parks are located on sensitive land, and some future acquisitions of holiday parks will not require consent. The OIO will periodically monitor for changes in overseas ownership across the sector, including acquisitions that may not trigger consent requirements, and will incorporate findings into subsequent national interest assessments for your consideration and to ensure aggregation risks can be managed as much as possible. [s 6(a)]

Recommendation and Next Steps

72. Please consider whether additional conditions are required to address any risks posed by the Proposed Investment. If you do not consider that conditions are required, the Proposed Investment will be managed under the standard conditions set out in the Proposed Consent Decision (**Attachment 2**).

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73. There are a range of actions available. Given the low risk of the transaction, we recommend the following action be taken:

Decision	Conditions/Notes	Rationale
Not contrary to New Zealand's national interest	None	The low risks and existing mitigations do not justify any further conditions.

Attachments

1. Letter from consent decision-maker.
2. Proposed consent decision.
3. Cadastral map.
4. [s 6(a)]
5. [s 6(a)]

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Attachment 1 – Letter from Marcus McMillan 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 2 – Proposed consent decision

Consent for Overseas Person to Acquire Leasehold Interest in Sensitive Land in New Zealand

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

Consent

Decision date: **[THIS APPLICATION HAS NOT YET BEEN DECIDED]**

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 GS6A/339 554901 (Gisborne).
Timeframe	You have until 31 August 2023 to acquire a leasehold interest in the Land.

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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. 2. [s 9(2)(b)(ii)] [Redacted] (a) \$ [s 9(2)(b)(ii)].	1. By 31 January 2025. 2(a) [s 9(2)(b)(ii)] 2(b) [s 9(2)(b)(ii)]

<p>(b) \$ [s 9(2)(b)(ii)] .</p> <p>3. [s 9(2)(b)(ii)]</p> <p>[s 9(2)(b)(ii)]</p> <p>[s 9(2)(b)(ii)]</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) [s 9(2)(b)(ii)] .</p> <p>3(b) [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"> 1. 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 2. using the acquisition, ownership and control structure you described in your application. <p>Note, only you – the named Consent holder – may acquire leasehold interest in the Land, not your subsidiary, trust or other entity.</p>	As stated in the Consent

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Standard condition 2: tell us when you acquire the leasehold interest in the Land	
<p>You must tell us in writing when you have acquired 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, and4. copies of any transfer documents and Settlement statements.	<p>As soon as you can, and no later than two months after Settlement</p>
Standard condition 3: allow us to inspect the Land	
<p>Sometimes it will be helpful for us to visit the Land so we can monitor your compliance with the Conditions.</p> <p>We will give you at least two weeks' written notice if we want to do this.</p> <p>You must then:</p> <ol style="list-style-type: none">1. Allow a person we appoint (Inspector) to:<ol style="list-style-type: none">(a) enter onto the Land, including any building on it, other than a dwelling, for the purpose of monitoring your compliance with the Conditions (Inspection),(b) remain there as long as is reasonably required to conduct the inspection,(c) gather information,(d) conduct surveys, inquiries, tests and measurements,(e) take photographs and video records, and(f) do all other things reasonably necessary to carry out the Inspection.2. Take all reasonable steps to facilitate an Inspection including:<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>

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<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>

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Standard condition 6: dispose of your interest in the Land if you do not comply with key special conditions	
<p>Some of the special conditions were key to the decision to give consent. If we consider you have failed to comply with one of those Special conditions in a material way we may require you to dispose of your interest in the Land.</p> <p>If all or part of this standard condition 6 applies to a special condition, we have said so in that condition.</p> <p>We will give you written notice if we require you to dispose of your interest in the Land. After we have given you notice, you must:</p>	
<p>Value the Land: obtain and send us a copy of a market valuation of the interest in the Land from a New Zealand registered valuer.</p>	<p>Within six weeks of the date of our notice.</p>
<p>Market the Land: instruct a licensed real estate agent to actively market the interest in the Land for sale on the open market.</p>	<p>Within six weeks of the date of our notice.</p>
<p>Dispose of the Land: dispose of your interest in the Land to a third party who is not your associate.</p>	<p>Within six months of our notice.</p>
<p>Offer without reserve: if you have not disposed of 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.</p>	<p>Within nine months of our notice.</p>
<p>Report to us about marketing: tell us in writing about marketing activities undertaken and offers received for the interest in the Land.</p>	<p>By the last day of every March, June, September and December after our notice or at any other time we require.</p>
<p>Report disposal to us: send us, in writing, evidence:</p> <ul style="list-style-type: none"> (a) that you have disposed of 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. 	<p>Within one month after the interest in the Land has been disposed of.</p>

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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

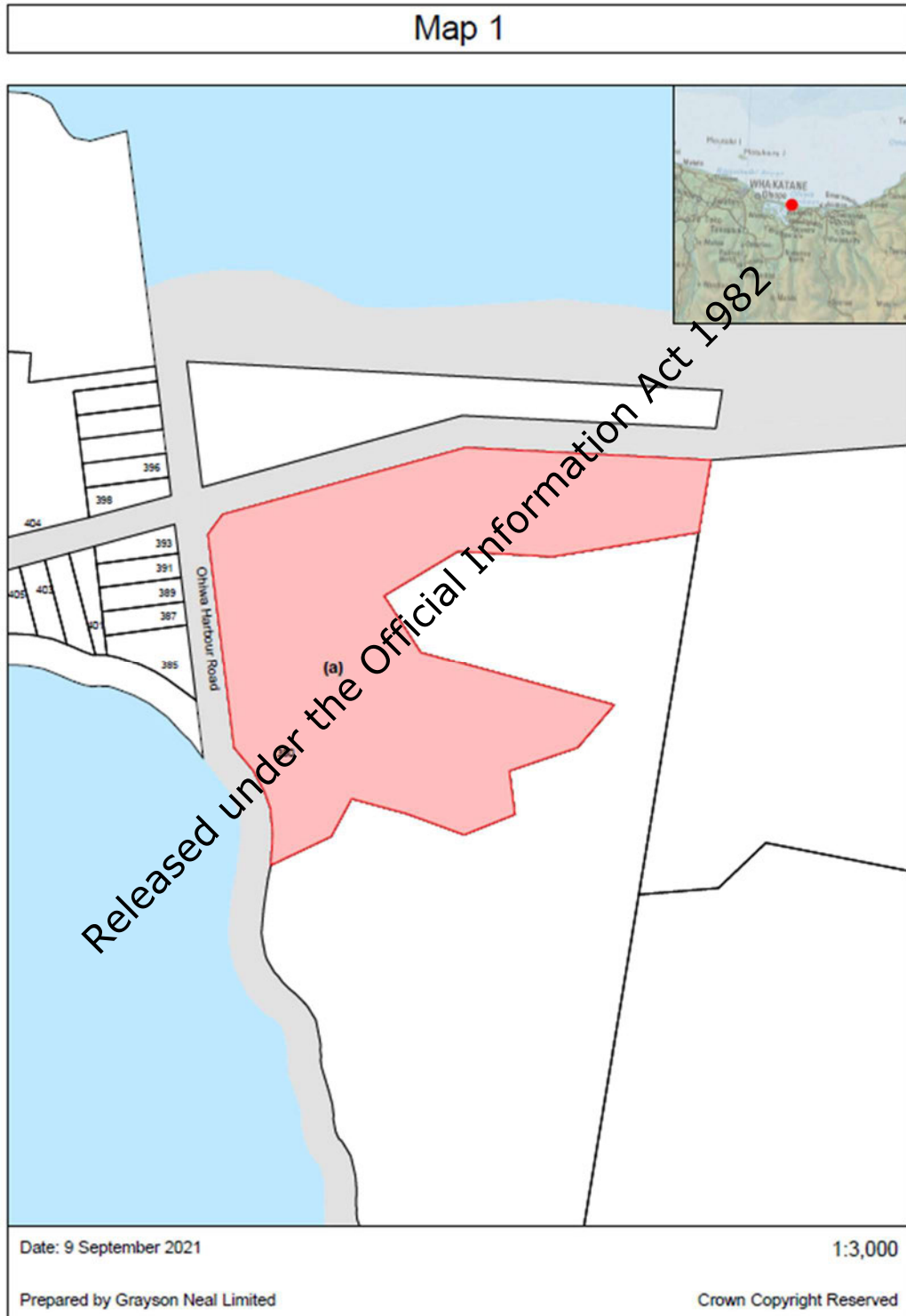
If requested in writing by the OIO, the Consent Holder(s) must provide a written report within 20 working days (or such other timeframe as specified) on any matter relating to its compliance with:

- 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

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Attachment 3 – Cadastral map

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:



Attachment 4 – OIO likelihood and consequence risk matrix

[s 6(a)]



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Attachment 5 [s 6(a)]

[s 6(a)]

4 August 2022

[s 6(a)]

Context

1. [s 6(a)]

2. [s 6(a)]

3. [s 6(a)]

[s 6(a)]

4. [s 6(a)]

5. [s 6(a)]

Methodology & Scope

6. [s 6(a)]

7. [s 6(a)]

8. [s 6(a)]

Overview

9. [s 6(a)]

10. [s 6(a)]

³⁷ Tasman Tourism’s application submission (Case 202200068 A4804478) referenced “an acquisition strategy to build a portfolio of holiday parks in New Zealand and Australia”.

³⁸ Case 202200069.

³⁹ <https://www.holidayparks.co.nz/>, accessed 30 June 2022.

⁴⁰ Personal communication between OIO and TNZ, 3 December 1558hrs (Case 202200405 A4287798).

Table 1: [s 6(a)]

[s 6(a)]

Findings

11. [s 6(a)]
[Redacted text block]
12. [s 6(a)]
[Redacted text block]
13. [s 6(a)]
[Redacted text block]

Table 2: [s 6(a)]

[s 6(a)]

14.

[s 6(a)]

15.

[s 6(a)]

Information Gaps

16.

[s 6(a)]

17.

[s 6(a)]

[s 6(a)]

Administration

Document Control

<i>Version</i>	<i>Date</i>	<i>Author</i>	<i>Description of change</i>
1.0	4 August 2022	738019	Original

[s 6(a)]
[Redacted]

Information Use Notice

[s 6(a)]
[Redacted]

1982

[s 6(a)]
[Redacted]

[s 6(a)]
[Redacted]

[s 6(a)]



[s 6(a)]



[s 6(a)]



[s 6(a)]

