

IM-5-3

25 February 2011



THE TREASURY

Kaitohutohu Kaupapa Rawa

John Hawkins
Secretary
Senate Standing Committee on Economics
PO Box 6100
Parliament House
Canberra ACT 2600
AUSTRALIA

**INQUIRY INTO FOREIGN ACQUISITIONS AMENDMENT (AGRICULTURAL LAND) BILL
2010**

Dear John

On behalf of Annelies McClure of the Overseas Investment Office and myself, I would like to thank you for the invitation to make a submission into this inquiry. We appreciate the fact that you have sought views from New Zealand on this matter.

New Zealand's main interest in any amendments to the Foreign Acquisitions and Takeovers Act is to ensure that they would be consistent with the terms of the Closer Economic Relations Investment Protocol that was recently signed by our respective Prime Ministers in Wellington. A key feature of the Protocol is that both countries have agreed to reduce existing barriers to trans-Tasman investment and, with limited exceptions, agreed not to introduce new restrictions.

We would therefore be concerned if any of the proposed amendments were to increase the restrictions on trans-Tasman investment, but we have full confidence that Australia would ensure that this does not occur.

In this context, we consider it is important to remember the underlying principles and objectives of the New Zealand-Australia Closer Economic Relations Trade Agreement and the broader Single Economic Market agenda. Going forward, both countries are focused on reducing barriers that prevent the development of a more integrated, effective, and efficient trans-Tasman economy. Achieving this objective will clearly be of benefit to both countries.

Please do not hesitate to contact either myself or the New Zealand High Commission in Canberra if you have any questions or would like further elaboration of any points I have raised.

Yours sincerely (...)

John Whitehead
Secretary to the New Zealand Treasury

cc New Zealand High Commission, Canberra

1 The Terrace
PO Box 3724
Wellington
New Zealand

tel. 64-4-472 2733
fax. 64-4-473 0982
www.treasury.govt.nz