

Submission by



to the

**Finance and Expenditure Select Committee**

on the

**Overseas Investment (National Interest and Other  
Matters) Amendment Bill**

**23 July 2025**

# **SUBMISSION BY BUSINESS NEW ZEALAND ON THE OVERSEAS INVESTMENT (NATIONAL INTEREST AND OTHER MATTERS) AMENDMENT BILL (THE BILL).**

## **1. INTRODUCTION**

BusinessNZ<sup>1</sup> welcomes the opportunity to make a submission on the Overseas Investment (National Interest and Other Matters) Amendment Bill.

## **RECOMMENDATIONS**

BusinessNZ recommends:

- An additional provision to section 6(2)(b)(ii)(B), to add 6(2)(b)(ii)(C): *or is residing in New Zealand with the intention of residing there indefinitely and holds a residence class visa granted under Immigration New Zealand's Active Investor Plus category;*
- Amend Clause 27 referring to Section 61D Minister may grant individual exemptions to enable the Minister to direct reassessment of a previously declined application under the new settings;
- Require publication of the Ministerial Directive letter to the Overseas Investment Office to be published within twenty working days of being issued to ensure transparent settings for foreign investment;
- Amend section 19C (2)(a) to make explicit that character and capability are to be assessed against criteria which are no broader than the existing provisions contained in section 18A of the existing Overseas Investment Act 2005 and ensure unambiguous criteria for investors;
- Add an additional provision relating to section 29(B)(3) to clearly define that "substantive" changes to ownership means for the purposes of the repeat investor provisions if there is a change of 50% or more of the individuals with control or ownership; and
- Maximise the economic opportunity for New Zealand by exempting NZX listed entities.

## **2.0 COMMENT**

- 2.1 BusinessNZ is broadly supportive of the Bill and its purpose to *reduce compliance costs and make decision making timelier, while also ensuring that the Government has the tools necessary to safeguard New Zealand's national interest, including its national security and public order.*
- 2.2 New Zealand has an overly restrictive foreign investment regime currently, measuring as one of the most restrictive in the OECD. BusinessNZ agrees that the focus of restrictions on foreign investment should be on security and national interest considerations.
- 2.3 The suggested amendments to the Bill aim to create policy coherence across legislative and regulatory settings, maintain constitutional conventions regarding Ministerial retrospective decision making and enhancing transparency of the foreign investment regime given the need for policy certainty for businesses considering significant and long-term investments in New Zealand.

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<sup>11</sup> Background information on BusinessNZ is attached as Appendix 1.

- 2.4 BusinessNZ strongly supports the other provisions of the Bill, which it considers will help make New Zealand a more competitive destination for foreign investment, reduce administrative and compliance burdens, and better focus overseas investment policy on protecting New Zealand’s sovereignty and security.

### **3.0 Comment: Alignment of overseas investment settings with immigration settings**

- 3.1 This Bill is one of several policy initiatives aimed at boosting foreign investment in New Zealand. BusinessNZ notes its success depends on alignment with related reforms—particularly immigration settings and Resource Management Act changes. Achieving coherent, stable policy across these areas, along with smooth mobility of people and capital, is essential to building investor confidence and removing barriers to growth.
- 3.2 The proposed amendment to Section 6(2)(b)(ii)(B) aligns the Overseas Investment Act requirements to the current residency settings for the Active Investor Programme introduced in April 2025. The proposed setting in the Act currently align to the settings for citizenship, at which point Overseas Investment Office approval is not required for the purchase of residential property. Including a provision that aligns to the residency requirements for the Active Investor Programme will provide greater policy coherence and certainty for investors. By including any additional conditions to be issued by Ministerial Directive, it retains the autonomy of the responsible Minister and government to set any conditions as appropriate and in accordance with any other issues of national interest and security that may apply to residential land.

### **4.0 Comment: Ministerial retrospective decision making**

- 4.1 There are long-standing constitutional conventions that Ministers and governments should not retrospectively enforce decisions, unless in extraordinary circumstances. These provisions are canvassed in the Legislation and Design Advisory Committee Guidelines, which specifies in Section 12.1 that *legislation should not have a retrospective effect*.
- 4.2 To balance the purpose of the Bill with the LDAC Guidelines, BusinessNZ suggests that the Minister can direct reassessment of previously declined applications against the new settings and requirements rather than enable retrospective Ministerial decision making.

### **5.0 Comment – Transparency of overseas investment settings**

- 5.1 BusinessNZ suggests that the Ministerial Directive letter to the Overseas Investment Office is required to be published within twenty working days of issuance. This ensures that there is sufficient transparency to give confidence to investors and the New Zealand public on the overseas investment settings.

### **6.0 Comment – character and capability assessment**

- 6.1 Character and capability assessments can become subjective over time, and to ensure the application of character and capability as part of the national interest test is aligned to the purpose of the Bill to prioritise security and remove administrative burden, BusinessNZ considers it appropriate to ensure the current threshold applied under section 18 (a) of the existing Overseas Investment Act 2005 are carried through and there is ongoing

monitoring and accountability that the test does not become more onerous, ambiguous or increase regulatory administration and burden over time.

## **7.0 Comment – substantial changes to control and ownership**

7.1 As per Section 6 above, BusinessNZ recommends that the legislation provides clarity and removes ambiguity for how the provisions may be interpreted. Setting a brightline test that considers changes of 50% or more of individuals with ownership and control makes it clear for the purposes of the repeat investor provisions in section 29 (B) (3) how this may be applied in the event of changes to boards of directors while maintaining appropriate risk management.

## **8.0 Comment – exemption for NZX listed entities**

8.1 To support the economic growth objectives of foreign investment, BusinessNZ recommends an exemption for NZX-listed entities. Such a provision would incentivise listings on the NZX, broaden investment opportunities for New Zealanders, and enhance market depth and accessibility. Any additional safeguards and provisions to ensure this purpose is fulfilled could be executed through the Ministerial Directive letter, which as noted above should be made publicly available in a timely manner to increase transparency of foreign investment settings.

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- [BusinessNZ](#) policy and advocacy services
- [Major Companies Group](#) of New Zealand’s largest businesses
- [Gold Group](#) of medium-sized businesses
- [Affiliated Industries Group](#) of national industry associations
- [ExportNZ](#) representing New Zealand exporting enterprises
- [ManufacturingNZ](#) representing New Zealand manufacturing enterprises
- [Sustainable Business Council](#) of enterprises leading sustainable business practice
- [BusinessNZ Energy Council](#) of enterprises leading sustainable energy production and use
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The BusinessNZ Network is able to tap into the views of over 76,000 employers and businesses, ranging from the smallest to the largest and reflecting the make-up of the New Zealand economy.

The BusinessNZ Network contributes to Government, tripartite working parties and international bodies including the International Labour Organisation ([ILO](#)), the International Organisation of Employers ([IOE](#)) and Business at OECD ([BIAC](#)).

