

Treasury Report: Overseas Investment Review - Papers for Cabinet

Date:	10 September 2010	Report No:	T2010/1708
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Action Sought

	Action Sought	Deadline
Minister of Finance (Hon Bill English)	Sign the attached Cabinet paper and letter requesting Cabinet grant EGI Power to Act.	10.00am Thursday 16 September

Contact for Telephone Discussion (if required)

Name	Position	Telephone		1st Contact
[withheld – privacy]	Analyst - International	[withheld privacy]	–	[withheld privacy]
Siân Roguski	Acting Manager - International	[withheld privacy]	–	[withheld privacy]

Minister of Finance's Office Actions (if required)

Submit the attached papers to Cabinet Office by 10.00am Thursday 16 September.

Refer a copy of this report to the Prime Minister, Associate Ministers of Finance, and the Ministers of Trade, Agriculture, and Land Information.

Enclosure: **Yes:** [Cabinet paper](#), [Regulatory impact statement](#), [Request for Power to Act](#)

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Purpose of Report

1. This report seeks your agreement to lodge the attached Cabinet paper and Regulatory Impact Statement with Cabinet Office for consideration by EGI on 22 September. The report also attaches a letter for your signature, which seeks permission for EGI to have Power to Act when considering the paper.

Analysis

Changes to the Cabinet paper content

2. The attached Cabinet paper largely reflects the issues you agreed to include in the paper in T2010/1614. However the following changes have been made since that time:

Change	Reason for change
Scope of directive letter is reduced	<i>[withheld - maintain professional legal privilege]</i> We now propose that the letter outlines (a) the government's general policy objectives for foreign investment and (b) advice about which factors are likely to be more or less important for particular types of investments.
Propose defining economic interests	<i>[withheld - maintain professional legal privilege]</i> As a result we propose trying to define (at a high level) in the Regulations what New Zealand's economic interests are. This is likely to be difficult given that part of the reason for introducing the factor is to create additional flexibility for Ministers. It may also be difficult to come up with a meaningful definition that provides any more certainty for investors.
<i>[Withheld - maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials.]</i>	<i>[Withheld - maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]</i>

Process and timing

3. The table below outlines the key dates and processes for taking this paper to the Cabinet Economic Growth and Infrastructure Committee:

Date	Action
13 September	Meet Prime Minister, and Hons Groser, Carter and Joyce
14 September	Meet Hons Power and Williamson
By 10.00am, 16 September	Submit papers to Cabinet Office
20 September	At Cabinet, seek Power to Act for the EGI Committee
22 September	EGI consideration and decisions
After EGI	<i>[Withheld - maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials]</i>
After EGI	Public announcements

Communications

4. Treasury is in discussions with your office about an appropriate communications programme to announce these changes.

Recommended Action

We recommend that you:

- a **agree** that 'economic interests' should be defined in the Regulations at a high level;
Agree/disagree
- b **sign** the attached Cabinet paper and submit it to Cabinet Office by 10.00am Thursday 16 September;
- c **sign** the attached letter to the Prime Minister requesting Power to Act at EGI on Wednesday 22 September; and
- d **refer** a copy of this report and the attached papers to the Prime Minister, the Associate Ministers of Finance, and the Ministers of Trade, Agriculture, and Land Information.

Agree/disagree

Siân Roguski
**Acting Manager, International
for Secretary to the Treasury**

Hon Bill English
Minister of Finance