

Executive summary

12. The Applicant seeks consent under the Overseas Investment Act 2005 to acquire the following sensitive land:
 - a leasehold interest in 5.6693 hectares of non-urban sensitive land¹ at 535 Papamoa Beach Road, Tauranga; and
 - a leasehold interest in 2.3415 hectares of non-urban sensitive land² at 15 Beach Road, Waihi Beach.
13. The Applicant intends to own and operate a portfolio of holiday parks in New Zealand. It intends to establish itself as the first corporate player in the NZ holiday parks sector providing tourist accommodation via unpowered and powered sites and cabins. It plans to upgrade facilities and manage the parks in an integrated manner.
14. This report details two related applications, to which different tests apply:
 - Papamoa Park (202000202) (the **Papamoa Park application**) requires the Applicant to show substantial and identifiable benefit to New Zealand; and
 - Waihi Park (201900676) (the **Waihi Park application**) requires the Applicant to show benefit to New Zealand.
15. A third holiday park (Beachaven Park, also located in Waihi Beach) was acquired as part of the Waihi Park sale agreement. The Beachaven acquisition does not require consent under the Act, as it does not involve sensitive land. It is referred to this report for completeness, and because some of the additional investment will take place there.
16. Papamoa Park (outlined in red and marked '3.1-3.2' below) is a holiday park in Tauranga, catering to both domestic and international tourists. It is one of the largest privately owned holiday parks in New Zealand. The vendor has a 30 year lease over the property (which comprises 5.6693 hectares of land) from the Tauranga City Council. The current lease commenced on 1 July 2014.



Figure 1 - Papamoa Park

¹ The land is sensitive because: it is non-urban land over 5 ha; it is land that the district plan provides is to be used as a reserve, park or for recreation purposes; it adjoins land listed as a reserve or public park; and it adjoins land that adjoins the sea.

² The land is sensitive because: it is land that the district plan provides is to be used as a reserve, park or for recreation purposes; and it adjoins land listed as a reserve or public park.

17. Waihi Park (outlined in red below) is a holiday park in Waihi Beach, catering to domestic and international tourists. The vendor has a 14 year lease over the property (which comprises 2.3415 hectares of land) from the Western Bay of Plenty District Council. The current lease commenced on 1 November 2007.



Figure 2 - Waihi Park

18. The benefits to New Zealand that may result from this investment include:

Moderate weighting		<p>Greater Efficiency/ Improved Domestic Services – up to [redacted] additional accommodation units created and refurbished facilities. Dedicated NZ head office.</p> <p>9(2)(b)(ii)</p> <p>Jobs (Papamoa) – 3 FTE head office positions created</p> <p>9(2)(b)(ii)</p> <p>Additional investment - [redacted] of additional investment</p>
Weak weighting		<p>Jobs (Waihi) – Some temporary construction jobs.</p> <p>Increased export receipts (Papamoa) from increased visitor numbers</p> <p>Advance Government policy – improved tourist facilities</p>

19. Guidance for applying the Act is set out in **Attachment 2**.

Timing

20. The Applicant applied for consent (in a single application) on 7 February 2020 and originally asked for a decision by 29 May 2020. This application was rejected on the grounds that the Agreements for Sale and Purchase were not interdependent. We considered that it may be appropriate to apply different counterfactuals and the benefit story for each of the properties may differ, because Papamoa Park and Waihi Park are approximately 70 kilometres apart.
21. The Applicant was advised to reapply with two applications. It was recommended (given that both purchase agreements could be extended by six months) that the Applicant should seek an extension from the vendors, which they did. As a result, the commercial deadline for Waihi Park is 2 December 2020 and for Papamoa Park the commercial deadline is 9 December 2020.
22. We first asked the Applicant in April 2020 if the Investment was likely to be affected by the COVID-19 pandemic. The Applicant advised then (and since then) that it is still able to engage with the OIO, and that the Investment (including the proposed benefits and timeframes) is expected to proceed as anticipated. We have taken

possible delays due to COVID-19 into account in formulating recommended special conditions of consent.³

23. Processing days for the application to 17 August 2020 are:

Quality Assurance	OIO Processing	Waiting for Applicant / Vendor	Third party consultation
11	20	27	33

24. This application for consent was received prior to commencement of the Overseas Investment (Urgent Measures) Amendment Act 2020 and the transaction for which consent is required was also entered before commencement. Accordingly, the provisions of the Overseas Investment (Urgent Measures) Amendment Act 2020, including the 'national interest' assessment, do not apply.

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³ Discussion of how the COVID-19 pandemic affects the various benefit factors is included in the discussion of that benefit factor.