



21 October 2024

Dear Hon Erica Stanford

We are writing to you to express our concerns about changes to the Active Investor Visa to include passive investment products.

Our three entities represent a significant number of global and local investors, passionate about the future of Aotearoa NZ. The Angel Association of New Zealand (AANZ) and the New Zealand Private Capital Association (NZPCA) are the industry bodies representing Angel, Venture Capital and Private Equity investors. AANZ represents eight hundred investors and NZPC represents 120 fund managers investing in New Zealand growth companies. The Edmund Hillary Fellowship (EHF) has attracted over 500 entrepreneurs and innovation investors through the Global Impact Visa programme, representing 116 international innovation investors.

Angel investors invest approximately \$200m annually in globally relevant young companies destined to export products and services to the world. Private fund managers invest \$2b annually in growing businesses that increase employment and export opportunities. In 2022/23 Edmund Hillary Fellows raised more than \$312.2m in capital for NZ-based business organisations and directly invested over \$114.8m (including one very significant raise). In the seven years of the pilot programme we estimate for every *\$1 of Government Investment, over \$111 of direct economic impact has been generated. (*based on NZTE Potential Direct Economic Impact methodology)

Our three entities welcome the government's review of and ambition to enhance the Active Investor Visa. However we do not support the current proposal for changes to the Active Investor Plus (AIP) immigration investor settings. Our objection to the proposal centres on the addition of passive investment products including bonds and property.

We believe the proposal does not align with this government's goals of amplifying our innovation economy by attracting skilled and experienced investors to New Zealand who want to actively participate in New Zealand's investment ecosystem, help build globally successful businesses, and bring global human capital that can significantly contribute to the economy.

To double our exports within 10 years, our country needs to be able to access foreign investment capital that also comes with human capital which includes access to international experience, capability and connections. Increasing passive investment dollars, while contributing to the overall quota of foreign direct investment, will not contribute to growing the scale up companies that will enable the ambitious export goal to be achieved. Including passive investment through bonds and property investment as a pathway to qualify for the AIP visa will create a path of least resistance for those investors to apply and investors that could have significantly contributed to the economic growth of New Zealand will not engage.

In short, the proposal is likely to have unintended consequences of diverting the very investment we seek to attract and undermining the current momentum of the AIP programme.

Our concern is that including migrant investment in bonds or property does not correlate with being an active investor and will fail to meet the government's goal of maximising facilitation of high value investment and human capital as stated as a high benefit for New Zealand. One option would be to separate into two visa classes with quite specific incentives for active investment.

We would welcome the opportunity to meet with you to discuss our concerns and the concerns of the investors we collectively represent. We understand these proposed changes are being reviewed under urgency to present to select committee in November. We are available to meet with you at your earliest convenience.



Bridget Unsworth

Chief Executive

Angel Association NZ



Colin McKinnon

Executive Director

NZ Private Capital



Rosalie Nelson

Chief Executive

Edmund Hillary Fellowship

** Based on NZTE Potential Direct Economic Impact methodology. Evaluates direct investment, connections into capital, new businesses created, jobs and salaries created as per Martin Jenkins impact intervention logic.*