

From: Hugh Steadman [mailto:hugh@prezel.co.nz]
Sent: Friday, 9 October 2015 11:00 a.m.
To: m.woodhouse@ministers.govt.nz
Cc: s.joyce@ministers.govt.nz
Subject: Wealthy Migrant Entry Scheme.

Dear Michael,

Yesterday I attended a luncheon organised by the Marlborough Chamber of Commerce at which Steven Joyce was the guest speaker. I put a question to him, which he suggested I should refer directly to yourself – while copying him in on the details.

As a director of The Prenzel Distilling Company, one of the companies in line to benefit from it, I am an enthusiastic advocate of the government's recently announced wealthy immigrant scheme. However, I am wondering whether the scheme could not be tweaked to increase its chances of success?

Since 2008, my company has had an investor, Carolyn Wilfred, who, through the holding company she shares with her husband, has invested around \$300,000. Prenzel emerged from the GFC and the Christchurch earthquakes with too much debt. We are now waiting for a further investment of \$2 million from Carolyn, which will clear all our indebtedness and give us the wherewithal to establish retail operations in Australia and Canada.

Carolyn, is in the process of liquidating her 27.5% interest in her family's firm, Dare Foods Ltd. of Canada. This, it is anticipated, will realise approx. NZ\$60 million. Taking advantage of the wealthy investor scheme, she and her husband have been looking around for suitable investments for this money. In addition to Prenzel, they have already identified Carbonscape (a hi-tech, Marlborough start-up with great prospects) as a company that can use an initial \$5 million investment to build its pilot production plant and fund its side of a relationship with Callaghan Innovation.

No doubt, several more such investments could be accomplished were the scheme to be operating smoothly. However, at least in Carolyn's case, it does not seem to be.

Carolyn is a Canadian citizen, who has been living in Christchurch with her husband, Harmon (formerly an American citizen, but now stateless) since 2002. When the Wilfred's arrived in the country, they both acquired business visas and brought with them several million dollars with which they established several businesses in and around Christchurch. All but one of these came to grief as a direct, or indirect result, of the earthquakes. Their remaining business, ITTelenet, was sold late last year in order to provide the funds required for the release of Carolyn's Canadian shares and to enable a professional approach to be made to potential purchasers such as Kellogg, Campbell's Soups and Nestle.

This left Carolyn and her husband without an operational business in NZ. Early this year, when Carolyn applied to renew her business visa, her request was refused. In July, she was issued with a deportation order. She had to leave the country just a few weeks after Steven Joyce's announcement of the Wealthy Investor programme and despite her informing the Immigration Service of her intention to apply for a residency permit or citizenship under the new scheme.

Having lived in Christchurch for the past fifteen or so years, being forced to leave her home and husband, who not having a passport, could not accompany her, was a matter of some injury to her. However, insult was heaped on the injury when she received notice, within twenty-four hours of her departure, that the normal rights for Canadian citizens to visit NZ without a visa had, in her case, been revoked.

I imagine that nothing has happened in this case that is not part of an established bureaucratic procedure – no doubt Carolyn's immigration lawyer will ascertain if that is in fact the case. Be that as it may, Carolyn is a perfectly normal human being and has taken the apparent "we don't want you here"

insult rather badly. Whereas I have no doubt that she will continue to invest in the two companies she has promised capital to, and will continue with her planned application to enter NZ under the wealthy investor scheme in order to be able to reside in Christchurch with her husband, it is now questionable that she will do more than invest the minimum \$10 million the regulations demand.

Consequently, this lack of sensitivity shown by the NZ's immigration officials towards a potentially high net-worth customer, might well have lost the country anything up to \$50 million in productive investment. Surely, the service should be extending a warm welcome, rather than a cold shoulder, to this category of would be immigrant. There should come a point at which a potential immigrant is treated as a respected potential client rather than a mendicant. Is there such a warm fuzzy app than can be downloaded to Immigration officials?

It could be of course, that I am misreading the situation entirely and that this situation is nothing to do with a lack of bureaucratic initiative. It would appear that there have been over-riding *raison d'état*, for the prolonged incarceration of Harmon Wilfred in this gilded cage of statelessness in which he finds himself – unable to travel, unable to accept employment, unable to farewell his mother on her death-bed.

As a former CIA asset and whistle-blower, Harmon could possibly be seen as having the potential to embarrass the government of the day by inconveniencing a major ally. If this has indeed been a factor in the treatment Carolyn has received, I do not see how traumatising his wife, who hasn't even a traffic offence to her name and has the potential to benefit this country far more than 99.9% of immigrants entering this country, can in any way ease whatever dilemma it is that the government is facing.

Around twenty years-worth of water has passed under the bridge since Harmon gave whatever offence it was that he gave to the US authorities. It would greatly help Carolyn's reconciliation with her adopted homeland were the government to make the gesture of some movement towards regularising her husband's situation. Harmon is a man of extreme talent and his potential value to the country is being completely wasted.

Best regards,

Hugh Steadman.

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