

To: Hon Dr Megan Woods, Associate Minister of Finance
 Hon Damien O'Connor, Minister for Land Information

ASSESSMENT REPORT: RCL Henley Downs Limited

Date	5 April 2023	Classification	IN CONFIDENCE: Commercially sensitive
LINZ reference (Report reference)	202200486 (BRF 23-249)	Deadline	Commercial Deadline: 28 April 2023 Statutory Deadline: 16 June 2023

Purpose

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

Action sought

1. Review this report and consult with each other if desired.
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 16 June 2023 to enable the decision to be communicated to the Applicant in compliance with the prescribed statutory assessment timeframe.

The Applicants' commercial deadline is **28 April 2023**. The Applicant has requested a decision by **23 April 2023**. The Applicant claims this commercial deadline cannot be extended.

Toitū Te Whenua Land Information New Zealand Contacts

Name	Position	Contact	First contact
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Bryda Chamberlain	Solicitor	+6444717350	<input type="checkbox"/>

A. Summary

1. RCL Henley Downs (the **Applicant**)¹ is a subsidiary of RCL Real Estate (**RCLRE**), which is a part of the Torchlight Group (**Torchlight**) and ultimately owned by Pyne Gould Corporation Limited (**PGC**), a TISE² listed company. RCLRE is an experienced residential property developer in New Zealand and Australia.
2. The Applicant is seeking consent to acquire approximately 163.4640 hectares of land (**Land**) at Homestead Bay, State Highway 6, Queenstown (the **Investment**). The Applicant plans to develop a residential community, comprising between 1,700 and 2,300 residential sections, neighbourhood retail, education and community assets. This development will be similar to the Applicant's existing Jack's Point residential development, Hanley's Farm.³
3. For the reasons set out in this report, our recommendation is to **grant consent**.

Key Information

Applicant	RCL Henley Downs Limited (New Zealand 71.18%) (United States of America 13.20%) (United Kingdom 8.65%) (Cayman Islands 5.31%) (Australia 1.66%)
Vendors	Lot 8 LP (New Zealand 78.66%) (Hong Kong 21.34%)
Land	Approximately 163.464 hectares of land located at Homestead Bay, State Highway 6, Queenstown, contained in Record of Title 555575
Consideration	\$70,000,000
Sensitivity	Is more than 5 hectares of non-urban land Includes residential land
Relevant tests	Investor test: s18A Benefit to NZ test – residential land outcome; farm land benefit test s16A(1C); 16(1)(b). National interest test: s16(1)(g)

Timing

4. The Overseas Investment Regulations 2005 specify the total assessment timeframe for this application is 100 working days. The assessment timeframe was extended on 14 February 2023 for 30 working days to account for extensive agency consultation, detailed from page 18. This application is currently on day **82**, therefore a decision is due to the Applicant by 16 June 2023. However, we recommend a decision is made by **28 April 2023**, being the Applicants' commercial deadline, which they claim is unable to be extended.

¹ Incorporated in 2013.

² The International Stock Exchange-a stock exchange headquartered in St. Peter Port, Guernsey. The TISE provides a listing facility for international companies to raise capital from investors worldwide

³ More information can be found here: <https://hanleysfarm.nz/>.

B. Decision

Core tests

5. I determine that:

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

Relevant overseas person	Role
Torchlight GP Limited	Torchlight Group's General Partner
RCL Henley Downs Limited	The Applicant
RCL Real Estate Pty Limited	100% owner of the Applicant
Torchlight Fund LP	Torchlight Group's Limited Partner
9(2)(b)(ii)	Tranche 2 Lender
9(2)(b)(ii)	Owner of the Ordinary Tranche Lender and Tranche 2 Lender

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

Individuals with control	Role
George Charles Desmond Kerr ⁴	Director of Torchlight GP Limited, member of the Torchlight Fund Investment Committee
Warwick David Wightman	Director and CEO of RCL Henley Downs Limited, Director and CEO of RCL Real Estate PTY Limited
Russell James Naylor	Director of RCL Henley Downs Limited, and Torchlight GP Limited, and member of the Torchlight Fund Investment Committee
Noel John Kirkwood ⁵	Director of RCL Henley Downs Limited
9(2)(a)	Director of 9(2)(b)(ii)
9(2)(a)	
9(2)(a)	
9(2)(a)	
9(2)(a)	
9(2)(a)	
9(2)(a)	
9(2)(a)	
9(2)(a)	
9(2)(a)	Director of the Tranche 2 Lender

⁴ IWC is a New Zealand citizen, so is not subject to the investor test.

⁵ IWC is a New Zealand citizen, so is not subject to the investor test.

9(2)(a)	
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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 has been met.

Hon Dr Megan Woods

Hon Damien O'Connor

Agree

Agree

Disagree

Disagree

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

- 7.1 the criteria for consent in sections 16 and 16A have been met;
- 7.2 the overseas investment will, or is likely to, benefit New Zealand (or any part of it or group of New Zealanders);
- 7.3 the benefit is proportionate to the sensitivity of the land and the nature of the transaction;
- 7.4 the benefit will be, or is likely to be, substantial in relation to one of more of the factors of high relative importance for farm land; and
- 7.5 the conditions relating to residential land to be imposed on the consent in accordance with section 16B will be, or are likely to be, met.

Hon Dr Megan Woods

Hon Damien O'Connor

Agree

Agree

Disagree

Disagree

National interest assessment

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

Hon Dr Megan Woods

Hon Damien O'Connor

Noted

Noted

The next steps depend on whether Ministers are satisfied that the core tests above have been met.

Decision about whether to grant or decline consent

9. My ultimate decision is to:

Hon Dr Megan Woods

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

Grant consent with amended conditions provided on:

Decline consent



Hon Dr Megan Woods

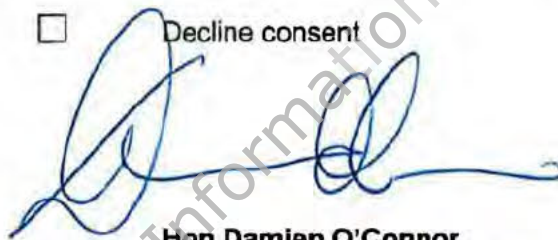
Date: 26 / 4 / 23

Hon Damien O'Connor

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

Grant consent with amended conditions provided on:

Decline consent



Hon Damien O'Connor

Date: 15 / 4 / 23

Released under the Official Information Act 1982

C. Background and the Investment

10. The Applicant seeks consent to acquire the Land from the Vendor, who is not the registered owner of the Land, but has an equitable interest in it. The Vendor's interest in the Land is via an unconditional agreement to acquire the Land, dated 3 May 2021 between Homestead Bay Trustees Limited and the current registered proprietor of the Land, Remarkables Station Limited. Homestead Bay has nominated the Vendor, Lot 8 LP to complete the original purchase from Remarkables Station Limited and sell the Land.⁶
11. Homestead Bay's original plan was to develop the Land, however, due to internal complications⁷, they have resolved to sell the land.
12. 9(2)(b)(ii) [REDACTED]

Land

13. The Land is located at Jack's Point in Queenstown, near Homestead Bay and Drift Bay. The Land is currently categorised as 'Lifestyle-Bare land' under the District Valuation Roll. The Queenstown Lakes District Council (QLDC) District Plan zones the Land as a mixture of rural and residential and the QLDC Spatial Plan has identified the land for future urban development.
14. The Land appears to be mostly flat with grass cover. The Land also has gullies and bluffs which contain mixed scrubland and ephemeral¹⁰ waterways.
15. The Land has historically been leased to a local farming couple for livestock grazing. This lease has expired. The Land is currently being used as part of a skydiving operation. Further details are contained from paragraph 83.
16. Below at *Figure 1* is an aerial photograph of the Land. This picture outlines the Land (in red) to be acquired by the Applicant.

⁶ The Vendor has been in a court sanctioned mediation with QLDC over proposed zoning changes for the Land. These negotiations stalled over unresolved positions between the parties in relation to the potential site yield and the provision and funding of infrastructure.

⁷ Homestead Bay explained that an internal loss of human resource and difficulty in financing the transaction lead to their decision to sell the Land.

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

¹⁰ An ephemeral stream is a temporary stream that only flows for a brief period as a direct result of precipitation.



Figure 1

Crown Land

17. The Land is situated close to Lake Wakatipu, with a narrow parcel of **Crown Land**¹¹ separating the Land from Lake Wakatipu. The Crown Land is shown below at *Figure 2*. The Crown Land extends beyond the Land, from Drift Bay for several kilometres towards Frankton.



Figure 2

18. This Crown Land is managed by LINZ and is subject to agreements with various parties:

- The Coneburn Water Supply Company Limited has an easement over the Crown Land; and
- A Management Agreement has been entered into between LINZ and the Department of Conservation (**DOC**) for a walking and mountain biking track on the Crown Land;

19. The above activities are not expected to have any material effect on the Land.

20. In addition to this, there are currently **two** applications sitting with LINZ Crown Property for licenses to occupy the Crown Land. These licenses are for grazing, cropping, and

¹¹ Pursuant to the Land Act 1948, Record of Title 287395.

recreation (jetty/boat ramp activities). These licenses to occupy are not situated directly adjacent to the Land, therefore would not result in the need for access through the Land.

Fresh or Seawater areas

21. The Land does not contain any Fresh or Seawater areas.

No build zone

22. The Land is subject to a land covenant over the title which stipulates a no build zone, marked as A at *Figure 3* below.

23. This area is approximately 5.4 hectares. In the Applicants' current draft development plan, this space has been set aside for a community park.

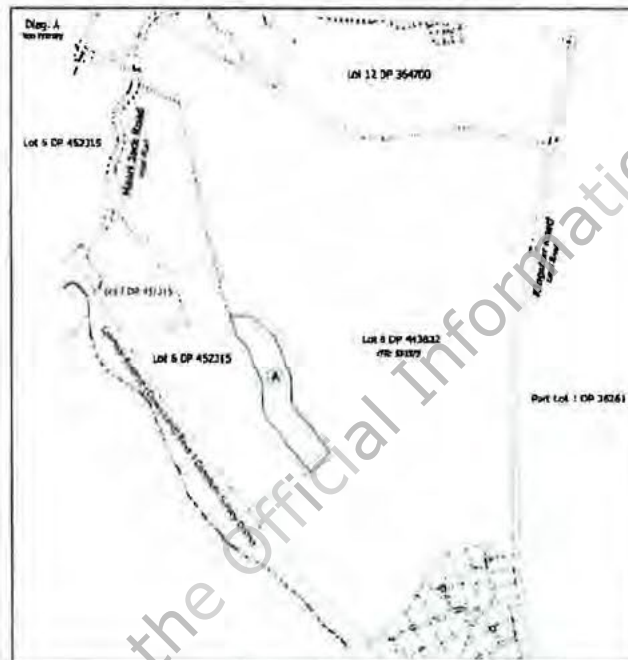


Figure 3

24. Additional images of the Land and wider location can be found in **Attachment 4**.

D. Application of the Act

25. The Land is sensitive because it is non-urban land over 5 hectares in size and residential land,¹² so consent is required.¹³ The following criteria for an investment in sensitive land apply to this application:¹⁴

- The investor test must be met.¹⁵
- The benefit to New Zealand test must be met.¹⁶
- The farm land offer test must be met.¹⁷

¹² Table 1, Part 1, Schedule 1 of the Act.

¹³ Under sections 10(1)(a) and 12(a)(i) of the Act.

¹⁴ Set out in section 16(1) of the Act.

¹⁵ Section 18A / 16(1)(a) of the Act.

¹⁶ Section 16(1)(e)

¹⁷ Section 16(1)(f) of the Act.

- 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.¹⁸
26. 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;¹⁹ and
 - determine that benefit will be, or is likely to be, substantial in relation to one of more of the factors of high relative importance for farm land²⁰ (unless the farm land benefit test is disapplied²¹); and
 - because the Land is residential:
 - determine a residential land outcome;²²
 - apply conditions of consent for the residential land outcome; and
 - be satisfied that those conditions are likely to be met.²³
27. We assess the investor test in Part E, the benefit to New Zealand test in Part F, discuss national interest matters in Part G and assess the farm land offer test in Part H.

E. Applicant and investor test

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

Business Activities

RCLRE and the Applicant

29. RCLRE invests in residential land subdivisions and property development across Australia and New Zealand. It is actively developing 10 residential projects across Australia and New Zealand. RCLRE's annual gross sales turnover exceeds AUD\$100 million.
30. The majority of RCLRE's New Zealand operations are owned by the Applicant, which owns and is developing Hanley's Farm in Queenstown.²⁴ Hanley's Farm is situated within close proximity to the Land, located within the Jack's Point Resort Zone²⁵ on SH6. The development comprises approximately 135 hectares of land, with 1750 residential sections.
31. RCLRE's long term strategy is to become a more vertically integrated developer and builder of medium and higher density projects. As a part of this, RCLRE has recently established a modular housing manufacturing facility in Melbourne and has plans to do the same in Otago.

Torchlight and Pyne Gould Corporation

32. PGC is a wealth management business focused on investments in the United Kingdom, Australia and New Zealand. Torchlight is PGC's New Zealand investment business. PGC's website states that Torchlight "*manages and co-invests in proprietary funds focused on non-traditional investment opportunities*".²⁶

¹⁸ Section 16(1)(g) of the Act.

¹⁹ Section 16A(1)(a) of the Act.

²⁰ Section 16A(1C)(b) of the Act. This criterion applies because the Land is farm land over 5 ha in size.

²¹ Section 16A(1D) of the Act.

²² Section 16B(3)(a). The Act specifies a range of outcomes to choose from in clause 19, Schedule 2 of the Act.

²³ Section 16A(1)(b) of the Act.

²⁴ See footnote 3.

²⁵ Under the QLDC District Plan.

²⁶ <http://www.pgc.co.nz/>.

33. Torchlight received consent in 2011 for the acquisition of approximately 173.0438 hectares of land at Jack's Point and Wanaka East.²⁷

Torchlight Group Investigation

34. The Torchlight Group was the subject of a LINZ investigation in 2018. This investigation was opened after claims that Torchlight may have acquired several properties using a transaction structure deliberately designed to circumvent the Act.
35. LINZ Enforcement dropped the investigation on pragmatic grounds as no evidence of a breach of the Act was found. The Torchlight Groups' current application for consent to acquire the Land signals compliance and understanding with the Act.

The Lender

36. The Lender is made up of entities ultimately owned by 9(2)(b)(ii)

Ownership

The Applicant

37. The Applicant is a New Zealand incorporated company, and wholly owned subsidiary of RCLRE. RCLRE is an Australian incorporated company, 100% owned (through one subsidiary³⁰) by the Torchlight Real Estate Group.
38. The Torchlight Real Estate Group is wholly owned by Torchlight Fund L.P. (Cayman Islands) which is majority owned (83.04%) and managed by Torchlight. The other 16.96% is held by passive investors. Of these passive investors, only one entity has a more than 5% interest, 9(2)(b)(ii)
39. Torchlight is ultimately owned by Pyne Gould Corporation Limited (PGC), a TISE³¹ listed company. 46.19% of PGC's shares are widely held, with two interests over 5%.³²
40. The remaining 53.81% of PGC is held by an entity named 'Chase Nominees' who act as a custodian for George Kerr's interests. George Kerr is a New Zealand citizen and the Managing Director of PGC, and through his related interests holds a 68.54% ownership interest in PGC.
41. A diagram of the intended ownership structure is in **Attachment 2**.

The Lender

42. The investment will be funded by the Lender. The Lender is comprised of two entities, 9(2)(b)(ii) (Tranche 2 Lender) and 9(2)(b)(ii) (Ordinary Tranche Lender).
43. The Tranche 2 Lender has been included as an ROP as it is 9(2)(b)(ii)
44. 9(2)(b)(ii)

²⁷ Case number 201110032.

²⁸ 9(2)(b)(ii)

³⁰ RCL Real Estate Pty Ltd.

³¹ See footnote 2.

³² 9(2)(b)(ii)

45. The Limited Partnership with direct ownership of the Lender is [REDACTED] 9(2)(b)(ii). This entity is owned by passive investors. The beneficial owners with an over 5% interest are as follows:

- [REDACTED] 9(2)(b)(ii)
- [REDACTED] 9(2)(b)(ii)
- [REDACTED] 9(2)(b)(ii)
- [REDACTED] 9(2)(b)(ii)
- [REDACTED] 9(2)(b)(ii)

46. Despite the presence of foreign government investors, [REDACTED] 9(2)(b)(ii) is not a non-New Zealand government investor under the Act. The revised national interest test³³ alters the threshold to 25% (from 10%) and only adds relevant government interests from the same country.

47. A diagram of this intended ownership structure can also be found in **Attachment 2**.

Control

The Applicant

48. The Torchlight Fund L.P. (the LP), through its investment committee (the **Torchlight Fund Investment Committee**), ultimately approved the acquisition of the Land and will approve any divestment of the Land. The Torchlight Fund Investment Committee approved the transaction on the recommendation of the CEO of RCLRE.
49. The acquisition of the Land was then actioned by RCLRE and the Applicant, on direction of the general partner, Torchlight GP Limited (the GP). The GP also manages the structure for Torchlight Fund, but ultimate approval sits with the LP.³⁴
50. The members of the Torchlight Fund Investment Committee are also directors of PGC. Despite this, PGC does not have any decision making powers over the investment. There is no direct control by PGC over the approvals made by the Torchlight Fund Investment Committee. As such they have not been selected as an ROP entity.
51. George Kerr, with a 53.81% interest in PGC, is an ultimate beneficial owner of the Applicant. George Kerr will act and make decisions over the investment in his capacity as a member of the Torchlight Fund Investment Committee and Director of the GP, and not in his capacity as a majority ultimate beneficial owner.
52. The limited partners of the LP are excluded from day to day management and investment making decisions. The limited partners do have the power to remove and replace the general partner and seek a dissolution of the LP on a 75% vote. However, we do not consider the limited partners are ROP's for the investment because they have no control

³³ As a result of the Overseas Investment Amendment Bill (No 3).

³⁴ The Applicant has informed us that the term of the LP has ended. The LP will continue in existence for the foreseeable future. The Applicant submits that a dissolution path has not yet been confirmed, but that upon dissolution, it is likely the Limited Partners with shares in the LP will gain the same percentage shares in the Torchlight Real Estate Group.

over investment or divestment decisions, or approvals of significant capital and operating expenditure by the Applicant.

53. The IWC's for the transaction are the directors of the Applicant³⁵; the CEO of RCLRE³⁶ and the members of the Torchlight Fund Investment Committee³⁷ (who are also Directors of the GP).

The Lender

54. The Lender has limited control powers. Under the Tranche 2 Lenders loan agreement, the Tranche 2 Lender approves any updates to the project strategy and budget. This was not determinative to the decision to capture the Tranche 2 Lender, which was made because of the Tranche 2 Lender's 9(2)(b)(ii)

55. 9(2)(b)(ii)

56. The IWC's for the transaction are directors of 9(2)(b)(ii)³⁸ and the directors of the Tranche 2 Lender.

Relevant overseas person and individuals with control

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

Relevant overseas person	Role
Torchlight GP Limited	Torchlight Group's General Partner
RCL Henley Downs Limited	The Applicant
RCL Real Estate Pty Limited	100% owner of the Applicant
Torchlight Fund LP	Torchlight Group's Limited Partner
9(2)(b)(ii)	Tranche 2 Lender
9(2)(b)(ii)	Owner of the Ordinary Tranche Lender and Tranche 2 Lender

58. We recommend that the 'individuals with control of the relevant overseas person' (IWC)³⁹ are:

Individuals with control	Role
George Charles Desmond Kerr ⁴⁰	Majority ultimate owner of Applicant; Director of Torchlight GP Limited, member of the Torchlight Fund Investment Committee
Warwick David Wightman	Director and CEO of RCL Henley Downs Limited, Director and CEO of RCL Real Estate PTY Limited

³⁵ Russell Naylor and Noel Kirkwood.

³⁶ Warwick Wightman.

³⁷ George Kerr and Russel Naylor.

³⁸

³⁹ Section 15.

⁴⁰ IWC is a New Zealand citizen, so is not subject to the investor test.

Russell James Naylor	Director of RCL Henley Downs Limited, and Torchlight GP Limited, and member of the Torchlight Fund Investment Committee
Noel John Kirkwood ⁴¹	Director of RCL Henley Downs Limited
9(2)(a)	Director of 9(2)(b)(ii)
9(2)(a)	
9(2)(a)	
9(2)(a)	
9(2)(a)	
9(2)(a)	
9(2)(a)	
9(2)(a)	
9(2)(a)	
9(2)(a)	
9(2)(a)	Director of the Tranche 2 Lender

Summary of investor test

59. The relevant overseas persons and individuals with control established none of the factors contained in section 18A(4) of the Act.
60. Our conclusion is that **the investor test has been met.**

F. Investment plan and benefit to NZ test

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

Investment plan

62. The Applicant plans to develop a residential community, comprising between 1,700 and 2,300 residential sections, neighbourhood retail, education and community assets. The Applicant claims the Land is the largest tract of undeveloped land within the southern growth corridor in the Queenstown catchment.⁴²
63. The proposed scheme plan for the Land and housing examples are provided at **Attachment 5**. Note that a detailed scheme plan showing placement and location of infrastructure for the development cannot be provided at this stage, as the Applicant has stated that further planning and investigative works would be required before a detailed development plan can be finalised. This work will commence at the resource consent stage of the development.
64. As mentioned above from paragraph 22, the Applicant will be unable to build in the no build zone which is currently planned as a community park.

⁴¹ IWC is a New Zealand citizen, so is not subject to the investor test.

⁴² Southern area of Queenstown, earmarked in the Queenstown Lakes District Council Spatial Plan for future urban development.

Hanley's Farm

65. The Applicant proposes to develop the Land to a similar standard and fashion as it's Hanley's Farm development. The Applicant has been developing Hanley's Farm since 2014.
66. Hanley's Farm covers approximately 135 hectares and includes 1750 subdivided lots. The Applicant has sold the majority of these lots, with 300 remaining.
67. Hanley's Farm is being developed in stages. At any one time Hanley's Farm has 250 residential sections under development. Similarly, the Applicant also plans to develop the Land in stages. The Hanley's Farm development was scheduled to be completed by 2035, but is currently 10 years ahead of schedule, with completion expected in 2025.
68. The Applicant submits the Hanley's Farm development has invested heavily in community infrastructure, focusing on recreation spaces, including a substantial playground and pump track facilities, active exercise infrastructure and community gardens. Hanley's Farm also houses a state school. The Applicant envisages providing similar levels of infrastructure and community facility assets on the Land.
69. At Hanley's Farm, the Applicant sells subdivided residential lots to third party purchasers who are subject to covenants requiring them to build on the section within 4 years before they can sell the property. It is intended that residential lots at Henley Downs will be subject to similar covenants.

Earmark for future urban development

70. QLDC has identified the Land as suitable for future urban development in their July 2021 spatial plan. Future urban areas are areas that QLDC expects to change from rural to urban in the next 30 years. QLDC states that urbanisation of these areas will be phased with the delivery of enabling infrastructure.⁴³
71. The spatial plan identifies these areas with consideration to integration with existing urban development; proximity to frequent public transport network, support for local services; community facilities and the provision of more affordable housing choices.
72. The plan also notes that *"the scale of these areas present opportunities to master plan new neighbourhoods focused around public transport, walking and cycling and well-designed medium and high-density dwellings that will provide more housing choices for residents."*

Plan change

73. Under the QLDC District Plan, the Land is currently zoned as a mixture of rural and residential land.⁴⁴ In order for the Applicant to develop on the Land, the rural land must be re-zoned to residential.
74. The Applicant plans to either:
 - Seek for QLDC to apply for a Streamlined Planning Process through Central Government (approx. **18 months**); or
 - alternatively, to apply for a private plan change or variation to the current operative QLDC District Plan (approx. **30 months**).
75. The Applicant was successful in obtaining a private plan change in 2016 for the Hanley's Farm development.

⁴³ [gldc the-spatial-plan-a4-booklet-jul21-final-web-for-desktop.pdf \(linz.govt.nz\)](#).

⁴⁴ As shown at Figure 5 below.

Timing

76. Once the plan change is achieved, the Applicant claims the development of the entire subdivision, through to sell down of completed subdivided residential lots to third party purchasers (expected to be predominantly New Zealand resident owner occupiers), will take 10 years.

Infrastructure

77. The barrier to development on the Land to date has been the funding and delivery of key infrastructure to enable the Land and some smaller sites within the catchment to connect to the QLDC infrastructure.
78. The estimated cost of this external infrastructure is \$50 million. QLDC does not have the budget capacity to fund this infrastructure and the existing land owners in the catchment do not have the capacity or willingness to fund and construct these assets.
79. The Applicant states they have developed a strong working relationship with QLDC to help deliver the Hanley's Farm project, which has included the Applicant constructing significant community infrastructure assets, at its own cost.
80. The Applicant has advised QLDC that it will fund and deliver the external infrastructure required for the southern growth corridor (which includes Homestead Bay) that QLDC has identified as necessary for the development of this corridor, consistent with its spatial plan. The cost of this is estimated at an excess of NZD\$50 million. These assets will then be vested in QLDC.

Likelihood of development proceeding

81. The current barriers to development on the Land are the lack of infrastructure and need for a plan change. We are satisfied that the Applicant has provided sufficient details of their plans to overcome these barriers and its ability to do so is evidenced by the Hanley's Farm development, where the Applicant faced the same barriers.

Jobs

82. The Applicant has estimated the Investment will result in an increase of approximately 252 jobs for some or all of the 14 year project.
83. Of this 252, 82 are claimed will be created in ongoing roles (which extend beyond the life of the project). These include two permanent FTE directly employed by the Applicant in project management roles, and 80 FTE for the operation of the commercial, retail and civic assets that will be constructed as part of the project.
84. The remaining 170 FTE are claimed to be temporarily employed for the purpose of the Investment. These include FTE for consulting, civil works, housing and commercial construction, landscaping, and infrastructure.
85. The Applicant has provided an estimate of the number of *temporary* FTE's engaged at different stages of the project:
- **First 3 years** - the number of FTE's employed will be relatively low during the initial planning stage, but some FTE will be engaged in preparatory civil works.
 - **3 – 5 years** – At least 60 contracted FTE engaged in civil works which will be continuously carried out from year 3 to year 14.
 - **Year 5/6 – 14** – construction contractors will be engaged by 3rd parties as subdivided residential sections are sold off to third party purchasers who then engage builders to build residential homes for them.
86. The Applicant states that from year 5 or 6 of the project through to completion, is where the maximum number of temporary FTE's (170) will be engaged per annum.

87. The Applicant also estimates that approximately 70 permanent FTE required in regard to the civic assets that will be developed as a result of the development, such as employment for a school and retail facilities.

Current state (counterfactual)

83. The Land has been historically used for livestock grazing under a lease to a local farming couple. This lease has expired. The Land is currently grazed with sheep to manage weed control.
84. The Applicant and the Vendor have confirmed there is no historic heritage or public access arrangement and no current measures in place to protect or enhance the natural environment.
85. There are currently 10 FTE employed on the Land, being two persons engaged in moving stock around for grazing, and eight staff engaged in the skydiving operation, detailed from paragraph 88.

Crown Land and public access

86. As mentioned above, the Crown Land has a walking and cycling track along it (hard packed gravel). This is the Jack's Point trail which extends adjacent to the Land. It appears there is no current access to this track from the Land, and public access and parking is provided on the northern adjoining title.⁴⁵
87. The Applicant has stated they intend to provide walking trails through the Land which are open to the public, in particular to the Lake Wakatipu foreshore and connecting to broader Queenstown trails. **Special Condition 6** contains public access requirements as a result of consultation. More information is contained from paragraph 101.

Skydive operation

88. An area of the Land is currently being used in a skydiving operation, which includes an airstrip for taking off and landing light aircraft; a landing area for skydivers; and an ancillary hangar and administration buildings.
89. The skydiving operation is run by Skydive Queenstown Limited (**Skydive Queenstown**) which has a lease over an area of approximately 4.84 hectares of the Land. This Lease has been extended through until 30 April 2031.
90. The extent of the operation, including the current landing area (or 'drop zone') is shown in red on the Land at *Figure 4* below. The airstrip will be moved to Queenstown Airport (before the lease expiry). The Applicant intends to negotiate with Skydive Queenstown in an attempt to move the 'drop zone' to a temporary location outside of the Land's boundaries shown in yellow at *Figure 4* for the remainder of the lease.
91. If this is not possible, the Applicant has submitted that the sky diving operations on the Land will have minimal impact on the development, as the development can be staged to ensure that the area used by the skydive operation is the final stage of development.
92. The Applicant also intends to work with Skydive Queenstown upon expiry of the lease, to ensure a permanent viable alternative location for the 'drop zone' is found.

⁴⁵ Record of title 435176.



Figure 4

Farm land benefit test

93. This investment involves the acquisition of farm land exceeding 5 hectares in area. As a result, the farm land benefit test applies unless you decide it need not be met for one of the reasons set out in the Act.⁴⁶
94. LINZ has assessed the benefit to New Zealand test on the basis that the farm land benefit test applies as the land has some productive capacity. However, it is open for the decision maker to conclude that the farm land has limited productive capacity and not apply the farm land benefit test (due to its current use for grazing and a skydive operation).
95. Accordingly, as required by the Act, we have treated the following factors as having high relative importance:⁴⁷
- the economic benefits factor (section 17(1)(a)) and, in particular, the creation or retention of jobs, introduction of technology or business skills, increased export receipts, and increased processing of primary products; and
 - the oversight or participation factor (section 17(1)(f)).
96. For the farm land benefit test to be met, the applicant must demonstrate, in relation to one or more of those factors of high relative importance, that the benefits of the investment are of a size or nature that represent a substantial benefit to New Zealand.

Summary of benefits

97. The benefits to New Zealand that are likely to result from the investment and our assessment of the relative weight to be given to each are set out in the table below.
98. 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 3**.

⁴⁶ Section 16A(1C)-(1D). You may decide not to apply the farm land benefit test if: the transaction is minor or technical; the transaction does not materially change the level of ownership or control that the relevant overseas person has over the asset; or the farm land has no or limited productive capacity as farm land and will, or is likely to, be used promptly, as a result of the overseas investment, for industrial or commercial development (for example, a supermarket) or for the construction of 1 or more buildings that, taken together, will consist of 20 or more new residential dwellings.

⁴⁷ Section 16A(1C)(a).

99. 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

100. This table assesses the benefits to NZ likely to result from the Investment and the relative weight to be given to each.

Relevant Benefit factor	Economic benefits (High relative importance factor)	
Indicative Strength	Strong	
Proposed special conditions	<p>Commence and complete the following development works:</p> <ul style="list-style-type: none"> a) Develop at least 1700 residential sections on the Land; and b) Deliver at least NZD \$50 million of External Infrastructure for the Land, to connect to existing QLDC infrastructure. <p>Introduce additional spending of \$200 million on the delivery of Henley Downs for the development works above.</p> <p>Obtain necessary resource, subdivision, and any other consents (including plan change to District Plan) to carry out the development works above.</p>	
Claimed benefit	Development	
	Applicant's claims: what they intend to do	Current state
	The Applicant proposes investing approximately \$223.5 million to deliver the Henley Downs project, forecast over a 14 year period.	No current investment
	Jobs	
The Applicant will create:	10 FTE (farm and skydive staff)	
<ul style="list-style-type: none"> • 190 indirect FTE's, being 110 temporary FTE within the 14 year project for housing construction, commercial construction, and consulting; and 70 permanent ongoing FTEs for the civic assets. • 62 direct FTE's, being 60 temporary FTE within the 14 year project for civil contracting, landscaping, and infrastructure; and two permanent FTE for project management. 		
Increased Productivity		

	Investment will result in greater efficiency and productivity particularly in the supply of residential sections in the Queenstown Lakes area.	Grazing for weed control and skydive operation
Analysis	\$223.5 million and 252 jobs represents a substantial benefit to NZ. Condition consents. Many jobs long term due to employment for civic assets. Approximately \$1.3 million per hectare	
Relevant Benefit factor	Significant government policy	
Indicative Strength	Strong	
Proposed special conditions	Develop at least 1700 residential sections on the Land.	
Claimed benefit	Government Housing Policy	
	Applicant's claims: what they intend to do	Current state
	The Applicant will be furthering the objective of the "GPS-HUD" ⁴⁸ and "NPS-UD" ⁴⁹ with the development of 1700-2300 residential sections to increase the residential housing stock, along with substantial investment in community infrastructure for thriving and resilient communities. Additionally, 85-125 dwellings will be built as affordable housing for rent through a local charitable trust.	
Analysis	Project will result in a significant increase in the housing stock, although only a small percentage of these are 'affordable'.	
Relevant Benefit factor	Public Access	
Indicative Strength	Moderate	
Proposed special conditions	You must create practical legal public access for vehicles, cycling and walking through the Land and to the boundary of the Crown Land. You must connect legal public access to existing public access easements on adjoining land.	
Claimed benefit	Public Access	
	Applicant's claims: what they intend to do	Current state

⁴⁸ <https://www.hud.govt.nz/our-work/government-policy-statement-on-housing-and-urban-development/>.

⁴⁹ <https://environment.govt.nz/publications/national-policy-statement-on-urban-development-2020-updated-may-2022/>

	The development will include walking trails which will be open to the general public so that public access is always maintained, in particular with the Lake Wakatipu foreshore. Some of these will be connected to the broader Queenstown trails.	There is no public access through the Land to Lake Wakatipu
Analysis	Access to Lake and connection to other trails for the public - moderate benefit.	
Relevant Benefit factor	Environmental benefits	
Indicative Strength	Weak	
Proposed special conditions	Undertake an ecological assessment, including a lizard survey (see Attachment 1, Special Condition 6).	
Claimed benefit	Assessment of the Land	
	Applicant's claims: what they intend to do	Current state
	Applicant has agreed to: <ul style="list-style-type: none"> • undertake an ecological assessment on the Land, including a lizard survey. • stabilise banks on the Land where recommended by the ecological assessment. QLDC will impose conditions of consent, or rules imbedded in any plan change, requiring the Applicant to control pests, erosion and riparian planting where necessary.	
Analysis	The assessment of the Land may help identify flora and fauna that requires protection (and recommend other outcomes for the Land) although as we don't know the assessments recommendations yet we have weighted this benefit as weak.	

Consultation and submissions on the Investment

101. In undertaking our assessment, we consulted with the Department of Conservation (DOC) and Herenga ā Nuku (the Outdoor Access Commission).
102. The Applicant was given opportunity to comment on these recommendations and provided one comment, stating they would support and include the public access proposals in any plan change application.

Consultation with the DOC

103. DOC's primary recommendation was to require the Applicant to undertake an ecological assessment of the gullies and bluffs on the Land. This also included a separate Lizard survey by an experienced herpetologist. Secondary to this, DOC recommended: requiring the Applicant to stabilise the banks on the Land; vegetation to be native and sourced locally; the provision of public access that does not enable vehicle access or impact the gullies and bluffs; and for an Accidental Discovery Protocol to be undertaken.
104. The Applicant agreed to implement these recommendations.

105. LINZ has drafted **Special Condition 5** (at **Attachment 1**) in response to some of DOC's recommendations. We have been guided by Herenga ā Nuku on public access recommendations and do not think an Accidental Discovery Protocol is necessary, as we believe this to be part of the resource consent process.

Consultation with Herenga ā Nuku

106. Herenga ā Nuku gave recommendations concerning the provision of legal public access through the Land to the Lake Wakatipu foreshore; along waterways on the Land; to link to (and in some cases extend) existing adjoining public access easements; and to undertake a recreation assessment.⁵⁰
107. The Applicant agreed to implement these recommendations.
108. LINZ has drafted **Special Condition 6** (at **Attachment 1**) in response to some of Herenga ā Nuku's recommendations. We have not included a condition for the recreation assessment as we believe this assessment is undertaken as part of the resource consent process.

Residential land outcome

109. The land includes residential land. When an investment requiring consent under the Act includes residential land, to the extent that the consent relates to the residential land, the decision maker must determine a residential land outcome, and the consent must be made subject to the set of conditions for the applicable residential land outcome.
110. The residential land is outlined green in *Figure 5* below, with the remaining land (categorised as rural) outlined in blue.

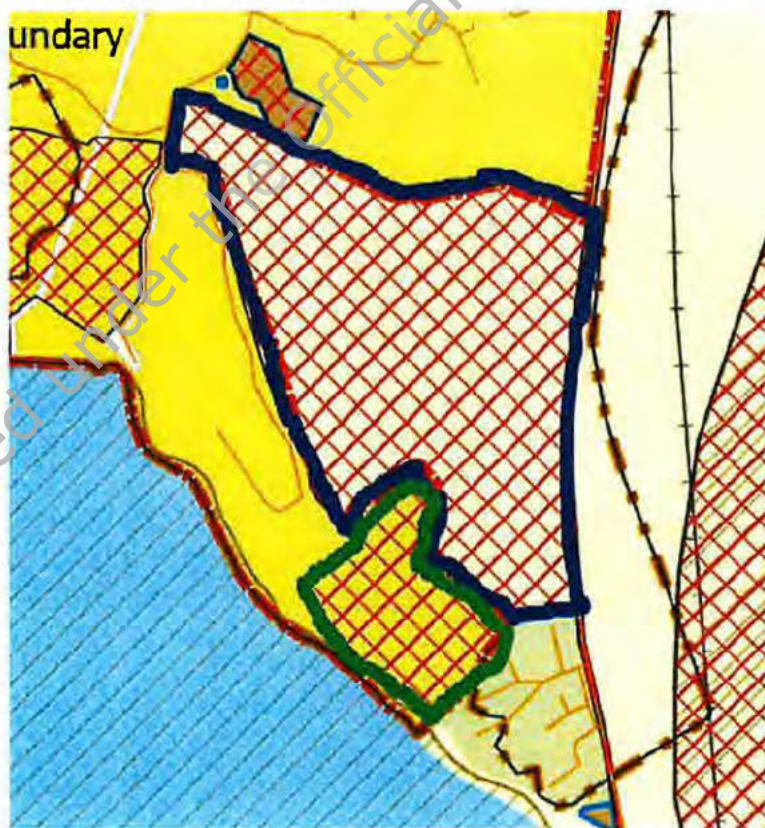


Figure 5

⁵⁰ This recommended an assessment to be undertaken by a qualified specialist to assess public access and recreation needs.

111. The most appropriate residential land outcome to require is 'increased residential dwellings',⁵¹ for which conditions must be imposed that require:
- (i) either additional dwellings to be constructed or supporting roads and utilities;
 - (ii) for the Land to be on-sold; and
 - (iii) for the relevant overseas person not to occupy the Land.
112. The construction of between 1,700 and 2,300 residential sections with supporting infrastructure will satisfy the first condition; and, because the Applicant is a land developer that makes its profits from developing residential sections for sale to third parties, we can also be confident that the Land will be on-sold without the Applicant occupying it (See **Attachment 1** for the proposed conditions).

Conclusion – benefit to NZ test

Key benefits

113. After considering the application, we are satisfied that the Investment is likely to result in the benefits considered above. In particular, the Investment is likely to result in:
- investment of approximately \$223 million for development purposes;
 - the creation of approximately 250 FTE's;
 - alignment with Government housing policy; and
 - the provision of public access through the Land to connect to existing public access in the area.

Proportionality

114. 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.
115. The Land's sensitivity or value is influenced by its moderate size, iconic location, scarcity of land available in the area, and proximity to Lake Wakatipu. Due to these factors, the Land could be seen as highly valuable and sensitive.
116. The Investment will provide a significant level of housing in an area with a substantial housing shortage and is in an area already earmarked for urban development. We consider the level of investment is proportionate to the sensitivity of the Land. Taking into account the size and the current land use of the Land, we consider the overseas investment is likely to benefit New Zealand.

Farm land benefit test

117. In relation to the farm land benefit test, the benefits are likely to be substantial in relation to one or more factors of high relative importance. A substantial benefit will arise under the economic benefit factor, due to the level of monetary investment and number of jobs created.

G. Not a transaction of national interest

118. The Investment does not involve a transaction of national interest under the mandatory criteria of the Act.⁵² This is because the Investment does not involve a non-NZ

⁵¹ Clause 19(2), row 4, Schedule 2 of the Act.

⁵² Under s 20A of the Act.

- government investor, or an investment in a strategically important business (as defined in the Act).
119. We have not referred this transaction to the Minister of Finance for him to call it in for a national interest assessment on a discretionary basis.⁵³ He has therefore not declined consent to the transaction.
120. We are directed⁵⁴ that the starting point is the assumption that overseas investment is in New Zealand's national interest and that we should only seek the Minister of Finance to exercise his discretion for a national interest assessment if the proposed investment:
- could pose risks to New Zealand's national security or public order
 - would grant an investor significant market power within an industry or result in vertical integration of a supply chain
 - has foreign government or associated involvement that was below the 10 per cent threshold for automatic application of the national interest test, but granted that government (and/or its associates) disproportionate levels of access to or control of sensitive New Zealand assets
 - would have outcomes that were significantly inconsistent with or would hinder the delivery of other Government objectives
 - raises significant Treaty of Waitangi issues, or
 - relates to a site of national significance (e.g. significant historic heritage).
121. We do not consider that this investment engages any of these risk factors.

H. Farm land offer test

122. The Land is farm land.⁵⁵ The Land was advertised for sale on the open market (via online⁵⁶ and print advertising⁵⁷) from 1 April 2022 to 3 June 2022, a total period of 43 working days. 7 potential buyers engaged with Bayley's for personal site visits over the Land, of which 3 of these potential buyers viewed the Land twice. On 3 June 2022, 3 written offers were received.
123. The Agreement for sale and purchase of the Land was entered into on 22 July 2022 following ongoing negotiations between the Applicant and the Vendor after the tender close, on 3 June 2022.
124. We are satisfied that the advertisements contained a general description of the relevant land, stated that the Land was available for acquisition, sought offers from potential purchasers and stated the contact details of the Vendor's real estate agent. The advertisements were published from 1 April 2022 to 3 June 2022, which is within 12 months of this Application being lodged.
125. We are therefore satisfied the regulations requiring the farm land to be offered for acquisition on the open market have been complied with.

⁵³ Section 20B of the Act.

⁵⁴ Ministerial Directive Letter (24 November 2021).

⁵⁵ Currently the Land is used for farming purposes: grazing. See definition of farm land in section 6 of the Act.

⁵⁶ The marketing campaign had a dedicated website, Homesteadbay.co.nz.

⁵⁷ The print campaign was advertised nationally in the main New Zealand papers and property press publications including: (i) the New Zealand Herald; (ii) the Otago Daily Times; (iii) the Christchurch Press; (iv) the Wellington Dominion Post; (v) the Auckland Property Press; and (vi) the Preview Magazine.

I. Conclusion

126. After considering the application, our view is that:
- the investor test has been met; and
 - the overseas investment 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 farm land benefit test has been applied to the transaction and the benefit will be, or is likely to be, substantial in relation to the factor(s) of high relative importance for farm land; and
 - the conditions relating to residential land to be imposed on the consent are likely to be met; and
 - the transaction is not considered to be a transaction of national interest.
127. Therefore, we consider that the criteria for consent in section 16 have been met and our recommendation is to **grant consent**.



Anneke Turton
Manager, Applications
Overseas Investment -LINZ

Date: 5 April 2023

J. List of Attachments

1. Proposed Decision
2. Intended ownership structure
3. Other benefit factors
4. Images
5. Development plan

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: TBD

The following people have been given the following consent:

Case	202200486
Consent	The Consent holder may acquire the Land subject to the Conditions set out below.
Consent holder/s	RCL Henley Downs Limited (Company Number 4588159) We will also refer to each Consent holder and the Consent holders together as you.
Land	A freehold Interest in approximately 163.4640 hectares of land located at Lot 8 DP 443832, contained in Record of Title 555575 (Otago).
Timeframe	You have until 31 May 2024 to acquire the Land.

Conditions

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

In the Consent and the Conditions, we refer to Toitū Te Whenua Land Information New Zealand as **LINZ, us or we**.

Act means the Overseas Investment Act 2005.

Crown Land means the land bordering Lake Wakatipu as Record of Title 287395, which is administered by LINZ.

Development Works means the:

- a. Development of at least 1,700 residential sections on the Land or if a relevant authority does not approve of 1,700 residential sections, the number of residential sections that is approved of; and
- b. Delivery of at least NZD \$50 million of External Infrastructure for the Land, to connect to existing QLDC infrastructure.

External Infrastructure means the infrastructure upgrades required for the project to proceed, which may include the augmentation of the municipal sewage system; construction of a sewage pipe from the Land back to the municipal sewage facility in Frankton; bringing a water supply to the Land and construction of a water reservoir; and the construction of a pipe bridge across the Kawarau River.

DOC means the Department of Conservation.

Herenga ā Nuku means the Outdoor Access Commission.

QLDC means Queenstown Lakes District Council.

Regulations mean Overseas Investment Regulations 2005.

Special conditions

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

Details	Required date
Special condition 1: Completion of Development Works	
1. You must work with the relevant authorities to ensure that: <ol style="list-style-type: none"> a) The necessary resource, subdivision and any other consents required to carry out the Development Works on the Land (including a plan change to the District Plan), are obtained. 	a) By 30 June 2026

Details	Required date
<p>If you do not comply with this condition, Standard Condition 6 will apply, and we may require you to dispose of the Land.</p>	
<p>2. You must:</p> <ul style="list-style-type: none"> a) Commence the Development Works; and b) Complete the Development Works; and c) Spend at least \$200 million on the delivery of the Development Works. <p>If you do not comply with this condition, Standard Condition 6 will apply, and we may require you to dispose of the Land.</p>	<ul style="list-style-type: none"> a) By 30 June 2026 b) By 31 December 2036 c) By 31 December 2036
<p>Special condition 2: Increased residential dwellings</p>	
<p>You must use the Land to increase the number of residential sections on the Land by at least 1,700, subject to approval to do so by the relevant territorial authorities and where the relevant authorities require a lesser number of sections to be developed on the Land, then the lesser number of sections is to be developed.</p> <p>If you do not comply with this condition, Standard Condition 6 will apply and we may require you to dispose of the Land.</p>	<p>By 31 December 2036</p>
<p>Special condition 3: On-sale of residential dwellings</p>	
<p>You must:</p> <ul style="list-style-type: none"> a) Ensure that developed residential sections are made available on the Land for sale to the New Zealand public; and b) Dispose of all interests in the Land to a third party who is not your associate (as that term is defined in section 8 of the Act). 	<ul style="list-style-type: none"> a) By 31 December 2036 b) By 31 December 2040
<p>If you do not comply with this condition, Standard Condition 6 will apply and we may require you to dispose of the Land.</p>	
<p>Special condition 4: Non-occupation outcome</p>	

Details	Required date
<p>None of the following people may occupy the Land (for residential purposes) acquired under this Consent:</p> <ul style="list-style-type: none"> a) You. b) Any overseas person with a more than 25% ownership or control interest in any of the people in (a). c) Any overseas person who occupies the Land other than on arm's length terms (as defined in clause 17, Schedule 2 of the Act). d) Any overseas person who has a beneficial interest in, or beneficial entitlement to, the relevant interest in the Land. e) If (a) is a trust, any beneficiary (direct or indirect) who may benefit under the trust at the trustees' discretion. <p>If any such persons do occupy land acquired under the consent for residential purposes, Standard Condition 6 will apply and we may require you to dispose of that land.</p>	<p>At all times</p>
<p>Special Condition 5: Ecological assessment</p>	
<p>You must undertake (using a qualified experienced ecologist) an ecological assessment (Assessment) of the gullies and bluffs identified in the map at Section A, Figure 1. A separate lizard survey must be undertaken by a suitably qualified and experienced herpetologist. As part of this, you must:</p> <ul style="list-style-type: none"> a) Provide the Assessment to DOC within 20 working days of receiving the finalised Assessment. b) Work with your ecologist to develop a plan for the areas identified by the Assessment as having indigenous biodiversity values and requiring restoration and or protection. c) Finalise a plan for the restoration or protection of identified areas within 12 months of providing the Assessment to DOC.⁵⁸ d) Where riparian planting is to be undertaken as a result of the Assessment, the plants must be 	<p>By 30 June 2026</p>

⁵⁸ The finalised plan may require you to apply for separate authorisations from DOC and other authorities (eg: Wildlife Act 1953, permit).

Details	Required date
<p>native and sourced locally (eco-sourced⁵⁹). You must work with an ecologist to identify appropriate plant species and provide a copy of your planting plan to DOC.</p> <p>e) Where watercourses are identified, you must:</p> <ul style="list-style-type: none"> • work with your ecologist to protect and stabilise these areas; and • work with Herenga ā Nuku and form (to a recognised NZ standard) legal public access along these watercourses. 	
Special Condition 6: Public access	
<p>You must:</p> <p>(a) create practical legal public access for vehicles through the Land from State Highway 6 (Kingston Road) to the boundary of the Crown Land in at least one place.</p>	<p>(a) (b) (c) and (d) By 31 December 2039</p>
<p>(b) create (and form to a recognised NZ standard) legal public access for walking and cycling through the Land. This public access must:</p> <ul style="list-style-type: none"> i) connect to the existing walking and cycling public access easement on the northern boundary of the Land on Record of Title 435176. This existing easement is shown and detailed at Section B. ii) connect in at least one place with the boundary of the Crown Land. iii) connect in at least one place with new public access created along the watercourses under Special Condition 5. 	
<p>(c) create public access easements through the Land for the extension and connection of the existing bridle trail on Records of Title 262752 and 435176:</p> <ul style="list-style-type: none"> i) you must extend the existing bridleway easement on DP 364700 south through the eastern boundary of the 	

⁵⁹ The propagation of native plants from local areas and the planting of them back within the same geographic area.

Details	Required date
<p>Land (bordering State Highway 6) to the southern end of the Land. The existing bridleway and required extension are shown and detailed at Section C.</p> <p>ii) You must work closely with DOC and Herenga ā Nuku to identify a practical location for a bridleway easement to connect the southern end of the conditioned easement in paragraph (c)(i) above, in at least one place with the boundary of the Crown Land.</p> <p>iii) you must join the existing bridleway easements on DP 364700 using a bridleway easement through the Land (at the western boundary of the Land) as shown and detailed at Section D.</p>	
<p>(d) work closely with, Herenga ā Nuku and DOC and form a physical link, where practical, between any legal public access through the Land and the physical location of the existing Jack's Point Trail on the Crown Land.</p>	

Standard conditions

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

Details	Required date
Standard condition 1: Acquire the land	
<p>1. You must acquire the Land:</p> <ol style="list-style-type: none"> 1. by the date stated in the Consent. If you do not, your Consent will lapse or become invalid and you must not acquire the Land, and 2. using the acquisition, ownership, and control structure you described in your application. Note, only you - the named Consent Holder - may acquire the Land, not your subsidiary, trust, or other entity. 	As stated in the Consent
Standard condition 2: Tell us when you acquire the Land	

Details	Required date
<p>2. You must tell us in writing when you have acquired the Land. Include details of:</p> <ol style="list-style-type: none"> 1. the date you acquired the Land (Settlement), 2. consideration paid (plus GST if any), 3. the structure by which the acquisition was made and who acquired the Land, and 4. copies of any transfer documents and Settlement statements. 	<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>3. Sometimes it will be helpful for us to visit the Land so we can monitor your compliance with the Conditions. We will give you at least two weeks' written notice if we want to do this. You must then:</p> <ol style="list-style-type: none"> 1. Allow a person we appoint (Inspector) to: <ol style="list-style-type: none"> a. enter onto the Land, including any building on it, other than a dwelling, for the purpose of monitoring your compliance with the Conditions (Inspection), b. remain there as long as is reasonably required to conduct the inspection, c. gather information, 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, 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. 4. During an Inspection: <ol style="list-style-type: none"> 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>At all times</p>

Details	Required date
<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>5. 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. The Individuals Who Control You are individuals who:</p> <ul style="list-style-type: none"> a. are members of your governing body 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 c. are members of the governing body of the people referred to in paragraph (b) above. 	<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>6. You must tell us in writing if any of the following events happens to any of the Consent holders:</p> <ul style="list-style-type: none"> 1. You become aware that you and/or any Individual Who Controls you establishes any of the investor test factors listed in section 18A(4) of the Act. 2. You cease to be an overseas person or dispose of all or any part of the Asset. 3. Your New Zealand Service Address changes. This is the address you provided us in your application as the address which we will send any legal document we need to serve on you. 	<p>Within 20 working days after the change</p>
<p>Standard condition 6: Dispose of the Land if you do not comply with key special conditions</p>	
<p>If all or part of this Standard Condition 6 applies to a special condition, we have said so in that special condition. If we consider you have failed to comply with one of those special conditions in a material way we may require you to dispose of the Land. We will give you written notice if we require you to dispose of the Land. After we have given you notice, you must:</p>	

Details	Required date
Value the Land: obtain and send us a copy of a market valuation of the Land from a New Zealand registered valuer.	Within six weeks of the date of our notice
Market the Land: instruct a licensed real estate agent to actively market the Land for sale on the open market.	Within six weeks of the date of our notice
Dispose of the Land: dispose of the Land to a third party who is not your associate.	Within six months of our notice
Offer without reserve: if you have not disposed of the Land within six months of our notice, offer the Land for sale by auction or tender without a reserve price or minimum bid and dispose of 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 Land.	By the last day of every March, June, September, and December after our notice or at any other time we require
<p>Report disposal to us: send us, in writing, evidence of the following:</p> <ul style="list-style-type: none"> a. that you have disposed of the Land (including copies of sale and purchase agreements, settlement statements and titles showing the purchaser as registered proprietor), and b. that the purchaser is not your associate. 	Within one month after 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. **31 December 2023**; and
 - b. **31 January 2041**
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).
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.

Power to vary reporting date

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

Power to narrow scope of reports

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

Power not to require further reporting

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

Released under the Official Information Act 1982

Section A – Maps identifying gullies, bluffs and waterways



Figure 1 – Map identifying the gullies, bluffs and waterway at the blue dots.

Section B – Walking and Cycling Easements



Figure 2 – The 'Queenstown Trail Jacks Point' cycle and walking trail is shown as a red line, with the Land shaded grey.

Legal Description of existing easement:

- c. **Easement Instrument 6929597.8.** - a right of way (walkway) in gross over part Lot 20 marked DI, DK, over part Lot 26 marked BV, over part Lot 28 marked BZ in favour of Queenstown Lakes District Council.

Section C – Bridleway extension



Figure 3 – Bridleway on northern boundary. The Land shaded grey. The conditioned extension is shown by the red arrow.

Legal description of existing easement:

- d. **Easement Instrument 6929597.8** - a right of way (bridle trail) in gross marked BA, BB, BC, BF, BG on DP 364700 in favour of Queenstown Lakes District Council'.

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Information Act 1982



Figure 4 – The conditioned extension of the bridleway shown in red.

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Section D – Bridleway connection



Figure 5 – Bridleway track shown on northern boundary and western boundary in yellow. Red line depicting the conditioned connection of the existing bridleway easements through the Land.

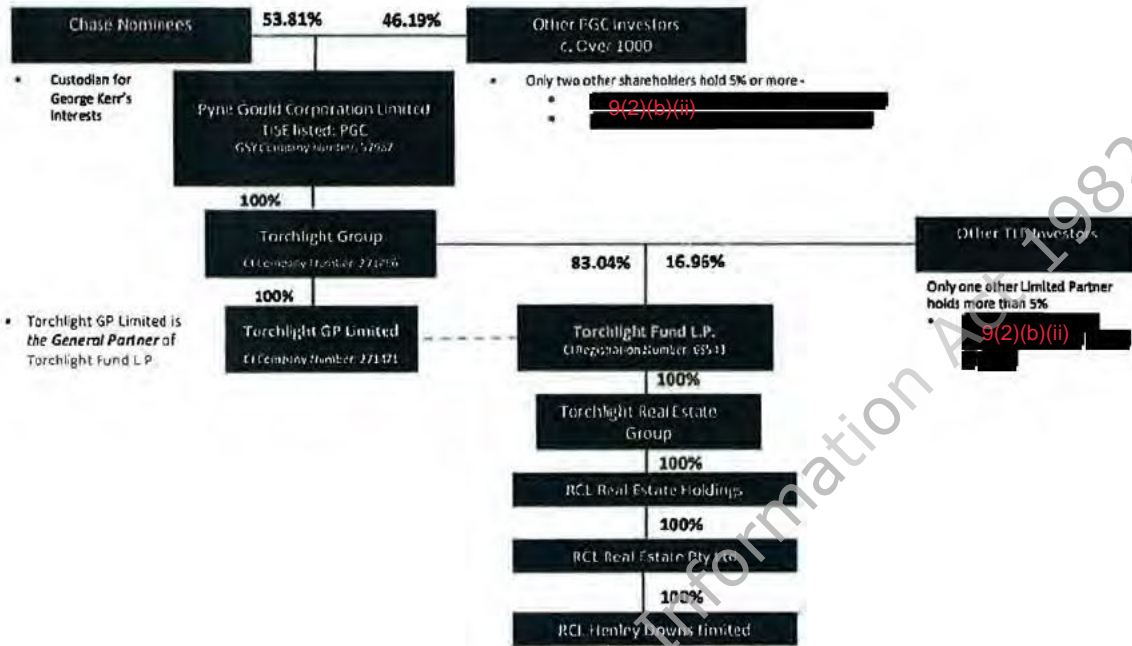
Legal description for easements:

- e. **On Record of Title 435176 (Easement Instrument 6929597.8)** - a right of way (bridle trail) in gross over part Lot 20 marked DJ, DK, over part Lot 26 marked BV, over part Lot 28 marked CA.
- f. **On Record of Title 262752 (Easement Instrument 6929597.8)** - a right of way (bridle trail) in gross marked BA, BB, BC, BF, BG on DP 364700 in favour of Queenstown Lakes District Council.

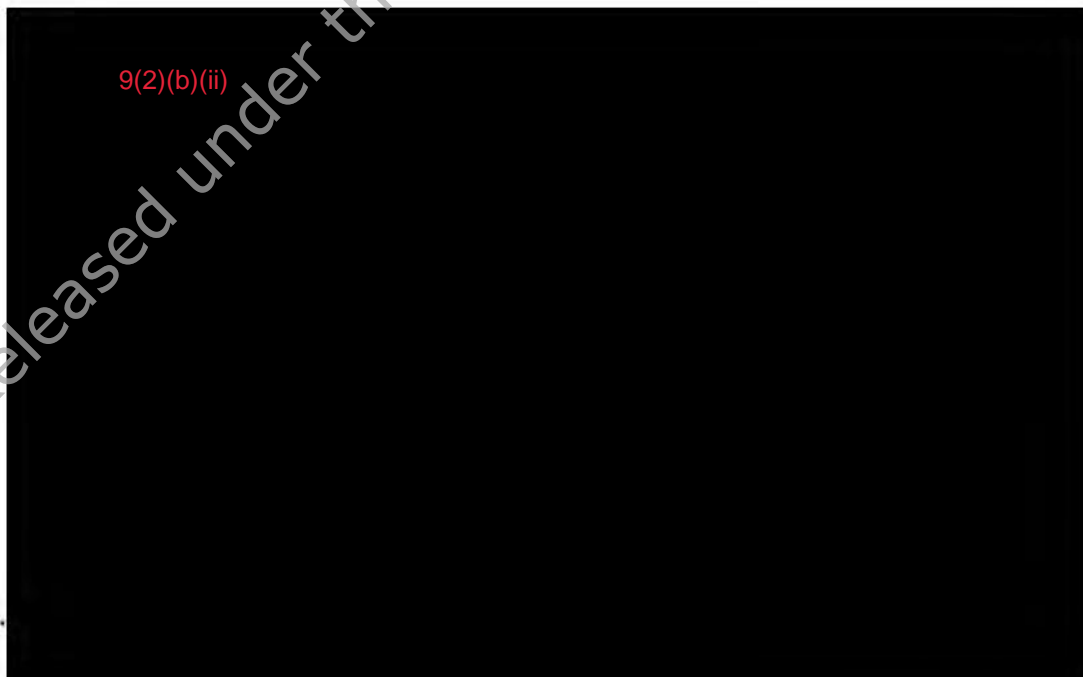
Released under the Official Information Act 1982

ATTACHMENT 2 – INTENDED OWNERSHIP STRUCTURE

APPLICANT



LENDER



ATTACHMENT 3 – OTHER BENEFIT FACTORS

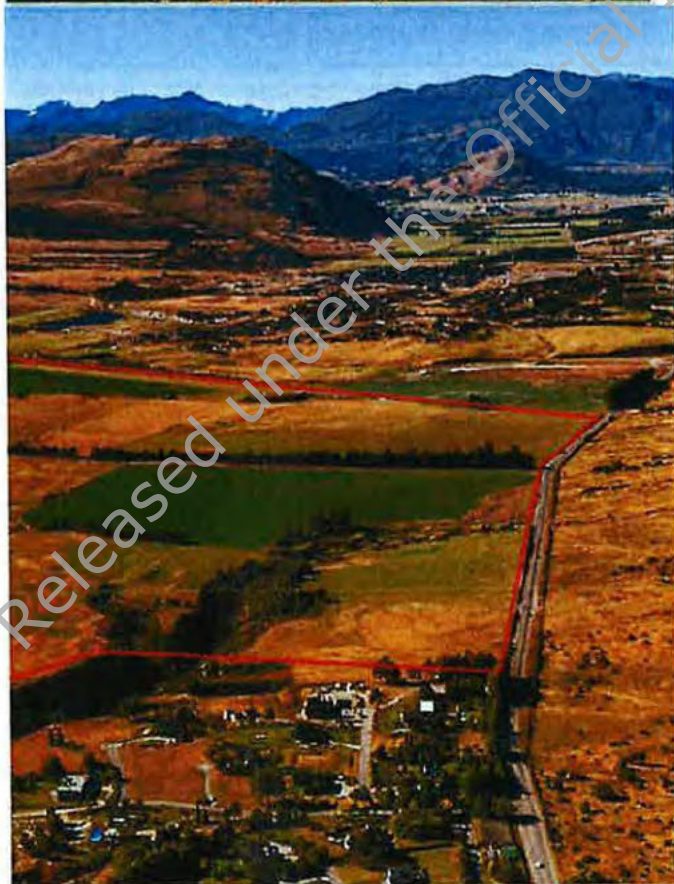
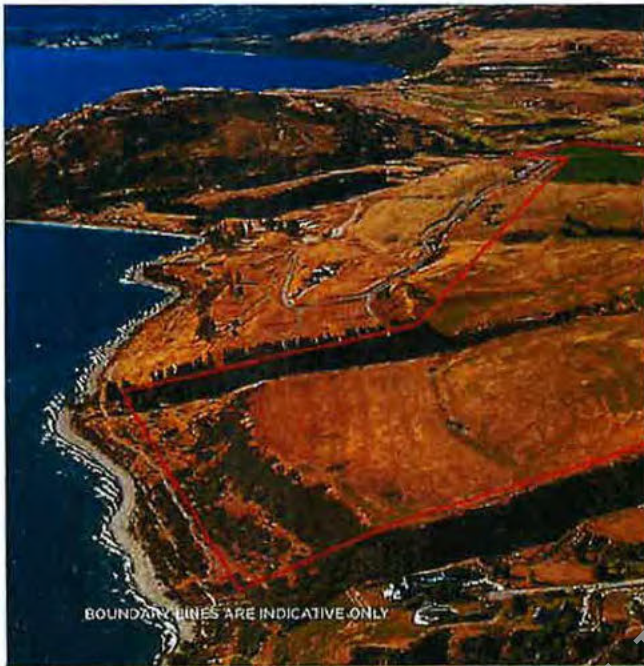
The table **below** lists other factors in the Act for assessing the benefit of overseas investments.

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

Factor	Reason not relevant or insufficient
Economic benefits	<p>Additional Market Competition – the claim that other land in the catchment can be developed if this development goes ahead, as the infrastructure will be in place to make this a possibility. It is unclear if this is likely to occur.</p> <p>Enhanced Domestic Services – claiming the development will enhance the services available to the public in that area. It is unclear if this is likely to occur.</p> <p>Increased processing of primary products – this claim is not relevant to the assessment as no primary products are involved in the Investment.</p> <p>Introduction of new technology – the Applicant is looking to build a modular housing facility in the Otago region. The Applicant has not committed to this, and the outcome is too uncertain.</p>
Consequential benefits	<p>Community investment programme – uncertain claims have been made regarding community initiatives. Unclear if these are likely to occur.</p>

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ATTACHMENT 4 – PHOTOS





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ATTACHMENT 5 – DEVELOPMENT PLAN

