

## A nasty election campaign looms

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Latest polling shows Labour still making no traction against a rampant National Party, which will simply tough out the allegations contained in Nicky Hager's latest pre-election book alleging political scandal and skulduggery. But the stage is set for an ill-tempered campaign.

## Nicky Hager strikes again

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No one fingered in political journalist and activist Nicky Hager's "Dirty Politics" emerges with much honour, but its promise of revelations falls short. John Key has been unwise to foster a relationship with the Whaleoil blog and the book will hurt National, but how much is unclear.

## Mixed signals on RMA reform

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Key told leading environmental NGO's he was looking for a "less confrontational" solution to RMA reforms than the proposals stalled before Parliament. But he's keeping his powder dry until after the election, saying merging the key Sections 6 and 7 remains government policy.

## FMA pushes for more growth market disclosure

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NZX expects its new secondary board "growth" market to launch in the last quarter of 2014, but is waiting on approvals from the Financial Markets Authority, which is seeking rules closer to continuous disclosure than were initially proposed.

## US growth rebounding

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GDP and non-farm payrolls data suggest the US economy has been growing at above capacity in recent months, raising the prospect of interest rate rises earlier in 2015 than has been widely expected. However, labour participation, wages and household consumption remain subdued.

## Aussies look over the fence

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The political mood for a Fonterra-style approach to its dairy sector is growing in Australia, driven by recent knockbacks to mergers that would rationalise the fragmented sector.

## House rises after voting the govt funds

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Parliament rose for the election on July 31 and will dissolve formally on Aug 14. Among the last legislation passed were appropriation and imprest supply bills allowing funding to govt agencies. The legislation update section will not appear again until after the election.

## Forecasts at a glance

|               | INFLATION<br>ann % change | GROWTH<br>ann avg % change | \$ v \$US<br>spot rate | \$ v \$A<br>spot rate | WORLD GROWTH<br>annual avg % change | TRADING PARTNERS<br>annual avg % change |
|---------------|---------------------------|----------------------------|------------------------|-----------------------|-------------------------------------|---|
| December 2015 | 2.6%                      | 3.5%                       | 73.0c                  | 90.1c                 | 3.2%                                | 4.1%                                    |
| December 2016 | 3.1%                      | 1.8%                       | 67.0c                  | 86.7c                 | 3.2%                                | 4.2%                                    |
| December 2017 | 2.7%                      | 1.2%                       | 63.1c                  | 87.2c                 | 3.1%                                | 4.0%                                    |

## Labour launches but the election is still National's to lose

The mood at the Labour party's unusually early campaign launch August 10 was positive: despite its poor polling, Labour does seem to have more activist energy than in 2011. The party claims four times the phone and doorstep calls have been made than by this time before the 2011 election. Even discounted by half, that is still a significant improvement.

And, as at the pre-election congress in July, the party got out around 800, which made the event look OK on television. Those at the launch responded positively to the health policy centrepiece (free doctors visits for over-65s, needy or not, and to up-to-13s, the disabled, the chronically ill and pregnant women, with dental care thrown in during pregnancy). This policy fits with the children's policy launched in January. Overall, the burgeoning social policy across a wide range of topics reflects a Labour party that is more Labour than for a while.

But can Labour keep its activists energised through from launch to election day? Some in the party doubt it and were unhappy the launch was so early. There are also worries about David Cunliffe's capacity for consistency and blunder-free campaigning, though

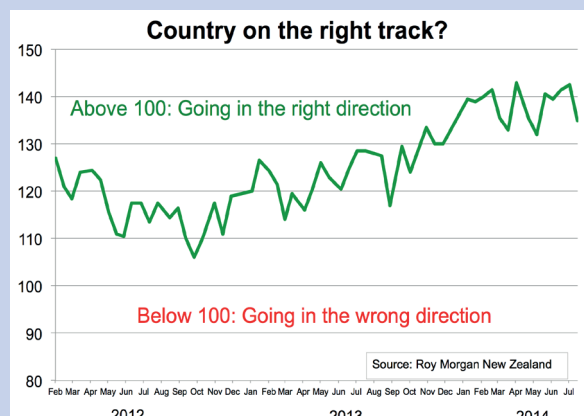
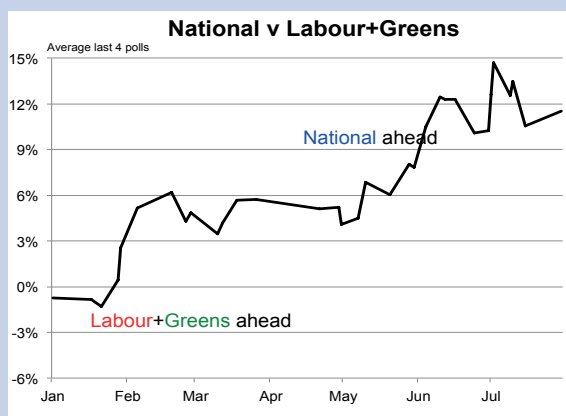
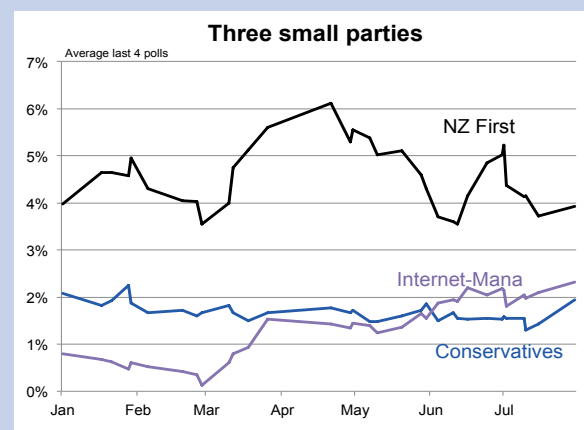
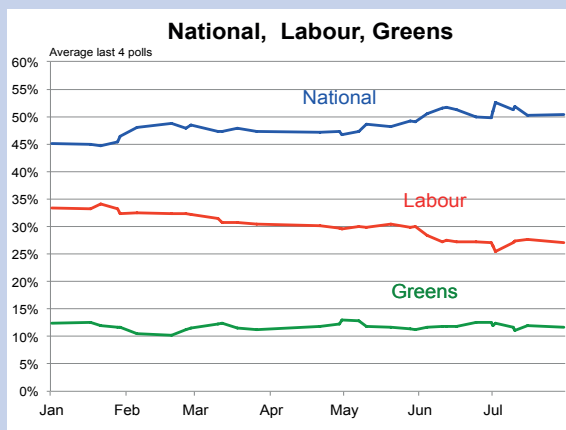
those worries have eased a bit in the past three weeks. Friday's Ipsos poll from Fairfax, putting Labour at a very weak 22%, will knock spirits, although TV3's next Read Research poll, due Sunday, Aug 17, is likely to show Labour closer to 30%.

The four-poll average including the DominionPost's poll in early August was 27.1% which makes 30% just credible - for now.

Meanwhile, Colmar Brunton's and Roy Morgan's confidence and right-track-wrong-track readings appear to have topped out, with falls in July. Commodity prices - dairy and forestry - are off, job growth has slowed and income growth is not stellar. The fiscal revenue figures have slipped off the forecast which might make the pre-election fiscal update, to be released next Tuesday, Aug 19, interesting. An election in late November might have worked better for Labour.

## The Greens launch August 17...

... with great expectations. They are much more active on the ground than before, reflecting their migration from a fringe party to a "normal" one on the Labour side. They are promising a new key (small k) policy at the launch.



## National launches August 24: lots of money and energy

Whatever is happening on Labour's side of the central divide, National is still cruising: 50.3% average through to early August.

But that is down from an average of 52.5% up to mid-July. And if it were to lose 4% between now and election day, it could not count on staying in office. It lost 11% in the comparable period before the 2011 election and there might be some cost from the Nicky Hager revelations about goings-on between close-John-Key-aide Jason Ede and blogger Cameron Slater to whom Key has said in the past he talks to (a more careful Prime Minister would not).

At 46%, National would have to deal with Winston Peters if New Zealand First is over 5%. If New Zealand First is not over 5%, 46% would get National back into office with its three current supporters.

But that requires ACT to win Epsom (which a Colmar Brunton poll of Epsom suggests it will, though not conclusively) and Peter Dunne to hold Ohariu (pointers are positive). Also, Te Ururoa Flavell would probably need to hold Waiariki in a vigorous three-way race and then to back National – not a foregone conclusion but probable, since the Maori party wants to be in the government, not in opposition.

So the “no-complacency” message will stay high on the agenda for the official campaign launch on August 24. But National is flush with cash, activists have been campaigning much more actively than in 2011 and (pre-Hager) Key was still rating very highly.

### Then there is Dotcom

The Dotcom-Internet-Mana phenomenon remains hard to read. It is a sort of young people's populism (viz, the rock shows) which may or may not translate into votes: so Internet-Mana could finish up with 2% or 6%. If it is 6% and 3% of that are people who would not otherwise have voted, that will in effect reduce National's vote percentage, even if its numerical vote is up. The other possibility is that it eats up some of the Greens' current 12%.

The appeal to young people is a mix of “freedoms” and ideals. There is a loose parallel with baby boomers' attitudes at the same age in the mid-1960s.

As for the “f.k John Key” chant, which has scandalised oldies: it was, at least as shown on the party's website, more like a rugby chant than a fascist one. But there is a way to go yet.

And discount the noise over “racism”: it won't have much effect either way on Winston Peters' vote (latest average 3.9%) and ACT is still shuffling in the sub-1% zone, with an average of 0.6% in July.

## The Hager book – so what?

Political activist and journalist Nicky Hager has followed his well-honed business model, releasing a book alleging political corruption on the eve of a general election, assisted by first crack at in-depth coverage by TV3's Campbell Live show.

He did the same in 1999 (*Secrets and Lies*), 2002 (“Corngate”), and in 2011, with “Other Peoples' Wars”. “The Hollow Men” in 2006 was post-election but cost Don Brash the National Party leadership and was relaunched as a TV documentary in 2008, in the lead-up to a general election.

It's this which grates with mainstream media, who have not initially given Hager's “Dirty Politics” the front page space he might have hoped for. A combination of jealousy over his capacity to glean “deep-throat” information combines with a resentment at being played, and a natural fear of defamation when recycling another journalist's work.

For all Hager's claims the book reveals a new dirty politics, the evidence is lacking. It looks a lot like the same old dirty politics, but with blogging. There are two issues that should concern the Government, and only one goes to John Key.

They are:

- PM's Office staffer Jason Ede's pursuit of confidential Labour Party information, which the party failed to protect online. The Greens are seeking a police probe, but this doesn't look like Watergate, unless Watergate had involved peering through the windows of the Democratic National Office rather than breaking in. Key's problem here is his denials at the time, July 2011, of involvement by his office. The communications between Whaleoil/Cameron Slater and Ede prove there was;
- claims that Slater pulled strings to have a prisoner moved between prisons for a friend, at a time when Judith Collins, who emerges as a close confidant, was Corrections Minister. However, no direct link to action by Collins is alleged. Collins, also Police Minister, also discussed leaking police information.

The rest of the book offers insights into typically murky political back-channel activity from which various National Party bit-players emerge poorly. Hager expends two chapters of a heavily padded 138 pages criticising National Party activists for seeking to influence their own party's affairs. Many of the exchanges published as evidence of chicanery smack more of self-aggrandising fantasists with too much time on their hands. If it weren't for Key's misjudgement in having regular contact with Slater, a hate figure for his propensity to make offensive online postings, there would not be much at issue.

## Mixed signals on RMA reform

The wily director at the Environmental Defence Society, Gary Taylor, did his best to put National on the hook for a fresh look at the proposed reforms of Sections 6 and 7 of the RMA at the EDS annual conference in Auckland.

Citing a regular six-monthly meeting between Key and peak environmental NGO's, Taylor said there was agreement to explore a "less confrontational approach" to the proposals, which have stalled on the Order Paper in this Parliament, for want of support from the United Future and Maori parties.

Key, however, appeared to back off those comments in his post-Cabinet press conference on Monday, saying: "All the advice I've seen so far is that we would still want to progress a merger of 6 and 7 and within the purpose clause have economic activity and infrastructure as a core part of that."

"Now, we're always trying to find a constructive way through these issues as best we can. At the moment, our policy we'll be taking to the election is going to be very much based on the legislation that's held up before Parliament."

One route through the impasse could be to make greater use of directive clauses in National Policy Statements, which are already available as form of "over-ride".

It appears Key is keeping his options open in the event a re-elected National-led govt will have a clearer working majority and can proceed with the changes as drafted. If that occurs, green lobbies will portray this as demonstrating an underlying agenda by National to allow environmental degradation in pursuit of economic growth.

## Winston turns heads on water

Another noted feature of the EDS conference was the relative "green-ness" of positions taken by NZ First leader Winston Peters in a political leaders' panel debate. Peters lined up surprisingly strongly with Opposition party calls for more ambitious targets for national freshwater bodies.

Conventional wisdom suggests Peters would rather work with National than a Labour-led hydra involving both the Greens and Internet-Mana.

But Peters was the only leader to issue an immediate statement on the Nicky Hager book, headlining it a "dark day in NZ politics". If NZ First has genuinely shifted centre-leftward on green issues, an NZ First accommodation that kept Internet-Mana at bay might be attractive to Labour and the Greens. ■

## New NZX growth market scheduled for Q4

NZX expects to kick off trading on its new secondary board "growth" market in the Q4 2014, subject to agreement by the Financial Markets Authority. As the timing beds down, the FMA has released advice to Ministers questioning whether the proposed reduced disclosure regime is best practice.

By not having a continuous disclosure obligation, the new market is at odds with 15 similar growth markets globally, including the Nordic First North market, which strongly influenced the Capital Markets Development Taskforce's recommendations on new, more permissive equity-raising platforms for smaller cap companies seeking growth.

The new market will require companies to release quarterly key operating metrics (KOMs) approved by the FMA and the NZX, and assessed annually by directors.

NZX proposed a brightline test where a variance of at least 20% from forecast metrics would trigger an immediate market update, which the FMA has reduced to 10%, to align better with continuous disclosure practice in other secondary markets.

The bourse turned in a net tax-paid profit of \$6.97 million in the half year to June 30, benefiting from the partial privatisations and other new listings over the last 18 months. Its former ceo, Mark Weldon, has emerged from two and a half years as a vintner in Central Otago to head Auckland-based Mediaworks, owner of the Radio Live and TV3 franchises, among other broadcasting assets.

## Strong Aussie dollar a feature of earnings

The first week of the corporate earnings season has yielded few surprises, although the strength of the kiwi dollar against the Aussie has had marked impacts on reported trans-Tasman earnings.

For Brisbane-based Suncorp, NZ unit earnings put on an impressive 20.3% in \$A's, but rose only 6.9% in local currency. NZ brand Vero says it expects almost all remaining Christchurch quake claims to settle in calendar 2014. Reinsurance is becoming cheaper, but more is needed because homeowners are seeking higher levels of cover under new rules governing replacement insurance.

For Nuplex, converting weak Australian unit earnings into kiwi dollars worsened a disappointing year, which produced flat earnings despite a four year strategic shift bearing fruit in Europe and Asia.

## Fonterra turns to CSIRO, Aussies to Fonterra

At the same time as Fonterra has announced a major scientific research relationship with the Australian federal science agency, the CSIRO, Australian political debate is hotting up over whether the Lucky Country could do with its own Fonterra.

One spur to the debate has been the ACCC's refusal to allow the purchase of Warrnambool Cheese & Butter by Murray Goulburn, a move regarded by industry observers as necessary rationalisation to create scale in the under-performing Australian dairy sector.

Agriculture Minister Barnaby Joyce was reported in *The Australian*, Aug 11, backing an overhaul of competition law to "support the creation of national champions".

The current competition test's "finest hour was not WC&B", he said. Murray Goulburn ceo Gary Helou is singing the same tune, saying "as a farmer, as an integrated agricultural food business if you can't grow ... on your own turf, where can you go?"

## Kiwi dollar starts to underperform

The kiwi dollar has fallen in an orderly fashion over the last month from above 88 US cents to test technical support levels around 84.5 US cents.

For it to break below 84 US cents would likely require a stronger signal than those already seen from the Fed about the timing of US rate increases.

Stronger than expected Q2 growth in the US and hints from Janet Yellen on timings have given the US dollar its strongest month since early 2013.

The annual Jackson Hole central bankers's summit, Aug 21 to 23, may yield further clues.

Closer to home, any sign that the election was not a fairly assured win for the National Party might also provoke volatility, given "baked-in" financial market expectations that the govt won't change.

ASB economists are picking no change in the OCR before March 2015, on current domestic indicators, while the BNZ says we are at least two years away from the next negative quarterly GDP out-turn. It warns, though, that monetary policy stimulus in the US, EU and Japan is failing to price risk properly and creating multiple asset bubbles in areas such as bonds, residential property and equity markets.

This all presages a period in which "it will become more and more difficult to make money". ■

## US GDP surprises on the upside

New and revised figures for Q2 and Q1 respectively have painted a much stronger picture of the US economy, and evidence its rate of growth in 2013 quickened substantially to be well above potential.

GDP growth of 3.1% is estimated now, versus 2.6% previously. However, final domestic demand lagged and workforce participation continues to suggest underuse of available labour. Household balance sheets remain constrained, despite recovery from the prolonged impacts of the mid-2000's crash. Real incomes remain stalled. These factors will be weighing against the growing consensus that higher US interest rates are likely earlier in 2015 than previously assumed.

## Australian sentiment solid

Australian business conditions were at their strongest in four years, as measured by the monthly NAB Business Confidence Index.

The index gained 3 points to stand at +11 points in August, and the business conditions index gained 6 points to +8 points. The Australian Q2 House Price Index rose +1.8% compared with Q1, and increased 10.1% on the year.

With mining projects winding down, state and federal govts are starting to fill the gap for large-scale engineering projects with a pipeline of transport infrastructure investments valued at A\$76 billion.

## Mandatory data retention stirs political backlash

The Aust PM's National Security Committee is reported to have signed off on legislation that would compel telecommunications and online service providers to keep customer data for two years.

The sector is opposing the move, claiming it will add an average A\$100 to customers' annual bills, could compromise privacy, and involves costs and responsibilities for storage that should rest with the federal govt.

The proposal would store metadata, yet to be defined, and not content.

## Fast-ageing Asia's new challenge

Asian populations have benefited from the demographic dividend of young populations driving strong economic growth, but they are starting to age and will do so far faster than European societies. By about 2035, Chinese, Korean and Taiwanese dependency rates will surpass those in the US. ■

**LEGISLATION**

## Last acts before Sept 20

The House rose on July 31, with the 50th Parliament to be dissolved on Aug 14. There was a rush of business in a largely bi-partisan effort to get as much non-controversial business off the books as possible.

Budget legislation, the Appropriation (2014/15 Estimates) Bill and an associated Imprest Supply Bill and treaty settlement legislation were passed. Also debated were changes to Standing Orders to streamline operations and select committees, and modernise the daily prayer. The Regulations Reviews Committee is to review the use of emergency legislation in response to disasters, following the Canterbury earthquakes.

- *Italics denote update from previous edition of Hugovision*

## Bills introduced

**Health (Protection) Amendment Bill:** *Introduced on July 31. Gives effect to the Govt's decision in Oct 2013 to improve the range of measures available to protect the public from the harm associated with some infectious diseases and with artificial UV tanning. Awaiting first reading.*

### Standards and Accreditation

**Bill:** *Introduced July 22. Amends and consolidates the law relating to standards and accreditation of conformity assessment bodies, and repeals and replaces the Standards Act 1988 and the Testing Laboratory Registration Act 1972. Establishes a new independent statutory board to approve NZ Standards and new arrangements for Standards development and approval, and minor amendments to the institutional arrangements for the Testing Laboratory Registration Council. A new independent statutory officer will be set up within the Ministry of Business, Innovation and Employment to oversee the development of Standards. Also amends the Copyright Act to preserve existing intellectual property in Standards. Awaiting first reading.*

### This section includes

major bills and those likely to be relevant to Hugo members. Minor, social services and members' bills are not generally included.

Full details of each bill as introduced are on the Parliament website [www.parliament.nz/en-NZ/PB/Legislation/Bills](http://www.parliament.nz/en-NZ/PB/Legislation/Bills). Details of select committee amendment are at [www.parliament.nz/en-NZ/SC/Reports](http://www.parliament.nz/en-NZ/SC/Reports) which is in descending date order.

## Bills in progress

**Accounting Infrastructure Reform Bill:** Aims at a more competitive and efficient accounting market by: changing the rules to allow more people to do statutory audits; replacing legislative references to chartered accountants to qualified statutory accountants; reducing restrictions on audit firms; requiring independent assurance of financial statements for medium and large charities; and allowing the Institute of Chartered Accountants more freedom in how to structure itself (including the formation of an Australasian accountants body). Introduced Dec 2 2013. Completed first reading by 106 to 15 with Greens and Mana opposed on Jan 28, sent to the Commerce Committee for consideration. Reported back from select committee on May 20 implementing many of the recommendations of the Institute. Second reading debate was interrupted when the House rose on July 3.

**Animal Welfare Bill:** First reading Aug 2013. Seeks to improve the animal welfare system following the gov't review in 2011–2012. Does not alter fundamental policy settings. Reported back from select committee on June 26 with amendments around standards of welfare for animals, including live animals for export. The Greens unhappy the bill does not

ban animal testing of cosmetics and want stronger protections for animals used in intensive factory farming. *Awaiting second reading.*

### Building (Earthquake-prone Buildings) Amendment

**Bill:** Gives effect to decisions in Aug 2013 on managing earthquake-prone buildings and gives the central gov't a bigger oversight role. Requires local authorities to do seismic capacity assessments of non-residential buildings and multi-storey and multi-unit residential buildings. Sets up a seismic register of buildings. Clarifies what an earthquake-prone building is and allows rules to be applied to parts of the building. Requires remedial work within 20 years to ensure a building is not earthquake-prone, with an extra 10 years for category 1 historic buildings and exemptions for other work which would otherwise be required in building consents. Prioritises work on some buildings. Allows for exemptions for certain buildings. Introduced Dec 9 2013. First reading March 5 opposed only by the Greens and sent to the Local Gov't and Environment Committee for consideration. Submissions closed on April 17.

### Commerce (Cartels and Other Matters) Amendment

**Bill:** Applies tough criminal sanctions (up to three times the gain) to hard-core cartel behaviour. Now includes amendments proposed by the Minister of Commerce extending the Commerce Act to cover international shipping and aviation. Mainly tidy-up amendments from select committee. Gov't proposes further amendments. Introduced Nov 2011, first reading July 2012, select committee reported back July 2013. Began its second reading on July 24 after a long delay with Commerce Minister Craig Foss saying he is satisfied the bill now has the right balance in dealing with behaviour which is "truly culpable" and not "legitimate collaborative purpose". Sets up a process for companies to seek guidance on current practices from the Commerce Commission. Changes to bring shipping under general competition law remain in place.

**Construction Contracts Amendment Bill:** Amends the disputes adjudication process. The select committee made a number of adjustments. First reading June 2013, select committee reported back Dec 2013. Second reading debate held on March 20 and progress made with general support.

**Crimes (Match-fixing) Amendment Bill:** Seeks to ensure match-fixing is a criminal offence ahead of NZ hosting of the Cricket World Cup and the FIFA Under 20 World Cup. *First reading on July 31, sent to Law and Order committee for consideration with general support.*

**Education Amendment Bill (No 2):** Abolishes the Teachers Council and sets up a new body, the Education Council, to oversee teachers. Also reforms the structure of tertiary education governance. Received its first reading on March 13, opposed by Labour and others who say it reduces representation. Submissions closed on April 30. Select committee hearings have been dominated by teachers and others opposing the bill. *Reported back from select committee on July 14. Still strongly opposed by opposition parties with only minor changes made by the committee.*

**Employment Relations Amendment Bill:** Major changes to employment law. The Employment Relations Authority (ERA) must issue a decision or indicate a decision at the end of a hearing, with three months allowed for a written decision or for more information. Good faith bargaining will not require parties to agree a collective agreement. The ERA will be able to declare collective bargaining at an end and new negotiations are barred for 60 days unless both parties agree. Employers will be able to opt out of multi-employer contracts. Partial pay cuts allowed for partial strikes. Abolishes requirement that non-union members take union terms and conditions for first three months. All employees may ask for flexible work and do that from day one. Employers get more flexibility about transferring employees after restructuring or a change of contract; firms with fewer than 20 employees are to be exempt. Notice will be required of a strike or lockout. There are privacy safeguards on information supplied to employers about employees. The select committee made significant changes to the provisions

covering transparency of information for employees, good-faith collective bargaining, protection of employees on a change of contractor, franchises, strike provisions and timelines for ERA decisions. National, ACT and United Future supported the bill at its first reading in May 2013. Select committee reported back Nov 2013. Second reading on March 19 after the govt agreed to some changes at the request of Peter Dunne. The bill is still opposed by all but National, ACT and United Future. The resignation of John Banks meant the govt did not have the numbers to progress the bill and its future will depend on the results of the election.

**Energy (Fuels, Levies, and References) Amendment Bill:** Introduced Nov 23. Extends a levy of 0.045 cents on each litre of liquid fuel to fund international obligations over oil reserves. Passed first reading March 5 2014 by 77 to 41 with National, Greens, Maori Party, ACT and United Future in support and sent to the Commerce Committee for consideration. The Greens argued the reserves should be held in NZ and not overseas. Submissions closed on April 17. Reported back from select committee on July 1 with minor amendments, the committee did not address the issue of whether reserves should be held onshore.

**Environmental Reporting Bill:** Introduced Feb 20. Sets up a mandatory environmental reporting regime to be conducted by the Environment Secretary and Govt Statistician. First reading on March 5 supported by National, Greens, Maori Party, ACT and United Future. Labour agrees in principle, but disagrees with detail. NZ First, like the Greens, wants the Environment Commissioner to run the process. Sent to Local Govt and Environment Committee. Submissions closed on April 17.

**Harmful Digital Communications Bill:** Seeks to mitigate the harm caused to individuals by electronic communications and to provide victims of harmful digital communications with a quick and effective means of redress. Sets up an agency to assess complaints, where appropriate investigating and using negotiation, mediation, or persuasion to resolve matters. The agency's primary functions would include education. Also sets up a process to take down material from websites. Introduced in Nov 2013 with select committee reporting back on May 27. Labour criticised the fast tracking of the bill and urged caution. Some have expressed concern that punishment for offences on the internet would be more severe than a similar offence in the street. Awaiting second reading.

**Health and Safety Reform Bill:** Described by the govt as the biggest health and safety reforms in 20 years, it intends to put more onus and legal requirements on managers and company directors to manage risks and keep their workers safe. Also establishes stronger penalties, enforcement tools, graduated offence categories and court powers. The Bill will be followed by two phases of regulations, expected to be released for consultation later this year. First reading was completed on a voice vote on March 13 despite Opposition criticism of details in the bill. Submissions closed on April 11.

**Immigration Amendment Bill (No 2):** Sets a maximum sentence of seven years prison for employers who exploit immigrants and deportation for employers who hold residence visas if the offence was committed within 10 years of gaining residence. Also address gaps in the compliance regime and responds to new technology. First reading on Nov 19 2011 was completed with NZ First and Mana opposed, reported back from the Transport and Industrial Relations on May 16. Labour and the Greens withdrew their support saying the bill did not do enough to protect immigrant workers who wanted to report abuse. They also objected to the wide powers given to immigration officials.

**Insolvency Practitioners Bill:** Extensively rewritten by the select committee to require all insolvency practitioners to be licensed by the Registrar of Companies instead of, as in the original, giving the Registrar power to restrict or prohibit individuals from providing corporate insolvency services. The committee also recommended the bill clarify definition of "fit and proper" practitioners. First reading Aug 2010, select

committee report back May 2011, second reading Nov 2013, awaiting clause-by-clause debate.

**Judicature Modernisation Bill:** 1,238-page rewrite implementing the govt's response to the Law Commission's review of the Judicature Act 1908 and other court system changes. Also includes processes to deal with vexatious litigants. Introduced Nov 27 2013. First reading completed Dec 5 2013 with unanimous support and sent to Justice and Electoral Committee. Submissions closed Feb 21. *Select committee reported back on June 13 with numerous technical amendments. Labour supports the bill, but is concerned about some aspects including the inclusion of an age of retirement for judges.*

**New Zealand Superannuation and Retirement Income Amendment Bill:** Introduced on Nov 2013. Allows guardians to control entities formed to hold, facilitate or manage investments. Completed its first reading on a voice vote on March 19 and was sent to the Finance and Expenditure Committee for consideration. Submissions closed on May 5. *Reported back on July 30 with a number of minor amendments mainly around the control of Fund investment vehicles. Awaiting second reading.*

**Organised Crime and Anti-Corruption Legislation Bill:** Intended to bring NZ into line with international conventions, including requiring banks and other financial institutions to report all international wire transfers over \$1000 and all physical cash transactions of \$10,000 or more to the Financial Intelligence Unit within police. Awaiting first reading.

**Overseas Investment (Owning Our Own Rural Land) Amendment Bill:** Member's bill by Phil Goff (Labour). Narrows grounds for approving foreign purchases of rural land to investments that deliver benefits over and above what a New Zealand investor would produce and that creates substantial numbers of jobs and export increases. Introduced Dec 12 2013. Awaiting first reading.

**Parental Leave and Employment Protection (Six Months Paid Leave) Amendment Bill:** Member's bill by Sue Moroney (Labour). Doubles paid parental leave to six months. Parties seeking compromise so govt will not veto it on fiscal grounds. Has the support of United Future and Maori Party, delayed in the Govt Administration Committee while National looks at its own policy. First reading July 25 2012. Reported back on Feb 28 with the committee divided on political lines and unable to agree on whether the bill should proceed. Set down for second reading on Members' Day. The govt has been using delaying tactics on Members' Day to avoid debate. After the Budget delivered National's alternative watered down policy, the bill received its second reading despite much confusion over who was voting for what. National remain the only party in Parliament now opposed to this bill. Finance Minister Bill English picked to use financial veto if necessary, though time is running out for the bill to progress in this Parliament. Completed its second reading with just National opposed, but run out of time in its committee stage on June 25 following delaying tactics from National. *MPs returned to the committee stage, but delaying tactics from National meant it did not progress to the next stage.*

**Policing (Cost Recovery) Amendment Bill:** Allows the police to charge fees and recover costs for some of its services. Cabinet has agreed this will only apply to vetting services. Awaiting its first reading.

**Smoke-free Environments (Tobacco Plain Packaging) Amendment Bill:** Introduces a plain packaging regime for tobacco products modelled on Australia's legislative package for tobacco plain packaging, modified to fit NZ circumstances. Drafted to be brought into force either by Order in Council or,

## House sitting timetable 2014

The House rose on July 31 for the general election on Sept 20.

Parliament must sit again by Nov 20 and is expected to be recalled once the composition of the next govt becomes clear.

The sitting timetable will be advised once a new govt has been formed.

## LEGISLATION

at the latest, 18 months after receiving Royal Assent. This is to allow detailed regulations to be drawn up. Introduced Dec 17 2013 and received first reading on Feb 11 by 118 to 1 with John Banks opposing. Submissions closed March 28. *Reported back from select committee with a number of minor changes including a name change to the Smoke-free Environments (Tobacco Plain Packaging) Amendment Bill. NZ First expressed opposition to the bill. Awaiting its second reading.*

**Trade (Safeguard Measures) Bill:** Replaces the 1987 regime of emergency measures (usually a special duty, either provisional or permanent) applied at the border to allow domestic industry to adjust to increased imports which damage an industry. This is in addition to anti-dumping and antisubsidy measures and conforms to World Trade Organisation rules. Introduced Oct 2008. First reading March 2009, select committee report back in July 2007, second reading March 2012. Since then committee stage debate has been held but interrupted before completion. Finally completed its committee stage with general support on April 8.

### Bills passed in past month

**Fisheries (Foreign Charter Vessels and Other Matters) Amendment Bill:**

Requires all vessels chartered by NZ fishing companies to be NZ flagged from May 1 2016 and applies NZ catch, employment, vessel safety, and criminal law to them. Introduced Nov 2012, received general support at first reading on Feb 2013. Select committee reported back in July 2013 with Greens dissenting. *Became the centre of attention in the dying days of Parliament after rumours spread the Maori Party were blocking the bill. This proved unfounded. All parties voted for its committee stage and third reading in a truncated process. Exemptions for Treaty quota holders were removed.*

**Kaikoura (Te Tai-o-Marokura) Marine Management Bill:**

Creates a number of marine reserves, a whale sanctuary and fur seal sanctuary off the Kaikoura Coast. Restricts activities in the areas including tighter controls on seismic surveying in the whale sanctuary and restricts access in the fur seal sanctuary. First reading March 2014 and reported back from select committee with minor amendments on July 1. Generally supported, but the Greens want larger reserves. *All parties agreed to a shortened process for the bill and it passed its third reading on the last sitting day of this Parliament.*

**Local Govt Act 2002 Amendment Bill**

**No 3:** Implements a second round of local body reform, including local boards in future amalgamations, along Auckland's lines. Introduces encouragement for more shared services, joint delivery and other collaborative arrangements. Sets up a new single "focused" consultation document for long-term and annual plans. Requires a 30 year infrastructure strategy in longterm plans, covering at least water supply,

sewage, stormwater, flood protection and roads. Defines the purposes for which development contributions can be required on subdivisions and other developments; clarifies and narrows the range of infrastructure for which contributions can be charged; sets up an objection process; encourages greater private provision; improves transparency of council policies on contributions. First reading completed on Dec 3 2013 by 104 to 14 with the Greens and Mana opposed. Select committee report back due on May 12. Completed its second reading on May 27 by 95 to 25 with Greens NZ First and Maori Party

opposed. The committee stage was completed on May 29, *passed its third reading by 94 to 24 with Greens, NZ First, Maori Party and Mana opposed on July 29.*

**Parliamentary Privilege Bill:** Codifies Parliament's privileges, including absolute immunity from defamation actions. Implements the recommendations in the Report of the Privileges Committee: "Question of Privilege concerning the defamation action Attorney-General and Gow v Leigh". Introduced Dec 2 2013, sent to the Privileges Committee on a voice vote on Dec 11. Submissions closed on Feb 28. Reported back on June 5 with extensive redrafting and restructuring. The report said "The importance of this bill for our country and parliamentary democracy should not be understated. Once enacted, it will form part of our constitutional framework." *All parties agree to a shortened process and the bill passed its third reading on Parliament's last sitting day.*

### Bills stalled


**Housing Corporation Amendment Bill:** Removes Housing Corporation's policy functions; consolidates housing advice in the Department of Building and Housing. No significant committee changes. First reading April 2011, select committee reported back in May 2011. Has been stalled awaiting second reading since May 2011.

**Natural Health and Supplementary Products Bill:** (Was Natural Health Products Bill.) Establishes a natural health products regulator in the Ministry of Health; requires online registration of natural health products; requires notification of new ingredients before marketing. The select committee had difficulty balancing consumer choice, public health safety, light regulation when risk is low. Tightened health benefit claims provisions. First reading Sept 2011 report back from select committee was delayed until Oct 2012. Second reading in March 2013 and now awaiting clause-by-clause debate.

**Public Health Bill:** Rewrites, updates and replaces the Health Act 1956 and the Tuberculosis Act 1948 and includes updates enacted in the Epidemic Preparedness Act 2006. National has shown no interest in proceeding with the bill since taking govt. First reading in Dec 2007 with select committee reporting back in July 2008.

**Regulatory Standards Bill:** Legislates a set of principles for all law, requires those proposing and creating law to certify whether it complies with those principles and empowers the The bill was part of National's deal with Rodney Hide's ACT party and subject to criticism both politically and legally. Select committee report back repeatedly delayed but the bill is expected to be superseded. First reading July 2011. Select committee report was pushed back to Feb 28, and then Dec 15 2014.

**Taxation (Income-sharing Tax Credit) Bill:** An annual tax credit for resident married, civil union or de facto couples responsible for an under-18 dependent child. Was part of National's deal with United Future. The select committee supported the policy intent but requested much more research. First reading Oct 2010 with select committee report back in March 2011, been awaiting second reading ever since.

**Therapeutic Products and Medicines Bill:** Would establish an Australia New Zealand Therapeutic Products Authority, agreed by the two govts in 2003. Stalled by incoming govt Nov 2008; announcement June 20 2011 to proceed with authority. A Medicines Amendment Bill has made some adjustments. Govt again said the bill would proceed in 2013, but this did not happen. First reading in Dec 2006, select committee reported back in June 2007. 

### Stages in a bill's passage

Introduction

First reading

Select committee hearings and consideration

Select committee report

Clause-by-clause study by the whole House in Committee

Third reading

A bill cannot progress through more than one stage on a sitting day unless "Urgency" is taken or leave granted