

# Political update: Bloody foreigners!

The Hugo Group, May 11 2016

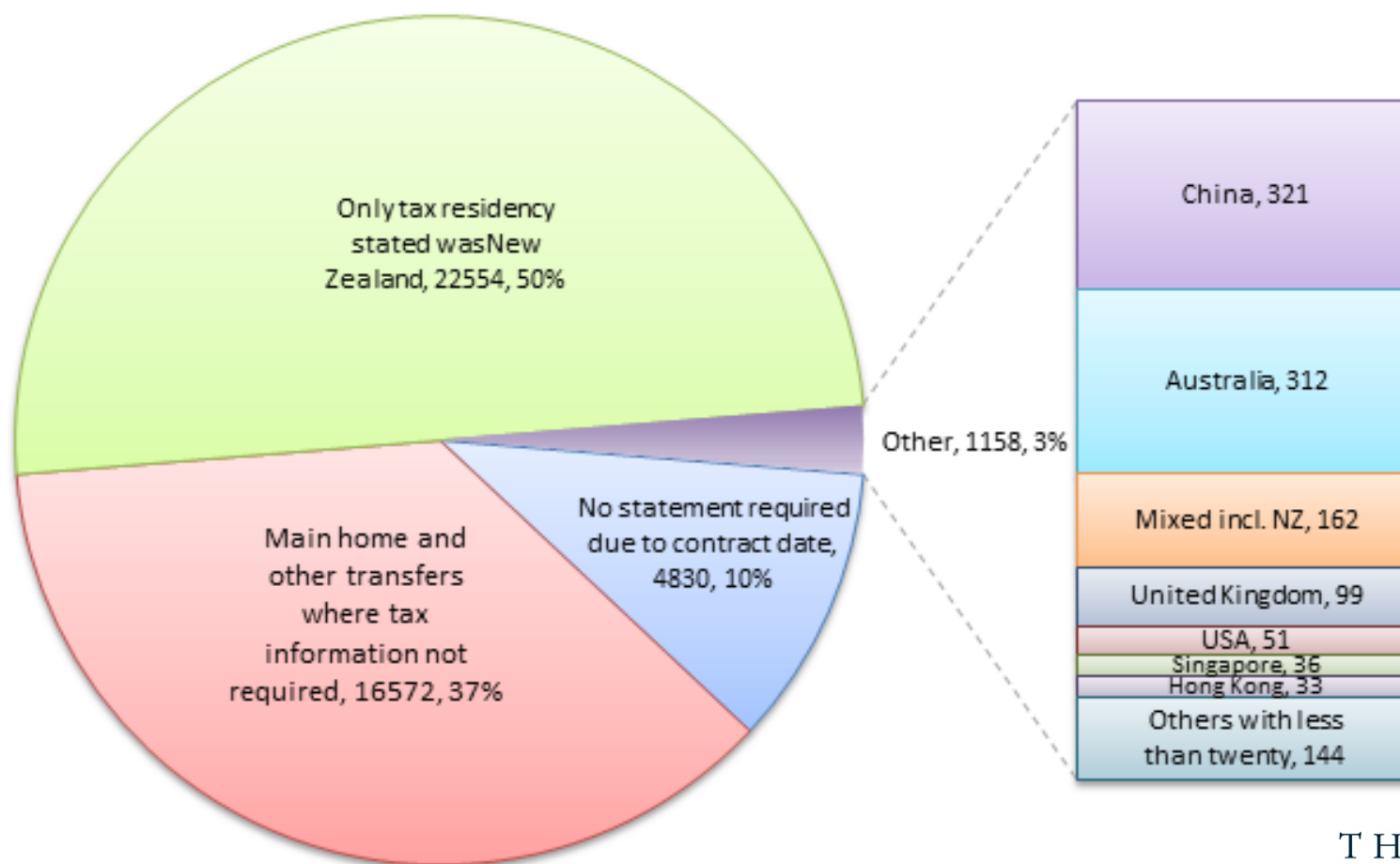
# Focus on foreigners

- Foreign, multi-national tax dodgers
- Foreign home-buyers
  - The land tax threat
  - The LINZ data
  - OIO, heavily criticised, gains funding rather than clean-out

# The Panama Papers

- The tide has turned globally on tax avoidance
- The NZ media is overplaying the significance of the references to Key in the papers
- This week's promise of new revelations has flopped badly
- But it is corrosive
  - PM committing serious time to its management
- Need to see polling before judging impact
  - Seems to me it plays to Winston Peters again
  - Greens performing well, Labour middling
  - Govt has ridden this sort of thing out, but ...

# The LINZ data



# The OIO conundrum

- Where it should be located?
  - LINZ not a natural regulatory agency of that sort
    - Should it be statutorily independent?
    - LINZ shows some difficulty executing well – foreign buyer data problematic
- Rather than more funding, refocus?
  - QC's inquiry into 'good character test'
  - What skills should be available to the OIO?
    - Forensic accounting, international document trails etc
  - Does it have them?
  - Does it plan to recruit them?
- A political consideration
  - The staff increase is intended to speed up approvals process
  - Faster sales to foreign investors unpopular
  - Exacerbated by the Panama Papers 'effect'

# Closer to home: RMA reform

- Select committee hitting big questions
- David Parker pushing better, faster first process
- Some very weighty submissions against:
  - Wider ministerial powers
  - Loss of appeal rights – need to retain ‘merit’ appeals
  - Collaborative process – new source of delay/gaming?
- A wave of submissions from individuals opposing iwi participation
  - Key to the deal with the Maori Party
  - Local govt hitting issues of leadership on unelected Maori representation in decision-making
  - This is NZ First’s new stamping ground

# Budget – May 26

- Tax cuts off the table
- Reasons given:
  - Fiscal drag not keeping up in low inflation environment
  - More important to hit govt debt target – 20% of GDP by 2020
  - Changing spending priorities
- What does this suggest?
  - Pent-up spending demand after 7 years of restraint
  - Are tax cuts the electoral gee-gaw they used to be?