In New Zealand, foreign ownership of land is becoming an ever-growing concern amongst the nation. We are aware that New Zealand land can be very profitable, and that there is a lot of it. However, we are also aware that there is a finite amount of it, and in the long term, will it still be beneficial if we sell the land now. The main concern about foreign land ownership is directed at productive land, primarily the dairying industry, but also with other aspects such as wood forests, vineyards and others. The sale of the notorious Crafar farms is coming into question more and more, to whether or not it should be sold to overseas investors, and how this will affect NZ in all social, political and economic aspects.

Foreign ownership of New Zealand land is very common already, with many of our ‘Kiwi’ assets not being very kiwi at all. In 1999, already 72% of New Zealand pine forests were foreign owned, with the US accounting for about 35% of that. About 70% of NZ’s wine industries are foreign owned, including Kim Crawford, Monkey Bay and Wither Hills. An investigation of the overseas investment act of 1973 (revised in 2005) has shown that at least 24 countries have been given approval to invest in the agricultural sector, covering a total of 154,885 hectares, (1,548,850,000 m2) varying across a wide range of uses, from sheep farming to kiwifruit vines. The Chief economist of Westpac bank, Brendan O’Donnovan stated that as of July, 2010, foreign investment in New Zealand was valued at about $92 billion. In 2005, when the act was revised, the sum of land being bought by foreigners that needed to be put through the OIO was raised from $50 million to $100 million, proving that investment was becoming such a large part of NZ that the stakes needed to be raised as there was so much New Zealand land being bought. However, on October 5th 2009, the 16 Crafar farms were put into receivership following a huge $240 million dollar debt owed to various banks and organizations. Since then, the selling of these farms has become a huge debate within New Zealand. After signing a free trade agreement with China in April of 2007, the dilemma of whether China should be allowed to buy NZ land has been huge. The Chinese group Pingxin has put forward an offer of over $200 million for the 16 Crafar farms, which is still being looked over by the OIO, and also still needs confirmation from Kordamentha, the receivers of the farms.

There has been a public outcry though about whether or not New Zealand land, particularly for one of our main exports, should be so easily sold off. Brendan O’Donnovan has also said that “Land sales are more emotive than other assets because people have a perception the family silver is being sold,” meaning that people take the sale of land to heart as even though the citizens have no right or access to the land at all, they still feel like a part of ‘their’ land is being taken away from them. Prime minister John Key stated, “Looking four, five, 10 years into the future I’d hate to see New Zealanders as tenants in their own country and that is a risk I think if we sell out our entire productive base.” While Mr. Key agrees with the fair trade agreement, he said that we should be concerned if large tracts of New Zealand land are being sole to foreign investors. Along these lines, the green party co-leader, Russel Norman to an extent agrees with the PM’s views. He says that “buying land is different from investing in other forms of capital because it is a finite source.” In his argument he also makes the point that even if we do not sell the land to Pingxin, the land will not disappear, but rather the price of the land won’t be driven so high due to the much larger capital of overseas investors. This would in fact mean that the land would become more affordable to Kiwi’s which is great seeming as though prices for rural land are already sky high. He also states, “It’s only going to become more valuable as time passes, so we’re going to get lots of overseas interest. The main point in his argument is that in the long term, what is really going to be the most beneficial, he closes by saying, “It’s a spiral. We sell a bit now to cover the fact that we’re running an investment income deficit but all that it does is add to the future investment income deficit, and that’s what we’ve been doing for the last 20 years.”

The New Zealand public wants to keep the land Kiwi owned and group of investors led by Sir Michael Fay has also put forward an offer of $171.5 million for the farms. While this offer is considerably smaller than the Chinese offer, they are trying to back up their offer by saying that although their offer is not as lucrative, the land will remain in Kiwi hands, and that if the land is sold to the Chinese now, there is barely any chance of trying to get it back in the future if the people decide that selling it was a bad choice. This has decision is somewhat ironic seeming as though Sir Michael Fay made his fortunes by selling premium New Zealand assets such as railroads etc (Fay is thought to be valued at over $700 million). However, Sir Michael believes what he did was for the greater good of the country, and that what he did then helped New Zealand to get to where it is today. He also believes that the bid is not a show of nationalism but rather keeping his homeland in check. He states, “I think it's a good question as to whether or not long term, in a competitive advantage as part of our strategy, we look to maintain ownership,” Which proves his sentiment to his country. Around 40% of the offer is being funded by iwi investors, including the Tiroa E and Te Hape B Trusts from Te Kuiti, which also adds Maori heritage to the bid, Chairman Hardie Peni said he is keen to capitalize on the opportunity, he says, "I want two of the farms in the Crafar portfolio to sit alongside our farms. The iwi of Ngati Rereahu wants to have their traditional tribal land returned. This opportunity means that land lost can be recovered by its rightful owners". A tenure review was also set up in 1998 which allowed pastoral run holders to be able to surrender fragile leasehold to the crown for conservation and recreation, in return for financial compensation and the freehold of other areas in their leasehold. By April of 2007, 45 of the 304 pastoral leases had been through the process, a further 148 were in the process, with the remaining 111 opting not to take part in the program. This was seen as a much more viable option to foreign investment as it was a win-win situation with the individual reaping financial benefits and the country being able to keep the land under New Zealand care.

In conclusion, there are many debates still to be settled about the matter of foreign ownership of New Zealand land. However, there are also many positives associated with it, such jobs for kiwi citizens and a return of money via tax dollars. Overall it is still a huge issue within our country that needs to be settled soon. While the land will stay here for the rest of time, the offers definitely won’t.