

# **Overseas Investment (Restriction on Foreign Ownership of Land) Amendment Bill**

Member's Bill

## **Explanatory note**

### **General policy statement**

This Bill is designed to retain ownership and control of sensitive land within New Zealand. It amends the Overseas Investment Act 2005 to prevent overseas persons from purchasing sensitive land.

### **Clause by clause analysis**

*Clause 1* is the Title clause.

*Clause 2* is the commencement clause that provides that the Bill to come into force on the day after the date on which it receives the Royal assent.

*Clause 3* states that this Act amends the Overseas Investment Act 2005 (the **principal Act**).

*Clause 4* states the purpose of this Act is to prevent foreign ownership of sensitive land.

*Clause 5* amends section 10 of the principal Act, which requires consent for overseas investment in sensitive New Zealand assets by omitting a transaction for overseas investment in sensitive land from the assets requiring consent.

*Clause 6* inserts a *new section 10A* that prohibits consent being granted for overseas investments in sensitive land.

*Clause 7* makes 2 amendments to section 14 of the principal Act by omitting reference to section 16. Section 16 provides for the criteria for consent for overseas investments in sensitive land. The first amendment is to subsection (1)(c) that provides that the Minister or Ministers must grant consent if the criteria in section 16 or 18 (as the case may be) are met. The second amendment is to subsection (1)(d) that provides the Minister must not grant consent if not satisfied that all the criteria in section 16 or 18 are met.

*Clause 8* repeals section 16 of the principal Act, which provides the criteria for consent for overseas investments in sensitive land.

*Clause 9* repeals section 17 of the principal Act, which provides for the factors for assessing benefit of overseas investments in sensitive land.

*Clause 10* repeals section 20 of the principal Act, which provides that if farmland is offered for acquisition on the open market the Minister may exempt the overseas investment from the criterion in section 16(1)(f).

*Clause 11* makes 3 amendments to section 61. Section 61 provides for making regulations. The first amendment is to repeal subsection (1)(b) that prescribes procedures for offering farmland for acquisition on the open market to which overseas investment relates. The second amendment is to repeal subsection (1)(c), which provides what is required for an offer of foreshore, seabed, riverbed, or lakebed for the purposes of section 17(2)(f). The third amendment amends section 61(d) by deleting the reference to section 17(2)(g).

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*Dr Russel Norman*

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**The Parliament of New Zealand enacts as follows:**

- 1 Title**  
This Act is the Overseas Investment (Restriction on Foreign Ownership of Land) Amendment Act **2012**.
- 2 Commencement** 5  
This Act comes into force on the day after the date on which it receives the Royal assent.
- 3 Principal Act**  
This Act amends the Overseas Investment Act 2005 (the **principal Act**). 10
- 4 Purpose**  
The purpose of this Act is to prevent foreign ownership of sensitive land.
- 5 Section 10 amended (Consent required for overseas investments in sensitive New Zealand assets)** 15  
Repeal section 10(1)(a).
- 6 New section 10A inserted**  
After section 10, insert:  
**“10A No overseas investment in sensitive land**  
No consent can be granted for overseas investment in sensitive land.” 20
- 7 Section 14 amended (Approach to criteria for consent)**  
In section 14(1)(c) and (d), delete “section 16 or” in each place.
- 8 Section 16 repealed (Criteria for consent for overseas investments in sensitive land)** 25  
Repeal section 16.
- 9 Section 17 repealed (Factors for assessing benefit of overseas investments in sensitive land)**  
Repeal section 17.

**10 Section 20 repealed (Exemptions from farm land offer  
criterion)**

Repeal section 20.

**11 Section 61 amended (Regulations)**

- (1) Repeal section 61(1)(b) and (c). 5
  - (2) In section 61(1)(d), delete “under section 17(2)(g) of this Act  
or”.
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