BusinessNZ

THE VOICE OF BUSINESS

Election Priorities 2026

Building Tomorrow's Economy: A Business vision for a more prosperous New Zealand




New Zealand has every reason to be optimistic.

2026

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Business NZ
Election Priorities

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BusinessNZ is optimistic about New Zealand's future. We believe our best years lie ahead if we have the confidence to back the people who create opportunity, jobs and prosperity every day: New Zealand's businesses.

Foreword 2026

New Zealand has every reason to be optimistic.

We are a small country with an extraordinary record of innovation, entrepreneurship and international success. From small and family businesses, Māori enterprises and manufacturers to exporters, farmers, technology companies and global firms headquartered here, New Zealand businesses have repeatedly shown they can compete with the very best in the world.

That record matters in an uncertain world. Geopolitical tension, protectionism and pressure on the international rules-based system are reshaping how countries trade, invest and compete. New Zealand cannot control those forces, but we can control the domestic settings that determine how resilient, competitive and productive our economy is.

Business has weathered a challenging few years. Higher costs, skills shortages, global uncertainty and an accumulation of regulation have all tested confidence. Yet New Zealand businesses continue to invest, employ, export, innovate and contribute to their communities. That resilience deserves recognition and it gives us every reason to be confident about the future.

Businesses do not expect government to create success. They do expect it to provide the conditions in which enterprise can succeed: clear and durable policy, sensible regulation, competitive tax and investment settings, reliable infrastructure, secure and affordable energy, access to skilled people and open markets, and the confidence to invest for the long term. When those foundations are in place, businesses do what they do best—they grow, create jobs, support higher wages, develop new products and services, and strengthen New Zealand's economy.

Lifting productivity is not an abstract economic goal. It is how New Zealand improves living standards, funds high-quality public services, strengthens national resilience and meets the long-term costs of an ageing population.

There has been welcome progress in a number of areas, particularly in restoring a stronger focus on economic growth and regulatory reform. But the job is far from finished. There is still unnecessary complexity to remove, outdated regulation to modernise and significant opportunities to improve New Zealand's competitiveness. Where policy affects long-lived investment, New Zealand also needs greater continuity across political cycles.

This manifesto draws on the expertise of BusinessNZ's economists and policy specialists, together with the experience and insights of our regional business organisations, affiliated industry associations and member companies from across New Zealand. It is intended as a practical resource for all political parties, the next Government and members of the 55th Parliament.

These recommendations are not an exhaustive programme, nor are they a catalogue of ambitions. They are a focused set of robust, evidence-based, fiscally grounded and implementable policy priorities. Many are about government doing essential things better, not simply doing more. Together, they will help create the conditions for stronger investment, higher productivity, better jobs, greater resilience and sustained economic growth.

BusinessNZ is optimistic about New Zealand's future. We believe our best years lie ahead if we have the confidence to back the people who create opportunity, jobs and prosperity every day: New Zealand's businesses.

Katherine Rich
Chief Executive, BusinessNZ

Employment and Workplace

A stable and predictable employment relations framework promotes productivity, investment, and long-term business confidence that in turn creates jobs and grows the economy.

Frequent policy changes force employers and employees to repeatedly adjust workplace practices, creating uncertainty and additional cost. BusinessNZ supports an enterprise-focused system with clear minimum standards and consistency across political cycles. Current Government initiatives such as the Employment Leave ACT 2026 and the Health and Safety at Work Amendment Act are positive steps toward modernising regulation and reducing compliance burdens. BusinessNZ also supports practical modern slavery legislation that meets international expectations without imposing disproportionate costs on smaller firms.

However, several areas of the employment and workplace framework require modernisation to restore balance, reducing unnecessary complexity and encouraging a productive workplace.

The Employment Relations Act has become increasingly prescriptive, particularly in its “good-faith” requirements during restructuring. Businesses report that New Zealand’s consultation obligations are now more onerous than those in comparable economies and are holding up restructuring and dispute resolution and bargaining outcomes. Updating section 4(1A) of the Act, removing the obligation to conclude a collective agreement, and allowing employers to opt out of multi-employer bargaining would ensure consultation remains meaningful without undermining operational flexibility.

Personal grievance processes have also become more complex and unpredictable. The ability to join controlling third parties to grievances, the lengthy three-year timeframe for raising claims, and the primacy of reinstatement as a remedy all contribute to uncertainty and cost. Reducing the timeframe to one year, removing third-party joiner provisions, and treating reinstatement as one remedy among several would help restore fairness and clarity for both employers and employees.

The dispute resolution system itself needs improvement to ensure timely, affordable, and consistent outcomes. Businesses are concerned about variable standards among lay advocates and the growth of aggressive “no-win, no-fee” practices that encourage unnecessary litigation. Introducing a code of conduct for advocates, establishing a fast-track ERA process for straightforward matters, and reviewing the role of facilitation would help create a more efficient and predictable system.

Finally, minimum wage regulation has not kept pace with modern work arrangements. The current focus on strict hourly calculations creates complexity for salaried roles, incentive-based pay, commissions, and variable hours. Shifting to an approach based on average earnings would maintain worker protection while reducing compliance complexity and would better reflect contemporary workplace realities.

Employment and Workplace
Summary of Policy Asks

Topic	Issue	Policy Asks
Modernise the Employment Relations Act	Restructuring requirements have become too prescriptive and are significantly more onerous than those in comparable economies.	↗ Review section 4(1A) to ensure consultation requirements remain meaningful but not overly prescriptive; ↗ Remove the statutory obligation to conclude a collective agreement, keeping bargaining voluntary; and ↗ Allow employers to opt out of multi-employer collective bargaining where it does not suit their operations.
Simplify personal grievance outcomes	There are concerns about the expanding scope and complexity of personal grievance claims and the capacity and focus of the relevant judicial bodies.	↗ Repeal provisions allowing controlling third parties to be joined to grievances; ↗ Reduce the timeframe for raising certain grievances from three years to one, thereby improving certainty; and ↗ Make reinstatement one remedy among several, not the primary outcome, where trust and confidence have broken down.
Improve employment dispute resolution	Employers and employees need a dispute resolution system that is timely, affordable, and predictable.	↗ Review resources available to the judicial system; ↗ Simplify processes for managing restructuring, redundancies, and dismissal for poor performance and misconduct; ↗ Develop a code of conduct for lay advocates to address inconsistent standards and "no-win, no-fee" practices; ↗ Establish a fast-track ERA process for straightforward matters, easing access for small businesses and review filing requirements, fees and administration; and ↗ Review the role of facilitation to ensure it supports practical bargaining outcomes.
Modernise minimum wage regulation	Current rules focus heavily on hourly calculations, creating unnecessary complexity where pay includes salary, incentives, commissions, or variable hours.	↗ Shift from strict hourly calculations to an approach ensuring average earnings do not fall below the minimum wage.

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Tax and regulatory settings

Tax settings impact investment in New Zealand and business decision-making. New Zealand's tax and regulatory settings are increasingly out of step with the needs of a modern, competitive economy.

While the country's broad-based, low-rate tax framework remains a core strength, it is being quietly eroded as thresholds fail to keep pace with inflation and wage growth. New Zealand's tax system should be simple, broad-based and internationally competitive, yet many thresholds have not been updated for decades, distorting their original intent. This includes the Foreign Investment Fund (FIF) de minimis threshold, (the 2026 budget proposed increasing this) and the GST registration threshold of $60,000 (last adjusted in 2009) which is now well-below Australia's equivalent at $AU75,000. At the same time, fiscal drag is pushing workers into higher tax brackets without any deliberate policy choice. These issues collectively undermine fairness, efficiency, and competitiveness.

To address these problems, the Government should systematically modernise tax settings. Indexing income tax thresholds to CPI or wage growth would prevent bracket creep and ensure tax settings remain transparent and intentional. A comprehensive review of outdated thresholds would restore their original purpose and reduce unnecessary compliance pressure on small businesses. Reducing the corporate tax rate (currently 28%) towards the OECD members average of 24.1%, would strengthen New Zealand's ability to attract and retain investment, particularly when paired with ongoing reform of the Overseas Investment Act.

Quality Regulations

Regulatory settings also require recalibration. Regulation is too often imposed "in anticipation of breaches," creating costs for risks that may never materialise. This is particularly problematic in fast-moving sectors such as technology and financial services. A shift toward evidence-based regulation implemented only after demonstrated harm would reduce unnecessary burdens while maintaining appropriate protections. Strengthening the role of the Ministry for Regulation is also essential. Requiring the Ministry to publish an annual compliance burden scorecard would ensure Government tracks the cumulative impact of new levies and regulatory requirements, rather than assessing each change in isolation.

Compliance Cost

There is significant scope to reduce compliance costs by better leveraging tax intermediaries. Accountants, advisers, and agents already play a critical role in lifting compliance quality across the SME sector. Formalising this role through an intermediaries advisory group and introducing a good-faith safe harbour so taxpayers acting on professional advice are not penalised for adviser error would improve fairness and efficiency.

Director Liabilities

A recent and concerning regulatory trend is excessively high personal liability fines for directors. This is deterring capable people from governance roles, particularly in smaller businesses and critical infrastructure sectors. Capping fines at proportionate levels would maintain accountability without creating a chilling effect on innovation, investment and board participation.

Tax Collection

User charges should be used more widely where it makes sense, to ease the burden on a declining number of future taxpayers.

Alcohol Excise Tax

The Government is currently addressing some structural and regulatory inefficiencies negatively impacting the beer, wine, spirits and hospitality sectors. It is important that the work done to date continues to progress through the Sale and Supply of Alcohol (Improving Alcohol Regulation) Amendment Bill and through support of the recommendations of the Hospitality Review.

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Tax and regulatory settings
Summary of Policy Asks

Topic	Issue	Policy Asks
Index income tax thresholds	Fiscal drag is pushing workers into higher tax bands without any deliberate policy choice.	↗ Index thresholds to CPI or wage growth to prevent bracket creep.
Review and update outdated thresholds	Many thresholds have never been adjusted for inflation and no longer reflect their original intent.	↗ A systematic review of all material thresholds including the GST registration threshold.
Reduce the corporate tax rate and lower barriers to investment	New Zealand's corporate tax rate sits above the OECD average of 24.1%.	↗ A staged reduction from 28%, alongside continued OIA reform will strengthen New Zealand's ability to attract and retain capital.
Assess cumulative compliance burdens	Additional levies or compliance costs for an industry can compound existing costs pressures.	↗ Assess the incremental burden on the industry, not just an assessment of the new cost; and ↗ The Ministry for Regulation to publish an annual scorecard tracking whether total compliance costs are rising or falling, ensuring new levies and requirements consider their cumulative impact.
Strengthen the role of tax intermediaries	Registered tax intermediaries already provide a level of risk-mitigation for the Crown. This can be further enhanced.	↗ Create a permanent advisory group and a good-faith safe harbour for taxpayers relying on registered advice.
Taxing alcohol production excessively which is being passed on to consumers	Alcohol excise tax has gone up 28 percent in the last six years but the tax take has not increased by more than marginal amounts.	↗ Progress the passing of the Sale and Supply of Alcohol (Improving Alcohol Regulation) Amendment Bill.
Ensure proportionate director liability	Disproportionate personal liability deters capable directors.	↗ Fines should reflect the breach and individual responsibility, not discourage prudent risk-taking and investment.

Research, Science and Innovation

Innovation is central to economic growth, but it only flourishes when supported by the right economic and industrial environment. New Zealand's long-standing productivity challenges are closely tied to persistent underinvestment in Research, Science and Innovation.

Based on the Statistics New Zealand annual Research and Development (R&D) survey, in 2024 total R&D spending was 1.55% of GDP compared with the OECD average of 2.72%, and business R&D spend was the equivalent of 0.98% of GDP, compared to the OECD average of 2% of GDP.

While the gap between New Zealand and the OECD average in terms of business R&D spending as a percentage of GDP might be narrowing, it is estimated that it would take roughly 75 years for the gap to close. This reflects not only low private-sector investment but also weak connections between universities, public research organisations and firms, with only 3% of business R&D expenditure in government R&D organisations and just 1% in universities.

While recent reforms such as refocusing research funding on economic impact, establishing four Public Research Organisations (PROs), and improving the RDT are positive, they are not enough to shift New Zealand onto a high-innovation trajectory.

A central issue is that New Zealand's Research and Development Tax Incentive (RDTI) at 15 percent remains internationally uncompetitive. This is making the country a less attractive location for R&D and the downstream activities that follow it, including manufacturing, sales, and corporate management. Increasing the rate to at least 25% would bring New Zealand closer to economies such as Australia, Singapore and Ireland, where effective rates are far higher.

Strengthening commercialisation pathways is equally important. Universities and PROs often struggle to translate intellectual property into market ready products because IP is frequently overvalued and lacks the business capability, capital and customer access needed to scale. A stronger "pull" mechanism—such as offering a higher RDTI rate (potentially ~50%) for firms collaborating with local researchers—would incentivise large export capable firms to work with domestic research institutions (effectively co-funding the RSI system for better commercial outcomes) rather than going offshore (which many currently do) for R&D support.

Research and Development Tax Incentives

New Zealand	15%
Australia (includes federal support only)	**Refundable offset**: company tax rate (25%) + 18.5% premium → 43.5% for firms <$20m turnover. **Non-refundable offset**: company tax rate + 8.5% (low-intensity) or **16.5%** (high-intensity).
Singapore	**100% base deduction + 150% enhanced deduction for Singapore-based R&D** → 250% total deduction (not a tax credit; a super-deduction regime).
Poland	**100% additional deduction** (total 200% deduction), or **200% additional deduction** for certified R&D centres (total 300% deduction).

2026

Public-sector research incentives also require reform. It has been a long running debate, but many researchers often still prefer to publish rather than protect IP because publication drives career advancement and future funding. The creators often have preferences and motivations not to protect the knowledge even though commercialisation depends on it. Funding rules and institutional incentives should more clearly reward pathways that lead to commercial outcomes. At the same time, the current three-way split of IP ownership between researchers, departments and universities can slow or block commercial deals. MBIE's new Intellectual Property Management Policy is a step forward, but legislative change may be required if it does not deliver clearer, faster commercialisation routes.

Finally, there is a significant support gap for SMEs undertaking R&D. While small firms can access a modest "New to R&D" grant, they receive little further assistance until they are large enough to benefit from the RDTI. The recent evaluation of the RDTI found that transaction costs make the scheme in effect, inaccessible to firms spending less than $300,000–$500,000 a year on R&D. This leaves many growth-oriented SMEs without the support needed to progress from early-stage experimentation to sustained, commercially meaningful R&D activity. Targeted support to bridge this gap would help more SMEs scale their innovation and contribute to a stronger, more dynamic innovation ecosystem.

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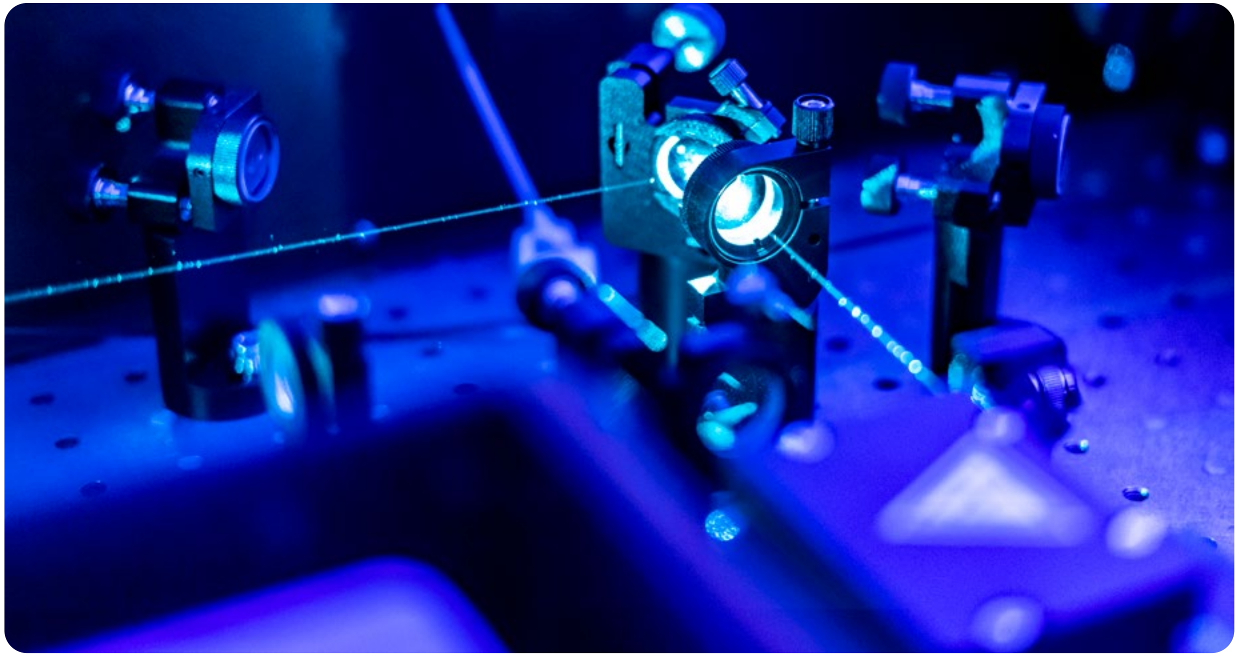

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Research, Science and Innovation
Summary of Policy Asks

Topic	Issue	Policy Asks
Increase the RDTI rate	The current 15% rate is internationally uncompetitive. making New Zealand a relatively unattractive location for R&D activities.	↗ Raise the rate to at least 25%. This would better attract R&D activity and align New Zealand with economies such as Australia, Singapore and Ireland.
Strengthen commercialisation pathways	Universities and PROs generally have experienced limited success in placing their IP into the business sector. A stronger "pull" mechanism is needed to connect research capability with export-focused firms.	↗ Options include a higher RDTI rate (potentially ~50%) for firms collaborating with local researchers on market led innovation.
Improve incentives for public-sector researchers	The commercialisation of knowledge created in New Zealand's universities and other publicly-funded research institutions normally depends on the knowledge being protected.	↗ Funding rules and institutional incentives that more clearly reward pathways that lead to commercial outcomes.
Reform IP ownership to speed commercialisation	The usual three-way split of IP ownership between the researcher(s), their department(s) and their university can inhibit commercialisation of IP.	↗ MBIE's new Intellectual Property Management Policy be monitored, with legislative change considered if it does not deliver clearer, faster commercialisation routes.
Close the support gap for SMEs	Besides modest, one-off "New to R&D" grants, SMEs have virtually no other R&D support.	↗ Provide targeted support to help growth-oriented SMEs bridge this gap.

Education and Skills

New Zealand's long-term prosperity depends on a skills and immigration system that can support a modern, productive economy. The country faces structural challenges—an ageing population, weak productivity compared with the OECD and Australia, and a skills base that has slipped over a generation.

Fiscal constraints mean the answer is not for government to do more, but to do better by ensuring education delivers foundational skills and vocational pathways that lead to real jobs, and immigration that fills genuine gaps the domestic labour market cannot.

In education, the core issue is that too many learners leave school without strong literacy, numeracy or clear pathways into further study or work. The solution is to stay the course on the current reform programme of building a knowledge-rich, internationally comparable and rigorous school curriculum, and replacing NCEA with new upper secondary qualifications that employers, parents and students trust and are a credible pathway to further study or work. System changes such as embedding structured literacy and numeracy and resourcing curriculum and qualification reforms properly are showing positive signs, and should be given time to bed in. Nationally comparable assessment must remain in place so progress is measurable, and vocational subjects should be co-designed with industry to ensure they map to real occupational competencies. Strengthening the school-to-apprenticeship pipeline, opening more flexible pathways into teaching, and rewarding proven classroom expertise will help lift teaching quality and ensure qualifications are credible to employers.

New Zealand's skills system also needs to better connect education to employment. Only around 6% of school leavers move directly into apprenticeships, and too many tertiary programmes deliver low completion and weak employment outcomes. The solution is to fund tertiary education for value by shifting funding toward completion, employment and earnings and create vocational pathways that include genuine workplace experience and support the transition to Apprenticeships. A Lifelong Skills Account would support retraining in shortage fields, while expanding apprenticeships to include "running a small-business" training, because many trades graduates become SME owners. At the same time, government should avoid levies on employers to fund training and stop subsidising low-value courses that do not lead to work.

"Only around 6% of school leavers move directly into apprenticeships, and too many tertiary programmes deliver low completion and weak employment outcomes.

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Education and Skills
Summary of Policy Asks

Topic	Issue	Policy Asks
Education: School system performance, foundational skills, vocational pathways, and teacher quality	Foundational literacy and numeracy have declined, and too many learners leave school without work-ready skills. Qualifications and vocational pathways are not consistently aligned with employer needs. Teacher supply and quality are constrained by rigid entry pathways and pay structures. Reforms risk failing without adequate resourcing.	↗ Stay the course on curriculum and qualification reforms, including the Foundational Skills Award and new upper-secondary certificates. ↗ Support continuous system improvements with internationally comparable teaching, curriculum and assessment, and track progression to real employment outcomes. ↗ Fully resource the reform programme to ensure successful implementation. ↗ Continue to embed structured literacy and mathematics and foundational skills within the whole education system. ↗ Co-design vocational subjects with industry and create a school-to-apprenticeship pathway. ↗ Open flexible entry pathways into teaching, reward proven classroom expertise, and enable part-time subject specialists.
Skills: Workforce preparation, vocational training, apprenticeships, and lifelong learning	Too few school leavers transition directly into apprenticeships (around 6%). Many tertiary programmes have low completion and weak employment outcomes. Employers face skill shortages while training systems remain slow to respond. SMEs and trades graduates often lack business skills needed for self-employment. Levies on employers would add cost without improving system performance.	↗ Ensure vocational pathways under the new secondary qualifications are robust and provide workplace experience and exposure. ↗ Increase the rate of Apprenticeship Boost for first-year school leavers coming through vocational pathways to support transitions into work. ↗ Fund tertiary education based on value completion, employment and earnings not enrolment volume. ↗ Introduce a Lifelong Skills Account for retraining in shortage and high-return fields. ↗ Add small-business training to apprenticeships. ↗ Reinstate majority industry agreement to new levies or fees on employers.
Higher education: New Zealand is home to world-leading Universities, producing top talent and research	Funding settings reward enrolment volume over outcomes, squeezing high-cost STEM, engineering and health programmes where demand and returns are greatest. Graduate supply is poorly matched to labour market needs, and employers cannot see completion or employment outcomes by qualification. University–industry collaboration is weak by OECD standards, and top research talent is lost offshore.	↗ Fund on value, not volume, link a share of subsidy to completion, employment and earnings, and protect funding rates for the high-cost disciplines the economy is short of. ↗ Publish qualification-level outcomes data so students and employers can choose well and use it to steer provision toward areas with skill shortages. ↗ Retain and grow the Industry PhD programme and embed work-integrated learning in professional degrees. ↗ Keep world-class talent here with stronger support for commercialisation and stronger job creation incentives.

Immigration

Immigration settings must complement, not be a substitute for, developing our own domestic skills. The Skilled Migrant Category reforms and new residency pathways are attracting talent in areas of genuine shortage and should be retained. But the system must become more risk-based and focused on excellent service delivery and processing times. Delays cost businesses and deter the talent New Zealand is trying to attract.

The Accredited Employer Work Visa accreditation must be genuinely risk-based and audited, concentrating verification on higher-risk employers while keeping compliance light for proven low-risk firms. This would include greater flexibility and timeliness in attracting globally mobile staff rather than the ‘one-size-fits-all’ approach.

A cross-agency planning team is needed to coordinate population growth across infrastructure, housing, health and education, and a Business Attraction Visa would help bring established offshore firms—and their capital, jobs and IP—to New Zealand. Immigration levies in addition to the fees already paid by business should not proceed, as the system has not yet demonstrated the efficiency and effectiveness required to justify additional costs.

Immigration
Summary of Policy Asks

Topic	Issue	Policy Asks
Skilled migration, employer accreditation, service performance, and population planning	Businesses face delays and uncertainty due to slow Immigration New Zealand processing. Current accreditation processes treat all employers the same, rather than focusing on risk. Population growth pressures are not well coordinated across infrastructure, housing, health and education. New Zealand needs to attract globally mobile talent and investment, including whole businesses relocating. Immigration levies on accredited employers would add cost without improving system performance.	↗ Retain Skilled Migrant Category reforms, new residency pathways, seasonal visas, and Active Investor Plus settings. ↗ Shift to a high-trust, low-risk Accredited Employer model with targeted auditing and verification to improve risk management, reduce cost and compliance on employers using the immigration system responsibly. ↗ Refocus Immigration New Zealand on service excellence and timeliness. ↗ Establish a cross-agency planning board to inform and coordinate population-driven infrastructure and services such as infrastructure, health, housing, education and local government. ↗ Introduce a Business Attraction Visa to bring offshore firms, jobs, capital and IP to New Zealand.

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Export and International Trade

New Zealand exporters have navigated one of the most volatile global trading environments in decades. A global pandemic, severe supply chain disruption, war in Europe, conflict in the Middle East, rising protectionism, intensifying strategic competition between major powers, and the re-emergence of tariffs have fundamentally reshaped the landscape in which our exporters operate.

Yet despite these pressures, export earnings have surpassed $100 billion for the first time, underscoring the resilience and competitiveness of New Zealand businesses and the critical importance of strong international connections and an ambitious trade policy.

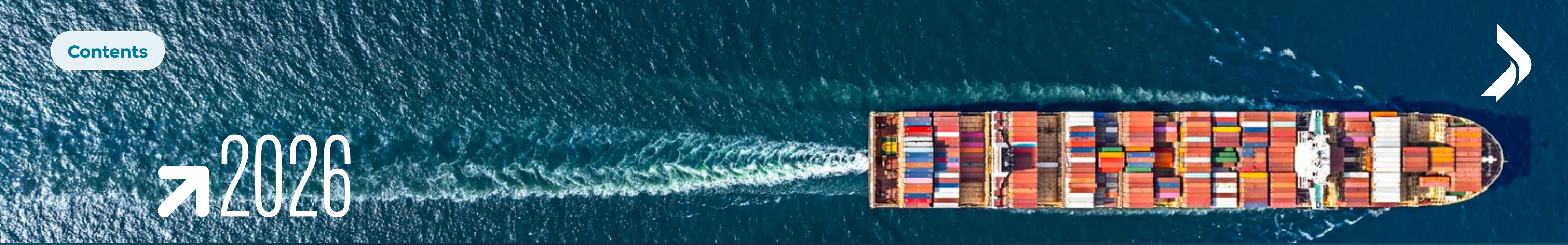
To build on this momentum, New Zealand's ambition must now extend beyond simply supporting trade. We need to deepen and diversify our international economic relationships, refresh existing FTAs to ensure they remain fit for purpose, and pursue new agreements that open doors to fast-growing markets. Strengthening our network of bilateral, plurilateral, and multilateral trade agreements will help ensure New Zealand remains competitive as global supply chains evolve and new economic centres of gravity emerge. It will also support the growth of emerging sectors such as digital services, gaming, space, defence, and agritech.

Ensuring New Zealand participates fully in major trade agreements is equally important for the growing Māori economy. Māori are significant owners of New Zealand's export-driven industries holding more than $10 billion in assets across dairy, meat, forestry, horticulture, and fisheries. Beyond goods, trade also strengthens flows of ideas, services, skills, tourism, and education—areas where Māori are increasingly active contributors. Trade deals help build intergenerational wealth and support the emergence of globally competitive Māori-owned companies.

New Zealand's global ambition must be matched by a modern, well-resourced trade and export system. BusinessNZ welcomes National's recent announcement setting out an ambitious outward looking trade agenda. A sharper mandate for New Zealand Trade and Enterprise with a strong focus on sector-specific missions and measurable commercial outcomes will lead New Zealand businesses to new opportunities and will foster the next generation of exporters. This is vital in achieving the commitment to doubling the value of exports by 2034.

New Zealand is a trading nation and our future prosperity depends on a trade system that is dynamic, ambitious, and globally connected—one that not only protects the competitive advantage of our established industries but also enables the emergence of new export sectors and positions New Zealand as a trusted, high-value partner that can compete on the world stage for a rising share of global trade and investment.

ExportNZ has released a full pre-election Export and International Trade document in August 2026 at **www.exportnz.org.nz**.



Export and International Trade
Summary of Policy Asks

Topic	Issue	Policy Asks
Economic resilience and international competitiveness	New Zealand needs strong international connections to remain competitive in a globally challenging world.	↗ Reaffirm New Zealand's leadership in the rules-based trading system and push back against protectionism. ↗ Accelerate high-quality trade agreements and economic partnerships that deliver real market access gains and create greater choice and resilience for all New Zealand exporters, including the Māori economy. ↗ Resource and coordinate a stronger national system for identifying and removing non-tariff barriers that restrict market access and increase costs for exporters. ↗ Ensure the Gene Technologies Bill protects export market access and aligns with key trading partners. ↗ Invest in next-generation trade tools—digital trade, sustainability frameworks, critical supply chain resilience and emerging technologies. ↗ Commit to long-term strategic infrastructure investment to support export growth and international competitiveness, including ports, freight networks, digital connectivity, border systems, and transport infrastructure. ↗ Guarantee secure, reliable and affordable energy supply through accelerated investment in generation and resilience. ↗ Embed export competitiveness as a core test in all government policy and regulatory decisions.

Health

New Zealand's ageing population will place sustained pressure on the health system over the next 25 years, with demand for services rising sharply as the number of people aged 65 and over grows by around 55 percent and those aged 75 and over by around 75 percent.

This shift will significantly increase clinical presentations and strain health infrastructure, workforce capacity and public finances.

Yet New Zealand's current investment profile is poorly aligned with future needs. Underinvestment in medicines, vaccines and early treatment means patients miss out on modern therapies that prevent disease progression and reduce hospitalisations.

A long-term plan to rebalance health spending toward prevention, medicines and early intervention is essential. More efficient use of surgical capacity, stronger public–private partnerships, better access to medical technologies and modern procurement practices would also help manage predictable future demand.

BusinessNZ will release a full pre-election Health Policy document **www.businessnz.org.nz**.

Health
Summary of Policy Asks

Topic	Issue	Policy Asks
New Zealand's health system remains heavily focused on treating illness after it occurs rather than preventing it	New Zealand's current level of investment in medicines is no longer sufficient to meet the health and economic challenges ahead. New Zealand allocates just 4.9 percent of public health expenditure to pharmaceutical, compared with 13.3 percent across comparable OECD countries.	↗ Improved access to medicines, especially where they reduce the need for hospital inpatient or outpatient care. ↗ A sustainable health system requires greater investment in prevention, timely treatment and medicines that reduce demand on the rest of the system. ↗ Economic analysis by BERL, shows greater investment in the latest medicines would be net positive for Crown finances, due to people staying in the workplace and paying taxes.
New Zealand has a rapidly ageing population. Several conditions that are common features of ageing could be more efficiently dealt with in dedicated elective surgery facilities than in general hospitals	With an ageing population, the number of clinical presentations could more than double during the next 25 years.	↗ Optimised use of elective surgery capacity (longer PPP contracts), across the combined public and private hospital sectors, to more efficiently deal with likely increased demand for things like cataract surgeries, and knee and hip replacements over the next three decades or so.
Budgetary constraints and poor procurement rules and practices have limited the availability of leading-edge medical technologies	Good access to, and appropriate use of, different technologies can help to minimize the need for inpatient and outpatient care and support treatment and healing, as well as help to improve the quality of life for chronically sick or disabled individuals.	↗ Better use of medical technology to complement access to medicines. ↗ Hospitals could be used as test beds for medical technology innovation, creating life-enhancing technologies that could be exported to the world. ↗ Procurement supplier panels should be refreshed more regularly to ensure new suppliers are not locked out and that pricing remains competitive.

Topic	Issue	Policy Asks
Continue progress on the Medical Products Bill	The Bill promises to introduce risk-proportionate regulation, recognise that medical devices differ fundamentally from medicines, harmonises NZ regulation with trusted jurisdictions, provide stronger post-market surveillance, and enable efficient pathways for innovative and software-based and AI technologies.	↗ Harmonisation with trusted international regulators would allow New Zealand to draw on global real-world evidence, respond faster to safety concerns, and avoid unnecessary duplication. A modern, internationally aligned regulatory system would also improve patient safety while ensuring New Zealand remains attractive to global companies bringing innovative, life-saving technologies to our market.
Better rehabilitation services, post-surgery and post-accident	ACC's past decade of mismanagement and under-funding of rehabilitation services (rehab) has led to a dramatic increase in the length of time before injured workers are able to get underway with their rehab.	↗ A review of rehab service provision across the wider health sector could uncover scope for improvements in the quality of life of patients, and also boost productivity. Faster referrals to rehab are critical to faster recovery and less time on benefits. Public health services and contracted health services staff should be paid the same for the same jobs.
Maintaining the role of charitable and voluntary services in the health system	There are a range of organisations in New Zealand whose activities have the effect of lightening the burden on hospitals and general practices, but struggle constantly to stay afloat financially.	↗ The Government should examine how the wider charitable and voluntary health sector contributes in the longer term, and how the Government can support the sector's ongoing contribution.
Workforce development	The current and looming health workforce shortages bring into question whether sufficient attention has been paid to workforce planning and capacity development.	↗ Workforce training and development should be better aligned with probable (and known) system skill requirements, including increased capacity to train (more medical placements in the system), better recognition of overseas qualifications and work experience.
Making New Zealand more attractive for clinical trials	There is potential to promote New Zealand as a location for trials of new medicines and medical technologies which would have multiple benefits, including better patient outcomes, increased health system efficiency, and business development opportunities.	↗ The Government should examine the conditions needed to make New Zealand a health service test bed, and develop a strategy to create or enhance the conditions.

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Quality Regulation

New Zealand is at a pivotal moment in strengthening the quality and discipline of its regulatory system. For the first time, the scale and structure of New Zealand's regulatory system has been comprehensively mapped, revealing decades of accumulated complexity across more than 260 regulators.

BusinessNZ welcomes the establishment of the Ministry for Regulation and the passage of the Regulatory Standards Act 2025. This offers a rare opportunity to embed rigorous, evidence-based decision-making. Retaining these positively impactful reforms is essential to ensuring on going compliance with the **Core Principles of Responsible Regulation** as outlined in the Cabinet's Expectations for Good Law-making:

Purpose and Justification: Regulation should only be used to solve a real-world problem where the benefits to society or the economy demonstrably exceed the costs;

Proportionality: The burden of rules and enforcement must be balanced with the risks being managed;

Efficiency and Certainty: Compliance should not be more complex or expensive than necessary, and rules should be predictable for individuals and businesses;

Rule of Law and Individual Liberties: Laws should respect individual autonomy, uphold procedural fairness, and ensure equal application; and

Transparency and Accountability: Government decision-making must be open, and agencies must provide accessible information to help regulated parties understand their obligations.

Knee-jerk reactions to these reforms and U-turns must be avoided as they would be unhelpful and risk undermining New Zealand's hard-earned reputation as a country with strong institutions, high-quality governance, and a commitment to navigating an increasingly complex world through evidence-based policymaking.

The Ministry for Regulation must be adequately resourced in future years to undertake the key issues around the quality of regulation it is tasked with. The Ministry already has an open-door policy with the business community to hear about regulatory issues affecting them, as well as doing what it can to build relationships with other government departments. BusinessNZ would wish to see this continue and built on with additional funding if required.

Quality Regulation
Summary of Policy Asks

Topic	Issue	Policy Asks
Strengthen the quality and discipline of New Zealand's regulatory system	Decades of accumulated complexity over more than 260 regulators has added unnecessary compliance burden and cost. Scrutiny needs to be applied to regulatory decision-making to ensure that interventions are well-founded, appropriate and effective.	↗ Retain the Ministry for Regulation and the Regulatory Standards Act. Review the Act after five years to assess its effectiveness against its stated objectives and strengthen where necessary.
Comprehensive review of all levies	Businesses often face many levies. The accumulated cost burden on business can be significant.	↗ The Ministry for Regulation undertake a comprehensive review of all levies imposed on businesses to ensure they are justified, transparent, and appropriately allocated.
Resourcing of the Ministry for Regulation	Ongoing adequate resourcing must be continued for the Ministry for Regulation to continue the good work of addressing regulatory issues affecting businesses.	↗ It is important that the Ministry for Regulation is adequately resourced in future years to undertake the key issues around the quality of regulation it is tasked with.
Protection of property rights	Weak or uncertain property-rights protections can discourage long-term investment and slow economic growth.	↗ The protection of property rights be strengthened to encourage long-term investment and economic growth in New Zealand.
Compensation for regulatory takings	There is a lack of a fair and consistent compensation mechanism for regulatory takings.	↗ Compensation be provided for regulatory takings where government or local government actions materially reduce the ability of private property owners to use or derive value from their property for broader public purposes.
Restrict the power to amend primary legislation through regulation	Making substantive policy changes through regulation rather than through Parliament undermines proper democratic scrutiny and weakens the integrity of primary legislation.	↗ Legislative provisions granting Ministers the power to amend primary legislation through regulation ("Henry VIII clauses") be restricted to minor or technical amendments, rather than substantive policy changes.
Overseas Investment Act	The overly broad Overseas Investment Act focus has resulted in slow, complex, and unpredictable approval processes for investments.	↗ The Overseas Investment Act be focused primarily on national security considerations, with investments posing no material security risk being approved through a streamlined and efficient process.
Government-sanctioned monopolies	Certain monopoly arrangements may no longer be fit-for-purpose, and introducing competition (where appropriate) could deliver better value and outcomes.	↗ Consideration be given to opening government-sanctioned monopolies to greater competition where appropriate, including the Work Account component of the Accident Compensation Corporation (ACC) scheme.
Systematic asset-recycling	The lack of regular, strategic assessment of publicly owned assets means missed opportunities to recycle capital into new infrastructure and can constrain investment and slow economic and urban development.	↗ Greater use be made of asset recycling, with central and local government regularly assessing whether continued public ownership of certain assets remains justified. Where appropriate, proceeds from asset sales could be redirected towards new infrastructure projects and the upgrading of existing infrastructure, similar to successful initiatives undertaken in New South Wales, Australia.

Small Business Policies

Small businesses are the backbone of New Zealand's economy. They drive employment, innovation, and resilient local communities. As the businesses most directly affected by regulatory and policy decisions, it is essential that their needs, perspectives and operating realities are considered from the very beginning of the policy development process, not simply during the later part of consultation once policy proposals have been developed.

Developing policy with small businesses in mind requires an open and ongoing dialogue between government and the wider business community. To ensure policy settings reflect the realities of running a small business, the government should seek practical insights early, test proposals before they are finalised, and actively encourage ideas that promote productivity, investment, and growth.

The government must also consider the cumulative impact of regulatory change over time, recognising that while individual measures may appear manageable, their combined effect can place a significant burden on small businesses. By placing small business perspectives at the centre of policy design, the government can reduce unintended consequences, improve the effectiveness of regulation and create an environment that enables small businesses to grow.

Small Business Policies
Summary of Policy Asks

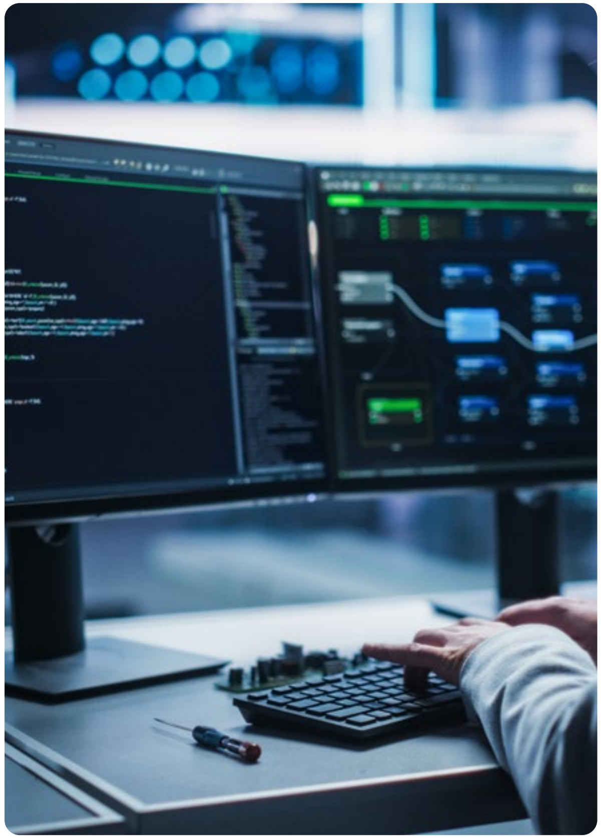
Topic	Issue	Policy Asks
Small Business Policies	Small businesses are most directly affected by regulatory and policy decisions and can face a higher cumulative impact of regulatory change over time.	↗ Policy design must place the needs, perspectives and operating realities of small businesses at the centre of the policy development process. This will reduce unintended consequences, improve the effectiveness of regulation and create an environment that enables small businesses to grow. ↗ Continue with the Ministry for Regulation’s review of all fees and levies being charged by Government Agencies, to test whether they are fit for purpose and to show the cumulative impact of them all on an individual small business.

AI and Digitalisation

Artificial intelligence (AI) and digitalisation will be central to New Zealand's future productivity, competitiveness and economic growth. While we are unlikely to lead the world in developing AI, New Zealand can be smart around how it is adopted.

The government should position New Zealand as a fast follower by identifying global best practice, implementing proven AI and digital policy settings quickly, and creating a regulatory environment that gives businesses the confidence to invest, innovate, and adopt new technologies. Supporting digital capability, skills, and technology uptake across businesses, particularly for small businesses, will be critical to lifting productivity and maintaining our international competitiveness.

A strong digital economy also depends on resilient digital infrastructure. New Zealand must ensure it has sufficient domestic data centre capacity to meet growing demand, protect critical data and strengthen resilience against geopolitical and supply chain risks that could affect access to offshore infrastructure. Overall, a practical approach to AI policy, backed by resilient digital infrastructure, will give New Zealand businesses the confidence and capability to adopt new technologies and assist the country's long-term economic outlook.



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AI and Digitalisation
Summary of Policy Asks

Topic	Issue	Policy Asks
AI and Digitalisation	While New Zealand is unlikely to be a global leader in developing AI, it can still gain significant economic advantage by becoming a fast follower and strengthening digital capability across the economy. Quickly adopting proven global best practice, enabling businesses to innovate with confidence, and ensuring small firms in particular have the digital capability and skills needed to lift productivity will support long term growth.	↗ The government should take a practical, fast-follower approach to AI and digital policy—rapidly implementing proven international settings, supporting digital capability and technology uptake across businesses, and ensuring New Zealand has resilient domestic data-centre infrastructure.

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Local Government

The fundamental role of local government is to provide local public goods and services efficiently, accountably, and at least cost to ratepayers. Activities beyond this core purpose should be undertaken only where there is a clear and compelling public policy rationale. Local government faces mounting pressure to deliver core services efficiently and fairly.

Operating expenditure and income have risen sharply—operating expenditure reached $18.28 billion in the year to March 2026, an increase of 6.9%, while operating income rose 8.4% to $16.71 billion. Yet many ratepayers have faced substantial, often double-digit, rate increases while concerns about the quality of core services persist.

Businesses contribute a significant share of local government revenue yet often receive services disproportionate to the rates they pay.

This inequity is compounded by the widespread use of business and commercial rating differentials, despite strong evidence supporting their removal. Rates should reflect the services provided, not operate as a general taxation mechanism.

There are also concerns about the scope of local government activities, funding mechanisms, council efficiency, and the costs imposed by central government through unfunded mandates. Regulatory requirements, such as water quality standards and earthquake-strengthening obligations, can impose significant costs on councils and ratepayers without adequate transparency regarding trade-offs or funding responsibilities.

The continued ownership of commercial enterprises by local authorities where there is no clear public interest rationale is also of concern. While investment returns can help offset rates, ratepayers ultimately bear the associated risks. In many cases, private sector ownership is likely to deliver greater efficiency and may generate significant sale proceeds that could be redirected into essential infrastructure and core services.

Finally, the large amount of non-rateable land, particularly Department of Conservation land, reduces the rating base and increases the burden on other ratepayers.

Greater transparency around unfunded mandates from central government, a review of non-rateable land categories, and clearer guidance on funding tools would help restore confidence in local government performance and ensure councils focus on essential infrastructure rather than discretionary activities.

> *“Many ratepayers have faced substantial, often double-digit, rate increases while concerns about the quality of core services persist.*

Local Government
Summary of Policy Asks

Topic	Issue	Policy Asks
Rating differentials	Business contributes a significant share of local government revenue yet often receives service that is disproportionate to the rates it pays. The inequity is compounded by the widespread use of rating differentials.	↗ Rating differentials used only in exceptional circumstances and not as a general revenue-raising mechanism.
Housing and infrastructure growth	There is a structural funding mismatch to support housing and infrastructure growth whereby central government captures GST from new developments while councils bear the infrastructure burden.	↗ Greater incentives be provided for housing and infrastructure growth, including consideration of GST-sharing arrangements with councils.
Non-rateable land	Exemptions of a large amount of non-rateable land significantly reduces the rating base and increases the burden on other ratepayers.	↗ The list of non-rateable land categories in the Local Government (Rating) Act 2002 be reviewed to support a broad-base, low-rate system.
Rates-capping regime	Poorly designed rates caps could constrain councils' ability to fund infrastructure and services, create perverse incentives, and generate significant unintended consequences for housing, growth, and community wellbeing.	↗ Any rates-capping regime be carefully designed to avoid unintended consequences.
Scope creep of local government activities	Scope creep of local government activities beyond providing local public goods and services can lead to inefficiency and increased costs to ratepayers.	↗ Referenda be considered for discretionary council projects above a defined financial threshold.
Guidance on use of funding tools	Lack of clear, consistent, and economically grounded guidance on how to use funding tools leads to uneven practice, uncertainty, and inefficient decision-making across the country.	↗ Councils receive clearer guidance on the use of funding tools, supported by sound economic principles and greater national consistency.
Visibility around costs imposed by both central and local government	Regulatory requirements can impose significant costs on councils and ratepayers without adequate transparency regarding trade-offs or funding responsibilities. Greater visibility is needed around costs imposed by both central and local government.	↗ Greater clarity be provided regarding: a. user charges for council services; b. targeted taxes funding local public goods benefiting a specific group; c. general rates funding public goods benefiting the wider community; and d. charges intended to internalise external costs.
Council ownership of commercial businesses	Continued ownership of commercial businesses by local authorities where there is no clear public interest rationale leads to inefficiencies.	↗ Councils divest commercial businesses where there is no clear rationale for continued ratepayer ownership, with proceeds reinvested in essential infrastructure and core services.

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Resource Management

It is widely accepted that New Zealand's current resource management system, principally the Resource Management Act (RMA), is no longer fit for purpose and requires comprehensive reform. Resource management reform therefore remains critical to unlocking New Zealand's economic potential.

The current system imposes significant costs and delays, with the cost for consenting processes for major infrastructure projects estimated at $1.29 billion annually and obtaining consent for major projects taking nearly twice as long as five years ago.

According to the New Zealand Infrastructure Commission, our national long-term investment levels have been remarkably stable. Over 30-year periods, investment has never risen above 7.3 percent of GDP nor fallen below 5.0 percent, showing that our investment intensity has changed little over time.

Despite this, New Zealand already spends a higher share of GDP on public infrastructure than most OECD countries, yet productivity remains weak. The challenge is not how much we invest, but how effectively that investment translates into economic performance. Infrastructure supports growth only when it is efficient—when it delivers strong outputs such as reliable electricity, transport, and digital connectivity for a reasonable level of inputs. Because every dollar must ultimately be funded through taxes, rates, or user charges, inefficient investment can do more harm than good by imposing costs without delivering commensurate benefits.

New Zealand has high levels of infrastructure spending but only average levels of infrastructure quality. Put simply, we are not getting good value for money. Improving the efficiency and prioritisation of infrastructure investment is essential to lifting productivity and strengthening long-term economic resilience.

The proposed Planning and Natural Environment Bills promises transformational change by delivering greater recognition of property rights as a guiding principle; a narrower focus on regulating effects, standardised planning zones and rules; and a higher threshold for objections.

The potential benefits of the new regime, once fully operational, are significant. Independent analysis shows the new planning system is projected to boost GDP by an additional 0.56 per cent every year by 2050, worth up to $3.1 billion annually. A cost benefit analysis estimates $13.3 billion in savings over 30 years through reduced administrative and compliance costs.

Officials also estimate that around 45 per cent of consent and permit applications required under the RMA could be removed under the new system. Based on 2023/24 volumes, that represents between 15,000 and 22,000 consents no longer needed. Securing broad political support for these reforms is vital to provide long-term certainty for investors and ensure environmental limits are grounded in robust scientific evidence rather than shifting political priorities.

> *New Zealand has high levels of infrastructure spending but only average levels of infrastructure quality. Put simply, we are not getting good value for money.*

Resource Managment
Summary of Policy Asks

Topic	Issue	Policy Asks
New legislation	The current resource management system is no longer fit for purpose and stifles new infrastructure development.	↗ Enact the Planning Bill and Natural Environment Bill before this year's general election. ↗ A bipartisan approach to infrastructure planning should continue and there should be accountability on government agencies to deliver on shared priorities.
Environmental limits	Environmental limits that are either unclear, overly rigid, or not scientifically defensible undermine both environmental outcomes and regional economic, social, and cultural aspirations.	↗ Ensure that environmental limits within the new system are based on robust scientific evidence and include clear definitions of human health effects to ensure that resource use is not unnecessarily constrained, while allowing local communities flexibility to achieve their economic, environmental, social and cultural aspirations.
	Environmental limits are sometimes altered due to political cycles rather than compelling scientific evidence leading to regulatory instability, disrupted investment plans, operational disruption, reduced trust in the regulatory system, barriers to new entrants.	↗ Once environmental limits have been established at the national level, they should not be subject to frequent change by future governments unless there are compelling, evidence-based reasons to do so. Where changes are necessary, reasonable transition periods should be provided to allow existing and prospective resource users to adjust without undue disruption to current operations or investment plans.
Compensation for regulatory takings	Regulatory decisions can strip value from existing operations and can impose substantial economic losses on individuals or businesses without any formal mechanism to recognise or compensate those losses.	↗ As part of the proposed Regulatory Relief Framework, those adversely affected by regulatory takings should receive appropriate compensation.
Natural resource allocation and users	The current natural resource allocation frameworks have a level of uncertainty, instability, and lack of clarity that make long-term investment risky and create conflict between users, regulators, and communities.	↗ Future natural resource allocation frameworks should be underpinned by: security of property rights; and clear specification of resource use rights and obligations.
Design of future market-based allocation mechanisms	Poorly designed market mechanisms can undermine current natural resource users, distort investment incentives, or trigger sector-level disruption.	↗ Existing and prospective natural resource users should be thoroughly consulted on the design of future market-based allocation mechanisms to encourage efficient long-term investment while recognising the potential impacts on current users.

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Hazard Management

Natural hazards are affecting, and will continue to affect, New Zealand and its infrastructure, including transport, energy, and water systems.

Managed retreat—the deliberate, planned process of moving people away from areas vulnerable to natural hazards—is a significant issue with far-reaching implications for property rights. It therefore requires careful consideration. BusinessNZ supports the Government's view that any framework must avoid perverse or unintended consequences, including moral hazard—that is, creating incentives for continued development in areas known to be at significant risk.

There is an optimal level of investment in reducing risks arising from natural hazards. Resources are finite, while risk can rarely be eliminated completely. Although risk can often be reduced, beyond a certain point the marginal cost of further action rises significantly while the benefits diminish. Accordingly, individuals, businesses, and governments should invest in risk mitigation only up to the point where the marginal cost of action equals the marginal benefit.

BusinessNZ considers that there should be a very high threshold for central or local government to require people to relocate. Such powers should generally be restricted to situations involving significant risks to public safety or where the ongoing cost of providing essential infrastructure and services is prohibitive and cannot reasonably be met by the beneficiaries of those services. There can be no one-size-fits-all approach. New Zealand communities face different risks, economic circumstances, and geographic challenges. Government policy should therefore enable local solutions to local problems wherever possible.

Accurate and accessible information on local climate-related risks is essential to ensure that both emergency management and managed retreat decisions are evidence-based. Likewise, providers of critical infrastructure must be involved early in adaptation and managed retreat planning processes. Without careful planning and engagement, adaptation measures or relocation requirements could have significant implications for the operation and reliability of essential services.

> *"BusinessNZ considers that there should be a very high threshold for central or local government to require people to relocate.*

Hazard Managment

Summary of Policy Asks

Topic	Issue	Policy Asks
Cross-party support for any legislative change	Regulatory frameworks are vulnerable to political-cycle instability which can lead to Policy reversals; uncertainty for long-term investors; reduced credibility of the regulatory system; inefficient implementation; and difficulty achieving durable outcomes.	↗ Broad cross-party support for any legislative change will ensure that, once a rigorous and economically sustainable framework has been established, it is not subject to ongoing political uncertainty or future policy reversals.
Consistent application of risk interventions	Risk cannot be eliminated entirely. Attempting to do so would effectively bring much productive activity to a halt.	↗ Interventions designed to reduce the risk of serious injury or premature death should be applied relatively consistently across the economy, recognising that it is neither practical nor economically efficient to eliminate all risk.
Managed retreat	Managed retreat and requiring people to relocate are significant issues with far-reaching implications for property rights, public safety and providing essential infrastructure and services.	↗ A high threshold should apply before central or local government can require people to relocate, with clear, transparent, and robust criteria established for any mandatory retreat decisions.
Locally developed solutions	New Zealand's communities face different risks, economic circumstances, and geographic challenges.	↗ Government should encourage locally developed solutions wherever possible and avoid a one-size-fits-all approach.
National risk database	High-quality data is a critical component of successful climate adaptation and risk management decisions.	↗ Establish an independent, accessible national risk database to support effective risk assessment, analysis, and planning, enabling individuals, businesses, and communities to make better-informed decisions.

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Monetary Policy

Over the past three decades, New Zealand has been recognised internationally for developing world-class fiscal and monetary policy frameworks including the Reserve Bank Act's independent monetary policy regime and the country's fiscal policy framework. Successive governments have largely endorsed these two fundamental pillars of New Zealand's economic policy, making only relatively minor adjustments over time.

Numerous reviews have concluded that the Reserve Bank has served New Zealand well and have affirmed the Bank's independence and clear focus on price stability as consistent with international best practice. BusinessNZ has long been a strong advocate of the Reserve Bank Act's core objective of price stability and the principle of independent monetary policy decision-making.

Inflation dynamics depend not only on economic shocks but on how firms and workers respond, and with New Zealand businesses now more inclined to pass on cost increases and slower to reduce prices, temporary shocks risk becoming persistent inflation pressures. In this environment, the Reserve Bank's role becomes even more critical: monetary policy must separate signal from noise, respond firmly when expectations or price-setting behaviour shift, and act decisively to prevent cost shocks from becoming entrenched. This discipline is also essential for managing New Zealand's structural debt burden, because persistent inflation and higher interest rates raise the cost of servicing public debt and constrain fiscal choices. By anchoring inflation expectations and returning inflation to target, the Reserve Bank helps stabilise borrowing costs, protect long-term fiscal sustainability, and ensure structural debt does not become a drag on future growth.

There are concerns that future Governments could reintroduce a "maximum sustainable employment" objective alongside the price stability objective. Such a change risks creating uncertainty about the role and effectiveness of monetary policy, particularly because employment outcomes are influenced by a wide range of factors, and, beyond the short term, monetary policy is unlikely to have a significant or lasting impact on employment levels.

> *Reserve Bank's role becomes even more critical: monetary policy must separate signal from noise, respond firmly when expectations or price-setting behaviour shift, and act decisively to prevent cost shocks from becoming entrenched.*

Monetary Policy
Summary of Policy Asks

Topic	Issue	Policy Asks
Reserve Bank Act's core objective	Monetary policy is not a primary determinant of the level of full employment, which is largely determined by structural factors such as the level of skills in an economy, the tax system, and labour and product market regulations.	↗ The Reserve Bank's primary focus should remain solely on price stability as the current Reserve Bank Act stipulates.
Managing inflationary pressures	Temporary cost shocks are at risk of becoming persistent inflation because of how firms and workers respond.	↗ The Reserve Bank must act firmly and decisively to keep inflation expectations anchored and prevent temporary cost shocks from becoming persistent inflation, because doing so is essential not only for price stability but also for managing New Zealand's structural debt by stabilising borrowing costs and protecting long-term fiscal sustainability.

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Fiscal Risks with ageing population

New Zealand's ageing population poses significant long-term challenges for the funding of both healthcare and NZ Superannuation. Without substantial reform, it is estimated that the future costs of NZ Superannuation and healthcare could consume the entirety of income tax revenue by 2049.

NZ Superannuation currently accounts for around $23 billion of expenditure currently with this expected to exceed $30 billion by the end of the decade as the population continues to age. The policy choices we make today will determine how successfully we manage these pressures in the future.

A range of options exist to address this growing fiscal burden including: gradually increasing the age of eligibility for NZ Superannuation; introducing income or asset testing; encouraging greater private retirement savings; or adopting a combination of these approaches. Whichever path is chosen, early decision-making is critical. Individuals and households need sufficient certainty to plan for retirement and to understand the balance between personal provision and government support.

New Zealand's retirement income framework is centred on NZ Superannuation supplemented by voluntary KiwiSaver and private savings arrangements. Australia, by contrast, relies heavily on compulsory employer contributions, complemented by a means-tested age pension for those whose retirement savings fall below prescribed thresholds.

While compulsory employer contributions might deliver some quick fix relief to this growing fiscal burden, it comes with significant implications for households and businesses. Mandatory contributions could reduce already squeezed disposable incomes and would limit the funds available for business investment and expansion or require additional borrowing, potentially resulting in poorer overall financial outcomes.

Reform of retirement income policy would have implications across a range of government expenditure areas, including healthcare, welfare, education and taxation.

Accordingly, a holistic approach is required, supported by broad political consensus allowing for long lead times to enable individuals, households and businesses to adjust and plan with confidence.

> *While compulsory employer contributions might deliver some quick fix relief to this growing fiscal burden, it comes with significant implications for households and businesses.*

Fiscal Risks with ageing population

Summary of Policy Asks

Topic	Issue	Policy Asks
Long-term challenges for the funding of both healthcare and NZ Superannuation	Major changes to NZ Superannuation could be repeatedly altered, reversed, or politicised by future governments, creating uncertainty for households, businesses, and the wider economy.	↗ Any significant reforms to NZ Superannuation or retirement income policy should be developed on a cross-party basis to provide long-term certainty and stability.
Long-term sustainability of NZ Superannuation and healthcare funding	The future costs of NZ Superannuation and healthcare could consume the entirety of income tax revenue by 2049.	↗ The Government undertake a comprehensive review of the long-term sustainability of NZ Superannuation and healthcare funding in light of demographic change.
Transparency and time for any changes to retirement income settings	Individuals and households need sufficient certainty to plan for retirement and to understand the balance between personal provision and government support.	↗ Any changes to retirement income settings be signalled well in advance and implemented gradually to allow individuals and businesses adequate time to adjust.
Voluntary savings regime	A compulsory savings regime would have significant implications for households and businesses by increasing financial pressures.	↗ KiwiSaver should remain voluntary unless compelling evidence demonstrates that the benefits of compulsory contributions outweigh the economic and social costs.
Compulsory retirement savings	Increased retirement savings do not automatically translate into higher overall employee wealth if they come at the expense of current wages or employment opportunities.	↗ Any proposals to increase compulsory retirement savings should be assessed against their impacts on household disposable income, labour costs, business investment and overall economic growth.
Holistic impact assessment of any retirement income reform	Reform of retirement income policy cannot be considered in isolation.	↗ Retirement income reform should be considered as part of a broader review of government expenditure, taxation and long-term fiscal sustainability.

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Energy

New Zealand's future prosperity will depend on access to abundant, secure and competitively priced energy. It is essential economic infrastructure that affects business productivity, household living costs, export competitiveness, regional development, investment and national resilience.

New Zealand already possesses many of the resources required to make energy a durable competitive advantage. The challenge is to ensure that those resources are converted into secure and affordable supply, productive investment, stronger exports and greater national resilience.

In 2025, renewable sources accounted for 88.5 percent of electricity generation which has supported industrial processing, electricity security and economic development. This advantage could help New Zealand attract and retain energy-intensive industry, support regional economies and develop globally competitive export sectors.

However, the sector is facing challenges ahead. Declining indigenous natural gas supply is reducing access to a fuel that has historically supported electricity firming and industrial production. New Zealand's hydro-electric system remains exposed to dry-year risk. Electricity demand is expected to grow as transport, industrial processing and other parts of the economy electrify. Transmission and distribution infrastructure will need to accommodate both new generation and new demand, often after long planning, consenting and construction periods. Liquid fuels will remain essential to the economy for some time but New Zealand's geographic isolation means exposure to international fuel disruptions and price volatility remain a significant economic and security concern.

Energy policy must therefore be considered through a wider economic lens. While decarbonisation remains important, it will not be durable if energy becomes unaffordable, unreliable or internationally uncompetitive. The objective therefore should be to advance the energy trilemma—affordability, security and sustainability together. Electrification will proceed only where electricity is commercially competitive with the fuels it is expected to replace.

> *While decarbonisation remains important, it will not be durable if energy becomes unaffordable.*

While the electricity system should continue to meet the cost of the emissions it produces, there is a legitimate question about whether the current interaction between the New Zealand Emissions Trading Scheme and marginal electricity pricing is correct. When fossil-fuelled generation sets the wholesale market price, the cost of carbon can be reflected in the price paid for all generation, including hydro, wind, geothermal and solar.

The Government should investigate whether the current method of recovering that cost is amplifying electricity prices beyond the direct cost of sector emissions and thereby weakening the economics of economy-wide electrification. Maintaining electricity security will also require more than continued renewable generation development. As wind and solar generation expand, the system will require sufficient firming, flexibility, storage, fuel availability and demand-side capability to

manage peak demand and prolonged periods of low renewable output. While investment is occurring in renewable generation and short-duration batteries, revenue uncertainty, limited long-term contracting and uncertainty over the future availability of natural gas makes investment in firm and flexible capacity difficult. Regulatory settings should reward the services the system requires, including dependable capacity, flexibility, demand response and longer-duration security. Existing assets, including hydro generation, should be used as effectively as possible without creating unacceptable security risks.

Long-term policy uncertainty is itself becoming an investment barrier. Successive policy changes around natural gas exploration, large-scale interventions, thermal generation, carbon policy and industrial transition have increased perceptions of political and sovereign risk. A future government should provide clearer and more durable direction on the role of natural gas, electricity, emerging fuels and carbon pricing through the transition. This is particularly important for emerging fuels. Biomethane, biogas, biomass, hydrogen and sustainable liquid fuels may have a role where electrification is technically difficult or uneconomic.

Energy pressures are particularly important for trade-exposed businesses. If New Zealand cannot provide secure and internationally competitive energy, investment may be reduced, delayed or shifted offshore. The consequences of losing domestic processing capability can increase wider costs and weaken supply-chain resilience.

> *If New Zealand cannot provide secure and internationally competitive energy, investment may be reduced, delayed or shifted offshore.*

Greater coordination is required between generation, transmission, distribution and major new demand. Forward-looking planning should identify where new generation and load are likely to emerge, where spare capacity exists and where network investment could unlock wider economic benefits. Demand-side resources should also form part of this response. Energy efficiency, demand response, dynamic pricing, smart charging, distributed generation and batteries can improve the utilisation of existing assets and reduce the need for costly new infrastructure.

Resource consenting and potential government support for major energy projects should recognise both the wider benefits and the system costs created by those projects. Decisions should appropriately consider additional energy supply, system flexibility, domestic economic benefits and the infrastructure costs associated with the project.

Achieving national energy objectives will require clear and durable policy direction, better coordination, efficient regulation and targeted action where existing settings are unlikely to deliver the timing or mix of investment

Energy
Summary of Policy Asks

Topic	Issue	Policy Asks
National Energy Strategy	New Zealand's lack of a stable, integrated national energy strategy creates ongoing political volatility that undermines investment certainty, weakens industrial competitiveness, and leads to inconsistent progress on affordability, security, and emissions reduction.	↗ An enduring national energy strategy be developed that integrates affordability, security, productivity, industrial competitiveness and emissions reduction, with broad political support wherever possible.
NZ ETS and wholesale electricity pricing	The interaction between the NZ ETS and marginal wholesale electricity pricing can impact the price paid to all generation including hydro, wind, geothermal and solar.	↗ Economic analysis be commissioned into the interaction between the NZ ETS and marginal wholesale electricity pricing, including its effects on consumer prices, electrification, industrial competitiveness, renewable investment and national emissions.
Electricity security	Maintaining electricity security will also require more than continued renewable generation development.	↗ Electricity security standards be updated to reflect current and expected renewable generation, hydro behaviour, demand growth, gas availability, thermal plant availability, storage and demand-side flexibility.
Investment in electricity supply	Revenue uncertainty, limited long-term contracting and uncertainty over the future availability of natural gas can make investment in firm and flexible capacity difficult.	↗ Regulatory settings be strengthened to support investment in firm and flexible electricity supply.
Transition pathway for natural gas and emerging fuels	Pathways for emerging fuels remain commercially immature and face a coordination problem.	↗ A clear and credible transition pathway be developed for natural gas and emerging fuels, including improved information on future supply, likely areas of demand and the role of renewable fuels in hard-to-electrify sectors.
Long-term energy contracting	The lack of stable, long-term contracting options in New Zealand's energy markets makes it harder for both suppliers and major users to invest confidently in new generation, infrastructure, and electrification.	↗ Create greater opportunities for long-term energy contracting between suppliers and major users to improve investment certainty, including further development of the Power Purchase Agreement market.

Energy
Summary of Policy Asks (continued)

National energy system development map	Currently New Zealand has fragmented and inefficient energy system development which leads to misaligned investment decisions; delays and bottlenecks in connecting new renewable generation; higher costs; uncertainty for industry and infrastructure providers; and slower progress on electrification and emissions reduction.	↗ Develop a forward-looking national development map and long-term network blueprint to better coordinate transmission, distribution, generation and major demand planning.
Alternative funding and investment models to enable growth	Excessively narrow just-in-time investment approach can prevent networks from being built early enough to enable growth.	↗ Unlock wider economic benefits by considering alternative funding and cost-allocation models and not just conventional just-in-time investment processes.
Energy infrastructure planning	Energy should be used to retain and deepen New Zealand's productive export base.	↗ Energy infrastructure planning be aligned more closely with major processing, manufacturing and export regions so that secure and competitively priced energy supports domestic value-added production.
Business support with efficiency, electrification or fuel switching	Many decarbonisation projects require firms to replace existing equipment without increasing production or revenue.	↗ Existing business energy support delivered through EECA be strengthened to support firms considering efficiency, electrification or fuel switching.
Liquid-fuel resilience	Liquid fuels will remain essential to the economy for some time especially for freight, agriculture, aviation, shipping, construction, tourism and emergency services.	↗ Liquid-fuel resilience requirements be reviewed, including the appropriate roles of stockholding, secure import arrangements, and commercially credible domestic or regional alternative fuels.
A national net-benefit framework for resource consenting and potential government support for major energy projects	Decision-making without a national net-benefit framework leads to inconsistent, short-term, and poorly aligned assessments of major energy projects, with unclear cost allocation and no reliable way to distinguish genuinely high-value projects from low-value ones.	↗ An NZ Inc net-benefit framework be applied to government decisions around resource consenting and potential support for projects, considering additionality, flexibility, domestic value, resilience, social licence and cost causation.

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Food, Fibre and Beverage

With slowing population growth and increasing pressure on public finances, New Zealand's future prosperity will depend less on scale and more on productivity, innovation, and export-led value creation. The primary sector is one of New Zealand's most powerful ways to achieve this.

New Zealand's food and fibre regulatory settings have served us well and have secured New Zealand's reputation as a highly trusted and safe producer and exporter of primary industries products.

Plant Variety Rights

BusinessNZ supports the targeted amendments to the Plant Variety Rights Act 2022 (PVR). Strong and predictable intellectual property settings underpin long-term investment in plant breeding and food innovation. High-value horticultural crops such as kiwifruit, apples and other perennial crops, take 15–25 years to move from initial breeding through to full commercialisation: These investments are capital-intensive, risky and overwhelmingly export-focused.

The current PVR unintentionally weakens this innovation pipeline by removing enforceable provisional protection, which exposes breeders to IP leakage during the three-to-eight year application and testing period. The minimum 25-year protection term for woody plants and vines is misaligned with biological realities and lags international best practice. These settings reduce certainty for investors, discourage international breeders and limit the country's ability to fully capture value from its innovation.

BusinessNZ supports the proposed amendments to the PVR as targeted, proportionate and future-focused. Extending the PVR term for woody plants from 25 to 30 years will bring New Zealand in line with the EU, UK and Japan and will reflect the long investment horizon of perennial crops and materially increase export returns, royalty income and reinvestment into R&D. Similarly, reinstating enforceable provisional protection would reduce IP theft risk, improve confidence for early commercialisation and strengthen New Zealand's reputation as a safe destination for innovation capital.

Food, fibre and Beverage
Summary of Policy Asks

Topic	Issue	Policy Asks
Plant Variety Act amendments	The Plant Varieties Act requires amendments to ensure it can support the horticultural sector to continue to play a strong role in the Government's broader ambition to lift New Zealand's long-term economic performance and double exports by 2035	↗ Government to progress the targeted amendments to the Plant Variety Rights Act 2022 to support modern, innovation, enabling IP settings to contribute to a more competitive, resilient New Zealand economy through to 2050 and beyond.

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Cost recovery

Many government departments and agencies deliver legislated services to individuals and businesses, and there is often provision for the recovery of the cost of the services through the use of fees and levies.

In the case of the Ministry for Primary Industries (MPI), businesses can be charged for, amongst other things, inspections and biosecurity measures at the point of import or export, and compliance with regulations and international market access.

Cost-recovery models help government agencies operate in a more disciplined, transparent, and sustainable way. They ensure that the costs of delivering services are understood, measured, and allocated fairly, which supports better budgeting and long-term financial planning. By linking fees to actual service costs, agencies can reduce cross-subsidisation, improve accountability, and create clearer incentives for efficient service delivery. Cost recovery also gives businesses and stakeholders greater confidence that charges are predictable, justified, and aligned with the real cost of regulation.

Many businesses across a range of sectors have raised the increasing cost of fees, levies and cost recovery from Government agencies. These range from fire service funding to waste levies, anti-money laundering and prudential supervision of finance, banking and insurance.

Cost recovery is done in silos across government agencies and this means the accumulated cost burden on business can be significant. Further, areas of cross-subsidisation are unclear and need better transparency.

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↗2026

Cost Recovery

Summary of Policy Asks

Topic	Issue	Policy Asks
Cost Recovery	Cost-recovery models can introduce greater discipline, transparency, and a sustainable way to operate by ensuring that the costs of delivering services are understood, measured, and allocated fairly. But there are ongoing concerns with increasing and cumulative cost recovery from regulators.	↗ Request that the Ministry for Regulation undertake a review of all levies to ensure they are consistent with the principles of good regulatory practices outlined in section nine of the Regulatory Standards Act.

Our people

BusinessNZ's influence is built on the expertise, experience and credibility of the people behind our advocacy.

Working across economic policy, employment relations, sustainability, skills, infrastructure and international trade and more, our team engages every day with businesses of all sizes, industry sectors and regions. They bring deep expertise in the policy issues that matter most to business competitiveness, investment, productivity and growth.

By combining practical business insight with rigorous analysis and strong relationships across government, industry and civil society, they help ensure BusinessNZ's advocacy is grounded in real-world experience and focused on creating the conditions for New Zealand businesses, and the wider economy, to thrive.

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