

I am submitting on behalf of The New Zealand Outdoors Party. Our philosophy is that we want our communities and society to be self-reliant and resilient, to have access to nutritious food, where reliance on poisons and sprays is eliminated, where we choose to build, make and repair, rather than buy then bury in landfill and where life-long learning is the norm. We want a vibrant agricultural economy that encourages small scale, high value, low input practices. We want farming that improves profitability and protects our freshwater, biodiversity and soil health. We want a society that values its natural resources and uses them sparingly, respectful of nature's equal demand on them.

Although our members fully appreciate the need for New Zealand to expand its economic base and improve its citizens' over-all standard of living, we believe the Government and OIO values are distorted and place too much emphasis on short-term economic gain at the expense of long-term environmental and intergenerational benefits.

We are impressed with the work and thought that has gone into the OIO reform document. However, we would like to bring something else to the process of OIO reform, the reason being that we need to understand the issues that will affect our country for decades to come that perhaps OIO and government itself are not even considering. It may seem a bit extreme and futuristic but if we don't plan properly for the future, we are heading for a crisis, both as a nation and as members of planet earth.

The NZOP submission is not exactly what OIO is looking for in its reforms – you are asking for a very specific set of guidelines, probably as much from investors who are trying to make it easier for themselves to invest, but also advocating for New Zealand and New Zealanders to protect for a known and unknown future and walking the tightrope between the two. You are asking we, the people, to look at the 'nitty gritty' details of the OIO process, which requires highly specialised knowledge which we really don't have. Despite this, we do think that we have an important contribution from the perspective of the "average kiwi".

We would like to suggest that perhaps the OIO is coming to this from the wrong way around. We believe it to be a good idea for the OIO to go back to the beginning process - understanding the disaster that awaits our nation if we fail to plan for the endless stream of waste and pollution that badly thought out business and industry creates. We need to figure out how to have safe foreign investment (as well as local investment obviously) so then good decisions can flow out from there. Obviously OIO needs to set out a very clear rules which can be easily understood by all who read it, and all who have to 'interpret' these rules, foreign investors and locals alike. Overseas investors may come from countries that have higher or lower environmental standards, but they will naturally conform to best practise if that is what is demanded by their host country.

This list I have given below is just a few ideas for the OIO to set stringent standards for future foreign investment. It is by no means an exhaustive list. Please consider it as a starting point for a living document that can be expanded on as the things that are most valuable to

our people come to light. Often we don't know what is important until it is highlighted. I would suggest that all foreign investment needs a more careful assessment and consultation process rather than less.

I'd like to start with highlighting a fundamental error in government thinking in relation to foreign 'investment' and the function of money in our system.

We need to understand that "money" is not wealth. Money is currently something that is created in a computer and those figures have no real meaning IRL except that we can exchange the fake wealth (the numbers on a screen) for real wealth such as land, food, water, metals, building materials, buildings, people's time and energy and so on. These things are the real wealth of a country. Once we understand the difference between money and real wealth we can start to make sensible decisions about what is a worthwhile overseas investment and what is just an exchange of pretend wealth for all of what Aotearoa has to offer.

Just because someone has a lot of MONEY (i.e. lots of numbers on a screen) that does not mean that they will be a great investor in Aotearoa. Therefore, in assessing any applicant, there is the right to decline an applicant on the grounds that it is simply not in the best interests of New Zealand, or New Zealanders well being, even if the application appears to "tick all the boxes". However, if a foreign business or investor brings true increase in innovation and value added that enhances New Zealand then that could be considered a worthwhile foreign investment.

If it is just 'money' that the government is looking for, then it is much more sensible for it to access funding from its own Reserve Bank, rather than requesting foreigners to invest in New Zealand. New Zealand should consider what is worth doing here i.e. high tech recycling systems turning waste plastic into high quality fuel or bio-polystyrene that is non-toxic and biodegradable, and instead of requesting foreign investment, create the money required to fund the project itself. The funds generated and the intellectual property then stay in the country and New Zealand dollars stay in New Zealand. Overall net benefit for New Zealand. No foreign investment required.

OIO needs to create a whole new set of rules governing foreign investment including but not limited to:

1. What value does the business bring? If it's just figures on a screen, we're not interested. It must be shown to increase REAL wealth for this country. So often these things place too much emphasis on short-term economic gain at the expense of long-term environmental and intergenerational benefits.
2. What value does the business take away? Decisions must revolve around the question, "Are these resources renewable, is there an endless supply?" For

example, we can make wool 'til the cows come home – creating and exporting wool in its myriad of forms would be acceptable, because we can make more tomorrow. Taking a non-renewable resource that we may need in the future for the wellbeing of our people in one, two, three hundred years in the future – i.e. oil or pristine aquifer water or metals or coal must come off the table or at least be shown to be the best use of that resource, now *and* in 100 years time.

3. Is this investment an actual investment or just a mining of our resources? In which case – the answer must be a carefully considered NO – unless it fulfils all other requirements.

4. Is this “Insane Trade” – does this investment involve shipping something from one side of the world to another to get it processed in a cheaper country, and then shipping it back again? Or shipping tons of a product to another country and just shipping exactly the same thing from another country back here (for example, shipping beef to one country and importing someone else's beef slightly cheaper to this country). This insane trade needs to be carefully analysed – we want to know that the waste of resources in the transportation process is worth it in terms of wasted fuel and wasted job opportunities. This information highlights the issues – if it fits into the category of Insane Trade, OIO must decline on reasons of NZ's contribution to pollution and waste of the world's precious resources.

<https://www.localfutures.org/wp-content/uploads/Insane-Trade-Factsheet-Final.pdf>

5. The issue around jobs comes up again here as well as under ‘insane trade’ as multi-nationals and other investors look to find the cheapest labour source. As the OIO seems to be very concerned about job creation we need to be very clear – jobs for jobs sake is pretty sad if it's just another robot job in a factory. The claim of creating jobs for a community needs to be carefully scrutinised – are these jobs that will actually improve the lives of the community? Or do they result in jobs, that while potentially acceptable in the culture of the incoming business owner, are not the sort of jobs that suit New Zealand temperament or culture (long hours on low pay)? Or, do the new jobs require qualifications that are simply not what you would find within that local community, meaning people are being bought in to fill these jobs, creating, even more pay disparity and even further displacing the local community? Are the jobs created really ones that you would like to do yourself, or would want your children to be doing?

Is the OIO trying to do the job of the Government in this case? National Government needs to be leading the way in terms of supporting we the people to

find creative and innovative opportunities, not go begging to Asia, Australia, USA et al to provide our people with job opportunities.

6. OIO needs to be on board as a governmental organisation with a long term holistic view of our country. Everything that happens here must be working towards making our country more sustainable, therefore toxin free processes must be encouraged, even legislated for. It's bad enough that New Zealand businesses are less than 'environmentally friendly' but to allow foreign companies to pollute our environment is even worse. Organisations/industries using organic and closed loop systems could be encouraged by being given priority. An investment showing that it can deal with its waste product without placing any further burdens on our environment, preferably by creating another industry that uses its waste product for another beneficial product that creates more wealth, could be prioritised encouraging those kinds of investments. (for insight into the future of the kind of innovative, disruptive business model that we need to be encouraging in Aotearoa, see Gunter Paulie – here is just one example of his work. <https://www.youtube.com/watch?v=6RMO6DEono>)

All new foreign investment must not add new plastic to the worlds plastic burden. For example, they must bring ways of working with non-toxic, biodegradable packaging, bottling, etc that reduces the problem, not increasing it. Any application for an operation that results in the production of single-use plastic (then moving swiftly into all plastics, particularly non-easily recyclable ones) should be declined – we do not want to, nor can we afford to, become a plastic creation nation.

7. All new foreign investment should abide by a code of practise similar to, but updated as a living document as new insight into soil health arises, as set out by the "The Magic of Soil" author Phil Gregory
<https://www.phas.ubc.ca/~gregory/papers/EnvirohubNZPresentations9&13Mar2019Sht.pdf>

which shows how the soil needs to be protected for future generations. In Aotearoa, as we rely on agriculture and horticulture, if we damage our soil, we have nothing. Therefore there is no overseas investment in industry or business, (and local for that matter) ,that can be allowed to further degrade our soil. Any foreign investment use that will degrade the land over the time of its use and does not return the land to its original or better condition must be refused.

8. Our wai is a precious resource and should be treated as such. Water Belongs to Everyone – Commoditisation of freshwater leads to consolidated ownership. Therefore no foreign investment can have property rights, rental, payment or trading of water. Water itself should be considered a "sensitive asset".

Any land that sits on top of a water source should be considered "sensitive land".

That the export of water in any form (plastic bottles, cans or in bulk) should be declined. Any application that involves the extraction of water needs to be carefully considered and fully screened.

In Aotearoa, as we rely intensely on agriculture and horticulture and tourism, if we degrade our water, we have nothing. Therefore there is no industry or business or activity, foreign or local, that can be allowed to further degrade our water and waterways.

9. Any Overseas request to convert a public resource, such as our pristine aquifers, into private profit is to be declined.

10. OIO must consult more widely and actively engage all those concerned (not just a tiny advertisement in a paper that no one reads any more). Local iwi and hapu, United Tribes, local councils, regional councils, residents affected, NZTA. The example of the Cresswell mega water bottling plant means that there could be up to 500 extra truck and trailer movements/day every day for the next 25 years from Whakatane all the way through to the port including the already packed to the gunnels Hewletts Rd, Mt Maunganui. Did the OIO consider (or the NZTE, who went to China looking for a buyer for this land and its water allocation, for that matter) how that would affect congestion on our roads, consult NZTA as to how that would affect NZ highways, how it would affect local drivers and road safety. Bearing in mind, in this example, that Cresswell would be just one of many water bottling plants, OIO needs to take into consideration the impact of more than just one mega-factory and a handful of jobs.

11. Water allocation is on a first come, first served basis, and is often over allocated. OIO needs to put New Zealanders needs, current and future, above any foreign investment.

12. \$100 million is set far too high to trigger OIO involvement. I would suggest \$10 million foreign investment should trigger investigation.

13. No selling of New Zealand land to overseas interests. If there is a total net gain (as stated earlier) then the investor may be offered the opportunity to lease land. Anything over 5 hectares or any sensitive land or adjacent to any sensitive land, or over any public resource such as water, or minerals should trigger an OIO consent.

14. Any foreign investment that increases any possibility of cruelty to animals or negative overall effect to our native wildlife must be refused.

15. Land access: any large blocks must continue to allow traditional access for walkers and trampers, within certain boundaries.

16. Money – a company or business that wishes to make money from money (as opposed to actually creating new wealth and value) in Aotearoa, must be able to show that it has a net benefit in this country and is not just extracting money. This applies in particular to the FIRE economy – finance, insurance and real estate sectors that add no new wealth to an economy. (Wealth as defined earlier in the submission)

17. Exit tax – new (and old) foreign investment must be prepared to pay an exit tax on profits moving offshore. The OIO needs to encourage government to legislate for an exit tax to reduce funds going offshore and encouraging the reinvestment of profits back into New Zealand business.

18. The actual owners of a company must be identified – i.e. many foreign owned banks look like they are Australian owned but are in fact owned by multi-national corporations that hide behind other companies. We need to know exactly who we are dealing with.

19. Any Overseas business that wishes to set up in NZ must be able to show that it will provide a better quality or function than a New Zealand owned business that is already performing that function. Current NZ owned and functioning business must be able to have their say how that overseas investment may negatively impact their business.

20. There will come a time when all investments and imports will have to conform to a stringent environmental and health standard. OIO can do a lot to ease the transition from the laissez faire attitude we currently hold to the new standard which will protect our health and way of the life for the future.

Our concern that NZTE goes searching for foreign investment when New Zealanders could/should be encouraged to invest in their own country before overseas investors are encouraged to buy up great chunks of the countryside. We also understand that kiwis love to get top dollar for their land when they go to sell it, and its often foreign buyers who have the cash to pay it. We realise that OIO has a balancing act to perform, but we don't see the point in selling off land to overseas owners. Long term lease is a possible solution – many other countries will only allow foreigners to lease, not buy, land so it's not a new idea and investors are quite used to it (we couldn't buy land in China for example and yet kiwis do business there).

We don't have anything against foreign buyers and investors per se, however, the rules governing OIO have constrained advocating in the public interest, and they seem to have slipped up on more than a handful of occasions and letting our people and our environment down. We can no longer be complacent in this new era. OIO needs a whole new culture and function to allow it to advocate in the public interest for decades to come, and the New Zealand Outdoors Party believes that this proposed reform document does not go far enough to protect our environment, our people and our future.

Nga mihi nui,