



## Briefing note

Reference BN2026/095

Date 19/03/2026

To Private Secretary, Minister of Finance – Carl Harris  
Revenue Advisor, Minister of Revenue – Angela Graham  
Private Secretary, Minister of Revenue – Melissa Zhen

From Lynda Sanderson

Subject **Investment Boost - FEC Briefing and Business Survey responses**

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### Purpose

- 1 The purpose of this Briefing Note is to inform Ministers of two upcoming information releases on the impacts of Investment Boost:
  - A briefing to the Finance and Expenditure select committee (FEC) on the economic impacts of Investment Boost; and
  - An Analytical Note reporting the results of Inland Revenue's survey on early uptake and impact of Investment Boost.

### Comment

- 2 Inland Revenue has been requested to appear in front of FEC on 1 April 2026 to brief the Committee on the economic implications of Investment Boost. A representative from Treasury will also be present. A summary report has been prepared in advance for the Committee and will be provided to them on 30 March 2026.
- 3 The Committee will also receive a copy of the Analytical Note outlining the results of the recent Inland Revenue survey of taxpayers on uptake and impacts of Investment Boost. That report will be publicly released on 31 March 2026.
- 4 The Analytical Note, FEC report and accompanying cover letter are attached for the Minister's information. A summary of the survey results is included below. The analysis is consistent with initial highlights provided in BN2026/042.

### **Summary of Investment Boost Survey responses**

- 5 In December 2025, Inland Revenue surveyed New Zealand businesses to gather an early indication of the impacts of Investment Boost (IR2025/327 refers). The survey focused on awareness and understanding of the policy, associated costs and challenges, and the impact of Investment Boost on recent investment spending.
- 6 Medium and large firms were over-sampled relative to their share of the population, reflecting their high importance for aggregate economic outcomes. Participation in the survey was voluntary so the results are likely to reflect the views of more engaged businesses. This means awareness and uptake of Investment Boost may be overstated compared with the wider business population.
- 7 Survey results indicate that it will take time for the full effects of Investment Boost to flow through to economic activity. Investment spending in 2025 largely reflects existing investment plans, economic conditions and business needs. One third

of respondents, especially those in small and micro enterprises, had limited awareness of the policy and its implications for their business.

- 8 While it is still very new, and despite mixed awareness, the policy is already having an impact on investment activity. Among firms that made some investment in assets in 2025 and had reasonable awareness of Investment Boost (379 respondents), 40% reported that the policy had increased their investment spending over the past 12 months. Within that 40%, 11% reported a significant increase due to the policy, while the remaining 29% reported that the tax benefits of Investment Boost somewhat increased their spending.
- 9 The impact of Investment Boost is expected to increase over time. While many firms have yet to make their forward-looking investment plans, nearly half (49%) of those that were aware of the policy and are intending to invest over the next five years say that Investment Boost is having a positive effect on those plans, with 14% anticipating a "large increase" in investment due to the policy. Over half (57%) are adjusting other aspects of their investment planning, including: timing of investment (33%); prioritisation across projects (25%); choice between new and secondhand assets (23%); decisions to purchase rather than lease (20%).
- 10 Smaller firms indicated lower awareness of the policy and were less likely to report either recent investment spending or an intention to invest over the next five years. However, conditional on meeting these two restrictions, the share of firms indicating that Investment Boost had led to an increase in their spending was similar across firm size groups.
- 11 The survey sought quantitative information about the influence of Investment Boost on recent spending across five different categories of assets. Only 66 eligible firms provided complete responses. Among those respondents, plant and machinery was the most common asset category for which firms reported an increase in spending due to Investment Boost (41% of 66 respondents), with vehicles being the next most common (29%). This largely reflects the relative prevalence of these assets in firms' investment activity – 82% of this group cited some spending on plant and machinery and 59% reported spending on vehicles, compared to 30% on commercial and industrial buildings, 14% on intangibles, and 26% on other asset types.

#### *Policy certainty*

- 12 Alongside the survey, Inland Revenue has continued to engage with the tax community (groups such as Chartered Accountants Australia and New Zealand and the Corporate Taxpayers Group). Stakeholders have pointed out that Investment Boost may not be as effective as it could be for large projects due to long lags between the decision to invest and the time at which the asset is available for use and hence eligible for Investment Boost. While projects of this nature will face multiple uncertainties, stakeholder feedback indicates that Investment Boost is not being factored into the assessments of capital investment for this type of project because of uncertainty about whether the policy will remain in place by the time an asset is eligible for the deduction. Tax Policy Report IR2025/455 outlines potential responses to promote greater investor confidence.
- 13 Similar themes have arisen in the Ministry of Business, Innovation and Employment's discussions with representatives from large corporate entities. These discussions also point to potential regulatory barriers to the uptake of Investment Boost for regulated entities on prescribed price paths. MBIE will provide further advice on this in due course.
- 14 The survey did not explicitly probe policy uncertainty, and only one respondent raised this issue in freetext comments. That firm cited recent reversals in the tax treatment of property investment as undermining confidence in the durability of Investment Boost, leading it to be viewed merely as a possible "nice bonus" rather than a driver of new investment decisions. We will have more information on large firm responses mid-year,

following a survey of large firms through our annual Basic Compliance Package survey. We will also continue to engage with stakeholders on this issue. At this stage, we are still collecting information to inform further policy responses.

### **Next steps**

- 15 Inland Revenue has an ongoing program of work related to Investment Boost. We will provide an update on that work in April, following the FEC meeting. This will include further assessment of potential policy responses in light of recent stakeholder feedback.
- 16 One key issue raised in the survey was that awareness of Investment Boost is still mixed. Inland Revenue has an active marketing campaign in place for Investment Boost and expects awareness to increase over time. Tax agents and industry bodies have been provided with key information to enable them to support customers with understanding and accessing Investment Boost.
- 17 Inland Revenue has a number of initiatives under way to evaluate the impacts of Investment Boost. Ongoing monitoring of Investment Boost uptake will take place through Inland Revenue's regular annual reporting channels, including the Financial Statements Summary (IR10) and the Basic Compliance Package. In addition, Inland Revenue expects to repeat the voluntary survey annually to build a picture of how awareness, uptake and influence of Investment Boost are developing as the policy beds in.
- 18 The attached Analytical Note will be made publicly available on 31 March. The report to FEC will be made public when FEC has closed the briefing.

### **Lynda Sanderson**

Principal Advisor, Economics

9(2)(a)

# Briefing note

Reference BN2026/089

Date 19/03/2026

To Revenue Advisor, Minister of Revenue – Angela Graham  
Private Secretary, Minister of Revenue – Melissa Zhen  
Private Secretary, Minister of Finance – Carl Harris

From Felicity Barker

Subject **Briefing for FEC on Investment Boost**

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## Purpose

- 1 The purpose of this Briefing Note is to attach the report to the Finance and Expenditure Committee (FEC) on Investment Boost for the Ministers' information.

## Comment

- 2 Inland Revenue has been requested to appear in front of FEC on 1 April 2026 to brief the Committee on the economic implications of Investment Boost. A representative from Treasury will also be present.
- 3 A summary report has been prepared in advance for the Committee and will be provided to them on 30 March 2026 along with the Investment Boost Survey. The report and cover letter is attached for the Ministers' information.
- 4 We previously provided you with Inland Revenue's survey on the initial uptake of Investment Boost (BN 2026/042 refers). The results of that survey will be publicly released on 31 March 2026.

## Felicity Barker

Policy Lead

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INVESTMENT BOOST – MONITORING AND EVALUATION

# **Investment Boost – Early monitoring of business awareness and investment response**

Author: Lynda Sanderson

## Context

In May 2025, the Government introduced the Investment Boost policy, administered by Inland Revenue. Under Investment Boost, businesses can claim 20% of the cost of new assets as an immediate deduction and then claim depreciation as usual on the remaining 80%. The asset purchase becomes eligible for Investment Boost when the asset is available for use, rather than when the spending is incurred.

Inland Revenue surveyed New Zealand businesses in December 2025 to gather an early indication of the impacts of Investment Boost. The survey focused on awareness and understanding of the policy, associated costs and challenges, and the impact of Investment Boost on investment spending. It did not capture assets that were purchased prior to December 2025, even if those assets were eligible for the Investment Boost deduction through having become available for use after 20 May 2025.

This analytical note provides a summary of the key findings from the survey.

## Survey background

In December 2025, Inland Revenue sent a voluntary online survey to 19,769 business customers. A total of 1,152 valid responses were received. Of these, 825 met the core eligibility requirements for respondents. These were:

- being involved in, or well informed about, the firm's investment decisions
- being aware of their business's spending on capital assets in the last 12 months, and
- completing the questions on awareness of Investment Boost.

The survey included questions on recent spending on business assets (investment), awareness and uptake of Investment Boost, and future investment plans, including the influence of Investment Boost on the level and nature of spending. Operational concerns such as compliance costs and information gaps were also covered.

Larger firms were over-sampled relative to their share of the business population, reflecting their larger share of economic activity. The survey was voluntary, so firms with strong views on Investment Boost (whether positive or negative) are more likely to have responded. These two factors imply that while the survey results should not be interpreted as representative of the population, they provide a solid base to understand early responses to Investment Boost among active and engaged businesses. Appendix 1 outlines key characteristics of the sample, relative to the overall firm population.

Prior to the survey, Inland Revenue's analysis of the expected impacts of Investment Boost had focused on potential impacts for firms funded through non-resident investment. The majority of the survey sample do not meet this condition, with only 5% of respondents stating that foreign investment is a meaningful source of funding for their firm. The survey therefore provides new insights into the investment activity of domestically funded firms.

## Awareness of Investment Boost

At the time of the survey (December 2025), Investment Boost had been in place for around seven months. Most New Zealand firms have a 31 March balance date so the majority had not yet completed a full financial year under the new policy. This is likely to have limited firms' awareness of, and engagement with, Investment Boost.

Overall, familiarity with Investment Boost among respondents is mixed. Just under a third reported a strong understanding of the policy, a further third reported some knowledge, and the remainder had limited or no awareness (Table 1). Awareness tends to be higher among respondents from larger firms and in primary industries (Table 2).

Firms in primary industries are more likely to report having a moderate to high level of knowledge of Investment Boost (82% compared to 50%–70% in other industry groups). This appears to reflect the timing of the policy's introduction relative to firms' balance dates. 44% of the primary sector respondents have financial years ending between May and November, compared with only 4%–11% of respondents in other industries. Firms with later balance dates are more likely to have engaged with Investment Boost as part of their end-of-year financial processes.

**Table 1: Awareness of Investment Boost policy, by firm size**

Q4.1 Before today, how familiar were you with the Investment Boost policy?

	Micro (0–5)	Small (6–19)	Medium (20–49)	Large (50+)	All firms
<b>I understand it well, including how it applies to this business</b>	91 (24%)	51 (27%)	59 (35%)	42 (51%)	243 (29%)
<b>I know a bit about it, but not all the details</b>	119 (31%)	74 (39%)	68 (40%)	23 (28%)	284 (34%)
<b>I've heard the name but don't really know what it's about</b>	64 (17%)	36 (19%)	26 (15%)	5 (6%)	131 (16%)
<b>I've never heard of it before today</b>	111 (29%)	28 (15%)	16 (9%)	12 (15%)	167 (20%)
<b>Number of firms</b>	385	189	169	82	825

Note: Percentages are calculated within firm size groups. Firm size is based on number of employees. All eligible responses.

**Table 2: Awareness of Investment Boost policy, by ANZSIC industry group**

Q4.1 Before today, how familiar were you with the Investment Boost policy?

	Primary sector	Goods & utilities	Trade & logistics	Comm. services	Social services	All firms
<b>I understand it well, including how it applies to this business</b>	21 (26%)	50 (26%)	54 (31%)	90 (35%)	25 (23%)	243 (29%)
<b>I know a bit about it, but not all the details</b>	45 (56%)	82 (43%)	51 (29%)	76 (29%)	29 (26%)	284 (34%)
<b>I've heard the name but don't really know what it's about</b>	12 (15%)	25 (13%)	34 (19%)	36 (14%)	24 (22%)	131 (16%)
<b>I've never heard of it before today</b>	2 (2%)	35 (18%)	37 (21%)	56 (22%)	33 (30%)	167 (20%)
<b>Number of firms</b>	80	192	176	258	111	825

*Note: Percentages are calculated within industry groups. Industry groups defined based on ANZSIC06 divisions as follows: Primary sector: Agriculture, Forestry & Fishing (A); Mining (B). Goods and Utilities: Manufacturing (C); Electricity, Gas, Water and Waste Services (D); Construction (E). Trade and logistics: Wholesale Trade (F); Retail Trade (G); Accommodation and Food Services (H); Transport, Postal and Warehousing (I). Commercial services: Information Media and Telecommunication (J); Financial and Insurance Services (K); Rental, Hiring and Real Estate Services (L); Professional, Scientific and Technical Services (M); Administrative and Support Services (N). Social services: Public Administration and Safety (O); Education and Training (P); Health Care and Social Assistance (Q); Arts and Recreation Services (R); Other Services (S). Results not reported for eight firms with unknown ANZSIC industry. All eligible responses.*

## Early impacts on investment spending

Respondents were asked to identify factors that had affected their investment spending over the 12 months to December 2025. This period captures five months prior to the introduction of Investment Boost as well as the first seven months in which the policy was in effect. A 12-month period was chosen to enable consistent comparison with future waves of the survey, as investment patterns are likely to exhibit seasonal patterns by industry.

Firm investment choices, and their reaction to Investment Boost, are situated within a wider economic context. As noted above, despite being involved in or well-informed about firm investment decisions, over a third of respondents (36%) had very limited awareness of Investment Boost. Firms that have not yet reached the end of their financial year since the introduction of the policy are less likely to have fully engaged with the policy. At the same time, many firms face internal or external factors that prevent them from adjusting their investment spending in response to Investment Boost.

The survey analysis narrows the sample in two steps to identify firms for which Investment Boost could plausibly have influenced behaviour in 2025. First, we exclude firms with little or no awareness of the policy. Over a third of respondents (36%, 298 firms) reported very limited knowledge of Investment Boost, reflecting in part that many firms had not yet completed a financial year under the policy.

Among the remaining firms (those with moderate or high awareness of the policy) a further group had not undertaken any investment spending over the period. These firms (18% of all respondents, 148 firms) were therefore not in a position to respond to Investment Boost through changes in recent investment activity.

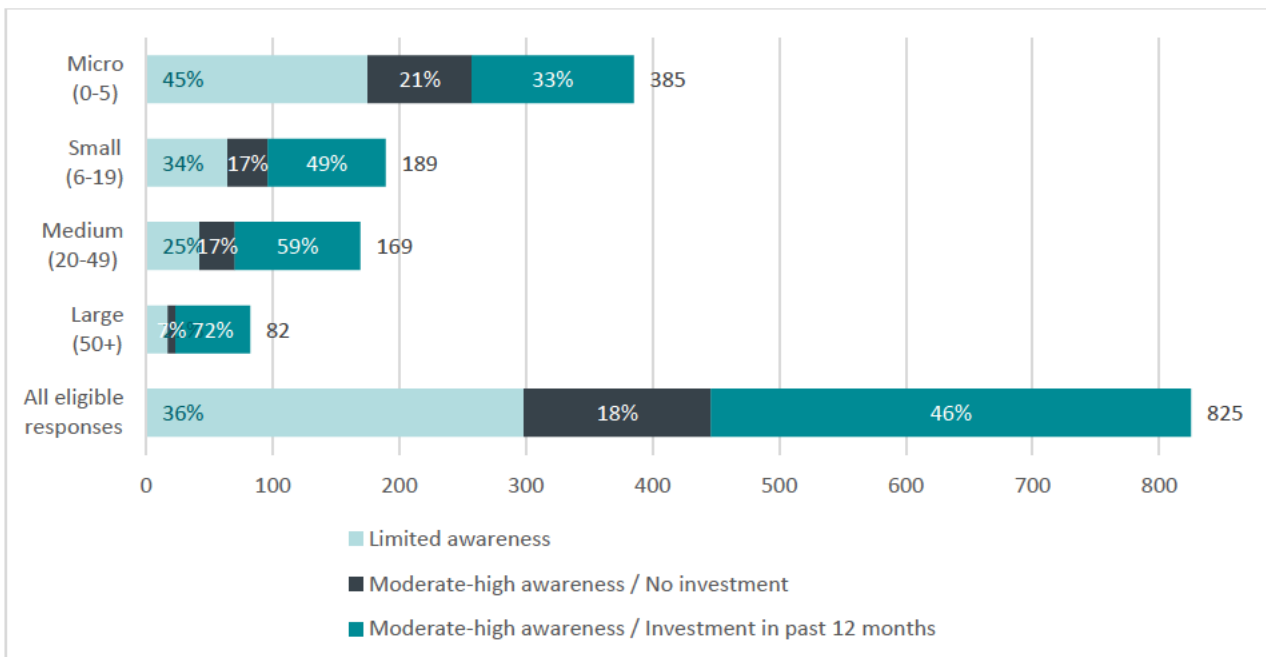
Together, these two excluded groups account for over half of all eligible responses and are concentrated among small and micro firm size groups. This reflects both lower awareness of the policy among smaller firms and a higher likelihood that they had not undertaken capital investment over the period. As the questions on recent use of Investment Boost were restricted to spending incurred over the past 12 months, firms that reported no expenditure over that time did not answer the full set of questions on uptake and challenges associated with the policy.

This leaves 46% of respondents (379 firms) that had both some awareness of Investment Boost and reported investment spending in the last 12 months. This group forms the core sub-sample used to assess the early influence of Investment Boost on current investment behaviour (dark teal in Figure 1).

**Figure 1: Engagement with Investment Boost and current investment activity**

Q3.1 In the last 12 months, has this business spent money on capital assets (including improvements to existing assets)?

Q4.1 Before today, how familiar were you with the Investment Boost policy?



Notes: Investment defined as selecting either or both of “Yes – we spent money on assets that are available now” and “Yes – we spent money on assets that will be available for use at a later date”. All eligible responses.

**Non-investing firms**

Respondents were asked to provide any comments on factors that substantially affected spending on capital assets over the past 12 months. Among firms that did not invest, these comments point to two distinct groups:

- firms constrained by economic conditions such as costs and demand, and
- firms with limited or no need for additional capital investment due to asset lifecycles or business lifecycle factors (for example, recent large asset purchases or owners nearing retirement).

In the small number of cases where Investment Boost was mentioned by non-investing firms, respondents typically described the policy as beneficial in principle but not relevant to their business, given their current circumstances and lack of planned investment.

**Uptake among investing firms**

Among the 379 firms with some investment spending in the last 12 months and awareness of Investment Boost, 58% had claimed or were intending to claim the deduction for recent spending (Table 3). The intention to claim is not strongly related to firm size, though very small firms are less likely to provide a definite response. While the survey did not specifically probe why firms were not intending to claim, some of the free-text comments provided suggest that the most common reasons related to ineligible spending, particularly associated with the introduction of the policy part way through the year. A small share of investors explicitly stated that the incentive is not large enough to make a meaningful difference (for example, describing the impact as “minimal” or “not significant sums”). Other comments refer to administrative complexity (typically framed relative to

the size of the benefit), as well as an inability to benefit from the deduction because the firm is in a tax-loss position or because the relevant assets are excluded from the policy (for example, secondhand assets).

Among firms that had claimed or were intending to claim deductions under Investment Boost, the vast majority (131 out of 162 respondents) were intending to claim for all eligible spending.

**Table 3: Intentions to claim Investment Boost on recent spending, by firm size**

Q5.1 Has this business claimed or does it intend to claim Investment Boost for any spending in the last 12 months?

	<b>Micro (0–5)</b>	<b>Small (6–19)</b>	<b>Medium (20–49)</b>	<b>Large (50+)</b>	<b>Total</b>
<b>Yes</b>	60 (47%)	58 (62%)	66 (67%)	36 (61%)	220 (58%)
<b>No</b>	31 (24%)	21 (23%)	20 (20%)	13 (22%)	85 (22%)
<b>Don't know/Did not respond</b>	37 (29%)	14 (15%)	13 (13%)	10 (17%)	74 (20%)
<b>Number of firms</b>	128 (100%)	93 (100%)	99 (100%)	59 (100%)	379 (100%)

Note: Percentages are calculated within firm size groups. Firm size is based on number of employees. Sample is conditional on awareness of Investment Boost and some investment spend over the last 12 months (379 responses).

## Influences on current investment spending

To understand the short-term influence of Investment Boost on firms' investment decisions, we focus attention on the firms that reported some spending on assets in 2025, and the respondent also reported a reasonable level of understanding of the policy. This gives us a consistent set of 379 firms that could plausibly have been influenced by Investment Boost, for which we can compare the impacts of Investment Boost to those of other economic factors. This includes 85 firms that reported investment spending over the period but had not claimed and were not intending to claim Investment Boost and 74 firms that did not provide an answer or were unsure whether they would claim. For completeness, the distribution of responses for the full sample of respondents is reported in Appendix 2.

Respondents were asked to indicate whether the tax benefits of Investment Boost had influenced their spending on business assets over the past 12 months. The influence of Investment Boost was set in the context of other potential influences on recent investment, with a focus on "current economic conditions for this business" and "access to finance". Firms were also asked to identify whether there were any other factors that had substantially affected spending on capital assets over the 12-month time period.

Of the 46% of businesses that could plausibly benefit, 40% reported that Investment Boost had a positive impact on their investment spending in 2025. Of these, 11% identified this impact as significant. A small number (less than 4%) reported that they had decreased recent investment due to Investment Boost. This may indicate that some firms have delayed or reprioritised their investment to benefit from the policy in future.

Across all firm sizes, 38% of respondents (again restricted to those with some investment, and reasonable knowledge of Investment Boost) said that economic conditions had influenced them to

increase spending on assets, while 30% said conditions had led them to decrease their investment spending (Table 4).

**Table 4: Environmental factors affecting recent spending on assets**

Q3.5 How have the following environmental factors influenced your spending on assets (including improvements to existing assets) in the last 12 months?

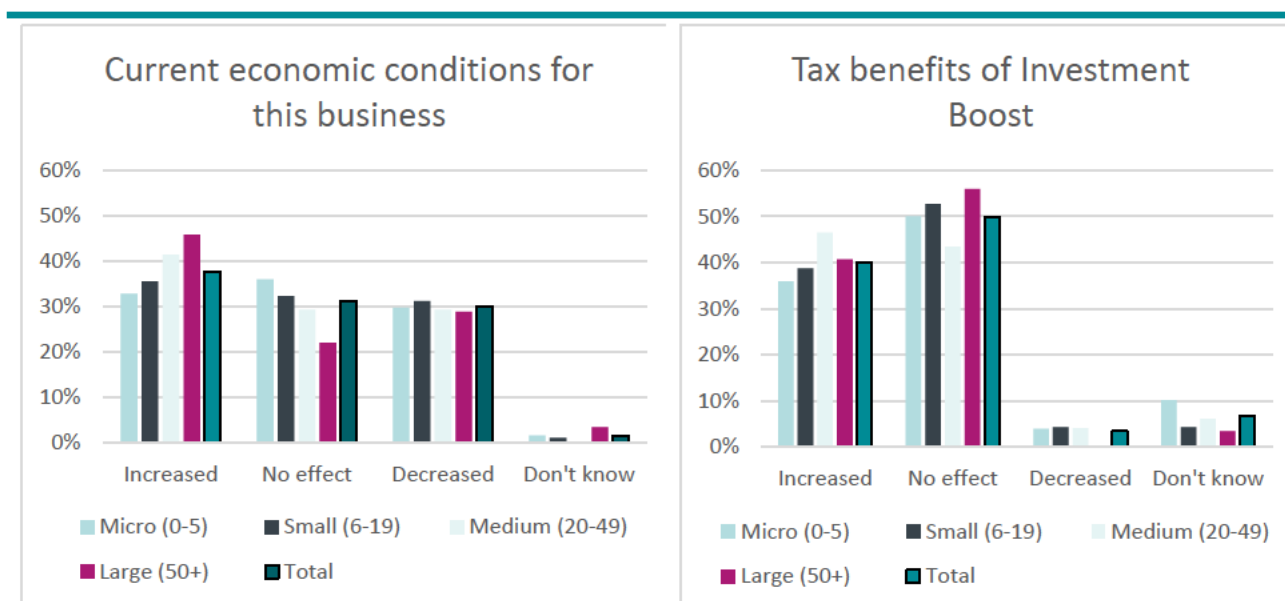
	Current economic conditions for this business	Access to Finance	Tax benefits of Investment Boost
<b>Significantly increased</b>	11%	3%	11%
<b>Somewhat increased</b>	27%	15%	29%
<b>No effect</b>	31%	66%	50%
<b>Somewhat decreased</b>	18%	7%	2%
<b>Significantly decreased</b>	11%	5%	2%
<b>Don't know</b>	1%	4%	7%
<b>Number of firms</b>	<b>379</b>	<b>379</b>	<b>379</b>

Note: Sample is conditional on awareness of Investment Boost and some investment spend over the last 12 months (379 responses). Columns may not sum to 100% due to rounding.

The importance of Investment Boost as an influence on spending did not differ systematically across firm sizes, with 43%–56% of firms in each group reporting no effect of Investment Boost on their spending, and 36%–46% reporting an increase attributable to Investment Boost (Figure 2). In contrast, larger firms were consistently more likely to report an increase in spending due to current economic conditions and less likely to report no effect.

**Figure 2: Influence of economic conditions and Investment boost, by firm size**

Q3.5 How have the following environmental factors influenced your spending on assets (including improvements to existing assets) in the last 12 months?



Note: Percentages are calculated within firm size groups. Firm size is based on number of employees. Sample is conditional on awareness of Investment Boost and some investment spend over the last 12 months (379 responses).

The survey also sought quantitative information about the influence of Investment Boost across five different categories of assets. Only 66 eligible firms provided complete answers across the five categories covered. For that small set of respondents, plant and machinery was the most common asset category for which firms attributed some spending to Investment Boost (41% of 66 respondents), with vehicles being the next most common (29%). This largely reflects the relative prevalence of these assets in firms' investment activity – 82% of this group cited some spending on plant and machinery and 59% reported spending on vehicles, compared to 30% on commercial and industrial buildings, 14% on intangibles, and 26% on other asset types.

Firms that indicated that Investment Boost had no effect on their recent spending were asked to give a reason why this was the case. A total of 243 firms responded. The responses were provided as free-text comments so they reflect factors that were top of mind for respondents rather than a comprehensive assessment, and individual responses may include multiple reasons. Responses were auto-coded into categories based on keywords and manually checked for meaning and consistency. Relative frequencies are therefore reported in indicative terms, reflecting residual uncertainty in interpretation and classification.

The most common responses among this group related to a lack of policy awareness (around 20% of responses were of this type: "I was not aware of it" and "I don't know how it would apply to us") and non-discretionary investment (around 20%: "We update our assets if & when needed", "We purchase assets for business needs and whilst the Investment Boost is a good incentive we have not made investment decisions based on this").

Other noticeable themes, appearing in around 10% of responses, included:

- Timing-related factors: "Purchases made before introduction date", "The equipment purchased had been in the planning stages for more than 2 years and was going to happen anyway".
- Economic and financial conditions for the firm: "Couldn't afford any major expenditure on assets", "Tough economic conditions including high interest rates".
- Lack of need for capital investment: "We are not high capital purchasers so it has little impact on us", "No capital expenditure required or planned".
- Lack of material benefit: "It simply brings forward a tax deduction, therefore didn't impact our business case".

## Investment Boost's influence on investment planning

Responses related to recent investment activity indicate that a significant number of firms are intending to access Investment Boost for their 2025 investment, and that many have already responded to the policy by increasing their investment spending. However, knowledge of the policy remains mixed and businesses have not had long to adjust their investment activities to reflect the benefits of Investment Boost. Moreover, many firms report that their ability to invest in capital assets was constrained by current economic or business conditions.

As the policy beds in, the benefits of Investment Boost for productivity are expected to come through longer-term capital deepening rather than immediate changes in investment activity. Looking at firms' investment plans over the next five years gives an indication of the potential for additional firm-level response as firms increase or adapt their investment spending.

The survey included questions on existing investment plans over the next five years, and how firms are adapting those plans in response to Investment Boost. We focus on the 63% of firms with moderate to high knowledge of Investment Boost (Table 2 refers) because awareness is expected to increase over time and this group therefore provides a clearer indicator of potential longer-term impacts. We exclude 39 firms that did not complete the questions on future plans. Results for the full set of respondents are reported in Appendix 2.

Among the remaining firms, 65% (319 responses) indicated that they had an intention to invest in business assets within the next five years. A further 10% indicated that they were not intending to invest, while the remaining 131 firms (25%) were unsure or had not yet determined their forward investment plans.

**Table 5: Forward investment planning, by firm size**

Q8.2 Does this business plan to invest in business assets (including improvements to existing assets) in the next five years?

	<b>Micro (0–5)</b>	<b>Small (6–19)</b>	<b>Medium (20–49)</b>	<b>Large (50+)</b>	<b>All firms</b>
<b>Intend to invest</b>	108 (55%)	75 (65%)	85 (75%)	51 (84%)	319 (65%)
<b>Do not intend to invest</b>	30 (15%)	8 (7%)	7 (6%)	3 (5%)	48 (10%)
<b>Not yet determined</b>	54 (27%)	30 (26%)	19 (17%)	5 (8%)	108 (22%)
<b>Don't know</b>	6 (3%)	2 (2%)	3 (3%)	2 (3%)	13 (3%)
<b>Number of firms</b>	198	115	114	61	488

Note: Percentages are calculated within firm size groups. Firm size is based on number of employees. Includes respondents with moderate to high knowledge of Investment Boost that responded to questions on future investment plans.

Again, investment plans are strongly correlated with firm size – 84% of large firms state that they are intending to invest in assets over the next five years compared to 55% of micro enterprises (0–5 employees).

Among the 319 respondents that have some investment intention over the next five years (as well as a moderate to high knowledge of the Investment Boost policy), nearly half (49%) say that Investment Boost is having a positive effect on those plans, with 14% anticipating a large increase in investment due to Investment Boost (Table 6).

**Table 6: Influence of Investment Boost on planned spending on assets, by firm size**

Q9.1 Looking ahead over the next five years, to what degree has Investment Boost influenced this business's planned spending on assets?

	<b>Micro (0–5)</b>	<b>Small (6–19)</b>	<b>Medium (20–49)</b>	<b>Large (50+)</b>	<b>All firms</b>
<b>Large increase</b>	16 (15%)	13 (17%)	8 (9%)	7 (14%)	44 (14%)
<b>Small increase</b>	39 (36%)	23 (31%)	33 (39%)	16 (31%)	111 (35%)
<b>No change</b>	45 (42%)	34 (45%)	41 (48%)	25 (49%)	145 (45%)
<b>Decrease</b>	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
<b>Don't know/did not respond</b>	8 (7%)	5 (7%)	3 (4%)	3 (6%)	19 (6%)
<b>Number of firms</b>	108	75	85	51	319

Note: Percentages are calculated within firm size groups. Firm size is based on number of employees. 319 respondents with moderate to high knowledge of Investment Boost and intentions to invest over the next five years.

While overall capital deepening was the main policy goal of Investment Boost, survey responses suggest that firms are considering a range of factors when setting their investment plans over the next five years. Over half of the respondents (57%) indicated that Investment Boost was influencing other aspects of their planning beyond the total amount of planned investment spending.

Among firms with planned investment, Investment Boost also affected the timing of investments (33%), which projects are prioritised (25%), the choice between new vs secondhand assets (23%), and purchase vs lease decisions (20%). Very few respondents report Investment Boost influencing decisions about imported vs domestic assets or locating activity in New Zealand (though one respondent noted this as a key outcome in their written response).

**Table 7: Influences on investment planning over the next five years**

Q9.2 Aside from this business's overall level of spending, how had Investment Boost influenced this business's investment plans over the next five years?

<b>Influence on investment plans</b>	<b>All firms</b>
Timing of planned investments	103 (33%)
Deciding which projects to prioritise	78 (25%)
Acquiring new vs secondhand assets	70 (23%)
Acquiring purchased vs leased assets	63 (20%)
Acquiring imported assets vs domestic	15 (5%)
Decision to locate activity in New Zealand	9 (3%)
Any other impacts	11 (4%)
Investment Boost had no influence	134 (43%)
<b>Number of firms</b>	310

Note: Respondents with moderate to high knowledge of Investment Boost and intentions to invest over the next five years. Excludes nine firms that did not respond to question 9.2.

## Compliance costs

Discussions with tax agents and accounting firms have indicated that some firms have had concerns about the administrative requirements for claiming Investment Boost. Accounting software providers such as Xero and MYOB were able to rapidly customise their product to the new requirements. However, some larger firms that use bespoke or international accounting packages have needed to develop new approaches for their fixed asset registers.

When asked directly, a small proportion (less than 10%) of respondents reported that they had incurred additional costs to understand or comply with Investment Boost in respect to their recent investment activity. This pattern holds regardless of whether firms had claimed, or were intending to claim, Investment Boost deductions, and may reflect high uptake of standardised accounting packages among the respondents. It is important to note, however, that most firms have not yet been through a full financial year-end since the policy was introduced. As a result, many businesses are still at an early stage of engagement with the policy, and some costs (particularly those associated with external accounting or end-of-year compliance) may not yet have been incurred.

## Comparison to other sources

Results from the Inland Revenue survey contrast with findings from a survey of the Corporate Taxpayers Group (CTG) that was run over the same period. Focusing on very large investors, with a typical annual investment spend of up to \$500 million, the CTG survey pools together impacts on the level and nature of both current and future investment. In general, the 18 respondents did not expect that Investment Boost would influence their investment behaviour given the long lead time from Final Investment Decision to large assets being available for use, though some benefits of the policy were noted, including improved cashflow for other investments and a greater ability to attract capital for co-investment. These firms were also far more likely to indicate challenges associated with adjusting capital budgets, in keeping with the longer term and more complex nature of their investments. From the 2025/26 financial year onwards, Inland Revenue will collect a more comprehensive measure of Investment Boost uptake through the Basic Compliance Package collection (outlined below).

## Conclusion

Investment Boost was introduced for taxpayers from 22 May 2025. In December 2025, Inland Revenue surveyed its business customers to gain an early indication of how firms are responding to Investment Boost. Over 800 firms provided information on their recent investment activity and awareness of Investment Boost.

Survey results indicate that it will take time for the full effects of Investment Boost to flow through to economic activity. Investment spending in 2025 largely reflects existing investment plans, economic conditions and business needs. One third of respondents, especially those in small and micro enterprises, had limited awareness of the policy and its implications for their business.

While it is still very new, the policy is already having an impact on investment activity. Among firms that made some investment in assets in 2025 and had reasonable awareness of Investment Boost,

40% reported that the policy had increased their investment spending over the past 12 months. Of these, 11% reported a significant increase due to the policy, while the remaining 29% reported that tax benefits of Investment Boost somewhat increased their spending. These proportions were reasonably consistent across firm size groups.

While many respondents have yet to make their forward-looking investment plans, nearly half (49%) of those that had reasonable awareness of the policy and are intending to invest over the next five years say that Investment Boost is having a positive effect on those plans, with 14% anticipating a "large increase" in investment due to the policy. Over half are adjusting other aspects of their investment planning, including: timing of investment; prioritisation across projects; choice between new and secondhand assets; and decisions to purchase rather than lease.

Participation in the survey was voluntary. This means these results are likely to reflect the views of more engaged businesses. Moreover, larger firms were sampled at a higher rate than small firms, to reflect their smaller population but greater economic weight. While the survey provides relevant information on a substantial number of tax customers, these factors suggest that awareness and uptake of Investment Boost are likely to be overstated in the survey responses compared with the wider business population.

## Next steps

Inland Revenue has an active marketing campaign in place for Investment Boost and expects awareness to increase over time, particularly after the 31 March balance date when businesses will start turning their minds to filing their returns. Tax agents and industry bodies have been provided with key information to enable them to support customers with understanding and accessing Investment Boost.

Ongoing monitoring plans are also in place. From March 2026 Inland Revenue will seek further input from large businesses as part of the Basic Compliance Package survey. This annual survey covers approximately 450 large enterprises. This will give us a larger cohort from which to understand the impacts of Investment Boost on larger firms in the 2024/25 financial year. Uptake of Investment Boost will also be monitored via the annual Financial Statements Summary (IR10) from 2027 onwards. In addition, Inland Revenue expects to repeat the voluntary survey annually to build a picture of how awareness, uptake and influence of Investment Boost are developing as the policy beds in.

## Appendix 1 – Population and sample characteristics

The survey population includes all Inland Revenue’s business tax customers, subject to the following constraints:

- Included firms must have:
  - at least one employee, or
  - annual GST sales of at least \$60,000, or
  - IR10 sales of at least \$1 million.
- Excludes: Residential property operators (ANZSIC 6711) and financial asset investing (ANZSIC 6240).

These constraints are put in place to exclude holding companies, inactive firms, and residential rental property owners.

As shown in Table 9, the industry distribution of survey respondents is broadly similar to that of the business population, suggesting that the survey captured a reasonably balanced cross-section of industries despite its voluntary nature. In contrast, the firm size distribution differs markedly from the population, with medium and large firms accounting for a substantially higher share of responses than their population weight would suggest (Table 8).

This skew toward larger firms generally reflects sampling – medium and large firms were oversampled relative to their frequency in the population to reflect their relatively small number but high economic importance. It is further shaped by both response behaviour and analytical eligibility. Micro firms were less likely to respond to the survey, and (conditional on responding) were less likely to report awareness of Investment Boost, recent investment activity, or forward investment plans. Larger firms were more likely to meet the criteria for inclusion across multiple stages of the analysis, including having moderate to high knowledge of the policy and reporting both recent and planned investment. As a result, the progressively restricted samples used in the main analysis become increasingly weighted toward larger, more engaged firms. The findings should therefore be interpreted as most reflective of the experiences and responses of firms with greater investment activity and policy awareness, rather than as representative of the business population as a whole.

**Table 8: Firm size distribution**

	Population	Sample	Eligible responses	Moderate/high knowledge of Investment Boost		
				+ current investment	+ future investment	
<b>Share of firms</b>						
0–5 employees	86%	60%	47%	40%	34%	34%
6–19 employee	11%	18%	23%	24%	25%	24%
20–49 employee	2%	14%	20%	24%	26%	27%
50+ employee	1%	8%	10%	12%	16%	16%
Total firms	334,853	19,809	825	527	379	319
<b>Share of employment</b>						
0–5 employees	15%	3%	2%	2%	2%	2%
6–19 employee	23%	8%	8%	8%	6%	6%
20–49 employee	16%	18%	21%	23%	20%	20%
50+ employee	47%	71%	69%	67%	72%	72%
Total employment	1,576,719	451,369	23,397	16,001	14,198	12,416
<b>Mean employment</b>						
	4.7	22.8	28.4	30.4	37.5	38.9
<b>Count of firms</b>						
	334,853	19,809	825	527	379	319
<b>Total employment</b>						
	1,576,719	451,369	23,397	16,001	14,198	12,416

**Table 9: Industry distribution**

	Population	Sample	Eligible responses	Moderate/high knowledge of Investment Boost		
				+ current investment	+ planned investment	
<b>Share of firms</b>						
Primary production	12%	10%	10%	13%	13%	11%
Goods & utilities	23%	25%	23%	25%	25%	28%
Trade & logistics	19%	24%	21%	20%	21%	20%
Commercial services	31%	26%	31%	31%	30%	29%
Social services	14%	14%	13%	10%	10%	11%
Unknown	1%	1%	1%	1%	1%	1%
Total firm count	334,853	19,809	825	527	379	319
<b>Share of employment</b>						
Primary production	7%	5%	5%	6%	5%	6%
Goods & utilities	25%	28%	25%	33%	33%	36%
Trade & logistics	31%	29%	37%	23%	23%	21%
Commercial services	25%	27%	19%	20%	20%	15%
Social services	12%	10%	14%	17%	18%	20%
Unknown	1%	1%	1%	2%	2%	2%
Total employment	1,576,719	451,369	23,397	16,001	14,198	12,416

## Appendix 2 – Influence of Investment Boost (all respondents)

Appendix 2 presents the results for a broader set of respondents than the core analysis in the main text. The core analysis focuses on those firms we can reasonably expect Investment Boost to have influenced spending behaviour – firms that were aware of the policy and reported some investment spending over the past 12 months. To provide transparency and additional context, Table 10 reports the distribution of responses to questions on the influence of economic conditions, access to finance, and Investment Boost on recent investment activity for: the full set of 825 eligible responses; firms that were aware of Investment Boost (including those with no recent investment); and the core analysis sample. Table 11 repeats the same comparison for the influence of Investment Boost on future investment plans. In each table, the final column reports the core analysis sample to aid comparison.

Broadening the analysis to include all 825 eligible responses changes the composition of the sample in systematic ways. In particular, it introduces firms that were largely unaware of Investment Boost and firms that had limited need or capacity to invest in assets over the period. Consistent with this, the share of firms attributing an increase in spending to Investment Boost is 24% in the full sample, compared with 40% in the restricted sample (Table 10, Panel C). This decrease in the share of positive responses is drawn primarily from an increase in the share of “don’t know” responses.

Economic conditions are more frequently reported as having a significant negative impact on spending among the full set of respondents and the intermediate group of firms that includes those with no investment spending in 2025, consistent with free-text comments reported above and with the inclusion of firms facing binding financial or demand constraints. The reported influence of access to finance is broadly similar across samples.

**Table 10: Influences on current investment activity – comparison of sub-samples**

*Q3.5 How have the following environmental factors influenced your spending on assets (including improvements to existing assets) in the last 12 months? Current economic conditions for this business.*

<b>Panel A: Current economic conditions for this business</b>			
	<b>All responses</b>	<b>Aware of IB</b>	<b>Aware + some investment 2025</b>
Significantly increased	109 (13%)	59 (11%)	40 (11%)
Somewhat increased	162 (20%)	119 (23%)	103 (27%)
No effect	236 (29%)	156 (30%)	118 (31%)
Somewhat decreased	143 (17%)	96 (18%)	70 (18%)
Significantly decreased	148 (18%)	90 (17%)	43 (11%)
Don't know	27 (3%)	7 (1%)	5 (1%)
Number of firms	825	527	379

<b>Panel B: Access to finance</b>			
	<b>All responses</b>	<b>Aware of IB</b>	<b>Aware + some investment</b>
Significantly increased	42 (5%)	19 (4%)	13 (3%)
Somewhat increased	98 (12%)	70 (13%)	57 (15%)
No effect	491 (60%)	333 (63%)	249 (66%)
Somewhat decreased	63 (8%)	45 (9%)	26 (7%)
Significantly decreased	77 (9%)	39 (7%)	20 (5%)
Don't know	54 (7%)	21 (4%)	14 (4%)
Number of firms	825	527	379

<b>Panel C: Tax benefits of Investment Boost</b>			
	<b>All responses</b>	<b>Aware of IB</b>	<b>Aware + some investment</b>
Significantly increased	58 (7%)	48 (9%)	43 (11%)
Somewhat increased	140 (17%)	125 (24%)	109 (29%)
No effect	434 (53%)	277 (53%)	189 (50%)
Somewhat decreased	20 (2%)	16 (3%)	6 (2%)
Significantly decreased	40 (5%)	15 (3%)	7 (2%)
Don't know	133 (16%)	46 (9%)	25 (7%)
Number of firms	825	527	379

Table 11 reports responses for the influence of Investment Boost on firms' planned investment spending over the next five years, using the same set of progressively narrower samples. As with recent investment activity, broadening the sample to include all eligible respondents introduces firms that were unsure about their future investment intentions or had limited awareness of Investment Boost. Consistent with this, the share of firms reporting that Investment Boost is influencing their future investment plans is lower in the full sample than in the restricted sample of firms with moderate to high knowledge of the policy and an intention to invest. The broader samples also exhibit a higher proportion of "don't know" responses, reflecting uncertainty among firms that have not yet formed clear forward-looking investment plans or have not engaged substantively with the policy.

**Table 11: Influence of Investment Boost on investment planning – comparison of sub-samples**

Q3.5 How have the following environmental factors influenced your spending on assets (including improvements to existing assets) in the last 12 months? Current economic conditions for this business.

	<b>All responses</b>	<b>Aware of IB</b>	<b>Aware + some planned investment</b>
Large increase	56 (7%)	47 (10%)	44 (14%)
Small increase	185 (25%)	146 (30%)	111 (35%)
No change	381 (51%)	253 (52%)	145 (46%)
Decrease	3 (0%)	1 (0%)	0 (0%)
Don't know	127 (17%)	38 (8%)	16 (5%)
Number of firms	752	485	316