

Special, but not quite so special anymore

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NZ continues to enjoy an unusually close political relationship with China, which dates back decades. However, the 'special relationship' that delivered the 2008 free trade agreement and the subsequent dairy sector boom is not as special as it was. Beijing officials are reluctant to push hard on upgrading our FTA to match the terms of Australia's version, signed last year.

Flag campaign gets serious

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Unless something changes in the next four weeks, the govt is heading for an embarrassing defeat in its attempt to change the national flag. If the referendum is lost, it will be a particular blow for John Key, although whether it will dent his still very strong approval ratings is unknown. A campaign using prominent NZers to push the flag could backfire as too overtly political.

Our strangely resilient economy

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This week's extraordinarily weak inflation expectations figures prompted speculation about an earlier than expected interest rate cut. But last week's unexpectedly strong employment figures argue, if anything, for tighter monetary policy. Agricultural commodity price weakness militates against that, although dairy prices are not especially low by historical standards.

Turnbull takes a cautious turn

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Australian business leaders were expecting great things of Malcolm Turnbull and were caught napping when he canned proposals for a substantial corporate tax cut as part of a package that would have raised GST. Arguably, Turnbull's gradualism is straight from John Key's playbook.

Earnings season

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One of the longest-standing NZX-listed stocks, Nuplex continued its turnaround with strong first half earnings, as it entertains a friendly takeover from US investors. Contact Energy fell to a first-half loss driven by writedowns, but its free cash flows look strong, even if its retail woes continue. Spark's result suggest its strategy refresh is starting to work.

NZ Steel's operations looking safer

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NZ Steel's owners, Bluescope, have roughly halved the net value of the NZ operations' assets, but that looks to be a sign that it is confident the local operation has a future. More details will emerge next week.

Global value chains vs global value networks

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New research for the NZ Pacific Economic Cooperation Council advances the view that NZ's traditional food and beverage industries are better integrated into global value chains and need to focus more on extracting value at home. Tech companies, however, are showing real promise at tapping into global value networks – a separate concept.

China relationship

The China-NZ relationship remains in good heart at a political and diplomatic level, but under the hood at the trade negotiations level, things are a little stickier.

John Key is heading to Beijing in April, having previously been planning a March trip, with a mission to kick-start the renegotiation of the China-NZ FTA to make it consistent with the Aust FTA, which does not have the same restrictive 'safeguard' tariffs on key agricultural exports as NZ's 2008 version. Indications are that the Chinese bureaucracy is considerably less enthusiastic about this than the political rhetoric would suggest.

Pushing too hard on diplomatic and leader-to-leader relationships risks causing a backlash further down the chain. The temptation may be to think this is to do with a political reaction to the rejection of the Shanghai Pengxin bid for Lochinver station last year. That certainly caused a backlash in Beijing, but the issue is more subtle than that.

Since signing an FTA with NZ in 2008 – the first with a developed economy – Chinese trade ties have grown in leaps and bounds with other parts of the world. The Aust-China FTA is evidence of that. EU and American dairy producers are also entering the market in force, and the Chinese domestic dairy industry is itself in the process of being reformed and consolidated.

NZ will eventually get some improvement in its FTA terms – Key says he is confident of that "or as confident as we can be". However, these dynamics are worth watching as a harbinger for the longer term for the dairy sector. A recovery in global dairy prices is a reasonable expectation, but a return to NZ's dominance in the export market to China cannot be presumed. (see *Domestic Economy*, page 4)

From Beijing to Delhi

Note that Key is planning to swing by New Delhi after Beijing. There, it is far less clear what is achievable, given the Modi administration's lack of interest in the demonstration effect of achieving modern FTAs with non-threatening developed world economies – the original rationale for the China-NZ FTA. However, there are major opportunities for NZ in India in cold supply chain technology transfer. The country suffers enormous food waste because of antiquated transportation and storage technologies. Key will also be in Sri Lanka next week, a key market for Fonterra. However, it appears Key's duties as chair of a meeting of the Executive Committee of the International Democrat Union may have been the primary spur to the visit.

Parliament resumes

Parliament resumed on Feb 9 after a long summer adjournment with John Key outlining the gov't's priorities in the Prime Minister's Statement. The gov't was quick in the first fortnight session to adjourn the debate and make progress on its bills. This led to debate on a number of bills which had been languishing for some time on the Order Paper and also to push through some higher priority bills.

Select committees also returned to a full meeting schedule with most putting a priority on completing the annual reviews of agencies in order to meet statutory deadlines. The Foreign Affairs and Defence Committee began the examination of the Trans-Pacific Partnership Agreement and a number of other treaties. Submissions close on March 11 and a report back is due by May 31. The gov't is expected to introduce enabling legislation shortly after this.

Parliament will begin a three week sitting session on March 1 after a one week adjournment at the end of February. **The Budget is May 26.**

Both the gov't and Labour appear almost to have entered a "phoney war" after a fast start to the year. This week's Cabinet meeting had an unusually sparse agenda and almost nothing has been seen of Andrew Little since Labour both changed its policy on TPP and announced its 'free' tertiary education policy.

New approach to free trade deals

The new Trade Minister, Todd McClay, is bringing a very different approach to the portfolio to his predecessor, Tim Groser. McClay has already been talking to Labour's new trade spokesperson, David Clark, about rekindling the bipartisan approach to free trade agreements that used to prevail in Parliament. It's too late to do anything about Labour's opposition to the TPP, but it looks likely that Labour will support the negotiation of an agreement with the EU. McClay is used to working with Clark. When he was Minister of Revenue, Clark was the Opposition spokesperson.

Water politics

National will unveil its response to the Land and Water Forum's late 2015 report this weekend at its Blue Greens conference in Lake Tekapo. It will be an interesting statement because there is growing concern among gov't backbenchers, which was articulated last year by Judith Collins, that any response may result in giving a blank cheque to iwi, particularly if the gov't agrees to giving iwi first options on unallocated water in some catchments.

That would effectively make any new farm development dependent on water need to involve iwi.

It's a fair bet that is not where the govt will end up. Over the summer MPs have been hearing opposition to this from their constituents.

Climate change policy

Climate Change Minister Paula Bennett will need to take the National Interest Analysis on the Paris Agreement on Climate Change to Cabinet shortly. The agreement will open for signature on April 22 and Climate Change Ambassador, Jo Tyndall, told Parliament's foreign affairs, defence and trade committee that Cabinet will need to see the analysis before it agrees to sign. Tyndall says NZ's target of reducing greenhouse gas emissions to 30% below 2005 levels by 2030 will cost more, in terms of total cost to the economy, than the targets of other key developed countries, including the European Community.

In her first speech as minister, to a Pacific climate change forum, Bennett made clear that NZ's primary response in the region will be in development assistance targeted at sustainable economic development, resilient infrastructure, and low-carbon energy.

Flag campaign looking limp

Unless there's a latent surge of support for a flag change, John Key's bid for an enduring legacy by changing from the Union Jack to the silver fern looks dead in the water.

A string of polls show support for a change stuck at around 1/3, with even National Party supporters only 50/50 in support, according to the most recently released poll, from UMR.

The young and the old are the most opposed to the change. Opposition to change among 18 to 29 year-olds runs 72% against, compared with 62/63% in all other age groups. Some 83% of NZ First supporters oppose a change. That makes the issue another gift for Winston Peters, who is positioning himself as the champion of the current ensign. That's a good fit with his elderly support base and represents this year's version of the Northland by-election for tweaking the govt's nose early in the new year.

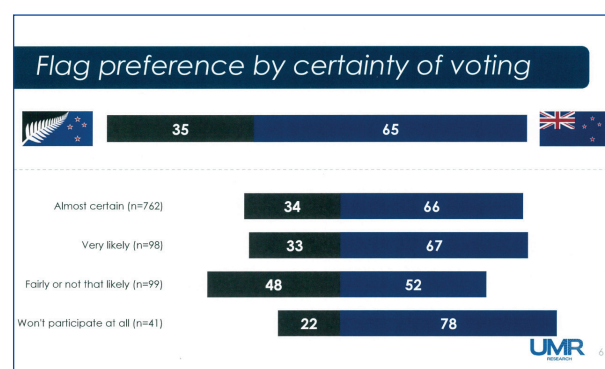
Key appears quite fixated on Peters's plans, in particular whether he will run again in 2017, since he appears likely to hold a kingmaker position because he would easily hold the electorate seat of Northland, guaranteeing the party parliamentary seats.

However, the turnoff among younger NZers may

be the more significant harbinger for a govt that is allowing itself to believe it can win a fourth term, but knows that history is against it.

It is too early to be certain what the political impact of a flag referendum loss would be. However, the capacity for its unpopularity to rub off on a long-serving PM whose stellar approval ratings are nonetheless now anchored well below 50% is real.

The most common reasons for opposing the change, according to UMR, are the belief that it is a distraction



and a waste of money and that the current flag represents tradition, history and war efforts. Some 2/3 of opponents cite those two reasons. Among supporters, the strongest reason for change, at 50%, is a desire to end confusion with the Aust flag.

New thinking on trade

The NZ Pacific Economic Cooperation Council (PECC) has published research to assist policymaking on global value chains and networks.

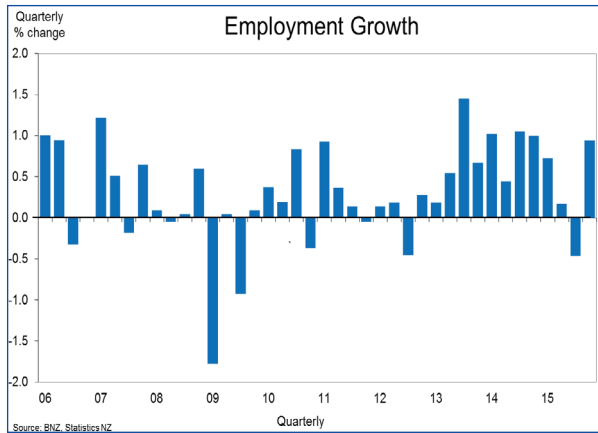
The GVC research focuses on agriculture and food and beverage processing and concludes not only that NZ is relatively well integrated with GVCs, but that "targeting any particular level of GVC participation is not likely to be fruitful". "The challenge is to extract more domestic value added", moving "up the value chain" is pointless if firms don't have "the resources, the innate competitive advantage, unique knowledge or ability to influence" a particular GVC. The GVN paper focuses on two knowledge-intensive NZ tech firms' ways of doing business to show how value networks and value chains differ. NZIER describes the results as "very encouraging". Some NZ tech firms are defeating small scale and distance. Policy development should focus on this area. ■

Hugo meeting rules

We know we're labouring the point, but part of the value of The Hugo Group lies in creating a meeting place where a free and frank exchange can occur between the country's political leadership and chief executives and their representatives.

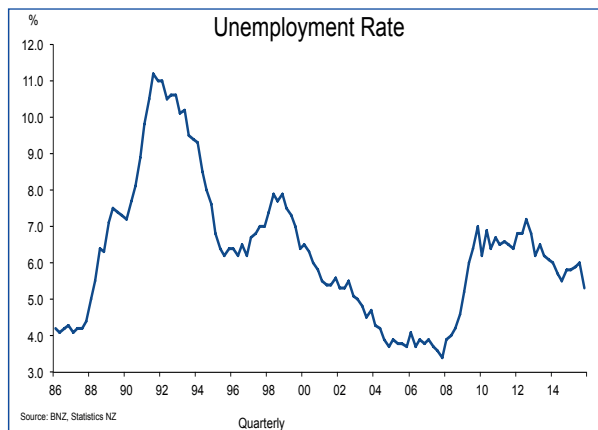
Recently, that integrity was breached in an article in the NZ Herald. In the interests of maintaining this rare, trusted space, we urge members to maintain the Chatham House Rule integrity of our meetings.

DOMESTIC ECONOMY



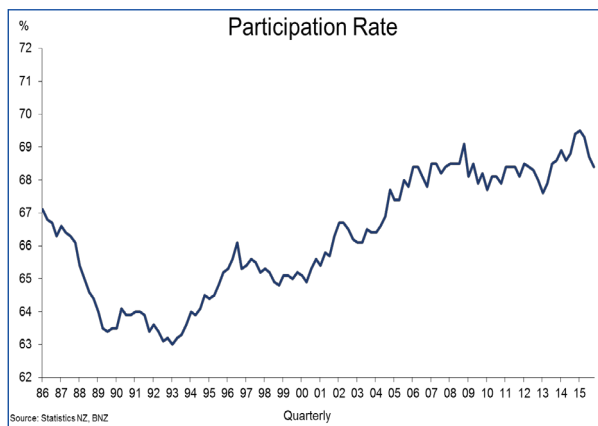
Employment bounces

- Inflation expectations are weak enough (see commentary below) to have commentators speculating on an OCR cut sooner rather than later;
- But the latest employment data suggests the opposite. Job growth in the Dec 1/4 was very strong at 0.9% and leading indicators suggests this will continue well into 2016;
- Numbers employed will continue to support household spending, house-buying and economic optimism, especially with credit historically cheap.



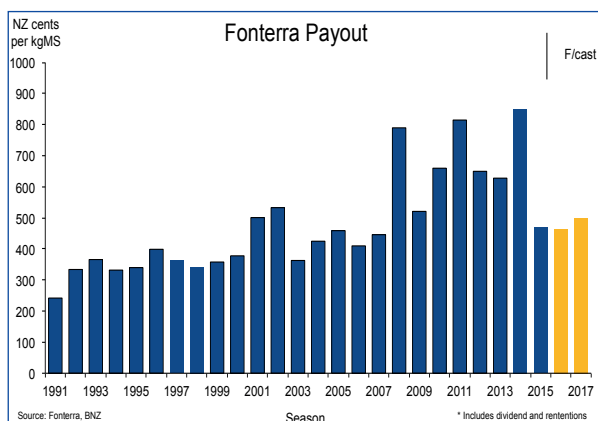
An uncanny drop

- The unexpectedly strong fall in unemployment to 5.3% might almost constitute a reason to consider raising interest rates;
- However, the fall is at least partly explained by a similarly unexpected drop in the labour market participation rate;
- With that in mind, we are taking more notice of the employment growth figures and regarding the unemployment measure as “noise” for now.



Inflation expectations fall

- Inflation expectations fell sharply between the 3rd and 4th quarters of last year, from 1.51% to 1.09% – the lowest since 1994;
- That saw the NZD drop and swap rates are suggesting a 42% chance of an OCR rate cut at the March monetary policy statement;
- In his major policy speech earlier this month, RBNZ governor Graeme Wheeler maintained a hawkish stance, but his comments were tempered by an expectation of rising inflation expectations.



Dairy weak, but not abnormal

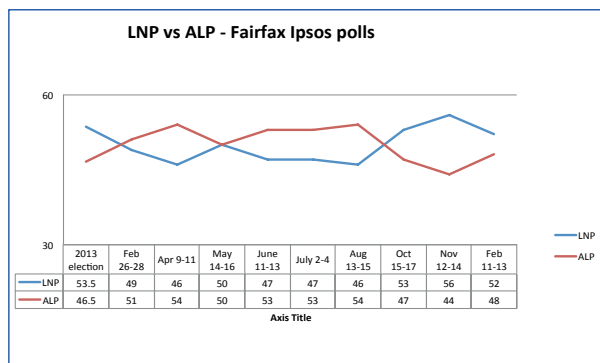
- Dairy prices fell 2.8% on average at this week’s GDT auction, less than feared but enough to start another round of Fonterra payout revisions, in some cases to below \$4 per kg/MS;
- Global over-production, low oil prices curbing personal incomes in oil-rich dairy-consuming countries and low grain prices are entrenched;
- On a historical basis, dairy prices are not all that low. NZ dairy farmers’ challenge is to reverse recent losses in competitiveness. 🇳🇿

Turnbull still wildly popular, but his govt takes a poll knock

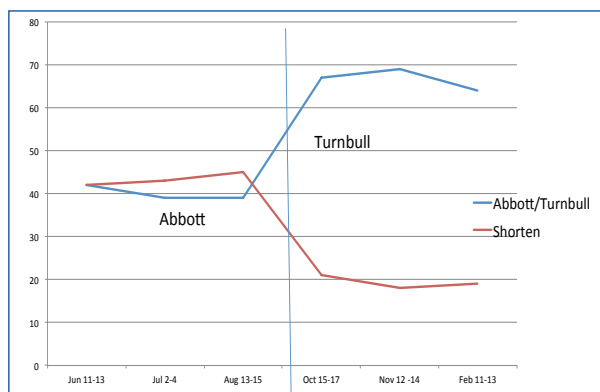
Malcolm Turnbull's ascent to power last Sept capped into the increasingly urgent desire among Australians for a sense that someone has a plan to turn around their uncustomarily sluggish economy.

Turnbull's 'captain's call' last week to abandon plans for a major tax reform package, offsetting higher GST with lower corporate and personal income taxes, came amid signs that early optimism is fading.

The latest Ipsos poll for Fairfax shows the Liberal-National coalition falling for the first time since Turnbull replaced Tony Abbott.



The poll was taken before the GST reversal and suggests that the Aust public was not enamoured of a big bang approach to tax policy. Turnbull's



interpretation of the forecasts accompanying the tax package advice was that he would be offering too little economic gain for assured electoral pain. As The Australian's editor-at-large, Paul Kelly, noted, modern reforming politicians are learning that "the economic dividends from reform are less than before and the political risks are greater than before. This double blow works against bold policy."

Ironically, given the enormous enthusiasm among Aust business leaders for the NZ PM – more than 700 are due to fete him at a lunch with Turnbull

in Sydney today – Turnbull's gradualism is very Key-like. Also noteworthy is the ongoing strength of Turnbull's personal standing, which eclipses that of the ALP leader, Bill Shorten, who had been giving Abbott a run for his money.

In the run-up to a federal election later this year, Turnbull's own popularity is, like Key's, his govt's greatest weapon. But he has shown a degree of caution in the GST decisions that caught many of his strongest supporters in the business community by surprise.

Central banks take the strain

The Bank of Japan moved to negative interest rates, only to see the yen rise in response. US Federal Reserve chair Janet Yellen expressed caution about the track for higher US interest rates amid ongoing signs of sluggish global growth. A softening in the Fed position is a long way from reversing December's rate rise.

But the minutes from the latest FOMC meeting, in late Jan, show Fed governors struggling to reconcile the early new year turmoil against their pre-Christmas expectations.

In the UK, Bank of England governor Mark Carney pushed back the timeline for any rise in British interest rates. "The year has turned and, in my view, the decision proved straightforward: now is not yet the time to raise interest rates. The world is weaker and UK growth has slowed."

UBS economists note that the BoE is in a relatively stronger position to have an impact than the Fed when it does raise rates, because more than half of UK mortgage borrowers are on floating rate loans. The impact of a rate rise will feed through very quickly to economic conditions by comparison with US borrowers, where the average term remaining on outstanding fixed rate mortgages is more than 27 years.

US – Trump's run peaking?

Donald Trump and Bernie Sanders are tapping deep economic malaise in the US. But latest US polling suggests Trump may have peaked, setting the scene for a battle between Ted Cruz and Marco Rubio. A telling intervention this week came in a call from the chair of the Minneapolis Fed, Neel Kashkari, to break up the US's big banks to respond to the economic anger fuelling current political trends.

The US primaries

Primaries and caucuses – key dates:

- **Tuesday, March 1** – 'super Tuesday'
12 states, inc. Texas
- **March 15**
5 states, inc. Florida & Ohio
- **April 19**
New York state
- **April 26**
5 states, all north-eastern
- **June 7**
6 states, inc. California

CORPORATE ROUND-UP

Earnings season

Contact Energy turned to a first-half loss of \$116m after writing down the value of its shuttered Otahuhu-B power station and \$35m against the Taheke geothermal prospect, which it said was “unlikely to be developed in the foreseeable future.” A 9.3% decline in revenue to \$1.1b resulted in a 3.9% drop in underlying profit to \$73m. The period saw a 2.8% drop in retail electricity prices, while the portion of its customers on non-standard, discounted tariffs rose to 76%. Contact maintained its interim dividend at 11 cents, saying the completion of major plant investment meant free cash flow rose to \$203m in the first half, up \$39m from a year earlier.

Fletcher Building met analyst expectations with a first-half profit of \$172m, although the divisional results underlined the strength of its NZ operations versus Aust and the rest of the world. Construction earnings fell 22% excluding one-time items, mainly because of project timing, because Fletcher had a record \$3.3b backlog of contracted work at the end of the half, including Auckland’s convention centre and the Auckland airport international terminal upgrade. The biggest contribution came from building products and distribution, with earnings up 65% and 14% respectively, before items. The international division, which holds the Laminex, Formica and roof tile businesses, had a 13% earnings decline, led by Formica, which lacks the inhouse distribution that underpins Laminex. Full-year pretax earnings guidance was affirmed at \$650m-to-\$690m.

A2 Milk shares have been frothy of late because of upbeat sentiment in the Aust market, where they are also listed, over demand for infant formula locally and in China. The specialty milk marketer boosted first-half profit to \$10m and raised its estimate for full-year earnings on a surge in demand for its infant formula in Aust, NZ, and China. First-half revenue rose 86% to \$139m on sales of its a2 Platinum formula and fresh milk sales in Aust.

Trade Me posted flat earnings of \$38.5m in its first half, partly reflecting a period of investment for growth that’s now winding down. Revenue rose 8.9% to \$105.6m while expenses gained 19% to \$38.3m. Earnings are expected to pick up as insurance, finance, travel and deeper motoring offerings add to the general auction platform.

Foley Family Wines, quadrupled first-half profit to \$1.6m, mainly driven by a jump in exports to the US. Sales of brands including Grove Mill, Sanctuary and Te Kairanga, rose 12% to \$17.4m. Packaged export case sales were up 42% and the company reported strong interest from China.

Weaker dairy prices and export log volumes

contributed to a 9% fall in first-half earnings at the **Port of Tauranga** to \$38.6m, although there was also a \$4.1m one-time gain in the prior period. Guidance is for flat full-year earnings. Operating revenues fell 9.8% to \$121.9m. In the first half, log exports fell 16% to 2.4m tonnes, although dairy volumes were up 29% and container volumes rose 10% to 470,928 TEUs.

Spark NZ’s first half profit was up 9% to \$158m in a result that, for the first time, saw voice revenues at \$337m (down 30% on the pcp), coming in below broadband revenue, at \$339m. Mobile revenue was up 12% to \$563m and IT services up 9.2% to \$322m. A special dividend will be paid this year, with prospect of another next year.

Metals

Bluescope, the Australian steel manufacturer, announced a **A\$350m writedown on the value of its NZ assets**, which include the **Taharoa ironsands** mining operation and **Glenbrook steel mill**, where a \$50m cost reduction drive has been under way to secure its future. The writedown roughly halves the net value of NZ assets but would appear to suggest the NZ operations are safe for now from closure or mothballing. Further detail will emerge at the half-year profit briefing on Feb 22.

Rio Tinto turned in a net loss of US\$866m for 2015, a turnaround from the previous year’s profit of US\$6.53b, in a result that included impairment charges and forex and derivative losses. Underlying earnings fell 51% to \$4.54b. The company abandoned its commitment to progressively rising dividends. Its Australasian aluminium business, which includes the **Tiwai Point** aluminium smelter, reported a 49% fall in profit to US\$147m. All aluminium operations were assisted by favourable exchange rate movements and ongoing cost reductions.

Industrial relations

The **NZ Meatworkers Union** had a significant win in the **Employment Court** in its long-running battle with **Talley-owned Affco**. The court ordered the company to allow workers previously employed on day-shifts to be offered those shifts again, rather than be assigned potentially to night shift work. Affco had argued previous contracts and seniority conferred by them was not a guide to future deployment – a proposition the court disagreed with. Meanwhile, **Affco is instituting disciplinary proceedings** against staff who refused to work on Feb 8, the Monday-ised Waitangi Day statutory holiday.

Corporate actions

Security software developer **Wynyard Group** cancelled a special shareholders’ meeting that was to

have voted on giving the board freedom in pricing offers of shares to investors. The NZ Shareholders Association was among opponents to a plan to sell shares for less than \$2 apiece. US private equity firm **Blackstone Group** has bought **Lendlease Group's** portfolio of five retirement villages in NZ for an undisclosed sum, pending regulatory approval. Resins and coatings maker **Nuplex** announced a friendly takeover bid from US-based Allnex Belgium SA at an offer price of \$5.43 per share, post a 12cps interim dividend announced by the company in its first half earnings. The process may take until June or July to conclude the deal, which is being proposed through a scheme of arrangement. Nuplex shares traded on Feb 18 at \$5.10.

Maori economy

The Wellington Maori tribal investment vehicle, the **Port Nicholson Block Settlement Trust**, was unwilling to sign off on the sale of old Defence Force land at Wellington's Shelley Bay to a property developer, while the trust is under investigation by the Serious Fraud Office, about which no details can be published. The trustees needed to convince a minimum 75% of voting members to back the sale to Wellington developer Ian Cassells, who stood to benefit from the block's special housing area designation.

Infrastructure

Ports of Auckland has conditionally agreed to buy 33 ha. of land at the Northgate Business Park north of Hamilton to develop a freight hub, to complete its network across the North Island. **Investment in the telecommunications sector** has reached \$1.7b annually but could shrink in future if returns don't rise, says Spark NZ ceo Simon Moutter. The Telecommunication Forum has released a Sapere research report on the state of the local sector which found it was investing at one of the highest rates in the OECD. **The Wellington runway extension argument rumbles on.** A report from NZIER for the Board of Airline Representatives challenged findings from international airline forecaster InterVISTAS and Sapere, suggesting the **cost-benefit ratio on the project is negative, rather than Sapere's 1:7 positive benefit.** It suggested only one of the five long haul routes proposed by InterVISTAS was likely to be commercially viable – Singapore-Wellington. Wellington deputy mayor **Justin Lester accused BARNZ of "Welly-bashing"** at Air NZ's bidding. PM John Key **turned the first sod on the site of the controversial International Convention Centre** on the SkyCity site in the Auckland cbd.

Finance and insurance

Harmoney Corp, NZ's biggest peer-to-peer lender,

has raised \$30m for working capital as it steps up plans to launch in Aust this year, but doesn't anticipate seeking more funds until it's cash-flow neutral. The Auckland-based company this month sold \$8.8m of new shares to Stone Ridge Ventures and P2P Global Investments, taking total funds raised to \$30m. **Investec Australia** has bought a 20% stake in **Equitise**, the trans-Tasman equity crowd funder. Equitise is looking to expand into Singapore with Investec's funding. **ANZ Bank's kiwi unit** reported a 6% drop in first-quarter profit as competition for lending eroded margins, while growing market share. Cash profit fell to \$390m in the three months ended Dec 31 from \$415m a year earlier. Net profit dropped 18% to \$347m. The NZ branch's gross loan book expanded to \$116.2b as at Dec 31 from \$107.7b. **Suncorp**, the ASX-listed general and life insurer whose local brands include Vero, AA Insurance and Asteron Life, posted a 21% drop in first-half profit from its NZ general insurance business as claims grew at a faster pace than premiums. **IAG, owner of the State, AMI and NZI brands**, reported an \$11m first-half profit on NZ operations, reflecting increased reinsurance provisioning to cope with Canterbury quake claims.

IT Services

Spark NZ's Revera unit has been picked to supply the Inland Revenue Department's data centre services for the new tax system being developed under its business transformation programme. The 10-year deal is worth between \$45m and \$60m, and will see Revera data centres host essential IRD services, with the first coming online in the next month. **A record upsurge in demand for ultrafast broadband connections** since Christmas is exacerbating a shortage of technicians to do the work. **Chorus ceo Mark Ratcliffe** said the company has boosted its technician capacity by 30% in the past four months.

Agriculture

Alliance Group is to start withholding some stock payments to its farmers to bolster its balance sheet and force suppliers to meet their share requirements. The payments will go towards additional shares in the cooperative and will only apply to farmers who have fewer shares than required. Alliance is moving to entrench its cooperative status as rival Silver Fern Farms waters down its cooperative by tapping Chinese investor Shanghai Maling Aquarius for capital. **Livestock Improvement Corp**, the farmer-owned herd genetics and software cooperative, saw first-half profit slump 46% to \$15.9m on 9% lower revenue, reflecting the increasingly challenging circumstances of many dairy farmers. ■

LEGISLATION

Parliament resumes: May 26 Budget

Our first legislation update of the year is in this issue. Full detail of progress on bills is always available and regularly updated on The Hugo Group website, www.thehugogroup.com. If you need to be reminded of your username and password, please contact tracey.gabbitas@thehugogroup.com.

- *Italics denote update from previous edition of Hugovision*
- *A full compendium of the legislation before the House is available on our website.*

Bills Introduced

Land Transfer Bill: Introduced Feb 11 2016. Implements the govt's response to the recommendations from the Law Commission's report *A New Land Transfer Act*, which was aimed at modernising, simplifying, and consolidating the land transfer legislation to increase clarity and accessibility.

Bills in Progress

Employment Standards Legislation Bill: Introduced Aug 13 this is an omnibus bill making a large number of amendments to a wide range of employment law including parental leave, employment relations, holidays and minimum wages. Reported back on Feb 12 2016 with minor amendments around parental leave. There are also changes around zero hour contracts rules, including compensation, the cancellation of shifts and secondary employment bans. Labour, Greens and NZ First filed a joint minority report opposing the bill. They argued zero hour contracts should be eliminated and the setting of standards enshrined them in law.

Environment Canterbury (Transitional Governance Arrangements) Bill: Creates a mix of appointed and elected representatives for the Canterbury Regional Council from 2016-19. Reported back on Feb 15 with minor amendments including representation of Ngai Tahu on the transitional governing body. Labour and the Greens presented dissenting minority reports opposed to the bill in principle and much of the detail.

Minimum Wage (Contractor Remuneration)

Amendment Bill: A bill in the name of Labour MP David Parker drawn from the ballot on June 4. Provides for contractors to be paid not less than the minimum wage. By agreement the Feb 12 report back deadline was extended to April 29 2016.

New Zealand Business Number Bill: Introduced March 31, enables certain entities (including corporate and public entities or unincorporated entities) to get a NZ Business Number. Second reading interrupted on Dec 3 and again on Feb 16.

Parental Leave and Employment Protection (Six Months' Paid Leave and Work Contact Hours)

Amendment Bill: Members bill in the name of Sue Moroney (Labour) drawn from the ballot on July 23. Its purpose is to extend paid parental leave to 26 weeks. Some of the of the extensions of coverage proposed have been incorporated into the Government's Employment Standards Legislation Bill. *Report back deadline pushed back to April 28 2016.*

Patents (Trans-Tasman Patent Attorneys and Other Matters) Amendment Bill:

Introduced Nov 3. Establishes a single trans-Tasman patent attorney regime. The intent is also to increase competition and modernise the patent attorney occupational framework with single qualification requirements and professional standards. It will enable a single patent application and examination process to be implemented between IP Australia and the Intellectual Property Office of NZ. It also changes the grounds on which a person can oppose the grant of a patent. Completed its first reading Feb 9 2016 with the support of all parties. Sent to the Commerce Committee for consideration with submissions closing on March 24.

Radiation Safety Bill: Repeals and replaces the Radiation Protection Act 1965. Second reading completed Nov 3 with all parties in support. Committee stage completed on Feb 16.

Shop Trading Hours Amendment Bill: Introduced on Oct 22. Grants territorial authorities a limited power to create bylaws allowing shop trading on Easter Sunday, and enable shop workers to refuse work on Easter Sunday. The first reading on Nov 3 was decided on a conscience vote and by 75 to 45. The bill was sent to the Commerce Committee for consideration. National MPs voted under the whip on the issue in favour. Two Labour MPs supported, all NZ First MPs and ACT. All other MPs opposed. *Report back deadline pushed back to May 17.*

Weathertight Homes Resolution Services

Amendment Bill: Introduced Feb 23 2015. Makes a number of changes to the administration of the Weathertight Homes Resolution Services. Committee stage completed on Feb 16.

Bills Passed

Taxation (Annual Rates for 2015–16, Research and Development, and Remedial Matters) Bill: Annual tax bill, completed its first reading on March 11. Committee stage interrupted on Dec 1 and completed on Feb 10 with the govt making a number of amendments. Third reading completed Feb 16 on a voice vote though Opposition parties argued it did not do enough to promote R&D.

Social Housing Reform (Transaction Mandate) Bill: Introduced on July 1. Allows ministers to negotiate sale of Housing NZ Corp properties on the SOE's behalf. Strongly opposed by Opposition parties on grounds of "privatisation" and potential for "corruption". Second reading completed on February 16 and remaining stages on February 18, opposed by Labour, Greens and NZ First. 